blue on the plan was previously portion of Greenmount suburban lot 281, and was donated to the Crown by the then owner of the lot for the purpose of truncating the corner. The Mundaring Road Board considers the truncation excessive and has requested that the area be reserved for a hall site. Provision has been made for a standard truncation of the corner as indicated on the plan. The present holder of lot 281 has concurred in the proposal. Any member desirous of investigating the proposals, will find the particulars and maps available to him. I move—

That the Bill be now read a second time.

On motion by Hon. F. J. S. Wise, debate adjourned.

ADJOURNMENT—SPECIAL.

THE PREMIER (Hon. D. R. McLarty—Murray-Wellington): I move—

That the House at its rising adjourn till 2.30 p.m. tomorrow.

Question put and passed.

House adjourned at 10.53 p.m.

Legislative Assembly.

Friday, 23rd September, 1949.

CONTENTS.

The SPEAKER took the Chair at 2.30 p.m., and read prayers.

SEED WHEAT.

As to Price for Local Purchases.

Mr. BRAND asked the Minister for Lands:

(1) Has it been brought to his notice that several farmers in the Mullewa district who had a complete failure of crops owing to drought conditions and pests, were compelled to purchase seed wheat for the present season's cropping at 10s. per bushel?

(2) If these facts have not been brought under his notice, will he institute inquiries to ascertain the position and if found to be as stated, take steps to subsidise the growers concerned to the extent of the difference between the price paid for seed wheat and the home consumption price of wheat which such growers are compelled by State legislation to accept when selling wheat in normal seasons for stock feed or human consumption within Australia?

The MINISTER replied:

(1) Yes.

(2) Investigation disclosed that nine farmers applied for relief. As the average amount of each application was only approximately £38, the Government felt that no case for relief had been established.

EGG MARKETING BOARD.

As to Personnel and Marketing Cost.

Mr. WILD asked the Minister for Lands:

(1) Who are the members of the Egg Board and on what dates do their present appointments terminate?

(2) What is the cost to the producer for placing one thirty-dozen case of eggs on the floor at the Egg Board?

The MINISTER replied:

(1) G. H. Philp, Chairman—appointed at Governor's pleasure M. Love—2/4/52; G. F. Charles—2/4/52; C. L. Harvey—31/3/51; J. J. Ellis—6/8/52; M. Stocker—6/8/51.

(2) Marketing charge of 3d. per doz. (this includes handling, selling, processing and stabilisation)—7s. 6d. Case maintenance charge, per case—3d. Replacing fillers where complete set not returned, per filler—3d. Cartage and freight—actual charges according to distance.

From the 15th August to the end of the export season a temporary stabilisation charge of 2d. per dozen eggs is made—5s. (This allows the Board to pay higher prices to the producer during the export period as the export price is lower than the local market price.)

At a meeting of the Egg Board this morning it was decided to reduce the charge to 1d. per dozen. This will enable an extra 1d. per dozen to be paid to the producer.

STEEL PRODUCTION.

As to Utilisation of Collie Coal.

Mr. BRADY asked the Minister for Industrial Development:

(1) Has consideration been given to the utilisation of Collie coal gas for the production of steel by the open hearth system or the crucible system?

(2) If the answer is in the negative, will he have inquiries made regarding the possibilities of the production of steel under the systems referred to?

The MINISTER replied:

(1) Yes. There is no question about the suitability of Collie coal for the production of gas for use in the open hearth.

(2) See answer to No. (1). However, before production by the open hearth system can be introduced, it is necessary to produce sufficient pig iron, but it should be borne in mind that the consideration at present being given to the establishment of a large scale steel industry in Western Australia provides for the production of pig iron which can subsequently be used with Collie coal gas in the open-hearth process. It is felt, therefore, that the technical officers of the industry, if and when established, will make the final decision as to the methods to be adopted.

PRICES CONTROL.

As to Overcharges for Meat at Norseman.

Hon. E. NULSEN (without notice) asked the Attorney General:

In view of the allegation by the people of Norseman that they are being charged more for meat than the price laid down by the Prices Commissioner, will he send an inspector to Norseman as soon as possible to investigate the charge?

The ATTORNEY GENERAL replied:

I will consult the Prices Commissioner and try to arrange as soon as possible for an inspector to be sent to Norseman on a suitable date.

ELECTRICITY SUPPLY.

(*a*) *As to Report on Breakdown.*

Hon. A. R. G. HAWKE (without notice) asked the Minister for Works:

Will he lay on the Table of the House a report covering the present breakdown of the 25,000 k.w. generator at the East Perth power house?

The MINISTER replied:

The question was not previously submitted to me, but in the circumstances I think I might say, yes.

(b) *As to Inquiry by Parliamentary Committee.*

Mr. TRIAT (without notice) asked the Premier:

In view of the serious position regarding light and power, will he give consideration to appointing from members of this House a committee to make inquiries and report on all matters connected with the State Electricity Commission?

The PREMIER replied:

I cannot see that a committee such as that suggested by the hon. member would serve any useful purpose. We have the members of the State Electricity Commission whose duty it is to provide power and light for the city. I know that the breakdown is causing them very serious concern and they are making every effort to get the large machine into operation again. As the hon. member is aware, every possible effort is being made to speed up completion of the South Fremantle power station.

BILL—COMPANIES ACT AMENDMENT (No. 2).

Recommittal.

On motion by Hon. J. T. Tonkin, Bill recommitted for the further consideration of Clauses 5, 10, 14 and 16.

In Committee.

Mr. Perkins in the Chair; the Attorney General in charge of the Bill.

Clause 5—Amendment of Section 37:

Hon. J. T. TONKIN: I am grateful to the Government for agreeing to the recommittal of the Bill. My reason for desiring it is that the amendments proposed are all of a very drastic and important nature. Owing to circumstances it was not possible last night for several members to be present when the clauses were under discussion. Clause 5 proposes to change the number of members of a proprietary company from 21 to 50. That is a very drastic alteration to which I am strenuously opposed. A number of the provisions of the existing Act that apply to proprietary companies were agreed to only because it was realised that such companies were limited to 21 members. Exemptions were granted to proprietary companies with regard to the number of auditors and so on, but those exemptions were passed because of the realisation that a proprietary company was comparatively small as compared with a public company.

While the Act refers to 21 members as being the limit, that applies to 21 members exclusive of any existing employees of such a company who might have shares, or any former employees who might have shares. So under the existing legislation it is possible for a proprietary company to have several hundred members already. The main reason for the establishment of proprietary companies is to enable such companies to remain of a more or less private character as distinct from companies which invite public subscriptions; and usually fewer than 20 members is quite sufficient. But some proprietary companies follow the practice of making their employees shareholders. They grant to their employees bonus shares and all sorts of interests in the company, and by that means obtain additional shareholders, but such people are not counted in the 21 members allowed.

In view of that fact, is it reasonable to exempt such companies from the ordinary provisions which are made to apply to public companies? I submit that once a proprietary company has 50 principal shareholders it may become far larger than many public companies that are obliged to abide by various provisions of the Companies Act; and as these exemptions were agreed to in the first place only because of the knowledge that proprietary companies are comparatively small affairs, it is wrong now, after having secured those exemptions, to extend the number in order that such proprietary companies can become much larger concerns. That defeats the very object of the exemptions in the first instance. In view of certain other amendments with which I shall deal later, it would be very wrong to extend the number to 50. If a company has more than 21 principal shareholders and desires to get as many as 50, it should become a public company.

We would find, if this proposal were agreed to, that many existing public companies would forthwith take steps to become proprietary companies. They might have been operating for many years as public companies, subject to the controls imposed on them; but immediately this

proposal is agreed to they will take steps to become private companies to avoid the requirements of the Companies Act which apply to public companies generally. An argument advanced to me in favour of this proposal is that there has been a desire on the part of private companies to enable their employees to become shareholders. But I have pointed out that Section 37 contains ample provision to enable private companies to make their employees shareholders; and, if such employees cease to be employees but remain shareholders, they are still not counted in the number of shareholders in the company. The number allowed is 21 exclusive of them.

There is no justification for extending the number to 50. On the contrary, because certain of these exemptions were agreed to on the argument that proprietary companies were comparatively small affairs, it would be quite wrong now to enable those comparatively small affairs to become substantially large ones. I hope the clause will be defeated.

Mr. REYNOLDS: The member for North-East Fremantle has covered the objections comprehensively, so it is not necessary for me to go over the points he raised. When the Minister introduced the Bill he gave as the main reason for the increase in number from 21 to 50 shareholders that in the case of death the number of beneficiaries was, in nearly every instance, more than one. As a result, a proprietary company could no longer be carried on as such. I challenge the Minister to name one such case. I have searched everywhere and can find no record of a company that has been forced to become a limited company for that reason. Early in the year I asked the Minister how many limited companies had become proprietary companies in 1948. He replied that 790 had become proprietary companies and, to the 31st March, 1949, another 40 companies had taken advantage of the provision. Since that date I believe another 160 companies have changed to proprietary companies. "The West Australian" of the 13th August last gave a list of 20 new companies, 18 of them being proprietary companies. Martin Nixon, a proprietary company, has a capital of £100,000 in £1 shares. There are other companies with a capital of over £400,000.

It looks to me as though the privilege granted, when the measure was amended last year, is being abused. Section 37, Subsection (7), provides that two or more persons can jointly hold shares in a proprietary company, and shall, for the purpose of the section, be treated as a single number. That section adequately provides for the main objection raised by the Minister when he introduced the Bill. The principal reason why these companies want to become proprietary companies is because they avoid the filing of a profit and loss account and balance sheet, and it is not necessary for them to employ an auditor. If the amendment is passed we will discover that of the 2,000 companies in this State, only 160 or 170 will remain as limited companies. Section 112, Subsection (22), provides for the filing of the profit and loss account and balance sheet of a company, except a proprietary company. There is another advantage in connection with taxation, because while both private and public companies pay 5s. in the £1 on the first £5,000 profit and 6s. on the next £5,000, the public companies pay a super tax of 1s. on every £1.

The Attorney General: That is a fallacy.

Mr. REYNOLDS: It is not.

The Attorney General: It is.

Mr. REYNOLDS: It is not; it is a fact. A public company pays 2s. flat in the £1 in the case of undistributed profits, but the tax with respect to a proprietary company is paid according to the shareholder's ability, or according to his taxation return. When the Bill was being discussed in Committee the member for Nedlands had a good deal to say about proprietary companies. He said he was bitterly opposed to their being introduced. The Minister for Education said he saw no need for them. The Minister for Housing was bitterly opposed to them. I wonder whether this is the Attorney General's private Bill, or whether it was discussed in Cabinet. I am anxious to see what part the member for Nedlands and the Ministers for Education and Housing are going to play when a division is taken on this point. I strongly oppose any increase in number from 21 to 50, and I hope that intelligent members will do likewise.

Hon. E. NULSEN: I intend to be one of the unintelligent members, because I am going to oppose what has already been said. I think the number should be increased from 21 to 50. The original measure was brought down to help the commercial community and the people generally. In the other States and in England the number is 50. There has been a lot of opposition to proprietary companies. I had a big fight to retain them when putting the Bill through. The number was reduced to 21 on a motion of mine, because I thought I might pacify those who were strongly opposed to proprietary companies. I found, however, that I was abused by the member for Nedlands and others because I got away from uniformity, which is what I wanted. I received no assistance from the member for North-East Fremantle at that time.

Hon. J. T. Tonkin: You can understand why, can you not?

Hon. E. NULSEN: I do not know whether I quite understand that, but now it seems to me that they are taking advantage of the position and saying that, because the number for a proprietary company has been reduced to 21 they started it, but that is not the case. Someone remarked just now that the Government side of the House is not the only side that has a split in it, but this is not a split because we are dealing with a non-Party measure.

Mr. Nalder: What is your reason for advocating the advance to 50?

Hon. E. NULSEN: We should help the people in the back country as much as possible. I do not think any great advantage has been taken of the privileges given to proprietary companies and certainly nothing has been done to injure the public.

Hon. E. H. H. Hall: Would you say a proprietary company had the same reponsibilities as a public company?

Hon. E. NULSEN: Not exactly the same responsibilities, as they do not have to file balance sheets, for instance, but under Section 135 any member can at any time demand the balance sheet. It is not always convenient for small companies to comply with the rules that apply to public companies. If there is anything wrong with this provision it is strange that the other States have not altered the number from 50 to 21, and in Queensland there is no Upper House to prevent it.

In England there are both limited and proprietary companies, and the same applies in South Australia, but no alteration has been made in those places as to the number of members of a proprietary company. Employees or ex-employees can become members over and above the 21, but where a founder dies leaving his estate to a number of beneficiaries, as soon as the number reaches 21 that is the limit. There are one or two families in that position in this State. I think we should retain the provision for 50 members and remain uniform with the other States. If I had not been foolish enough at that time to move to reduce the number from 50 to 21, the 50 would have been accepted, and at that stage I got no credit for what I did simply to overcome the hostility towards proprietary companies.

The Premier: Did you say 50 was the number in all the other States?

Hon. E. NULSEN: Yes, and in England. I do not think there has ever been an attempt to reduce the number in the other States.

Mr. WILD: The member for Kanowna has made the two main points on this amendment and I am strongly in accord with what he said, as the amendment is both necessary and desirable. This is the only State in the Commonwealth in which the number is less than 50

Hon. J. T. Tonkin: Are you sure of that?

Mr. WILD: Yes. A proprietary company is usually a family concern. I know of two or three such companies in this State that have lost their family identity owing to some of the largest shareholders having died leaving their estates to a number of beneficiaries. By providing for 50 members we will make the position much more workable and bring this State into line with the others. The general provisions of the Act give the shareholders ample protection. In contradistinction to the member for Forrest, I appeal to all sane-minded members to support the clause.

The ATTORNEY GENERAL: The member for Kanowna has stated the position very soundly. After all, the Act is framed for the convenience of the community and for the protection of the com-

munity. The result is that we now have both proprietary companies and limited companies. The limited company is one that appeals to the public for subscriptions and usually has its shares registered on the stock exchange. The shares are publicly dealt with and it is not easy for any particular shareholder to dominate the share issue of such a company. There is no objection to the business of those companies being published and anyone can obtain all the information he likes about the company on paying a fee to the registrar. He can then go to the broker and, if he wishes to buy shares, can do so on the latest authentic information.

In reality a proprietary company is just a large partnership. Surely we have not reached the stage where an inquisitor, other than the Taxation Department, can ask a private individual how he makes his living, with whom he does business and what his profits are. If a comparatively small number of people wish to join together in business of a private nature, why should their business be made open to public scrutiny? These companies do not need the protection required by a member of a public company and that is why a proprietary company is sought. No-one has the right to delve into the affairs of a partnership. As a matter of fact, it would be bitterly resented.

Hon. J. T. Tonkin: Can you have a partnership of 50?

The ATTORNEY GENERAL: No.

Hon. J. T. Tonkin: Of course you can't.

The ATTORNEY GENERAL: If the affairs of any member of Parliament were being inquired into he would bitterly resent it. Why should not a comparatively small number of people, who are either related or close friends, have the same facilities if they wish? The essence of the Act is protection of the people who want to trade together and I cannot see why members should suggest that their business should be open, not only to the shareholders, but also to the general public. As the member for Kanowna pointed out, any shareholder of any company is entitled to inspect the balance sheet and have a copy of it.

Mr. Rodoreda: Is the Price Fixing Commission entitled to do that?

The ATTORNEY GENERAL: Yes. The department can do that under its own Act. Any shareholder of a company can get a balance sheet, but any inquisitive person who is not a shareholder in a public company, can, by the payment of a couple of shillings, receive a copy of the balance sheet merely because it is a public company. However, it is not possible to receive a copy of the balance sheet of a proprietary company unless the person desiring it is a member of the company. What is wrong with that? As the Attorney General I am in close touch with the business community and there has been no pressure against this amendment, but I have had very great pressure—

Hon. J. T. Tonkin: From where?

The ATTORNEY GENERAL: Very strong pressure put upon me—

Hon. J. T. Tonkin: From where?

The ATTORNEY GENERAL: —to bring this amendment forward.

Hon. J. T. Tonkin: That question was a bit awkward.

The ATTORNEY GENERAL: It is very awkward, but the hon. member always pokes in at the wrong time. This is the pressure I referred to. I have a letter which is addressed to me and it reads as follows:—

> Dear Sir,
>
> Companies Act 1943-1947. I am requested by the Chamber of Commerce, the Chamber of Manufactures, the Chartered Institute of Secretaries and this institute—

that is the Institute of Chartered Accountants—

> —to write to you regarding the amending Bill at present before the Legislative Assembly and with particular reference to Section 37 (1). The above bodies feel very strongly that the permitted number of members in a proprietary company (exclusive of the employee qualification) should be increased from 21 to 50. It is difficult to understand why the original number of 21 was ever inserted as it is out of harmony with the prevailing provisions in other States and in Great Britain. It will be readily appreciated that after the death of several founders of concerns which are essentially of a family nature, holdings can very easily exceed the permitted 21 members. It is the considered opinion of the above organisations that 50 is the minimum number desirable and that it is imperative that the increase be approved. Lest there should be some concern regarding the protection of the shareholders, attention is invited to the fact

that, even in the case of proprietary companies, the existing Act makes ample provision for the protection of individual shareholders whether they have majority or minority holdings. It is stressed that the desired amendment is essentially in the interests of the commercial community as a whole and not aimed at particular advantage for any of the organisations above referred to.

Yours faithfully,
C. W. COURT,
State Registrar.

In a subject of this nature we could not have a stronger or more expert opinion. It cannot be suggested that an organisation such as the Institute of Chartered Accountants would suggest anything that was not in the best interests of the community, because the whole of the training of these people is to see that proper information and proper protection are given to all those who are interested in business concerns. No objection has been raised to the amendment.

Hon. J. T. Tonkin: No?

The ATTORNEY GENERAL: No valid objection has been raised. All I can see is that certain inquisitive members want to try—

Mr. Reynolds: And justifiably.

The ATTORNEY GENERAL: Absolutely unjustifiably.

Mr. Reynolds: They are public companies.

The ATTORNEY GENERAL: They are not; they are proprietary companies.

Mr. Reynolds: They are trying to evade being public companies.

The ATTORNEY GENERAL: They are not entitled to be public companies if they are registered as proprietary companies. Some inquisitive people want to pay a couple of shillings and inquire into the private affairs of a small number of people. The member for North-East Fremantle and the member for Forrest would be the first to resent any inquiry into their affairs, and rightly so. They would be the first to cry about the liberty of the individual and there is no difference in the attitude of people who comprise proprietary companies. Their business is confidential and should be kept so, except for their own shareholders.

