



ANNO SECUNDO

## GEORGI VI REGIS.

A.D. 1938.

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### No. 2402.

An Act to provide for the disposal of the surplus disclosed in the revenue accounts of the Treasurer for the financial year ended on the thirtieth day of June, 1938.

[Assented to 10th November, 1938.]

BE IT ENACTED by the Governor of the State of South Australia, with the advice and consent of the Parliament thereof, as follows :

1. This Act may be cited as the " Surplus Revenue Act, 1938 ". Short title.
2. In this Act " Treasurer " means the person for the time being holding the office of Treasurer of the State. Interpretation.
3. (1) Notwithstanding anything contained in the Public Finance Act, 1936, the Treasurer may apply not more than one hundred thousand pounds of the surplus disclosed in the revenue accounts of the Treasurer for the financial year ended on the thirtieth day of June, nineteen hundred and thirty-eight, in paying for shares taken up pursuant to this Act. Application of certain moneys.
  - (2) Subject to the next following subsection, the Treasurer may—
    - (a) underwrite shares to the face value of not more than one hundred thousand pounds in the capital of the company which, at the time of the introduction of the Bill for this Act, is being promoted for the purpose (*inter alia*) of manufacturing cellulose paper and boards from straw and pine trees, and is intended to be registered under the Companies Act, 1934-1935, under the name of " Cellulose (Australia) Limited ";

**Surplus Revenue Act, 1938.**

(b) for the purpose of carrying out the terms of any underwriting agreement entered into pursuant to paragraph (a) of this subsection, apply for, take up, and pay for any such shares to the face value of not more than one hundred thousand pounds.

(3) The Treasurer shall not underwrite any shares under this Act except upon the conditions—

(a) that other persons shall have previously underwritten shares to the face value of twice the amount of the face value of the shares underwritten by the Treasurer ;

(b) that two of the first directors of the said company shall be appointed by the Treasurer ;

(c) that after the first retirement of directors the Treasurer shall have the right from time to time to make appointments to the board of directors of the said company so that there shall at all times be one director appointed by the Treasurer for each one hundred thousand pounds and one for any fractional part of one hundred thousand pounds of the aggregate amount of the face value of the shares for the time being held by the Treasurer and of any money lent to the company by the State Bank of South Australia, and not repaid by the company ; and

(d) that the said Company shall have previously agreed with the Treasurer that whenever supplies are available, the said Company shall at all times (other things being equal) purchase from manufacturers, merchants and producers resident in the State of South Australia its requirements of plant, machinery, manufactures and raw materials for the use of the said Company, and shall, unless the Treasurer otherwise permits, employ South Australian workmen in its undertaking.

(4) The Treasurer may be registered under the name of "The Treasurer of South Australia" in the books of the said Company as the owner of any shares taken up by him under this Act.

Restrictions on powers of company whilst Treasurer holds shares.

**4.** (1) While the Treasurer is the holder of any shares under this Act, the company shall not, except with the approval of the Governor, give to any person any mortgage or debenture or charge of any kind (excepting the debenture to be issued to the State Bank of South Australia) upon the undertaking or any of the property or assets of the company to secure any sum exceeding one hundred thousand pounds.

(2) Except with the approval of the Governor, the company shall not, while the Treasurer is the holder of any such shares in its capital, sell or dispose of the undertaking of the company, or any part thereof, or establish or carry on or join in establishing or carrying on (except as a subsidiary undertaking) any business outside the State.

(3) The memorandum and articles of association are to be approved by the Governor and no alteration is to be made in such memorandum or articles of association while the Treasurer holds the aforementioned shares, without the approval of the Governor.

5. The Treasurer may, whenever he deems it proper, sell all or any of the shares taken up pursuant to this Act, and the net proceeds of any such sale shall be paid into the general revenue of the State. Disposal of shares.

6. The balance of the surplus revenue disclosed in the revenue accounts of the Treasurer for the financial year ended on the thirtieth day of June, nineteen hundred and thirty-eight, shall be disposed of under the Public Finance Act, 1936. Disposal of balance of surplus revenue.

In the name and on behalf of His Majesty, I hereby assent to this Bill.

W. DUGAN, Governor.