Hon. J. T. Tonkin: Do you agree that this is the only State where there are not 50 members?

The ATTORNEY GENERAL: Yes, that is my information; and that is the case in Great Britain too. There has been no protest there. It is the same in Queensland which has always been held up as the most democratic State in Australia, because it has not an Upper House.

Hon. F. J. S. Wise: Do you agree with that?

The ATTORNEY GENERAL: No, I would not agree with that at all.

Hon. F. J. S. Wise: Then you cannot very well use it as an example.

The ATTORNEY GENERAL: I merely used it because members of the Opposition believe in that principle. That was the reason.

Hon. F. J. S. Wise: I was wondering what was the reason for your red tie.

The ATTORNEY GENERAL: I do not think that would influence the hon. member very much. I cannot take this matter further, but I stress that those who conduct these companies and the business community generally, after long experience, feel that it is necessary. I therefore cannot agree to the striking out of the clause.

Mr. LESLIE: The Attorney General has convinced me not to vote for this increase of numbers of shareholders from 21 to 50 in a proprietary company. The Attorney General said that the purpose of the Companies Act is to protect the interests of members of proprietary companies, but my interpretation of the Act is that it is to protect the interests of the public. He also said that no pressure had been brought to bear on him for this increase except from the people concerned, nor to restrict the number to 21. The only restrictions would be those placed on the general public, and they do not know sufficient to bring that pressure to bear.

Hon. E. H. H. Hall: It does not concern the public.

Mr. LESLIE: Not at this stage. A proprietary company is a family concern, and I am not enamoured of that type of company.

The Minister for Lands: You would not be able to stick your nose into other people's business.

Mr. LESLIE: I am not concerned as to that, but to increase the number of shareholders to 50 takes that company beyond a family concern, and the shareholders in it

would not have the protection of the Act in that public information would not be available to them.

The Attorney General: Of course they would.

Mr. LESLIE: They would not. They would have to demand to see the balance sheet to gain that information whereas, with a limited company, its business is open and above board. Further, little can be learnt from the balance sheet of a proprietary company as against what can be learnt by a shareholder in a limited company. That is what I am worried about. I am in favour of restricting the numbers to put the proprietary companies off the market, but in this way it will put them on the market, whereas by keeping the numbers down it will at least remain a family concern. Not all public companies are registered on the Stock Exchange, so it is useless to say that the business even of a public company is open for anybody to inquire into. If one wishes to learn anything about the transactions of those companies, one has to expend a great deal of effort at the Supreme Court.

Mr. BRADY: I do not think it would be advisable to agree to this amendment. When I studied accountancy for a number of years, I was taught that the main reason in favour of public companies was that a person could examine the balance sheet and memorandum of association from time to time and satisfy himself that a company was of good standing. This is essential for the purposes of trade. If the number was increased to 50, it would create a tendency for other companies to take out registration for the formation of proprietary companies and therefore the open balance sheets of limited companies would not be available to other companies. I distinctly recollect reading in Rydge's Journal where the editor himself advocated small companies, as against large ones. He said it was far better for members of the public to have their money spread over a number of small companies than to have it all invested in one large company. One of the advantages of a proprietary company is that no prospectus must be lodged with the registrar four days before the allotment of shares. All that is required is to file a statement on which a number of people have agreed to form the company. If the number of members of a company is over 21 and under 50 and it wanted to raise money in the normal way, it would have to publish its prospectus and stand up to it before they could put their shares on the market, and successfully float the company.

The Attorney General: You know that a proprietary company cannot call upon the public to subscribe to its shares unless a prospectus is filed.

Mr. BRADY: A proprietary company does not need to file a prospectus.

The Attorney General: If it does not, then it cannot approach the public for subscriptions.

Mr. BRADY: No, but it can snake around and appeal to the public to take shares, and make all sorts of statements, but if it were forced to publish a prospectus, that would afford some protection to the public. The public have some protection in that if the company does not stand up to the claims put forward in the prospectus, those who propose to take shares can refuse to pay for them. As a Labourite and one who desires to look after the interests of the workers, I feel it is far better for the affairs of such companies to be open to the public. If those affairs are hidden and are effectively covered up, suspicion regarding what is being done with the funds will be increased both as regards the public generally and, more particularly, those who hold shares.

The Attorney General: Do you believe that the affairs of private people should be made public?

Mr. BRADY: Of course not, but the general public should have that knowledge with regard to the affairs of these proprietary companies. Look at the attempt of public companies to convert themselves into private companies. That was not the intention of the Act, which was to grant additional protection to proprietary companies that were really family companies. Now we find that advantage has been taken of the legislation to convert public companies into private concerns. Hundreds of companies have adopted that course. This legislation is not in the interests of the business people themselves, although they do not represent the section of the community I desire to protect. To my mind, it will create a standard of morality among business companies that is not at all desirable. Plenty of mushroom companies

will be formed, and there will be chaos generally. I hope the clause will be defeated.

Hon. J. T. TONKIN: The strongest argument in support of the clause is that the other States of the Commonwealth and Great Britain provide for 50 members to form a company. That statement is correct, but the Committee was not informed that in the other States and in Great Britain their Acts contain many stringent provisions affecting private companies that are not embodied in our Act.

Mr. Rodoreda: That is the point.

Hon. J. T. TONKIN: In Great Britain, for instance, they would not contemplate the exemptions set out in our Act.

The Attorney General: They have with regard to private companies.

Hon. J. T. TONKIN: No.

The Attorney General: Yes they have, but not with regard to proprietary companies.

Hon. J. T. TONKIN: That is not so. The Minister proposes in the amending Bill to allow a director of a company to be an auditor.

Mr. Brady: Rafferty rules!

The Attorney General: But that is only with the consent of the shareholders.

Mr. Brady: But it is not right at all.

Hon. J. T. TONKIN: The Tasmanian and South Australian Acts both provide that the accounts of a private company shall be audited, but our Act does not provide for anything of the sort. If a proprietary company in Western Australia did not want its accounts audited, it need not have an auditor at all. But auditors are necessary in South Australia and Tasmania. Subsection (2) of Section 116 of the Tasmanian Companies Act reads—

> Every company and the directors and manager thereof—
>
> (i) Shall cause to be kept proper books of account, in which shall be kept full, true and complete accounts of the affairs and transactions of the company.
>
> (ii) Shall, once at least in each year, and at intervals of not more than 15 months, cause the accounts of the company to be balanced and a balance sheet to be prepared, which balance sheet, after being duly audited, shall be laid before the members of the company in general meeting.

By a specific reference, those two provisions are made to apply to proprietary companies, because we find that Subsection (7) of Section 116 reads—

> Every proprietary company shall comply with the provisions of paragraphs (i) and (ii) of Subsection (2) of this section.

The two paragraphs mentioned there are those I have already quoted. A similar position arises in South Australia, for in the Companies Act of that State, Subsection (1) of Section 153 reads—

> Every company shall at each annual general meeting appoint an auditor or auditors to hold office until the next annual general meeting.

There is no exemption under that section regarding proprietary companies.

The Attorney General: That raises another question.

Hon. J. T. TONKIN: I am pointing out the position, and what the Minister states does not affect the position at all.

The Attorney General: If anything is wrong, you could move to amend the Act in due course if not now, perhaps next session.

Hon. J. T. TONKIN: I revert now to my original opposition which I voiced when this legislation was previously discussed. If there are to be proprietary companies to consist of 21 members, we know that we extended to such concerns exemptions not granted in other States. To that extent also we were out of alignment with the legislation elsewhere. Now, if what are known as proprietary companies are to be much larger affairs and are to consist of 50 members, those same exemptions will be enjoyed by the augmented companies, and we will then be completely out of line with the legislation in Great Britain and the other States of the Commonwealth, seeing that we will not have anything like the same controlling provisions in our Act to safeguard the interests of the members of such companies—and the general public as well—as obtains in other States and countries.

The Attorney General: But why worry about the number?

Hon. J. T. TONKIN: There may be 200 or 300 members. What say will former employees, who are shareholders in a company, have in its management? Are not their interests to be safeguarded? What say will

present employee-shareholders have in the management if no auditor is required to safeguard their interests?

The Attorney General: Would you apply that to every company?

Hon. J. T. TONKIN: The purpose of the legislation is not to allow prying eyes of inquisitive people to be employed in finding out what is happening in connection with the company's affairs. If the Bill provided protection such as is contained in the legislation of Great Britain and the Eastern States, I would have no objection to the extension to 50 members, but because of the provisions in our Act I am strongly opposed to any such move.

Mr. RODOREDA: I cannot agree with the Attorney General. As a member of the Royal Commission that sat a few years ago, I opposed the provision for proprietary companies.

The Attorney General: Then you are biassed in your opinion.

Mr. RODOREDA: I consider there is no need for them in this State. Some of the largest trading companies in Australia are proprietary companies.

The Attorney General: They are not. The maximum number of shareholders for a proprietary company in Australia is 50.

Hon. J. T. Tonkin: What about employee-shareholders?

Mr. RODOREDA: The Minister's statement in that respect is as reliable as some of the other statements he has made. There is ample provision for small family companies in the Partnership Act.

The Attorney General: They are not protected.

Mr. RODOREDA: If the protection is insufficient, let them form limited companies. The interests of many other people should also be considered. An organisation might wish to take action against a proprietary company, but would be unable to ascertain the financial position of the company and determine whether the taking of proceedings would be worthwhile.

The Attorney General: You think that every individual should file a public statement of his finances.

Mr. RODOREDA: We are not talking of individuals.

The Attorney General: You are.

Mr. RODOREDA: Whether a company consists of five or fifty people, this protection should be afforded. What is the virtue in the number fifty?

The Attorney General: All the other States and Great Britain have adopted that number.

Mr. RODOREDA: The cry for uniformity is an old one. If the Attorney General desires uniformity, why not advocate the abolition of the Legislative Council?

The Attorney General: If Queensland came into line with the other States, we would have uniformity there.

Mr. RODOREDA: Will the Minister tell me what virtue lies in the number fifty? The same argument could be advanced later on if small proprietary companies desired a further increase in the number.

Sitting suspended from 3.45 to 3.55 p.m.

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

Ayes	20
Noes	24
Majority against	4

AYES.

Mr. Abbott	Mr. North
Mrs. Cardell-Oliver	Mr. Nulsen
Mr. Doney	Mr. Seward
Mr. Grayden	Mr. Read
Mr. Hill	Mr. Shearn
Mr. Mann	Mr. Thorn
Mr. McDonald	Mr. Watts
Mr. McLarty	Mr. Wild
Mr. Murray	Mr. Yates
Mr. Nimmo	Mr. Brand (*Teller.*)

NOES.

Mr. Ackland	Mr. McCulloch
Mr. Brady	Mr. Nalder
Mr. Coverley	Mr. Needham
Mr. Fox	Mr. Oliver
Mr. Graham	Mr. Panton
Mr. Hall	Mr. Reynolds
Mr. Hawke	Mr. Sleeman
Mr. Hegney	Mr. Styants
Sir Norbert Keenan.	Mr. Tonkin
Mr. Kelly	Mr. Triat
Mr. Leslie	Mr. Wise
Mr. May	Mr. Rodoreda (*Teller.*)

PAIRS.

AYES.	NOES.
Mr. Bovell	Mr. Hoar
Mr. Cornell	Mr. Smith

Clause thus negatived.

Clause 10—Amendment of Section 112:

Hon. J. T. TONKIN: No argument is required on this clause. It provides for a consequential amendment on Clause 5. As we have agreed to limit the number of members to 21, the alterations proposed in Clause 10 should not now be made.

Clause put and negatived.

Clause 14—Repeal and Re-enactment of Section 138:

Hon. J. T. TONKIN: This deals with the qualification of auditors. I think it will be agreed that the appointment of auditors and their qualifications are two very important considerations so far as public companies are concerned, and more especially as they affect proprietary companies. Under our legislation it is not obligatory on a proprietary company to appoint an auditor but, if the members of a company decide they will have an auditor, they should be able to obtain full protection from such auditor. If they only want somebody to check their accounts they can get any officer of the company to do that but, if they decide to exercise their option and have an auditor, they should be able to get one who is completely disinterested so far as the company itself is concerned, and who owes no allegiance whatever to any director or any employee of the company.

The clause makes a very drastic change in the existing Act. Section 138 provides certain disqualifications in regard to the appointment of an auditor, and for a fairly substantial penalty should the disqualifications be disregarded. The Minister proposes to repeal that section and to make a substitution which will allow something specifically prohibited in the existing Act, which prevents a director of a company from being an auditor. The amendment in the Bill will permit a director to be an auditor.

The Attorney General: Only by a special resolution.

Hon. J. T. TONKIN: I do not care whether it is by a special resolution or anything else. It will permit a director to be an auditor. The Minister is exempting from the disqualifications directors who are specifically mentioned in the existing Act, because it says "a director or officer or employee." The Minister's amendment refers to an officer or servant. So he omits the director from the disqualification for appointment as auditor.

The Attorney General: No, that extends it, because a director is an officer of a company.

Hon. J. T. TONKIN: No, he is not. At page 1 of the Bill we find that an officer is a manager or secretary.

The Attorney General: Is comes under paragraph (b).

Hon. J. T. TONKIN: Is a director a servant?

The Attorney General: Yes.

Hon. J. T. TONKIN: I do not think he is. If he is, then we have the position that the secretary is an officer and the director is a servant, yet the director employs the secretary. It is nonsensical.

The Attorney General: It is a technical term.

Hon. J. T. TONKIN: I think the Attorney General is wrong. The word "director" should be included. There has been no alteration in the status of directors, and so on. The Act refers to "director, officer or employee." The Minister's amendment provides for an officer or servant. He makes it possible for a director to be an auditor. That is undesirable. It is a retrograde step because, if agreed to, it will remove the protection a shareholder expects to obtain by the appointment of an auditor. The value of an auditor must lie in his entire disinterestedness, and because he owes no allegiance to the directors. The Minister's amendment would remove that protection because it would allow interested persons to become auditors.

The Act provides for two different types of companies. Under Section 137 (7), it is not necessary for a proprietary company to have an auditor but, if one is appointed, he should be completely disinterested. The shareholders of proprietary companies are entitled to the same protection as the shareholders of a public company, because it is the practice for shareholders in private companies to place greater reliance on their directors than is the case with public companies. Because of that, they should be assured that the auditor would be completely disinterested. There is a growing tendency for public companies to conduct their business through branches which are formed as proprietary companies, and to take a controlling interest in the proprietary companies. Instead of reducing the protection in respect of the appointment of auditors, we should go along the lines of Great Britain, and give greater protection. In the report of the English committee on company law amendment—it was published in June, 1945, and is known as the Cohen report—this opinion is set out, at page 65—

It is also of first importance, in our view, to ensure the independence of the auditor.

The report, on the same page, goes on to say that the provision of the English Companies Act which provides that a director or officer of the company is not eligible for appointment as auditor of the company "should be extended so as to disqualify an employee of a company or an employee or partner of a director or of an employee of the company from being its auditor and so as to disqualify any person who is ineligible for appointment as auditor of a company from being auditor of any company which is a member of the same group." So we can see how far from the recommendations of an authoritative committee of Great Britain we are getting by this amendment. The appointment of auditors under the conditions the Minister suggests would be little more than a formality. I hope the Committee will not agree to his proposal. Reference has been made to the English Companies Act and the fact that it provides that there shall be up to 50 members of a proprietary company. I propose to quote the section of that Act in respect to auditors. I quote from Section 23 (3) of the 1947 Act, as follows:—

A person shall also not be qualified for appointment as auditor of any company if he is by virtue of Section 133 (1) of the 1929 English Act, disqualified for appointment as an auditor of any other body corporate which is that company's subsidiary or holding company, or a subsidiary of that company's holding company, or would be so disqualified if the body corporate were a company.

If we are to be guided by the trend in England, we must be impressed by that section, which clearly lays down that no auditor who could be in any way interested may be appointed to a public company. I hope the Committee will agree to the amendments I propose to move to Clause 14. The first will be to strike out the word "an" in line 4 of Subclause (2) and insert in lieu the words, "a director or." The Attorney General can have no objection to that, as he has already stated that "servant" covers "director." I propose also to move to have Subclause (3) struck out. As there is no obligation on a proprietary company to appoint an auditor, this provision could not be irksome. If the company decided to appoint an auditor it should have the same protection in that appointment as is provided in the case of a public company which is obliged to appoint an auditor.

The ATTORNEY GENERAL: I cannot see any great objection to the first amendment proposed by the member for North-East Fremantle, though it would prevent these companies carrying on their business as they wish to.

Hon. J. T. TONKIN: I move an amendment—

That in line 4 of Subclause (2) the word "an" be struck out and the words "a director or" inserted in lieu.

Amendment put and passed.

Hon. J. T. TONKIN: I move an amendment—

That Subsection (3) of proposed new Section 138 be struck out.

I hope the Committee will agree to this. There are certain disqualifications provided to prevent interested persons being appointed auditors of public companies. The same protection should apply to proprietary companies because I think it is more necessary in their case than in the case of public companies.

The ATTORNEY GENERAL: I will not labour this point because the facts have been clearly stated. If power is given for these companies not to appoint an auditor if they so wish, why should they not also have, by the same method, a director if they so wish? It seems silly that they need not have an auditor but if they do have one he must not be a director.

Hon. J. T. TONKIN: If the position were as the Minister states I would not object as much as I do, but that is not so. This resolution that may be made by the proprietary company enables it to appoint an auditor, but it does not say in the resolution that the company can insist on such auditor having all sorts of qualifications. The clause as set out provides that certain persons shall be disqualified from being auditors of public companies.

The Attorney General: You have made it clear. No-one can misunderstand the position.

Hon. J. T. TONKIN: If those persons should be disqualified from being auditors of public companies they should also be disqualified from being auditors of proprietary

companies where the same protection is required so far as the shareholders are concerned.

Mr. LESLIE: I should like some more information from the Minister. He stressed the fact that proprietary companies do not need to appoint auditors. I take it that the only reason they would appoint them would be if a question of doubt arose. While everything in the garden is lovely they do not need to appoint auditors. It should be possible for me, as a shareholder, to have a special resolution put through saying that we will appoint an auditor. Unless the Attorney General can satisfactorily explain the position I would prefer to see the clause go out. If I am a shareholder and the rest of the shareholders are not playing the game, they could hardly refuse to pass a special resolution which I put up for an auditor to be appointed. But if I require an independent auditor the majority of the shareholders might want to appoint one of the directors or one of the officers, and that would not be of any benefit.

Progress reported till a later stage of the sitting.

BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT (No. 2).

Second Reading.

Debate resumed from the previous day.

HON. A. H. PANTON (Leederville) [4.35]: This is a Bill to amend the Industrial Arbitration Act. I think I would be correct in saying that industrial arbitration is not only of very great importance to the workers of this State but also to the community in general. There are only four clauses to deal with. Three of them will necessitate very little discussion and I am hopeful that the fourth will be the same. One of the proposals is in conformity with the motion moved by the member for Pilbara and no doubt he will explain anything required in that regard. There should not be very much discussion on it. Another amendment is purely consequential and of the other two one seeks to alter the provision that where the fine is £20 or over the person penalised has the right to apply to the Supreme Court, and make it possible for an appeal, irrespective of the fine, to the Arbitration Court. We are quite satisfied with that.

I think the original idea of the proposal was to try to facilitate the hearing by an industrial magistrate of breaches of awards. It is obvious to anybody who has experience in this class of work that where there is a breach of an award one has to wait for a sitting of the Arbitration Court. Perhaps the Court has a long case to be finalised and in such instances that breach could be continued for a long time. Now that we have a conciliation commissioner the work of the Court is not so strenuous and there will probably be more cases taken to the Arbitration Court rather than to an industrial magistrate. On the other hand, many cases coming to industrial magistrates are looked upon by them as interpretations and to be forwarded on to the Arbitration Court. Consequently we are quite happy with the proposal now put forward by the Minister.

The remaining amendment is to repeal Section 31 of the principal Act. Section 31 reads—

> During the pendency of any reference to the Court, no application for the cancellation of the registration of an industrial union shall be made or received—

and this is a very important part of it—

> —and no resignation or discharge of the membership of any industrial union or of any company, association, trade union, or branch constituting an industrial union shall have effect.

That means that where a case in the Court is pending, no member of the union associated with that case can resign from his union nor can an application be made for the deregistration of such union. Just why this amendment is introduced, I do not know. The Minister gave very little information about it but simply said, if I remember rightly, that he thought it should be left to the discretion of the Court to allow an application to be made for the deregistration. He went on to say that it is quite possible for a very small amendment of the award to be pending in the Court when a big industrial upheaval takes place.

The Attorney General: That is what I did say.

Hon. A. H. PANTON: That is quite possible. On the other hand, there may be an important case before the court and a small breach of the Industrial Arbitration Act take place and if this section is deleted it would give to any set of employers the

opportunity of applying to the registrar for a deregistration, thus preventing that case from proceeding for the time being at least.

The Attorney General: You know that the court would not stop its proceedings on that.

Hon. A. H. PANTON: I do not know anything of the sort. I have a very vivid recollection of being in the court with the late Judge Burnside on the bench and of my saying to him, "I was in Parliament when this matter was debated and this is what Parliament meant." He replied, "I do not doubt that but this is what it has set down in the Act and that is what I have to interpret." I want to have down in black and white what the court is expected to do. I am at a loss to understand why this particular section is to be deleted. After all, it was first inserted into an Industrial Arbitration Act about 1899 by the late Richard Seddon in New Zealand, and it is still there.

It was taken from that Act and put into a New South Wales measure in 1900 and is still there. When the late Sir Walter James, in the Leake Government, was instrumental in introducing and passing an Industrial Arbitration Act in this State in 1902 he included this section. In 1912 when the Act was amended by the Scaddan Government that section was still retained. Again, in 1925 when the Collier Government very drastically amended the Act, it lifted that section out and retained it in the amended Act. Therefore, since 1902 that section has remained in our Act, and it is no use the Minister saying that it has never been used because it has been used very often.

The Attorney General: We could deal with it in Committee, could we not?

Hon. A. H. PANTON: We can deal with it now. I am pointing out why this clause should be defeated in Committee. I want to know whether the Minister can tell us just why this amendment has been introduced and where it originated. The industrial movement looks upon this section as an extremely important one because it affords a safeguard for the unions. I can honestly say in this State that, if we are not 100 per cent. arbitrationists, we are pretty close to it. We have an excellent arbitration record which has only been brought about because we have a first-class arbitration Act and Court with all the facilities possible to approach it, and thus the unions are not held up in having their cases heard. This obviates an industrial trouble becoming worse and worse and finally resulting in a strike. However, if this section is repealed and a case is at once lodged with the court and for some unknown reason a breach of the Industrial Arbitration Act occurs—it may be a branch of the union that goes out on strike—then immediately some employers will take advantage of that section and apply for the deregistration of the unions which will result in rapid industrial chaos.

I am not saying this as a threat but merely instancing it as a result of my experience in industrial movements. I have not had a great deal of time but I have discussed this amendment with members of the industrial organisation as far as I can today—and they are men who control, to a great extent, large unions—and they look upon that section as a safeguard for them in that a union is not allowed to retire from the court while a case is pending. Members of a union have some responsibility to their organisation because, after all, it may be that only a small union is involved. If its members are sufficiently reduced in number, then no union exists to approach the court and consequently they not only place the union itself in a false position but also all those connected with it.

That is a section that has continued to exist in the New Zealand and New South Wales legislation, and also in our Act from 1902 right up to date. The section speaks for itself. If it has been good enough to remain in the Act all these years and because the trade union and industrial movement has looked upon it as a safeguard and have not taken advantage of it, then I see no reason why it should be deleted now. I appeal to the Minister and his Government to leave it well alone because there is no apparent reason why it should suddenly be repealed and, if it is, then I am afraid a great deal of trouble will be caused. Otherwise, I am prepared to support the Bill, but under no consideration am I prepared to see this particular section deleted from the Act.

MR. HEGNEY (Pilbara) [4.48]: I desire to express the pleasure of the industrial trade union movement of Western Australia

on the action of the Minister in introducing this amendment to the Industrial Arbitration Act, insofar as it will enable the court to declare the basic wage at any time prior to the 14th June, 1950. Some time ago I introduced a motion, which the House endorsed, which had for its object an expression of opinion that in the event of the Commonwealth Arbitration Court declaring an increase in the Federal basic wage prior to the 14th June, 1950, the State Arbitration Court should be empowered forthwith to inquire into the basic wage and make a declaration prior to that date. At present the Act provides that once in every year the State Arbitration Court shall declare the basic wage before the 14th June to take effect from the 1st July, following.

I do not think any member of the House will oppose that particular amendment because it is desirable, and it will give the organisations in this State an opportunity of submitting their case from the State point of view if the Commonwealth Arbitration Court grants an increase in the basic wage in the case now being heard by it. The provision in the Bill which enables a decision by an industrial magistrate to be appealed against in the Arbitration Court, is an extremely desirable amendment. The previous speaker said that where a penalty went beyond £20 an appeal may be lodged with the Supreme Court, but there is no right of appeal against the magistrate's decision when the penalty is less than £20. The amendment will enable either party which feels aggrieved at a decision by an industrial magistrate to appeal to the Arbitration Court. Both the employers and the union would, I am sure, agree to the proposal embodied in the Bill.

As I understand the section, the Act at present provides that in matters of interpretation where an award or an industrial agreement is involved, the issue must be referred to the court. The proviso, however, will empower appeals to be made to the court against a fine imposed by an industrial magistrate and also in respect of interpretation of awards or agreements. Section 103 of the Industrial Arbitration Act reads—

> The powers and jurisdiction of the court under the last preceding four sections may be exercised by any police or resident magistrate appointed by the Governor as an industrial magistrate for the purposes of this Act; and any order, conviction, or other decision of such magistrate shall be enforceable as if made by the court:
>
> Provided that if in any proceeding before an industrial magistrate a question of interpretation of an industrial agreement or award shall arise, it shall be referred to the court.

It is now proposed to repeal the proviso and substitute the one set out in Clause 4. The amendment will have the effect, as I have indicated, of allowing appeals to the Arbitration Court against the decisions of industrial magistrates, and I am sure there will be no strong objection to that course. With regard to the proposed repeal of Section 31, I, like the member for Leederville, have engaged upon some research and, as far as I have been able to ascertain, that particular section has never been seriously questioned by any member of Parliament during the past 50 years. It was included in the Act of 1902 and has been retained ever since.

The suggestion as to its repeal has caused me much concern, for I feel that such a step would be conducive to industrial chaos rather than industrial peace. I have endeavoured to interpret the view of the Attorney General in the matter. Let me cite the position of a union of which I happen to be the State president, my predecessor in that office having been the member for Leederville. I refer to the Australian Workers' Union. That organisation has a wonderful industrial record. It has fought for the rights and the protection of its members, and has largely availed itself of the industrial machinery. As a matter of fact, the A.W.U. has been mainly responsible for the improvement of industrial legislation, not only of the Commonwealth, but of all the States.

The Minister for Housing: Hear, hear!

Mr. HEGNEY: In connection with the mining industry, a reference may soon be pending that will affect the whole of the mining section of the A.W.U. in this State. Some sectional dispute may arise over which the management committee of the union may have no control whatever. But the dispute would provide a ground for the deregistration of the organisation as a whole.

The Attorney General: That is so.

Mr. HEGNEY: That position arises because the union is a composite body registered under the Industrial Arbitration Act.

The Attorney General: The reverse position would apply as well.

Mr. HEGNEY: I am citing a possibility. The same situation might arise in connection with other organisations that have, in large measure, abided by the industrial laws of the country. I would like to have some cogent reasons advanced in support of the proposal to repeal Section 31, because facts in relation to industry show there is no justification for such a move. I have been a member of the Industrial Disputes Committee of the A.L.P. for 17 years and I know that on numbers of occasions, through the machinery of our movement, we have prevented many disputes from ever seeing the light of day. If we compare Western Australia with other States, it will be found that this State leads the way as regards industrial peace. Commonwealth official statistics show that during 1947, apart from four disputes in the coalmining industry, only three disputes occurred throughout Western Australia and these affected 12 establishments. During 1948, only one dispute was recorded.

In view of these facts, what justification is there for the repeal of the section? If the Minister can advance some sound reason for the proposal in the Bill, we will be prepared to give the matter serious consideration. If he cannot give us some solid reason for the proposed repeal, members would be well advised to retain the section in the Act. If they peruse Section 29 they will see set out there a number of reasons that could be advanced in support of an application for the deregistration of an industrial union. The Minister has singled out Section 31 and submitted no sound reasons for its repeal. I suggest that he will not persist with the move. If he is not agreeable to my suggestion, then I hope that when the Bill is dealt with in Committee, the clause will be deleted.

MR. TRIAT (Mt. Magnet) [4.58]: I trust the Minister will give further consideration to the proposal to repeal Section 31. I have had many years of experience in connection with industrial arbitration, and I know that at times peculiar actions arise despite the fact that the executives of the unions concerned have no desire that any industrial dispute should be created. In 1936 I was conducting a case on behalf of the mining division of the A.W.U., and, in company with the members of the Arbitration Court, was travelling in the back country. The case lasted for six weeks, taking the time from the date of the first hearing until we returned to Perth. For several mornings in succession, telegrams were received by the court advising that a section of the union at a particular spot had ceased work on the previous day. It was a definite attempt to sabotage the union's efforts, and it was done by some communists who were members of the organisation. The stoppage was not in accordance with the desires of the union, nor of myself as secretary and advocate before the court. For five successive mornings the court received telegrams to the effect I have indicated.

The result was that when the award was issued the President of the court decided to insert what is known as a penalty clause that could be enforced against those associated with the stoppage of work during the time the Arbitration Court was dealing with an application from the union affected, during the time the Arbitration Court was making its inquiries. If the section were repealed, an application could be made by anybody interested for the deregistration of the union, which would be quite wrong, and control would fall into the hands of those who were attempting to disrupt the union. Western Australia has reason to be very proud of its freedom from industrial unrest but, if we are going to alter the Act in this way, we shall be playing into the hands of those opposed to arbitration. In fact, this would be the easiest way to do it.

I hope the Minister will realise that his proposal is fraught with grave danger. Let us retain that portion of the Act entitling unions to become registered and to continue registration unless they infringe the conditions laid down in the Act.

The Attorney General: I would be agreeable to that.

Mr. TRIAT: Then I am satisfied.

The Attorney General: I think you have misread the amendment.

Mr. TRIAT: With the other amendments proposed in the Bill, I agree. I consider them excellent, because they will give a union an opportunity to obtain an interpretation of an award by an industrial magistrate, whereas otherwise it might be necessary for a union to wait many weeks or months before being able to approach the court. Then, if any party were dissatisfied with the decision of the industrial magistrate, appeal could be made to the court. I hope that Section 31 of the Act will not be repealed.

THE ATTORNEY GENERAL (Hon. A. V. R. Abbott—North Perth—in reply) [5.2]: I do not propose to discuss Section 31 at this stage because I consider it can be more properly dealt with in Committee. The major portion of the Bill has the support of members on both sides of the House, and therefore I need not refer to it further. I wish to mention one point that I may not have made quite clear last night. I tried to convey that, at the time of the basic wage inquiry by Mr. President Dunphy this year, he stated that he had received certain assurances. I understand that the assurances were that the Government, immediately after the decision was given in the Federal basic wage inquiry, would expedite the hearing in this State and that if the State inquiry resulted in an increase being granted, the Government would not insist upon waiting until the 1st July before the decision was put into effect. My impression is that a similar assurance was given by the Employers' Federation. I wish to make that point quite clear.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Hill in the Chair; the Attorney General in charge of the Bill.

Clauses 1 and 2—agreed to.

Clause 3—Repeal of Section 31:

The ATTORNEY GENERAL: I have been asked the reason for the Government's desire to delete this section. Some members have stated that they have no objection to Section 29 under which, in certain circumstances, a union may be deregistered, but why should Section 29 be abrogated and rendered of no effect if there is a small reference before the court?

Hon. A. H. Panton: What about a big reference? That is what we are worried about.

The ATTORNEY GENERAL: It would apply to a big reference also. I cannot see why the authority of the court should be taken away because there is a reference before the court. The member for Pilbara gave an example of his own union. There are large unions having many divisions. If a union were on strike, an application could be made for its deregistration under Section 29, and apparently there is no objection to that, but merely because some small section of a union may have a reference before the court, members desire the provisions of Section 29 to be abrogated. I cannot see that that is reasonable.

Hon. A. H. Panton: We do not think it reasonable to repeal the section.

The ATTORNEY GENERAL: I shall not labour the point, but it seems strange that Section 29 laying down the conditions for deregistration should not be objected to, and yet, if there is a reference before the court, the powers under that section are to be abrogated.

Hon. A. H. Panton: You have taken 50 years to find that out.

The ATTORNEY GENERAL: I am not sure in my own mind that the hon. member does not agree with me.

Hon. F. J. S. Wise: You said you were not going to labour the point. You will have pains if you do.

The ATTORNEY GENERAL: I want members to tell me why Section 29 should be abrogated simply because there is a reference before the court.

Mr. HEGNEY: The Minister should give some sound reason for repealing the section.

The Attorney General: I consider the reason I have given is sound.

Mr. HEGNEY: The Attorney General has not cited a particular case.

The Attorney General: I could, but I think it unfair to mention any union specifically.

Mr. HEGNEY: I mentioned the A.W.U., and now I shall refer to a small union. If a body of workers numbering 15 or more combine as an organisation, they may secure registration. There might be a

union of 17 or 20 members which was not powerful financially, industrially or economically. The secretary of that union might submit an application to the court for a new award and might desire at the hearing to call three or four workers in the industry to give evidence. Those workers might be intimidated.

The Attorney General: I am not objecting to that portion of your argument.

Mr. HEGNEY: I am giving the Committee the other side of the picture. For economic reasons those members might be obliged to resign and thus the membership of the union would fall below 15. Under Section 29 that would be a ground for deregistration of the union. I hope the clause will be defeated.

Clause put and negatived.

Clauses 4 to 6, Title—agreed to.

Bill reported with an amendment.

BILL—WESTERN AUSTRALIAN TRANSPORT BOARD (VALIDATION).

Second Reading.

THE MINISTER FOR TRANSPORT (Hon. H. S. Seward—Pingelly) [5.13] in moving the second reading said: The object of this Bill is to validate certain appointments to the State Transport Board and any actions that may have been taken by the board as to which there is any doubt of their validity. Members will recall that this matter was debated during recent weeks in this Chamber and consequently there is no need for me to cover that ground again. Differing legal opinions were read, one from the Crown Solicitor and one which the member for North-East Fremantle had obtained. An undertaking was given by the Government that it would obtain an opinion from an independent counsel in order to come to a decision as to whether the weight of evidence was on one side or the other. That action was taken. An opinion was obtained from an independent King's Counsel and it is my intention now to read it, and also the opinion on which the Government acted when it made the appointments to the board. Without detailing certain facts taken from the file, the Crown Solicitor advised the Government that his opinion was as follows:—

In my opinion, the appointments of Messrs. Wright and MacNee as members of the Board could only have been valid if—

(a) Messrs. Bath and Hawkins had been validly appointed; and

(b) such appointment of Messrs. Bath and Hawkins had validly terminated prior to the commencement of the term of office of Messrs. Wright and MacNee.

It is to be noted that there is nothing on the file to show that Messrs. Bath and Hawkins resigned their offices unless their letters dated 8th February, 1946, above quoted, constitute, in each case, not only an acceptance of the position as a member of the Transport Board but also, by implication, a notice of resignation as from the expiration of the period of six months and that such resignation was valid.

If the appointment of Messrs. Bath and Hawkins were in the nature of a contract between them and the Crown, then it is doubtful if the parties agreed to the same thing, because the Crown appointed them for three years and they only accepted an appointment for six months. It is doubtful, however, whether there was a contract or not. In the Defence Act of the Commonwealth, s. 13, it is expressly provided that "no appointment or promotion of an officer under this Act shall create a civil contract between the King or the Commonwealth and the person appointed or promoted," which implies that, but for such provision, a contract would have arisen. On the other hand it may be argued that the Governor, having power to appoint members of the Transport Board, can validly exercise such power whether or not the persons appointed desire to be appointed, and that, once appointed, such persons shall hold office for three years in accordance with the provisions of s. 5 of the Act, subject to a vacancy arising by any of the methods mentioned in the Act. On this construction there would be no contract but merely the fulfilling of statutory duties after a valid appointment. On a strict construction of the Statute it would seem that no contract was intended to be created between the persons appointed and the Crown, but if this view is accepted then there may be nothing to prevent the Governor from appointing a member of Parliament to be a member of the Transport Board whereupon such member may be held to hold an office of profit under the Crown.

The next difficulty is as to whether it was competent for Messrs. Bath and Hawkins to resign their office as member of the Board. I have checked through numerous Acts of recent years dealing with statutory appointments for a definite term of years, and in every Statute that I have perused express provision is made enabling appointees to resign. The State Transport Co-ordination Act, however, is silent on the question of resignation, even though the South Australian Act, upon which our Act (as appears in the marginal notes to sections 5 and 7) is based, expressly provides for resignation by notice to the Minister. My colleague

and I have searched for legal authority on the question of power to resign a statutory appointment without finding any satisfactory authority on the point. On the one hand it may be argued that since the Act is silent on the question of resignation, but expressly provides—in section 5 (9)—for certain methods by which a member of the Board shall be deemed to have vacated his office, that, therefore, there is no other method by which a member of the Board may voluntarily terminate his appointment. Again, if there is to be an implied power in persons appointed to statutory offices for a definite term of years to resign such offices at will, why is Parliament careful, in all, or at least most, other Acts to make express provision to enable the members appointed to resign? Is it merely from "abundant caution," or is it because that the Act itself intended to exhaust all methods by which a member's term of office may be terminated? If the latter view be held, then it was not competent for Messrs. Bath and Hawkins to resign, but they would have had to absent themselves from three consecutive meetings of the Board or otherwise come within the provisions of section 5 (9) or section 6 of the Act before the vacancy would, in law, arise. It is my opinion, however, (in the absence of any definite legal authority on the point) that the intention of the Act is merely to give security of tenure to the members of the Board, and not to impose compulsion upon members to accept or remain in office against their wills, and I would be inclined, therefore, to read into the Act an implied provision enabling the members of the Board to resign if they think fit.

So far as regards Mr. Bath, it may be—

(a) That he did verbally tender his resignation through the then Chairman of the Board, since it appears from page 86 that Mr. Bath had advised the Chairman that he wished to terminate his active association with the Board as from the 26th July and desired leave of absence from meetings after that date;

(b) that Mr. Bath absented himself from three consecutive meetings of the Board after the 26th July, without permission of the Minister, whereupon section 5 (9) (b) of the Act would apply to create a vacancy.

In the case of Mr. Hawkins, however, there is nothing on the file, other than the letter of the 8th February, 1946, to show that Mr. Hawkins resigned office, either verbally or in writing, or that he failed to attend any meetings of the board. Therefore Mr. Hawkins' letter of the 8th February, 1946, must be relied upon as a resignation to take effect in six months' time before any vacancy in his office could arise. I personally incline to the view that his letter of the 8th February could be construed as a resignation to take effect as from the 11th August, 1946, but there are the following arguments against such a construction:—

(a) Mr. Hawkins had only been offered an appointment for six months and his letter clearly shows that that was all he was accepting. If someone had asked him the next day as to whether he was resigning at the end of six months he would probably have said "no" but that he had merely accepted an appointment for six months; whereas, in fact and in law, his appointment was for three years;

(b) there is no mention of the word resignation in Mr. Hawkins' letter;

(c) if, after becoming aware of the actual terms of the Executive Council appointment, namely, that it was an appointment under Section 5 of the Act and, therefore, for three years, Mr. Hawkins had decided to remain in office for his full term, he could presumably have so remained and would have had a good argument that his letter of the 8th February was not intended to be a resignation but only an acceptance of an appointment for a term of six months and that there was still nothing to prevent him from accepting appointment for the balance of the term.

Assuming that Messrs. Bath and Hawkins did resign as from the 11th August, 1946, the next question is whether it was necessary for Executive Council to accept such resignations in order to validate them and if so whether Executive Council did, in fact, accept such resignations. Since Executive Council did, in fact, appoint Messrs. Wright and MacNee to replace Messrs. Bath and Hawkins as from the 12th August, 1946, I have no doubt that such appointment must, by implication, be treated as an acceptance of the resignations of Messrs. Bath and Hawkins.

The appointment of Messrs. Wright and MacNee was expressed to be "under the provisions of Section 5" of the Act. This was incorrect since the vacancies caused by the resignations of Messrs. Bath and Hawkins were vacancies which occurred during their term of office and, therefore, the appointment of Messrs. Wright and MacNee should have been under section 7 of the Act instead of under section 5. Either the appointments under section 5 were invalid or they took effect as if they had been appointments under section 7. In my opinion since the Executive Council Council clearly intended that Messrs Wright and MacNee should be appointed as members of the Board in succession to Messrs. Bath and Hawkins, their appointments in August, 1946, did take effect, and could only have taken effect, as appointments under section 7, so that Messrs. Wright and MacNee should remain in office not for a full term of three years but only until the end of the term for which their predecessors were appointed.

For the reasons above expressed it is my opinion that all appointments to membership of the Transport Board in the year 1946, as above referred to, were probably valid but

that an element of doubt does exist as to such validity and that the only safe course is for validating legislation to be passed confirming the validity of all such appointments.

That is signed "S. H. Good, Solicitor General." An opinion was then obtained from Mr. F. W. Leake as follows:—

The Western Australian Transport Board (hereinafter referred to as "the Board") is constituted under the State Transport Co-ordination Act, 1933, (hereinafter referred to as "the Act").

Section 5 of the Act provides (inter alia) that—

(a) The Governor shall appoint a Board which shall be a body corporate with perpetual succession and a common seal.

(b) The Board shall consist of three members with the qualifications set out in subsection (3).

(c) That the members of the Board shall hold office for three years and may be reappointed (subsection (7)).

(d) Members of the Board shall be deemed to have vacated their office on the happening of any of the events mentioned in subsection (9).

Section 6 provides that a member may be removed from his office by the Governor for misbehaviour or incompetence.

Section 7 provides that if a vacancy occurs on the board from any cause the Governor shall fill the vacancy by appointing thereto a person qualified to hold the vacant seat and the person appointed shall hold office until the end of the term for which his predecessor was appointed.

Section 8 provides that in case of the illness suspension or absence of a member the Governor may appoint a person to act as his deputy during such illness suspension or absence and until such appointment is terminated by notice in the "Government Gazette" the deputy shall have all the powers and perform the duties of the member of the Board.

Messrs. Millen, Bath and Hawkins were appointed by the Governor on the advice of Cabinet to be members of the Board pursuant to section 5 of the Act in the year 1937 and were duly reappointed in the years 1940 and 1943.

The term of the appointment was not mentioned when any of the above appointments were made and it was not necessary to do so as section 5 (7) of the Act expressly provides "that members of the Board shall hold office for three years and may be reappointed."

Each of the above appointments was made in strict conformity with the provisions of the Act.

Early in February, 1946, the question of appointing members of the board again came before Cabinet and on the 6th February, 1946, the Minister for Transport recommended Cabinet to advise the Governor to appoint Messrs. Millen, Bath and Hawkins to be members of the Board and to appoint Mr. Millen to be Chairman and on the same day the Governor approved the appointments. On the same page of the file on which the Minister's recommendation appears there is a minute over the hand of the Minister reading:

"Cabinet approved subject to Thomas Henry Bath and John Bearne Hawkins being appointed for a period of six months only."

The appointees were not appointed by the Governor for any particular term but by force of the Act they would hold office for three years from the 12th February 1946.

On the 7th February 1946 the Minister for Transport wrote to Messrs. Bath and Hawkins stating that their services as members of the Board would terminate on the 11th February and the Government desired them to agree to continue their services for a further period and concluded his letters with the following paragraph—

"In anticipation of your agreement to this proposal His Excellency the Lieut.-Governor has again appointed you as a member of the Board as from the 12th February 1946 and notification thereof will be published in the Government Gazette forthwith."

Messrs. Bath and Marshall wrote to the Minister on the 8th February 1946 agreeing to the terms stated in the Minister's letter.

There is a typographical error in that paragraph. Obviously it should begin "Messrs. Bath and Hawkins." The opinion proceeds—

Mr. Millen resigned from the Board on the 4th April 1946 and Mr. Howard was appointed by the Governor to be a member and chairman of the Board as from the 5th April 1946.

On the 29th July 1946 the Minister for Transport wrote to the Premier in the following terms.

"To fill the vacancies caused by the retirement of Messrs. Hawkins and Bath from the W. A. Transport Board I have much pleasure in submitting to you for Cabinet's concurrence, and I recommend accordingly the following persons:—

1. MacNee, Harry Maclachlan—of 10 Bedford Street, Nedlands, who will be the rural and country representative.

2. Wright, William Darriwill, Naval Lieut, 10 Padbury Buildings, Forrest Place, Perth, who will be the city representative.

Presuming that Cabinet will concur in these appointments I am having the necessary ex co papers drawn up for the purpose of finalising the appointments."

Cabinet approved the recommendation the same day and the Governor approved the appointments on the 31st July 1946 as from the 12th August 1946 and the appointments were duly notified in the Government Gazette on the 9th August 1946.

On 20th December 1948 the Solicitor General advised the Government that the appointment of Messrs. Wright and MacNee as members of the Board would terminate on the 11th February 1949. This advice applied equally to Mr. Howard, the Chairman, although his name was not mentioned in the letter.

Despite this advice the Governor did not reappoint any of these gentlemen as members of the Board on the termination of their term of office nor did he make any fresh appointments until the 23rd February 1949 and on that date the Governor on Cabinet's advice temporarily appointed Messrs. Howard, MacNee and Wright to be members of the Board as from the 12th day of February 1949 subject to 14 days' notice of termination of their appointment and their appointment was notified in the Government Gazette of the 11th March 1949.

These appointments were made "pursuant to provision of Section 5 of the Act and Section 34 of the Interpretation Act 1918." Mr. Wright resigned from the Board on the 31st March, 1949, and on the 31st March, 1949, and Governor temporarily appointed A. Spencer as a member in his place.

On the 30th August, 1949, Messrs. Howard, MacNee and Spencer resigned and on the 31st August, 1949, the Governor on Cabinet's recommendation and in exercise of his powers under section 5 of the Act appointed Mr. G. Drake-Brockman, Col. J. E. Barrett and H. M. MacNee to be members of the Board for the term of three years from the 31st August, 1949, and appointed Mr. Drake-Brockman to be chairman of the Board.

On these facts the questions submitted for opinion are as follows:—

(a) Were all appointments made in 1946, as above mentioned, validly made?

(b) Were all appointments made in 1949, as above indicated, validly made?

(c) Is there any doubt about the validity of any of such appointments aforesaid and, if so, which ones?

(d) Is there any doubt about the validity of acts and things done by the Board since February, 1946, consequent upon any doubt as to the validity of appointment of any of the members of the Board?

The 1946 Appointments:

In my opinion the appointment of Messrs. Bath and Hawkins was valid as the appointment was made by the Government or pursuant to the provisions of section 5 of the Act and was made without any qualification whatever and they could have remained in office for the term of three years.

The letter written by the Minister for Transport to Messrs. Bath and Hawkins the day after their appointment informing them that the Government only required their services for six months could have been ignored but they agreed to the Minister's suggestion and they must have agreed with the Minister to resign at the expiration of six months because the Minister for Transport wrote to the Premier on the 29th July, 1946, recommending that Messrs. MacNee and Wright be appointed "To fill the vacancies caused by the retirement of Messrs. Hawkins and Bath from the W.A. Transport Board."

In my opinion it must be assumed from the Minister's letter to the Premier of the 29th July, 1946, and Messrs. Bath and Hawkins' letters to the Minister for Transport of the 8th February, 1946, that they did in fact resign.

The Governor then appointed Messrs. Wright and MacNee to fill the two vacancies on the Board and it is clear that he had the power to do so under section 7 of the Act and they were entitled to remain in office by virtue of the provisions of that section until the 11th February, 1949.

In my opinion these appointments were valid.

The 1949 Appointments:

The Governor did not reappoint Messrs. Howard, Wright and MacNee before their term of office expired on 11th February, 1949, but on the 23rd February, 1949, he temporarily appointed them to be members of the Board and appointed Mr. Howard to be Chairman subject to fourteen days' notice of termination.

The Governor in making these appointments purported to act under section 5 of the Act and section 34 of the Interpretation Act, 1918.

In my opinion these appointments were invalid as the Governor has no power to make temporary appointments except under section 8 of the Act which empowers him to appoint a deputy for any member of the Board who is ill, suspended or absent.

I have come to this conclusion for the following reasons—

(a) The Act in so far as it relates to the appointment of members of the Board is mandatory and the Governor is bound to appoint members of the Board and once an appointment is made the persons appointed remain in office for three years unless an appointment is made under section 7 in which case the appointee remains in office for the remainder of his predecessor's term. The Act contemplates that the Governor shall make triennial appointments otherwise the Board would cease to function.

Although there is in the Act no express direction to the Governor to make triennial appointments he has power to do so by virtue of the provisions of section 35 of the Interpretation Act which reads as follows:—

"Power given by any Act . . . . to make any appointment shall be capable of being exercised from time to time as occasion arises unless the context . . . . indicates a contrary intention."

The occasion for making fresh appointments did arise in this case when the term of office of Messrs. Howard, MacNee and Wright expired on the 11th February, 1949, and if any fresh appointments had been made they must have been made under section 5 of the Act with the result that the appointees would hold office for three years.

(b) The Act contains a complete code for the appointment of members of the Board and for filling vacancies created by the happening of any of the events mentioned in section 5(9), 6, 7 and 8 of the Act and those sections cover the same ground as section 34 of the Interpretation Act, 1918, and therefore there is no necessity to resort to the provisions of section 34 of the Interpretation Act to fill vacancies on the Board however created even by effluxion of time.

The second proviso to section 34 provides that "nothing in this section shall affect the tenure of office of any person under the express or implied provisions of any statute" therefore even if it was necessary to resort to section 34 of the Interpretation Act for the purpose of filling a vacancy created by effluxion of time temporary appointments could not be made as such appointments would inevitably affect the tenure of office of the persons appointed to be a member of the Board under section 5 of the Act as such persons are entitled to hold office for three years once they are appointed, furthermore temporary triennial appointments made under section 34 of the Interpretation Act are inconsistent "with the intent and object" of the State Transport Co-ordination Act within the meaning of section 3 of the Interpretation Act and therefore section 34 cannot be availed of for the purpose of making temporary appointments.

In my opinion the questions submitted should be answered as follows—

(a) Yes.

(b) No.

(c) Yes. All the appointments made in 1949 except the appointments made on the 31st August, 1949.

(d) Yes, there is a doubt about the validity of the acts and things done by the Board between the 12th February, 1949, and 31st August, 1949.

There is, however, an alternative view which can be taken of the temporary appointments made in 1949, viz.: that as the appointments were made under section 5 of the Act as well as under section 34 of the Interpretation Act subject to termination on fourteen days' notice the appointees were entitled to remain in office for three years and were entitled to decline to recognise their appointments as being temporary because such appointments are contrary to the express provisions of the Act.

Although I do not agree with this view for the reasons I have already stated a Court may hold that it is the correct view.

If this alternative view is correct then a further question arises viz.: whether the present members of the Board who were appointed for three years from the 31st August, 1949, can hold office for a longer period than the unexpired period of their predecessors' term, which would mean that the present members' term of office would expire on the 11th February, 1952, and not on the 30th August, 1952, which is the date their term of office would expire according to the express terms of their appointment.

Whichever view is correct it seems to me to be essential that legislation should be brought down to cure all the defects referred to above by ratifying all acts done by the Board between the 12th February, 1949, and 31st August, 1949, and to confirm the appointment of the present members of the Board until the 31st August, 1952.

Perth. (Sgd.) FRANCIS W. LEAKE,
15th Sept., 1949.

There is, of course, the other opinion, signed by Mr. L. D. Seaton, K.C., which was read to the House by the member for North-East Fremantle, and duly recorded in "Hansard." Therefore, as I think was indicated by the Deputy Premier when speaking on a previous motion, having obtained the extra legal opinion which throws the weight of evidence against the validity of the appointments of the board and the possible validity of its acts, this measure has been brought down to validate those appointments and acts. I move—

That the Bill be now read a second time.

HON. F. J. S. WISE (Gascoyne) [5.38]: Firstly, I congratulate the Minister for Transport on reading these opinions to the House. I would, however, have liked to have heard them read by the Deputy Premier. We have had this matter before the Chamber in different ways on several occasions when this side of the House was, by choice of words, deliberately insulted on the ground of having the temerity and colossal impudence to take such a point against the Government's ideas and decisions. Now we find that there is not only ample justification for our attitude, but there has been proved the absolute necessity for the Government to do the things which we recommended a few months ago. I think the action of the Minister for Transport in reading in full these opinions is a very decent one. He need not have done that. It is heartening to us on this side.

There are one or two things, based on the last two sentences the Minister read, that I do not like in connection with the Bill. It is obvious that not only the majority opinion, but also the complete opinion of the King's Counsel who have considered this matter is that certain validation is necessary, but is validation necessary on the scale set out in Clause 3 of the Bill? The Minister read out, in the last sentences, that it was necessary to validate all acts since the appointments, which purported to be temporary, were made, but that is not what the Bill says.

The Bill gives a broad cover to all acts for the whole period, and an additional period as well. Whether there can be any doubt raised as to the necessity for that, and whether in the public interests the validation should not be so wide, I am not in a position to say, but it is certainly a drag-net provision in the widest possible sense. Since this matter was heatedly discussed and the Government was so obstinate, I do not wish to be other than generous and so I will say that we, on this side of the House, are anxious that the Bill should, if necessary, be passed through all stages today.

HON. J. T. TONKIN (North-East Fremantle) [5.41]: I, also, am glad that the Minister was gracious enough to read out the complete opinions that he received. I feel that the House, having heard them, will agree that the action taken by the Opposition in connection with this matter was completely justified. That action caused us some expense. When the matter was originally raised, we suggested to the Government that, because there was a doubt, the Government should seek outside legal opinion. The Government refrained from doing that and, because we felt that our grounds were right, we were forced to seek that outside opinion, and had to pay for it. I suggest to the Treasurer that in this case a reasonable thing to do would be to defray our legal costs in the matter, seeing that we have undoubtedly rendered the State a service. The appointments in 1949 were not validly made and therefore the actions of the board were not valid, and the Government could quite easily have been mulcted in considerable sums had private action been taken. Our costs are not considerable, but I do not think we should be obliged to meet them. I think the Government should agree to defray them.

I share with the Leader of the Opposition the view that there was no real necessity for the Bill to validate all acts of the Transport Board, because that is hardly fair to persons who might have cause of action with regard to acts of the board when it was properly appointed. If the board, when properly appointed, went outside its authority and did things that it had no right to do, are we doing the correct thing in validating those acts? I do not know to what extent that would apply, but the thought crossed my mind that it is an unusual thing to do where a board is set up under statutory authority and its authority is defined. If it goes outside that authority it ought to pay the penalty for doing so, just as would any private individual. I do not think it is right that we should validate those actions as this Bill proposes to do.

The Minister for Transport: There are still two opinions against one.

Hon. J. T. TONKIN: There are two opinions of King's Counsel against that of the Solicitor-General. As the Crown Law Department gave the original opinion to the Government, it is expecting rather too much to ask it to retract from the position it then took up and give a different opinion now. It is fairly clear from the way in which the opinion of Mr. Leake confirms that of Mr. Seaton in almost every particular, that it is the correct opinion. That opinion is confirmed also by further legal opinion, that of the member for Nedlands, who is also a K.C. The great weight of opinion is undoubtedly that the 1946 appointments were valid, but that the 1949 appointments were not. Therefore the only acts to be validated are those done subsequent to the appointments made in 1949.

The Premier: There was some doubt expressed as to the 1946 appointments.

Hon. J. T. TONKIN: Only by the Solicitor General.

The Attorney General: What does it matter?

Hon. J. T. TONKIN: It does not matter, but what does matter is that if certain acts have been done by the board since it has

been established and such acts have been outside its authority and have given a right of action to some individuals, we are not then doing the right thing if we deprive those individuals of their right of action, and that is what the Bill would do. I have not had time to study that aspect, but the lawyers in the Government may have a better idea of it than I have. The Bill purports to validate every act done by the board since its inception and all the functions that have been discharged or that purport to have been discharged by the board pursuant to the provisions of the State Transport Co-ordination Act 1933-1948.

All those acts that may have been of doubtful validity are ratified and made lawful and valid. Therefore every act done by the board since it was established, if of doubtful validity, is to be validated by the Bill. That is an unusual procedure and I think that by means of this Bill we may unjustly deprive some persons of their right of action. Whether that is so or not, I do not know, and effluxion of time may have lost those persons their right of action, but I think this provision is most unusual, because it purports to validate acts done outside the scope of the authority simply because they have been outside that scope.

The Attorney General: The usual form is to validate everything except those matters that have already been raised in court, and none has been raised in this case.

Hon. J. T. TONKIN: Is this Parliament justified in validating actions of the board when it was properly constituted, if such actions were beyond the scope of the board?

The Attorney General: I think so.

Hon. J. T. TONKIN: I do not, so that is where we must agree to differ.

The Attorney General: After all, those actions are dead and past.

Hon. J. T. TONKIN: This question arose only because it appeared to the Opposition that there was no power to make temporary appointments to the board, and that therefore from the time the appointments were made there was in fact no board. And that has been the attitude we have taken up all along.

The Attorney General: You must admit that it would be better to do without that element of doubt.

Hon. J. T. TONKIN: I do not admit that we are justified in validating acts of the board since its inception.

Hon. A. R. G. Hawke: The board, in January of this year, may have carried out illegal acts. Should they be validated too?

Hon. J. T. TONKIN: That is all I desire to say on the Bill. Firstly I think it would be reasonable for our legal costs to be met in connection with the matter, because the Government obviously forced us into action and secondly, it does not appear to me to be right to have such a dragnet clause as this to validate everything the board has done.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Perkins in the Chair; the Minister for Transport in charge of the Bill.

Clauses 1 and 2—agreed to.

Clause 3—Validation:

Hon. F. J. S. WISE: I move an amendment—

That in line 8, after the figures "1933-1948," the following words be added:—"Since the thirty-first day of December, one thousand nine hundred and forty-eight."

I do not think it would be very proper to leave the clause as it stands. According to Mr. Leake's opinion, the only period in dispute is that which comes after the figures I have moved to be inserted.

The Attorney General: That is quite right, but why not make it 1946, in view of Mr. Good's opinion. You are probably right, but why leave it in doubt?

Hon. F. J. S. WISE: The two opinions read to this Chamber this afternoon—and I know of another at least—all point to the fact that the 1946 appointments were validly made.

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

Title—agreed to.

Bill reported with an amendment and the report adopted.

Third Reading.

Bill read a third time and transmitted to the Council.

BILL—BUSH FIRES ACT AMENDMENT (No. 3).

Second Reading.

Debate resumed from the previous day.

HON. F. J. S. WISE (Gascoyne) [5.57]: I do not intend to oppose the Bill, which seeks to reintroduce into the parent Act provisions which after, in the one case, being there for some time were deleted by amendment. At first glance, it might seem rather drastic that, if a person has a permit to burn within a certain period, he should be held liable if he is burning within that permit. But it may be that, even without the words which are proposed to be inserted in the parent Act, a person may not be exonerated from blame. The purpose is to make sure that a person is responsible for the control of the fire. If that fire causes injury to any other person, even though the man is burning under permit and within the period specified in the Act, he is still liable if any other person suffers damage.

I know from experience when in control of this legislation that the committee responsible for this matter through road district authorities, the Forests Department, the Railway Department and others, including the Royal Agricultural Society, gave valuable advice to the Government. This committee acted in a voluntary capacity. As the Minister pointed out, due to the carelessness of people who appear to be acting within the authority of their permits, quite a lot of damage has been done, and doubts have arisen whether those persons should be held responsible.

The Minister for Lands: That is the reason.

Hon. F. J. S. WISE: The second amendment in the Bill is to extend the period in which the Railway Department or the Forests Department may, in certain areas, have until January to burn off difficult country. That is a desirable amendment because those departments are most anxious to preserve the public estate. Much of the low-lying country is not suitable for burning in December, and these departments should have the right to extend the period until January and to a specified date in January. I have no objection to the Bill and am most anxious to facilitate its passing.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time and transmitted to the Council.

BILL—MARKETING OF APPLES AND PEARS (No. 2).

Second Reading.

THE MINISTER FOR FORESTS (Hon. R. R. McDonald—West Perth) [6.2] in moving the second reading said: At the outset, Mr. Speaker, if I may be permitted to suggest an amendment to your announcement, I am introducing this Bill as the Minister for Forests.

Hon. F. J. S. Wise: I could call you by another name.

The MINISTER FOR FORESTS: Quite possibly! This Bill may look rather lengthy, but it is similar to that which was introduced and passed by this House last year, with the exception that last year's measure referred to the apple and pear harvest of 1949 and this one refers to the harvest of 1950 which is due to be gathered at the beginning of next year. Members will recollect that since 1940 onwards a scheme has been in existence, although somewhat in rather different form, for the marketing of apples and pears. With apples in particular the onset of the war meant that shipping became unavailable. The export of apples oversea from Australia had been undertaken in pre-war days in extremely considerable volume and was vital to the stability of the apple industry in Australia, and particularly in the States of Western Australia and Tasmania where the exports bore a large proportion to the total production.

Speaking broadly, in Western Australia one-third of the apples produced are consumed within the State and the other two-thirds have to be disposed of interstate or oversea. In Tasmania the export proportion is even greater than it is in Western

Australia. Therefore, when war broke out and apple growers were deprived—especially those in Western Australia and Tasmania—of markets outside the State which were essential to the continued existence of the industry, the Commonwealth, very properly, under its defence powers came to the rescue of the industry in order to preserve it during the war years and until such time as it could again stand on its own feet. The result was that under the National Security Regulations an acquisition and marketing scheme was introduced, the Commonwealth authority being the Apple and Pear Board. In the States that were participants in the scheme there was a State board which dealt with matters inside the State on behalf of the Commonwealth authority.

Some five or six years ago other States dropped out of the scheme and two States only remained; Western Australia and Tasmania. The other States, having a comparatively small production of apples or large home markets and therefore not being dependent upon the export markets, felt they could take care of their own industries without being brought into the marketing scheme. In the case of Western Australia and Tasmania, where the ratio of export was so high, continued protection was afforded the apple and pear growers by the Commonwealth. The idea of the Commonwealth scheme which operated during the war years and for some time afterwards—in fact, until the crop of 1948—was, on broad terms, for the Commonwealth to acquire the apple and pear harvests, pay a certain minimum price per bushel to the apple growers and, through the Apple and Pear Board, market the crop. Subsequently, after deducting what had been paid to the growers by way of advances and also after deducting the administration and marketing costs incurred by the board, should there be a surplus it was distributed amongst the growers in the manner with which we are all familiar.

Mr. Styants: What about the apples that were paid for but of which the board did not take delivery and in consequence the fruit was ploughed into the ground?

The MINISTER FOR FORESTS: In that case any loss to the scheme—in fact, that loss existed—was borne by the Commonwealth.

Mr. Styants: It has cost the taxpayers millions of pounds.

The MINISTER FOR FORESTS: Yes. There was not available during those years the labour required to market the apples, nor was there the market to absorb them by way of sales. So it was impossible in the circumstances to ensure that the whole of the crop was disposed of to consumers.

Mr. Yates: Is that likely to happen again?

The MINISTER FOR FORESTS: No. I shall deal with that point in a moment, because it is important. It was thought, very properly, by the Commonwealth that the industry was of such economic importance in Western Australia and Tasmania that it was essential, in order to prevent its going out of existence, to incur, in the national interests, some cost to ensure that the growers did not go bankrupt or were not forced off their orchards, as happened previously.

Mr. Styants: What is the reason they cannot stand on their own feet now?

The MINISTER FOR FORESTS: I shall refer to that, because it is an important aspect of the matter. The scheme was continued in the interests of Western Australia and Tasmania to deal with the apple crop of 1948. Later in that year the Commonwealth intimated that it did not intend to operate as the acquiring authority in the future for the reason that it had some doubt about its constitutional power to do so, seeing that the war had ended so many years before. It was not deemed possible, with respect to the crop of 1949, which was gathered in the early part of the year, that the industry would have sufficient time to reorganise itself in order to carry out marketing obligations without the aid of Government support. That fact was recognised by the Commonwealth Government and legislation, which was passed last year, was introduced to enable a modified marketing scheme to operate for the 1949 crop in Western Australia and Tasmania.

The scheme, which was authorised by a measure passed by this Parliament last year, known as the Apple and Pear Marketing Act of 1948, provided that there should be a State Apple and Pear Board, the members of which were the same people as had been members of the State Board

when the Commonwealth operated the acquisition scheme. Under the State Act the board set up here became the acquiring authority and, by force of that measure, the apple and pear crop of 1949 was vested in the State board. The Act then went on to provide that the Commonwealth Apple and Pear Board should act as agent for the State board in taking the crop, marketing it, making advances to growers and—

Hon. F. J. S. Wise called attention to the state of the House.

Mr. SPEAKER: I will leave the Chair.

Sitting suspended from 6.13 to 7.30 p.m.

The MINISTER FOR FORESTS: I was dealing with the Act passed by this Parliament last year. Whereas before last year the Commonwealth Apple and Pear Board was the principal and controlling authority in the marketing of apples and pears, under the State Act of last year the State Apple and Pear Board was set up and became the principal or main authority and undertook the acquisition of the property in apples and pears in this State. The Act provided for an agreement to be made between the Commonwealth and the State under which the Commonwealth Apple and Pear Board would be continued in existence for the purpose of marketing the crop in this State as the agent for the State Apple and Pear Board.

The agreement, as made between the Commonwealth and State and authorised by the Act of last year, provided also that, on the acquisition of apples and pears, the growers should be paid the sum set out in the schedule to the agreement, which would cover the cost of production up to the time the fruit was ready for delivery. The agreement went on to provide that, if the proceeds of the sale of the crop through the Commonwealth board resulted in a surplus after meeting the advances made to the growers and the marketing and administrative costs incurred by the Commonwealth board, the surplus would be divided amongst the growers.

Hon. F. J. S. Wise: Have you the figures for last year of the assessed crop and the marketed crop?

The MINISTER FOR FORESTS: I have not the full figures, but shall have something to say on that presently. As I was saying the agreement provided that if there was a surplus over what had been paid out, it would be distributed amongst the growers. On the other hand, if there was a deficiency—that is, if the proceeds of the sale of the crop did not recoup what had been advanced to the growers and the marketing expenses—the deficiency would be borne by the Commonwealth. The agreement, therefore, was favourable to the State, inasmuch as there was a guaranteed price to the grower and whatever the ultimate proceeds of the sale of the crop might be, the grower and the State would incur no liability. On the other hand, if there was a surplus the grower would receive the benefit.

The Act also provided—as I remarked last year, rather curiously—for the Government, by a guarantee of the Commonwealth Bank, to make advances to finance the scheme, but all money so advanced for which the State became liable was to be recouped through the Apple and Pear Board and thus no real liability would be incurred by the State Treasury, any deficiency being met by the Commonwealth.

Dealing with the inquiry of the Leader of the Opposition, the handling of the apple and pear pack, as authorised by the Act passed last year, has proceeded satisfactorily. Deliveries have approximated 1,420,000 bushels.

Mr. Styants: What was the amount paid to growers?

The MINISTER FOR FORESTS: The amounts paid to growers are those set out in the schedule to the agreement; varying amounts are given for different classes of apples and pears.

Mr. Styants: Have you the financial returns of the board for the last 12 months?

The MINISTER FOR FORESTS: The financial returns for the 1949 harvest are not complete. All the apples have not yet been sold and I am not in a position to say definitely what the result will be. However, I made inquiries and have been advised that it is hoped there will be a surplus over and above the amount paid to growers and the expenses of handling and distribution, and this surplus will result in the payment of a further sum to growers. I have been informed that the Act of last year provided machinery that was suitable for the marketing of the crop in this State and has operated quite satisfactorily.

Mr. Styants: Can you tell us the number of cases paid for and the number of cases of which delivery was taken?

The MINISTER FOR FORESTS: Under the Commonwealth scheme as it operated prior to 1949 with a view to conserving the industry, the Commonwealth paid, not only for the apples delivered, but also for those that were capable of being delivered but were not actually delivered. This was done because, owing to labour difficulties and the contraction of markets, it was not worth while taking delivery of apples and packing them when the expense would not be recouped owing to the lack of a market for them.

Mr. Styants: And consumers were paying 10d. a pound for apples.

The MINISTER FOR FORESTS: Necessarily there has been a need to maintain a payable price for fruit. The scheme is costing the taxpayers of Australia some millions of pounds—

Mr. Styants: About four and a half millions.

The MINISTER FOR FORESTS: —and the Apple and Pear Board, in disposing of the fruit, desired to obtain as far as possible a price that would have some bearing on the actual cost of production. Like all artificial schemes meant to meet conditions brought about by the war, however, the economics of the scheme would not be as perfect as would be the case under normal conditions. The measure which is now before the House is in all material respects the same measure as was introduced last year. The difference is that whereas last year's Bill referred to the 1949 crop, this year's Bill refers to the 1950 crop. Both authorise an agreement to be made with the Commonwealth to provide for the marketing of the crop, and the machinery in each case is the same. The advances to be made to the grower under this measure will be the same as were made under last year's measure, and the liability undertaken by the Commonwealth to be responsible for any deficiency in the event of the proceeds not meeting advances and expenses is the same liability as that which the Commonwealth undertook under last year's measure.

I think I can say with regard to the present Bill that it can be taken as similar in all respects to the legislation accepted by the House last year, except for necessary alterations in dates to make it apply to the 1950 apple and pear crop instead of the 1949 crop. When the matter of the marketing of the 1949 apple and pear crop was being considered, it was naturally and properly canvassed by the industry whether the time had come when it could itself organise its own marketing arrangements without relying upon the governmental organisation. It was decided however, that the transition period from wartime control had not been sufficiently long to enable the industry to organise itself without governmental support. That was recognised by the Commonwealth Government and the Minister for Commerce and Agriculture, Mr. Pollard, who therefore lent his support to a marketing scheme which applied for this year's crop to Tasmania and Western Australia.

Hon. F. J. S. Wise: You are aware of the very serious criticism this scheme received at the hands of the Honorary Minister?

The MINISTER FOR FORESTS: As a matter of fact, that has escaped my memory.

Hon. F. J. S. Wise: I might have to remind you of it.

The MINISTER FOR FORESTS: In any case, I think I might say that circumstances alter cases.

Hon. F. J. S. Wise: Ah! I take it that as this is a Government Bill the Honorary Minister must support it.

The MINISTER FOR FORESTS: I think we can count on her support on this occasion.

Hon. F. J. S. Wise: I thought that.

The MINISTER FOR FORESTS: It was decided, in respect of the harvest this year, that some governmental support was necessary and the Commonwealth Government acquiesced in that view.

Hon. F. J. S. Wise: You are sure that the oversea market position and the absorbtive capacity of the internal market are still insufficient to enable orchardists to function without such a scheme

The MINISTER FOR FORESTS: I consider that for this year's crop, which was cared for by the legislation of last year, and for the next succeeding crop, governmental support is still necessary. In other words, the transition

period from wartime control has not been long enough to enable the industry to organise itself. But it is recognised by the industry that this type of legislation must come to an end and I think it is the general view of those concerned that it is probable this year's marketing scheme will be the last. For the succeeding year's crop the industry will need to make its own arrangements for marketing its crop.

Hon. F. J. S. Wise: If the Commonwealth will not agree to act as it did last year, will the State undertake the control?

The MINISTER FOR FORESTS: If the Commonwealth will not agree to implement the scheme for the coming crop, as it did for this year's crop, then the industry will have to organise itself. That, I understand, is the view accepted by the industry. If the Commonwealth will not support the scheme as it did last year, then the industry will have to fall back on itself. With difficulty, it could meet, I believe, that challenge, but only with difficulty. If the present scheme is continued for the forthcoming harvest then the industry will be allowed a little extra time in which to complete its arrangements to rely upon its own organisation.

The Commonwealth has been approached and it is confidently believed it will agree to implement the scheme for next year's harvest on the lines of the agreement proposed in this Bill. The W. A. Fruitgrowers' Association has been advised by the Federal Minister for Commerce and Agriculture that it shall have Cabinet consideration and decision at Canberra within the next week or ten days. The Minister for Works and Housing, Mr, Lemmon, in whose division there is the main apple and pear industry of our State, I understand supported this scheme as being desirable for the current harvest. I am therefore reasonably sure that the Commonwealth will intimate within the next few days that it considers the scheme is desirable and that it is prepared to implement it on the lines of the scheme adopted for this year's crop.

I just need to add that there are one or two other complicating factors. One is the fruit case situation, The member for North-East Fremantle will know that that has been a continuing difficulty for some years. It was so last year. This year, speaking in broad terms, the position is that the anticipated pack of apples next year will be 1,550,000 bushels. There is approximately one bushel to a case. To meet that anticipated pack, case production inside the State for apples is expected to be a little under 1,000,000 cases. There is a carry-over from last season of some 200,000 cases and it is expected that it will be necessary to import 450,000 apple boxes and 50,000 pear boxes. Last year the relative cost of apple boxes and pear boxes—

Hon. F. J. S. Wise: It seems a terrible thing to have to do.

The MINISTER FOR FORESTS: Yes. The relative cost was 1s. 8d. for local boxes and 3s. 6d. for imported boxes. This year, fortunately, the price of imported boxes has considerably fallen. But one of the difficulties of the industry in arranging the matter itself is to equalise and control the distribution of boxes so that one grower may not receive all local boxes at a cheap price and another grower be compelled to take imported boxes at a very much greater price.

Mr. Styants: Will the growers be allowed to use second-hand cases?

The MINISTER FOR FORESTS: No. Secondhand cases in general are not allowed. There are legislative provisions and regulations forbidding secondhand cases going below a certain line. The reason is mainly to prevent the spread of fruit-fly. That is a debatable matter on which the member for Forrest has made some remarks in this House. It has been brought before the Department of Agriculture; but the department feels, and technical and professional advice is, that it is better not to allow the extensive use of secondhand cases because of the danger of carrying fruit-fly into those lower areas in which our fruit is chiefly grown, coupled with the fact that secondhand fruit-cases are very largely needed and are taken into use by many other industries, for containers. It is believed that the number available for the apple and pear industry would be comparatively small.

Mr. Fox: Are there enough case nails in the State?

The MINISTER FOR FORESTS: Case nails and other nails have been in short supply.

Mr. Fox: Are they in short supply now?

The MINISTER FOR FORESTS: The supply is improving. Representations were made some time ago by the Premier to the Prime Minister to endeavour to assist in getting an additional quota, and I think some are due to arrive in the next few days.

The Honorary Minister for Supply and Shipping: Some have already arrived.

The MINISTER FOR FORESTS: Yes. I think that difficulty will be met.

Hon. F. J. S. Wise: You must not allow the building nail position to be confused with the case nail position.

The MINISTER FORESTS: No; I appreciate that. I was referring to the shortage of fruit-cases, which involves very considerable finance for imports. It takes a fair amount of money to import 500,000 fruit-cases. Under the scheme last year, that liability was undertaken by the Apple and Pear Board of the Commonwealth as part of the marketing scheme. The board made arrangements by which equalisation of price was carried out as part of the scheme. For the industry itself to raise a fund and import cases and have a means of equal distribution of those cases and of equalisation of price is a matter of considerable difficulty. No doubt in due course that could be overcome, but at present there is not adequate machinery to enable it to be done. I may add that steps are being taken to improve the fruit-case position, and I am hoping that within a year or so the new mill at Pemberton will be in operation and the fruit-case position will show a substantial improvement. The industry feels that it is reaching the end of the transitional stage, but that the forthcoming pack—to be harvested at the beginning of next year—would be greatly safeguarded by a marketing arrangement on the lines of that authorised by Parliament for this year.

This measure is for the 1950 pack only. It does not extend beyond that. The matter was put to the fruitgrowers on a very democratic franchise, to determine whether or not they wished to have their apples marketed in connection with the 1950 pack on the lines which operated this year under the measure passed by Parliament last year. The poll was voluntary, and the franchise was given to orchardists with as few as two acres of apple orchard. Of the total number available to vote, 65 per cent. voted. Of those who voted, 65.55 per cent. voted for a marketing scheme for the 1950 pack on the lines of this year's scheme; 34.29 per cent. were against repetition of the scheme, and there was one informal vote. So there was a substantial majority of growers in favour of a repetition for 1950 of the scheme that operated in 1949. The measure, therefore, is the same which applied for the current harvest and as authorised by this Parliament last year, with necessary amendments to enable it to apply next year.

I have here a draft of the proposed agreement between the Commonwealth and the State, with schedules which set out the amounts to be paid to the growers, and also a copy of a circular to the growers sent out by the Western Australian Fruitgrowers' Association, setting out the arguments for and against a repetition of the scheme, and allowing growers to make up their own minds. With your permission, Mr. Speaker, I will place these papers on the Table of the House for examination by members who may desire to inspect them.

Mr. Styants: Could you tell us whether local sales have to subsidise oversea sales?

The MINISTER FOR FORESTS: I do not think so. Every year sales are arranged in the United Kingdom by the Commonwealth with the United Kingdom Government.

Hon. F. J. S. Wise: They are based not only on refrigerator space but the considered value of apples in the food regimen of England.

The MINISTER FOR FORESTS: That is so.

Mr. Styants: Do the sales at the local price have to subsidise the prices received oversea?

The MINISTER FOR FORESTS: I do not think that can be said. The price received oversea is, I think, substantially higher than the local price, and the price received for sales of our apples, say, in Sydney, is 40 per cent. above the price which is charged to local consumers.

Mr. Styants: Would that be the net price?

The MINISTER FOR FORESTS: That comparison would relate to the price when sold by the case, so I do not think it can be said that there is any subsidisation by the local consumers of export consumers. I might add that the local Apple and Pear Board has as one of its members a representative of the consumers. He is Mr. Nilsson, secretary of the Transport Workers' Union. His function is to see that, in relation to the operations of the board, the interests of the consumers of apples are fairly well protected, and I think he does do his duty in that respect.

Mr. Yates: How many members are there on the board?

The MINISTER FOR FORESTS: There are eight, of whom four represent the growers; one is the Superintendent of Horticulture of the Agricultural Department, Mr. Powell; one represents the exporters, one represents the marketing trade, and the other is Mr. Nilsson. I shall be glad, in the Committee stage, to answer any questions I can and, with your permission, Mr. Speaker, I will lay these papers on the Table of the House for the information of members. I move—

That the Bill be now read a second time.

On motion by Hon. F. J. S. Wise, debate adjourned.

BILL—LIQUID FUEL (EMERGENCY PROVISIONS).

Message.

Message from the Governor received and read recommending appropriation for the purposes of the Bill.

Second Reading.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT (Hon. A. F. Watts—Katanning) [8.2] in moving the second reading said: Members will find that the contents of the Bill require careful following, but if they will recollect that it is really divided into three parts, two of which do not come into operation until they are proclaimed—and only one of those two can come into operation and be effective at the one time—they will, I think, be able to follow it quite clearly. At the outset, may I say that the Government does not intend to introduce petrol rationing by tickets under State management unless all other expedients fail and dire necessity dictates it. I would like to call members' attention to the Commonwealth Powers Act of 1943, which was debated in this House at considerable length, and passed in a form much different from that in which it was presented.

As a matter of fact, a uniform measure was presented to the Parliaments of the several States but it was only in the cases of New South Wales and Queensland that it emerged in the form in which it was presented. The only aspect of that measure that is of interest to us in connection with this matter is in respect of the rationing of commodities which Western Australia altered to provide "for the rationing of goods of which the Parliament of the Commonwealth declares by resolution there is a scarcity of supplies," with a proviso that there should be no discrimination between the States or parts of States. That proviso is worth recollecting in connection with this matter because it will be mentioned at a later stage.

Paragraph 37 of Section 51 of the Australian Constitution enables the Commonwealth to make laws on matters referred by any State or States, but so that the law shall extend only to those States by whose Parliaments the matters are referred, or which afterwards adopt the laws. Consequently, when the High Court decided against the Commonwealth's rationing, it was considered, subject to the necessary Commonwealth Parliament resolution, as provided for in the Commonwealth Powers Act of 1943, and the assent of all the other States to a similar provision, that the Western Australian law would enable the Commonwealth to reinstate petrol rationing in this State if it considered that course essential. Speaking quite personally at this juncture, I have never been able to satisfy myself of the absolute need for the long continuance of the rationing system. But we must all be quite clear that the Commonwealth insistence on import quotas renders consideration of that system necessary.

Unfortunately it appears that the difficulty has been accentuated by recent happenings—I refer, of course, to the happenings connected with the devaluation of the £ sterling. In the period immediately following the High Court decision, few people expected that panic buying would result. Public statements and Press publicity, and above all, the lack of wisdom on

the part of many citizens, rapidly increased sales and, therefore, affected all import quotas. The increase in consumption became much higher than was expected. As a result, reports, which in many cases, can be regarded as authentic, indicate the hoarding of large quantities of liquid fuel by substantial numbers of people. Hoarding and the necessity for the retention of import quotas render it distinctly possible that essential industries will not be able to function. I refer, for example, to the primary industries at harvest time; to essential public transport, and to others that can be readily brought to mind.

There were, as is well known, discussions between the representatives of the various States following on the Commonwealth difficulty after the High Court decision; and there was apparent inability to obtain a uniform decision. I submitted earlier that if all the other States had had some similar reference of power to Western Australia, or a greater measure of such reference, there would have been no difficulty, had the Commonwealth desired it, in the implementation of their rationing wishes, because there would then have been no lack of uniformity, or possibility of discrimination between States. But the probability of the risk of essential transport being dislocated, based on the reports and activities to which I have referred, and the apparent inability to obtain uniformity of decision, prompted the Government of this State to seek power—

1, To compel information as to hoarded petrol;

2, To direct supplies to essential industries; and

3, To control, as far as possible, reasonable supplies to other users.

There is no doubt that even if the Commonwealth desired and was able to institute or reinstitute a petrol ticket rationing system throughout the Commonwealth one of the things it would want to know would be how much liquid fuel there was hoarded in various places. It will be recollected that when the original liquid fuel rationing regulations came into operation in 1940 or 1941, that was one of the things that was provided for in those regulations. The position prompted us to ask Parliament for power to compel that information, to direct supplies to essential industries and to control as far as possible reasonable supplies to other users. I say "as far as possible" and I will make some reference to that aspect later, because of the very great difficulty that would have been involved, even if it had been otherwise desirable, in attempting to institute a complete system of control.

The Bill was therefore originally drawn to provide for these purposes but subsequently information about the more obvious divergence of opinion among the States as to the methods to be adopted, even if they did agree to some uniform system—and as yet there is no certainty that any agreement at all can be reached—indicated to us that some further consideration should be given to the matter. We have therefore obtained and I have brought here a short report of the views of the various Governments, obtained as recently as within the last 24 hours. Perhaps before I make reference to those views I should say, dealing with this question of the reference of power in 1943, that Queensland and New South Wales passed the Powers Bill exactly as it was presented to them, and that power was to continue until almost this time next year. South Australia passed the Powers Bill in a modified form, somewhat similar to that of Western Australia, but it was limited in duration to a life of three years and therefore expired 15 months or so ago. Tasmania passed no Bill at all.

Hon. F. J. S. Wise: And Victoria might as well not have done so.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Victoria passed a Bill in the form submitted by the Commonwealth, but subject to a proviso that it should not operate unless the legislation of all the other States was substantially similar.

Hon. F. J. S. Wise: And that was the personal wish of the Premier, Mr. Dunstan.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Without going any deeper into it, I can say it became completely ineffective when Tasmania passed no such legislation at all. Western Australia took the course I have outlined. With that explanation I can now come back to the views of the various Governments, so far as we have been able to ascertain them, on the present question. I will deal first

with Queensland. Under the 1943 Act, Queensland referred to the Commonwealth powers which that State considers adequate to enable the necessary action to be taken until next year. That Government has advised the Commonwealth that if powers are required after the expiration of their existing Act they will consider the matter before the power lapses. They will attend the Premiers' Conference at the end of this month, but cannot see that from their point of view there is much to be achieved. The views of New South Wales are similar to those of Queensland.

The South Australian Government has drafted a Bill, a copy of which has been forwarded to this State. The Premier of South Australia does not propose to take any action in connection with that Bill until after the Premiers' Conference at the end of the month. We have seen a copy of that proposed Bill. What it does is to adopt, with certain modifications the National Security Defence Transitional Liquid Fuel Regulations of the Commonwealth, which recently became invalid, the modifications being intended to bring about a closer liaison between the State and the Commonwealth authorities in the event of such a Bill being passed. However, I wish to make it clear that it has not yet, according to our information, been submitted to the South Australian Parliament and is not likely to be so submitted until after the conference has taken place. Tasmania, we are informed, is not taking any action at all until the conference has further considered the position. So we do not know what line of approach, if any, the Government of that State will make to this matter.

On the 13th of September the Victorian Government communicated with the Prime Minister, saying it had given further consideration to his suggestions regarding the rationing of petrol, and the communication stated:—

> Generally it would appear that our people are strongly opposed to the continuation of rationing. However, confronted with the fact that your Government is determined to restrict overall supplies, it is realised that it will be necessary to institute a scheme of sub-rationing so as to provide for the equitable distribution of supplies. If the Commonwealth Government, therefore, passes legislation controlling the distribution of petrol in Australian territories, Queensland, New South Wales and Western Australia, we will submit a Bill to the Victorian Parliament to implement it on the same basis as that proposed by the Commonwealth.

So it will be seen that there is at present no certainty whatever of the uniformity to which I referred and there is the ever-present risk, which I may say is the principal and most substantial reason for the introduction of this measure, that in view of all that has taken place, and what I have referred to as the lack of wisdom of some of our people in the matter of hoarding, we may find ourselves in trouble with our essential industries before very long.

We have already had some instances of local authorities being without fuel supplies for essential purposes, and of school bus contractors being in difficulties, and so on, and while with the co-operation of the oil companies it has been possible to remedy those matters, so far as I know and so far as they have yet arisen, it is yet quite clear that if our difficulties are in any way accentuated, either by a reduction of supplies due to hoarding of the already limited quantities that the Commonwealth can allow to be made available, or from any other cause of even greater difficulty, it will be necessary for some authority to be equipped with power to take such action as might be possible and necessary.

On the question of giving power to the Commonwealth I would point out that there are apparently three ways by which a State can delegate the power. One is by reference of power under paragraph 37 of Section 51 of the Australian Constitution, with which I have already dealt at some length. Another is the adoption of the Commonwealth regulations made in respect of an area over which the Commonwealth has control, for example the Federal Capital Territory. The third is to adopt as State law the Commonwealth regulations existing before the High Court judgment, subject to such amendments as may be necessary which, I understand, is broadly the method proposed in the Bill not yet introduced in South Australia.

If by the use of any of these means the Commonwealth acquires power in every State, it is contended that the 1943 reference by Western Australia could be implemented if the Commonwealth desires, because it would then be without discrimina-

tion. If such uniformity is not achieved the Western Australian reference of power is subject to the question of validity. Therefore it is desirable that Western Australia should have some power or control, short of actual ticket rationing, if the Commonwealth cannot take, or decided not to take, any uniform action, or, as I said earlier, if in dire necessity it might be necessary to make use of that ticket system—but, it is not contemplated at present—or alternatively to empower the Commonwealth, subject to reasonable liaison with the State authorities, to obtain rights of control by one of the alternatives first mentioned, namely, the adoption by the State of former Commonwealth regulations.

I understand that if ticket rationing were to be adopted by either State or Federal authorities there would be something like 200,000 licenses to be dealt with in Western Australia. There are approximately 80,000 motor vehicles but of course the liquid fuel licenses cover milking machines, stationary engines, motor launches and dozens of other things which it is only possible to state by obtaining a complete list. It will readily be realised that action such as that, under any machinery—and particularly under local machinery—would be extremely difficult. In any event I would say that with the best arrangements possible two, three or four months would elapse before applications could be received, dealt with and the licenses issued. It will be recollected that the original rationing scheme, when it came into operation, took a considerable time before the first licenses were issued to the public. We knew the date which had been fixed for the introduction of rationing some time before the licenses were issued, but it still took a long while for those licenses to be issued. Meanwhile, as I have said, there are strong indications, particularly at this time of the year, that there will be difficulties ahead for essential industries and they might be hamstrung at least to some degree—and perhaps to a substantial degree—let alone private users. In some cases private users—even though they have legitimate requirements—are in a most difficult position today and if there were no means of quickly taking some action—irrespective of what action might be taken on a ticket rationing basis, particularly if the Commonwealth assumes control—it is quite possible that for a period at least a chaotic state of affairs might exist.

This Bill, therefore, is in three parts and each of two can come into operation only by proclamation of the Governor, which may be amended or revoked at any time. These are in short—

(a) When the Governor considers there is a state of emergency he may make regulations regarding the acquisition, supply, provision, distribution, possession, custody, use and movement of liquid fuel and its containers which are within the State.

(b) Enabling the Govenor by proclamation to declare that subject to amending alterations contained in the schedule to the Bill, the National Security Liquid Fuel Regulations passed under the Defence Transitional legislation shall have effect as the law of the State.

The former proposition, if proclaimed—and I would say that under the Bill it can be proclaimed and the proclamation afterwards varied or revoked—would have the effect of enabling a measure of control to be exercised over the movement and distribution of all liquid fuel supplies in Western Australia. The second proposition, as I have mentioned, is similar to that which we understand is proposed in the South Australian legislation, and would simply enable the Commonwealth to bring into effect the regulations which it had originally under the National Security Defence Transitional Provisions Regulations.

Mr. Graham: Have you any spare copies of those Commonwealth regulations?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I had great difficulty in obtaining one for my own use.

Hon. F. J. S. Wise: It is necessary to have a copy in order to interpret the schedule contained in the Bill.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: That is so and I am arranging to have a copy made available to the Leader of the Opposition, but it is difficult to obtain them. Fortunately I think I can satisfy the hon. member, if there is any difficulty about obtaining a copy, that the amendments to the schedule are not of a very substantial character, although they appear somewhat lengthy.

The third part of the Bill, to come into operation immediately it becomes an Act, will give the Minister power to require any or every person to declare the quantity of

liquid fuel held by him, and to require the suppliers to declare large quantities of petrol supplied to any person in recent times, as far as is possible. This will be done in order to afford some check on persons who do not make full or truthful declarations. Such notice may be given to any particular person, or class of persons, or to any persons in any area, or persons generally. It is obviously necessary, in a matter of this kind, to permit considerable discretion as to the area and class of persons. For instance, the North-West of this State has always been excluded under the National Security Regulations and it will almost certainly be desirable to continue that exclusion.

Again, information would not be sought from suppliers who do not sell in bulk. Therefore the small service station proprietor who merely sells to customers as they come, would be excluded. It would be expected that such a person would not have any particulars, nor in the normal way would it be expected that the quantity he would sell at any one time would be such as to be classified in the hoarding list. The people it is desired to control are those who purchase large quantities in bulk supplies other than for normal legitimate sale by retail or for normal use themselves.

Once this part of the Act comes into immediate force, it is considered it will have a salutary effect on hoarding, particularly further hoarding, will enable unnecessarily large hoarded quantities to be re-distributed, will be of inestimable value to the Commonwealth authorities if they ultimately take action and will have obviated much of the delay and difficulty which they would have to face.

Hon. F. J. S. Wise: I suppose you will be telling us of the measure you will apply to the ultimate needs of the people who are hoarding.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Obviously, the work they are engaged on and what they have to do will be taken into consideration. It is impossible to lay down a hard and fast rule tonight; it has not been possible in the past. I was about to say, before the Leader of the Opposition made his interjection, and following on my view, that necessarily, there will have to be considerable care exercised when the declaration is made, and in order to take steps to ensure that supplies are equitably distributed, because there would be cases where the quantities available would not be reasonable for immediate requirements.

As to the Governor's proclamation contained in the first five clauses of the Bill, it is provided that the regulations may be made to operate only in parts of the State or during specified periods or under certain specified conditions. Obviously again I am dealing with specified parts of the State and the best example one can quote is the area which was excluded before; that is, the area north of the 26th parallel. The Bill also provides that in order that members of Parliament shall have full information it is provided that, if and when made, a copy of all regulations shall be posted to each member. There is provision for assistance to be obtained from local authorities and that, if necessary, they can be paid for that service out of moneys to be appropriated.

There are very heavy penalties provided for breaches, particularly false declarations as to quantity of liquid fuel held. I expect that all members have read the assertions in the newspapers as to the vast quantity of fuel in bulk or in drums held by some people, and as to whom it is claimed that they have little or no legitimate right to more than a fraction of it. From what I have heard, I understand that many members have confirmed, by their own inquiries, the truth of those observations and if the reports are only 50 per cent. correct it is obvious that there are some hundreds of thousands of gallons which are not being used, and which ought to be distributed among a larger section of the public.

Hon. F. J. S. Wise: There must have been a violent change in the system of distribution when the rationing ceased for that to be possible.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I do not know whether that is so or not. It is extremely difficult to regulate circumstances of that nature without any authority. Bona fide as any company might be in its desires—and I am aware that some of them anyway, if not all of them, were of that character—they had no control whatever once the supply left

them and became the property of the person buying from them, whether he was buying in bulk or otherwise.

Hon. F. J. S. Wise: The companies were so insistent that there were large quantities available that it did not matter.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I cannot speak authoritatively on that.

Hon. F. J. S. Wise: That statement was in the Press.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I do not know whether that was correct.

Hon. F. J. S. Wise: There must have been a sharp rise in the quantity released by the companies.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: There will be the certainty, if this Bill is passed, that the reasonable requirements of every section of the community within the quota available to the State can be provided for. I admit, too, that circumstances may change very rapidly, and it is therefore necessary to have the extremely wide discretionary powers which are conferred upon the Governor. Also, it can be accepted without qualification that every effort will be made to interfere as little as possible with legitimate trading in or the use of liquid fuel, and to ensure that the requirements of essential industries are met as closely as possible. I suggest, too, that one of the first things would be to have discussions with the representatives of the oil companies to seek their co-operation; for by that means much can be achieved. The regulations in such a case would be to support the actual desire of the majority of the oil companies to ensure reasonable and equitable distribution.

If ultimately ticket rationing under Commonwealth control comes into operation it is quite clear that any action taken by the State under this legislation will have been of assistance to the control which the Commonwealth may itself decide to exercise. But from all that the Government can gather it is not the desire of the Commonwealth to undertake this rationing on a piecemeal basis, and therefore I attach very great importance to whether or not some agreement as to uniformity of action can be reached and then, in the absence of any better state of affairs for the importation of liquid fuel—it is hoped that an agreement will be achieved—the Commonwealth Government will have to take action for the benefit of the Commonwealth and I should say of its essential industries mainly.

Liquid fuel and the various oils and spirits comprised in that general term have been defined similarly to the definition contained in the former Commonwealth regulations, except that rectified spirit and shale oil, which are of little interest in Western Australia, have been excluded. Members will find from a perusal of the measure that the various powers are clearly set out.

Hon. F. J. S. Wise: Had you a basis for this Bill's construction from another Act or Bill?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: It is to some extent drawn from a law in New South Wales dealing with emergency transport, but I can only say to some extent because there is a great deal in it which has not been adopted. There is also some resemblance in one clause which deals with the power of the Governor to proclaim as State law the National Security Defence Transitional Liquid Fuel Regulations which have been drafted somewhat similarly to the proposed South Australian Bill. However, there is this main difference: That this proposal rests on a proclamation of the Governor, whereas if the South Australian legislation ever goes to that Parliament and is passed, it will depend on the Act itself.

Hon. F. J. S. Wise: Will the Minister give the House an idea as to how rationing may be effected without the issuance of tickets or a similar method?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: At the beginning I would suggest that a measure of control can be maintained over the main sources of supply—

Hon. F. J. S. Wise: Then it might be the survival of the quickest.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: —which I suggest are the oil companies; they being the main and original distributors to the public. Undoubtedly they can exercise extremely considerable discrimination and, as I have al-

ready said, be of major assistance in the reasonable and equitable distribution of liquid fuel supplies. The Leader of the Opposition himself by interjection a few moments ago indicated that had they carried into effect what was their original published intention, much of our present difficulties would never have arisen.

Hon. F. J. S. Wise: I believe that.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I submit that this legislation, in the absence of the co-operation that I believe can be achieved, is the means by which we can compel that action.

Hon. F. J. S. Wise: Unless you can be satisfied how it will regulate supplies to users, it might operate inequitably.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I think the regulations will adequately deal with that phase. No doubt they will have to be very carefully considered before they are promulgated. Obviously, they cannot be incorporated in the Bill. As is well known, at no stage did the Commonwealth fuel regulations prescribe any allowance for particular types of users for which large and varying quantities were allowed. That matter was to a great extent at the discretion of the controllers. There is no doubt that regulations can be drawn in such a way that reasonably efficient control—I make no claim to the possibility of perfection—can be obtained over the distribution and movement of liquid fuel in the existing difficult circumstances.

Hon. J. T. Tonkin: This looks as though the final responsibility will be thrown on the retailer who will have to carry the baby.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I do not think that at all; I do not think he will have to carry the responsibility.

Hon. A. A. M. Coverley: The retailers are very dissatisfied.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I know that their position is very bad. I do not think that the final responsibility will be theirs, and I have already indicated that the desire is to liberate them from a very difficult position.

Hon. J. T. Tonkin: They will get their supplies from the oil companies and make fuel available to their regular customers.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Yes.

Hon. J. T. Tonkin: They will have to decide how much each customer will be given, and so will carry the responsibility.

The Minister for Lands: They are doing that today.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: That is so. The retailers are doing that today and I think ways can be devised of assisting them, without the issuing of ration tickets—although, as I have said, should dire necessity require it, the matter will have to be considered. The Bill, therefore, contains power to do that, and if members will peruse the powers of the Governor with regard to making regulations, they will see that they refer to the—

> Acquisition, supply, provision, distribution, possession, custody, use and movement of liquid fuel and containers.

Hon. F. J. S. Wise: I read that provision.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: In view of that, I do not think it can be said that the Bill does not contain the necessary powers.

Hon. F. J. S. Wise: You show me how it can be done.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: It can be done by way of regulation, to which thoughtful attention must be given, and by that means, in my view, it can be brought about. I am not suggesting that I am prepared to give the details required to the hon. member tonight, because I am not. I am satisfied that by the means outlined we shall be able to control the supply of liquid fuel within reason, although not, possibly, to perfection, carrying on this system on a temporary basis that will be better than the present position and, further, that we shall be able to do that without issuing ration tickets. For many reasons, the Government has been most reluctant to bring down this State legislation, being of opinion that there was sufficient authority in our reference of power in 1943, dealing with this matter, if the Commonwealth

had been able to convince some other States that action was essential in a parallel way.

Mr. Styants: Yes, if we had not put a tag on it.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Even that would not have altered the position, because I am given to understand that the Commonwealth is not at all willing to undertake, as it were, unilateral action. It wants to do it on a Commonwealth-wide basis, or not at all.

Hon. J. T. Tonkin: And that is quite understandable.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I am not complaining about that at all; I am simply stating what I think is a fact. Therefore, it does not matter what our legislation is. Until certain other people have decided what they want to do—whether it be good, bad or indifferent—there is nothing at all to be done. I think I have made a reasonable explanation of the terms of the Bill. In the main, it is essentially a matter for consideration in Committee, where I will do my best with it. I move—

That the Bill be now read a second time.

On motion by Hon. F. J. S. Wise, debate adjourned.

BILL—FOOTWEAR REGULATION ACT AMENDMENT.

Second Reading.

THE MINISTER FOR LANDS (Hon. L. Thorn—Toodyay) [8.46] in moving the second reading said: The introduction of this Bill is consequent upon several conferences held in the Eastern States at the request of the Commonwealth Government. Uniform legislation to maintain the quality of footwear has been the subject of discussion between the States for some time. The Premiers of all States discussed this matter in July, 1947, when a majority of them were in favour of implementing uniform State legislation for the purpose of protecting both the public and the reputable manufacturers.

In Queensland and Victoria, shoddy footwear has become a menace to the manufacturer, the former State suffering so badly that legislation was passed in December, 1946. New South Wales, while waiting for all the States to pass uniform footwear regulation legislation such as is now being introduced, found it necessary in October, 1947, to promulgate regulations in respect of other types of leather goods such as travelling trunks, handbags, saddles, harness, gloves, sporting and fancy leather goods; and this became operative on the 1st January, 1948.

The Act this Bill is to amend is one passed in 1917 which has not been implemented for some years owing to the fact that it was considered unfair to the retailer as well as somewhat prejudicial to the manufacturers in this State. This position, however, has been changed by proposed uniform legislation in all States. It is intended that the amendments now submitted and any regulations will not be proclaimed until the Government is satisfied that similar legislation has been enacted and will be implemented on a mutually agreed date by all States of the Commonwealth. Should some of the other States put such legislation into operation, then the State which does not do so is open to dumping of shoddy footwear. I think that must be quite plain to members generally. If one State did that, it would inevitably become the dumping ground for the inferior article.

The Commonwealth import regulations are also being amended to require the oversea manufacturer to mark footwear in a similar manner to that required by Australian manufacturers. The amendments are simple and are being made, firstly, for the sake of uniformity and, secondly, to enable the legislation to be implemented in a more practical manner.

Hon. F. J. S. Wise: You say there is provision for the measure not to be proclaimed unless the other States pass similar legislation.

The MINISTER FOR LANDS: That is the idea.

Hon. F. J. S. Wise: There is no provision for that in the Bill.

The MINISTER FOR LANDS: It would be a matter for the Government to decide whether the measure should be proclaimed.

Hon. F. J. S. Wise: It is very unusual not to specify that such a measure shall come into operation on a date to be proclaimed.

The MINISTER FOR LANDS: That might be so. I have a copy of the proposed regulations and will lay them on the table of the House for the information of members.

Mr. Marshall: What is the purpose?

The MINISTER FOR LANDS: I shall read it.

Mr. Marshall: Never mind reading it; explain it.

The MINISTER FOR LANDS: Had the hon. member listened, he would have heard me say that the object of the Bill is to improve the standard of footwear.

Mr. Marshall: In what way?

The MINISTER FOR LANDS: In quality and manufacture, and to ensure that a correct description is given. I have a wife, and I know that all the rubbish under the sun was put into footwear during the war years. We also know that footwear is often padded with such things as sugar and glucose.

Hon. F. J. S. Wise: And cardboard.

The MINISTER FOR LANDS: Yes, and got up to look like a good article, but when the wearer has been out on a rainy day and returns home, she finds that the soles are off the shoes.

Mr. Marshall: I have noticed women going around with all the toes out of their shoes.

The MINISTER FOR LANDS: The hon. member is now referring to a certain design in shoes, though perhaps he is not aware of it. I have two letters that were addressed to the Premier on this subject. The first is from the Australian Boot Trade Employees' Federation (Federal Council), 17, Ground Floor, Trades Hall, Melbourne, and states—

As you are aware the control of footwear (as to quality and branding) ceased to be under the supervision of the Commonwealth Government through the Controller of Footwear on 31st December, 1948.

The members of my organisation believe that the continuance of control of quality and compulsory branding of the manufacturer's name on all footwear is vitally necessary to preserve and improve the standard of footwear at present being manufactured in Australia and to prevent the possibility of a return to the making of inferior or "shoddy" types of footwear, which were only made to sell at a price and were of little or no service to the purchaser.

We believe that, with the compulsory branding of the name of the manufacturer and the requirement that all footwear must be made to a fair standard of quality, the general standard of footwear in Australia has improved immeasurably. Therefore to lift control at this time would not be in the best interest of the industry.

We understand you are in receipt of a letter from the Prime Minister urging your Government to legislate along uniform lines with all other State Governments. The Prime Minister has also submitted for your consideration a draft of an Act that has been compiled to incorporate the provisions of control as exercised by the Commonwealth. We have perused this draft and as it meets with our approval we respectfully suggest that your Government take the necessary steps to have the passage of a Bill to enforce control of footwear, expedited.

You will appreciate that at present no control exists, and it is necessary that this be remedied as soon as possible.

Thanking you in anticipation of a favourable decision in this matter. Yours faithfully, (Sgd.) J. P. Congdon, Secretary.

The other is from the Australian Boot Trade Employees' Federation (West Australian Branch), Room 31, Trades Hall, Perth, and reads—

As you are aware, control of footwear by the Commonwealth Government ceased on 31/12/48, and the Prime Minister has requested that all State Governments legislate along uniform lines for the future control of footwear. To this end the Prime Minister has submitted, for consideration by the Premiers, a draft of a proposed Act, which should meet all requirements.

Having perused a copy of this draft, we are of the opinion that, if adopted, such legislation would adequately safeguard the industry and the public by ensuring a fair standard of quality of footwear.

Prior to control by the Federal Government by regulation, some unscrupulous manufacturers foisted upon the public footwear which has no wearing value and which was a disgrace to the industry. With control as to qaality, the standard of the Australian product has been raised considerably and any return to the days when manufacturers "get away with 'shoddy' footwear" would indeed be a retrograde step. Without "control," this is not only a possibility, but, from previous experience, a distinct probability.

We, therefore, urge that, when the question of control of footwear comes before your Parliament, you give your full support along the lines of the draft submitted by the Prime Minister. Yours faithfully (Sgd.) J. F. Binstead, Secretary.

I submit the measure for the consideration of members and move—

That the Bill be now read a second time.

On motion by Mr. Hegney, debate adjourned.

BILL—RESERVES (No. 2).

Second Reading.

THE MINISTER FOR LANDS (Hon. L. Thorn—Toodyay) [8.57] in moving the second reading said: This is a measure of the sort usually introduced towards the close of each session. The first area dealt with is Reserve No. 11377 at Broome. The Commonwealth Government desires to acquire, from the trustees of the Public Education Endowment, Broome Lot 587 of 25 acres and 37 perches which is part of Class A Reserve 11377 held in trust as an endowment for public education. The lot is at present leased to the Commonwealth and used for the purpose of a wireless station. The trustees of the Public Education Endowment have agreed to the proposal, subject to the necessary Paliamentary authority to transfer the land.

The next area is Reserve A 6896 at Cottesloe. This reserve was set apart in the year 1899 as a recreation reserve and vested in the municipality of Cottesloe. Application was made by the Prime Minister of Australia for portion of the reserve to be made available for a marine biological station for which no better site could be found sufficiently close to Fremantle harbour. The Cottesloe Council agreed to Cabinet's proposal to introduce legislation to excise the necessary area from the reserve and this portion has been surveyed as Cottesloe Lot 304. The Commonwealth of Australia proposes to erect a laboratory and aquarium on the site and has indicated that the actual laboratory will be the only portion of the area treated as private; the grounds will be left available to the public, who would at all times have access to the land facing seaward.

The Bill then proceeds to deal with Reserve No. 11381 at Cottesloe. Cottesloe Lot 9, containing seven acres one rood, is held in fee simple by the trustees of the Public Education Endowment in trust for the purpose of public education and has been earmarked by the trustees for a school site. Representations were made to the trustees by the Cottesloe Council on behalf of the kindergarten and infant health movements requesting that separate sites be made available for the erection of a kindergarten and an infant health clinic. Recognising the close affinity between infant health, kindergarten and educational aims, the trustees consented to the introduction of legislation to excise the necessary land from the reserve.

The Water Supply Sewerage and Drainage Department also requires a small area for an ejector station, which will have no detrimental effect on the adjoining areas. It is proposed to excise a total area of one rood 32.8 perches from the reserve to be subdivided in the manner indicated on the plan of the land and allocated as follows:—

(a) Area 10.9 perches, coloured yellow on plan, for Government requirements (sewerage ejector station).

(b) Area 24.3 perches, coloured green on plan, for infant health clinic.

(c) Area 37.6 perches, coloured blue on plan for kindergarten and infant play centre.

Clause 5 deals with Reserve No. A15513 at Denmark. This reserve for recreation and showground was amended in December last, at the request of the Denmark Road Board, to include Denmark Lots 331 and 332 which had been earmarked for inclusion in a re-subdivision of certain suburban lots, together with other Crown land, for which purpose a design was prepared and approved by the Town Planning Board, but owing to shortage of surveyors had not been completed. The survey proposals were overlooked when consideration was given to the road board's request to add the lots to the reserve. As it is impossible to provide an alternative design to exclude the land contained in Lots 321 and 332, it is necessary for them to be excised from the reserve. Clause 6 deals with Reserve 7822 at Kalgoorlie. Kalgoorlie Lot 207 was reserved in 1901 for a site for the railway institute and in 1902 the Crown grant issued to certain trustees. The last amendment on the certificate of title to change the names of the trustees was made in 1919, and the trustees then mentioned,

Messrs. E. S. Hume and C. B. Rushton, are now deceased. To avoid the necessity of continually changing the names of the trustees on the title, it is desired to revest the land in His Majesty so that the lot may be reserved for railway purposes.

Clause 7 deals with Reserve No. 944 at New Norcia. I desire members to listen carefully to this proposal, as it is a big decision to make and I am not going to take the responsibility for recommending it. It is being placed before the House because a definite promise was made to the New Norcia Mission. Reserve No. 944, comprising 13,000 acres, was gazetted in the year 1886 for the use of the New Norcia Aboriginal Mission, subject to the condition that the mission authorities might acquire the fee simple at any time under the Land Regulations in force for the time being. The Benedictine Community of New Norcia, Incorporated, is the present authority in charge of the mission and the Crown Solicitor is of the opinion that it is entitled to purchase the area under the existing statute, the Land Act, 1933-1948.

The present Act prescribes a maximum of 1,000 acres or, with special approval, 2,000 acres of cultivable land or its equivalent which any person may hold under conditional purchase conditions, which also require that the land be made available for public competition. It is desired to exclude the area limitations and the requirement to throw the land open to public selection and therefore this clause provides for re-vestment of the land in His Majesty and for the disposal of the land in fee simple to the Benedictine Community of New Norcia, Incorporated. I have seen the promise on the file. It was definitely made and with a view to honouring it, the matter now comes before Parliament.

Hon. F. J. S. Wise: You must support it or it would not be in your Bill.

The MINISTER FOR LANDS: I cannot accept personal responsibility for bringing the matter up in this way. It is brought here because a promise was definitely made.

Hon. F. J. S. Wise: The point I make is that the Government is sponsoring it or not.

The MINISTER FOR LANDS: We are sponsoring it, but it is the responsibility of Parliament to approve of it.

Mr. Marshall: Who made the promise?

The MINISTER FOR LANDS: The promise was made by the then authority in 1886. We did not have responsible Government then. As I say, I have perused the file and find that the promise was made. Clause 8 deals with Reserve A12086 at Northampton. The State Housing Commission urgently needs homesites at Northampton and desires to acquire from the trustees of the Public Education Endowment Northampton Lots 32 to 36 inclusive and part of Lot 37, as shown coloured yellow on the lithograph of the land. The trustees have agreed to dispose of the land to the Commission, for which purpose parliamentary authority is necessary. The land will not be required for educational purposes. It is proposed to subdivide the area into 11 homesites of about one rood 36 perches each and it is proposed to commence building thereon immediately the land is acquired by the Commission.

Clause 9 deals with portions of Cockburn Sound Locations 551 and 839, Fremantle Municipal Endowment. The State Housing Commission has completed arrangements with the City of Fremantle to acquire for homesites the areas coloured yellow and green on the plan of the land. The area coloured yellow has been subdivided and building has commenced thereon. A design is now being prepared by the Town Planning Commissioner for the subdivision of the area coloured green. Both areas form part of the City of Fremantle's endowment lands which were granted by the Crown and are held at present in fee simple by the City of Fremantle. The arrangement provides that if any of the land is not used by the State Housing Commission for building purposes, it will be granted again to the council. The revestment of the land in His Majesty is required with the intention of granting to the State Housing Commission the lots as surveyed for homesites. An area for a school site will be reserved and a fresh grant made to the city of Fremantle of an area surveyed for a community centre.

Hon. J. B. Sleeman: Are those the blocks for which you want £600 from the Housing Commission?

The MINISTER FOR LANDS: I am not sure, but I believe that this is the matter that Councillor Sampson and the Town Clerk saw me about. Plans relating to these reserves are attached and I propose to lay them on the Table of the House. I move—

That the Bill be now read a second time.

On motion by Hon. F. J. S. Wise, debate adjourned.

BILL—BRANDS ACT AMENDMENT (No. 2).

Second Reading.

THE MINISTER FOR LANDS (Hon. L. Thorn—Toodyay) [9.11] in moving the second reading said: This Bill was introduced in another place. Its purpose is to cancel the existing brands register and commence an entirely new one in 1950. It will also apply to earmarks, which will be required to be registered again. At present there are 54,000 brands on the register; and although this is a large State, members will appreciate that the number is excessive. About one-third of the current brands are obsolete and some have been in the register since 1905. Every publicity will be given in connection with the new register, and those who desire to do so can re-register their existing brands in 1950 for the payment of a small fee of 1s.

The Bill provides for a new register to be opened every ten years, when brands will have to be registered again. The Department of Agriculture does not allow brands to be duplicated anywhere in the State, except wool brands. Two persons may have the same wool brand, but one must be coloured red and the other black, blue or green. It does not matter whether the owners of the brand live at opposite ends of the State or are neighbours. The effect of this legislation will be to clean up the position in regard to brands, and I think members will agree that this course is desirable. I move—

That the Bill be now read a second time.

HON. A. A. M. COVERLEY (Kimberley) [9.13]: I have no intention of supporting the Bill and I do not think many other members will, after having listened to the Minister introducing it. I would like to know what grounds there are for its introduction. We have been given no sound reason why 54,000 people should be pinpricked and harassed and compelled to pay 1s. a head.

The Attorney General: A lot of the 54,000 would be dead.

Hon. A. A. M. COVERLEY: It is a standing disgrace to the administration of the Brands Act! The Bill was introduced in another place; and being somewhat interested, I took the precaution to read "Hansard" to find out what reasons were given for the Bill.

Hon. F. J. S. Wise: The only one I could find was an interjection by Mr. Forrest.

Hon. A. A. M. COVERLEY: If members will look up "Hansard" they will find that the second reading took place and the debate was adjourned. A motion was passed for the House at its rising to meet at a certain date the following week and then there was a motion for the House to adjourn; and all that was done in six minutes. And now we have had the spectacle of the Bill being introduced here and the Minister speaking on it for a minute and a half.

My objection to the Bill is that there are already provisions in the Brands Act for the department to clean up the register by a very simple process. For the benefit of members who have not bothered to take much interest in this particularly simple Bill, I would point out that the Act provides what shall be done when any owner wishes to transfer the right to a registered brand. It also provides that the registrar shall thereupon cancel the original registration of such brand and register the brand, mentioned in a memorandum signed by the person to whom the transfer is made, in the name of the transferee, the transferee thereafter being deemed to be the person having the exclusive right to use such brand.

The Act also has a provision that the Brands Department may post a notice to any registered owner who he suspects is not using the brand. All that has to be done is to give him notification as is done under the Electoral Act; and if within three months the owner has not replied, the brand is automatically discharged from the register. So the department has full authority under the parent Act to clean up the register by the simple process of notifying the registered owners of brands they suspect are not

being used. Unless such owners reply and give a reasonable excuse, the brands are automatically cancelled.

Under the Bill the department proposes automatically to cancel every brand in Western Australia and every earmark, the total being 54,000. So 54,000 farmers, pastoralists and stud breeders who use brands have to go to the inconvenience of re-registering them at a cost of 1s. per head and 1s. for an earmark—that is, 2s. altogether. A slight mental calculation will indicate to members that the department will receive £2,700 for the registration of 54,000 brands and another £2,700 for earmarks. So it is a pretty good business. Yet the Brands Department, by a simple process, in the course of a week, if it cared to go through the electoral roll or get in touch with stock agents, could obtain all the information needed as to what owners are still using their brands.

All stock that go through the various saleyards and stock agents are branded, and it would not be much trouble to the department to ascertain the number of registered owners who have died or sold out or for some other reason are not using the registered brands. The small percentage notifiable could then be contacted and within three months a cancellation could be effected. There are 54,000 people who are to be inconvenienced and pin-pricked, and amongst them will be a considerable number of farmers and pastoralists who have no city agents to look after their interests—people who very seldom bother to read the paper to see if there are therein any notices affecting them. People in the back country will have to sit down and write a letter, and go to the post office, and get postal notes for 1s., and despatch them to the department. It is a pretty inconvenient thing for them.

The Minister for Lands: There is a lot more behind it than that.

Hon. A. A. M. COVERLEY: The Minister ought to have told the House that. I read "Hansard," and I could find no reasons.

The Minister for Lands: What is the reason for checking up on all these stray brands? It is to stop cattle-duffing and sheep-stealing.

Hon. A. A. M. COVERLEY: There is very little of that going on. If there is, the Minister should have told us of it to convince members that the Bill was necessary.

A Minister who is game enough to introduce a Bill of this description would not permit Ned Kelly to keep nit for him!

Hon. J. B. Sleeman: What does it cost each person to register?

Hon. F. J. S. Wise: One shilling.

Hon. A. A. M. COVERLEY: It is not a matter of the paltry shilling that a person has to pay to re-register his brand or earmark, but the inconvenience that he is put to when it is so simple for the Brands Department to clean up the register without putting the onus on the people.

The Minister for Lands: I thought you would have been all out to get in all these loose brands.

Hon. A. A. M. COVERLEY: I know of very few loose brands in the area I have in mind. I can see no real reason for the Bill. I can imagine its being a great handicap to the farmers and pastoralists concerned. On the other hand it is a simple process for the Brands Department to clean up the register under the powers that already exist. I hope the Chamber will not agree to the passing of the Bill.

On motion by Mr. Wild, debate adjourned.

BILL—BREAD ACT AMENDMENT.

Second Reading.

THE MINISTER FOR LANDS (Hon. L. Thorn—Toodyay) [9.23]: in moving the second reading said: This short measure was introduced in another place. It originated in a request to the Kalgoorlie and Boulder Master Bakers' Association from the Kalgoorlie and Boulder Bread Carters' Union that the latter's award be amended to allow three weeks' annual leave and four named public holidays in lieu of the two weeks' annual leave and ten named public holidays which were granted by the Arbitration Court to the industry last year. It is also recommended by the Employers' Federation. The alteration would give employees a longer break from the Goldfields on the annual leave, and would also provide

bread deliveries on a number of public holidays. The master bakers were quite agreeable to the request, but found that as the Bread Act specified eight named public holidays the men would be entitled to them notwithstanding the award's stipulating a lesser number.

The holidays prescribed in the Act are regarded as the minimum that can be taken. An award can specify a greater number, and they can be taken, but if an award specifies a lesser number than the Act, then the men are entitled to those set out in the Act. It is proposed, therefore, to repeal Section 15 of the parent Act, dealing with holidays, in order that they may be included in the respective industrial awards or agreements. I thought I had the correspondence on this matter with me, but I cannot locate it. The request is quite reasonable. It will allow those engaged in the industry on the Goldfields to enjoy a break away from there. Instead of taking the individual holidays mentioned in the Act, they will be able to take three weeks and have the four public holidays mentioned in the Act.

Hon. J. B. Sleeman: This applies to Perth as well, does it not?

The MINISTER FOR LANDS: Yes, because it is to be taken out of the Act. We have been notified that within 25 miles of the metropolitan area, those engaged in the industry are also applying to the court for similar conditions. We would not be able to do this for the Goldfields bakers if the Act remained as it is. They have been advised that the other bakers are going to apply for the same conditions and so that they can be embraced in their application for a new award, the Perth district is mentioned. I move—

That the Bill be now read a second time.

On motion by Hon. F. J. S. Wise, debate adjourned.

BILL—COMPANIES ACT AMENDMENT (No. 2).

In Committee.

Resumed, on recommittal, from an earlier stage of the sitting. Mr. Perkins in the Chair; the Attorney General in charge of the Bill.

Clause 14—Repeal and re-enactment of Section 138:

The CHAIRMAN: Progress was reported on this clause, to which the member for North-East Fremantle had moved an amendment to strike out Subsection (3) of proposed new Section 138.

Amendment put and a division taken with the following result:

Ayes	19
Noes	19
A tie	0

Ayes	
Mr. Brady	Mr. May
Mr. Coverley	Mr. Needham
Mr. Fox	Mr. Reynolds
Mr. Graham	Mr. Sleeman
Mr. Hall	Mr. Styants
Mr. Hawke	Mr. Tonkin
Mr. Hegney	Mr. Triat
Sir Norbert Keenan.	Mr. Wise
Mr. Kelly	Mr. Rodoreda
Mr. Marshall	*(Teller.)*

Noes	
Mr. Abbott	Mr. North
Mr. Ackland	Mr. Read
Mrs. Cardell-Oliver	Mr. Seward
Mr. Doney	Mr. Shearn
Mr. Grayden	Mr. Thorn
Mr. Mann	Mr. Watts
Mr. McDonald	Mr. Wild
Mr. McLarty	Mr. Yates
Mr. Murray	Mr Brand
Mr. Nimmo	*(Teller.)*

Pairs.	
Ayes.	Noes.
Mr. Hoar	Mr. Bovell
Mr. Smith	Mr. Cornell

The CHAIRMAN: The numbers being equal I give my vote with the noes.

Amendment thus negatived.

Clause, as previously amended, put and passed.

Clause 16—Amendment of Section 137:

Hon. J. T. TONKIN: This clause proposes to limit the full disclosure of items forming the remuneration or emoluments of directors. In order to have a proper understanding of this, it is necessary to know what the existing section provides. I quote from the Companies Act, 1943, Section 151—

> The remuneration or emoluments of directors to be paid for their services in whatsoever capacity and under whatsoever designation they may serve and be entitled to such remuneration and emoluments—

The Minister's amendment proposes to strike out the words "in whatsoever capacity and under whatsoever designation" and to restrict the right of the shareholders to have a say only in the amount of remuneration to be paid to the directors as directors. If anybody ought to have the right to determine the payment of directors, it is the

shareholders, and when they determine how much the directors are to be paid, they ought to have before them in general meeting a full disclosure of all the advantages and concessions and emoluments which the directors are in a position to grant to themselves.

If the amendment is agreed to, the directors will not be obliged to inform the shareholders in general meeting of any concessions or advantages they have conferred upon themselves. They will be obliged only to state the actual salaries that they are receiving, and the shareholders will be restricted to a decision on that. The amendment could open the door to the directors receiving very substantial benefits in the way of concessions and privilges, and the shareholders would be completely unaware of those advantages. That is a most undesirable state of affairs. This very matter was the subject of extensive consideration in Great Britain recently. I refer again to the Cohen report on the company law amendment. The committee said—

> We consider that full disclosure of the aggregate of directors' fees and separately the aggregate of their other remuneration is desirable. If, as we believe is the case, the suggestion that managing directors are paid excessive sums is as a rule unfounded, directors have nothing to fear from a greater measure of disclosure. In any event, it seems to us right that the shareholders on whose behalf the directors are appointed to act should know how much they are paid for their services. It has been suggested to us that the disclosure of the remuneration of executive directors would lead to undesirable competition for their services, but we are not impressed by this argument. The committee also considers it desirable that the amount of any expense allowances which are not in reimbursement of expenses actually incurred should be included as part of the total emoluments disclosed to the shareholders.

I think we are bound to agree that shareholders have the right to know just how much the directors are getting out of the company in various ways, either by direct payment or by privileges or advantages that they are in a position to confer upon themselves. What is the object of the Minister's amendment? There can be only one object, and that is a deliberate intent on the part of directors to keep shareholders in the dark as to the sum of the privileges and advantages the directors are receiving. Does that make for public confidence in company management? Is it fair to the shareholders that they should not be able to ascertain or decide what remuneration the directors shall get? Section 151 provides that the shareholders shall fix remuneration for their directors in every direction, the words being "in whatsoever capacity and under whatsoever designation they may serve." In my view, that is perfectly right and proper.

A full disclosure of the facts would have to be put before a general meeting and the shareholders would then decide what emoluments should be paid to the directors. What can be gained by denying the shareholders that right? The only gain could be to the directors, who, by this means, would be able to get advantages of which the shareholders would know nothing, and which would be to the detriment of the shareholders. The law has previously been so concerned about this view that the existing statute contains provision that in the event of certain shareholders being dissatisfied with the amounts granted to directors at the annual meeting, they can appeal to the court against the amount so fixed. It is conceivable that directors who are desirous of getting far too much of the company's profits for themselves could get a vote through the general meeting giving them far too great a remuneration. The law gives protection against that and so Section 152 says—

> When the rate or amount of remuneration of any director has been fixed or determined by a resolution carried at any ordinary general meeting or extraordinary general meeting of shareholders whether held before or after the passing of this Act by means of votes given by or on behalf of the directors concerned then any two or more shareholders holding at least ten per centum of the paid up capital who are of the opinion that the rate or amount of remuneration so fixed or determined is improper or unreasonable or unconscienable and detrimental to the best interests of the company and the shareholders may appeal to the court against the rate or amount of remuneration so fixed.

That provision is there even though a full disclosure has to be made to the shareholders and they themselves by resolution determine how much shall be paid. Just imagine the situation of the shareholders if they have a right to determine only the actual amount to be paid to the directors as such, and are not in a position to know the conditions, privileges and concessions which directors can obtain from the company. I am amazed that the Attorney General could fall for a suggestion such as this. It has nothing to commend it unless one were the advocate for directors who wished to get as much

out of the companies as possible. That is what the Attorney General's amendment will permit. It should be clear to members that this clause should not go into the Companies Act, and we should adhere to the existing statute which enables shareholders to determine how much the directors shall obtain on all counts for the services which they render to a company.

The ATTORNEY GENERAL: Any shareholder is entitled to know exactly what remuneration the managing director receives before his remuneration as a director is fixed. After all, what is the distinction between permitting the directors to fix the salary of a manager and fixing the salary of a manager who happens to be a director? There is no question of disclosures at all because any shareholder, at a general meeting, is entitled to any information he desires and therefore I cannot see any objection to this clause.

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

Ayes	17
Noes	23
Majority against	6

AYES.

Mr. Abbott	Mr. Nimmo
Mr. Ackland	Mr. North
Mrs. Cardell-Oliver	Mr. Seward
Mr. Doney	Mr. Thorn
Mr. Grayden	Mr. Watts
Mr. Mann	Mr. Wild
Mr. McDonald	Mr. Yates
Mr. McLarty	Mr. Brand
Mr. Murray	(*Teller.*)

NOES.

Mr. Brady	Mr. Needham
Mr. Coverley	Mr. Nulsen
Mr. Fox	Mr. Read
Mr. Graham	Mr. Reynolds
Mr. Hall	Mr. Shearn
Mr. Hawke	Mr. Sleeman
Mr. Hegney	Mr. Styants
Sir Norbert Keenan.	Mr. Tonkin
Mr. Kelly	Mr. Triat
Mr. Leslie	Mr. Wise
Mr. Marshall	Mr. Rodoreda
Mr. May	(*Teller.*)

PAIRS.

AYES.	NOES.
Mr. Bovell	Mr. Hoar
Mr. Cornell	Mr. Smith

Clause thus negatived.

Clause 17 amendment of Section 150:

The CHAIRMAN: The member for North-East Fremantle has drawn my attention to Clause 17 which appears to me to contain a similar provision to Clause 16. Unless the Attorney General has any objection I would rule it as a consequential amendment and it would therefore be struck out.

The ATTORNEY GENERAL: I have no objection. It is consequential and the Committee has decided.

The CHAIRMAN: I therefore rule that Clause 17 is consequential and also goes out.

Clause struck out.

Bill again reported with further amendments.

ADJOURNMENT—SPECIAL.

THE PREMIER (Hon. D. R. McLarty—Murray-Wellington): I move—

That the House at its rising adjourn till 2.30 p.m. on Tuesday next.

Question put and passed.

House adjourned at 9.49 p.m.