

statement by the member for Irwin-Moore that the company would be in the hands of the board and would have to do as they were told is not correct, as Clause 35 shows. The board must pay due regard to the facilities available for the handling, transport, storage and delivery of the wheat, and could not insist upon anything that was impossible or unfair.

Hon. P. D. Ferguson: Look at Clause 33.

The MINISTER FOR LANDS: If the Commissioner of Railways is not to be a member of the board—

The CHAIRMAN: The amendment is to make the Commissioner a member of the board, but not chairman. It is suggested that the chairman be nominated by the company.

The MINISTER FOR LANDS: I do not think I can object to the first part of the amendment; but what is the proposal regarding the chairman?

Mr. DONEY: If the words "a chairman" be struck out, I propose to move a further amendment to provide that the chairman shall be nominated by the company.

The Minister for Lands: I would agree to the Commissioner of Railways being a private member.

Amendment put and passed.

Hon. P. D. FERGUSON: I move an amendment—

That the words "one member to be nominated by the Fremantle Harbour Trust Commissioners" be struck out.

I can see no necessity for the Fremantle Harbour Trust being represented on the board.

Progress reported.

House adjourned at 10.45 p.m.

Legislative Council,

Tuesday, 10th December, 1935.

	PAGE
Question: Riots, Eastern Goldfields, dwellings re-	2317
Bills: Replaced by Government	2317
Loan, £2,267,000, 2s., Com., etc.	2317
Appropriation, 2s.	2337
Constitution Acts Amendment, 2s.	2344
Railways Classification Board Act Amendment, 2s.	2346
Electoral, further recom., 3s.	2348
Supreme Court, 2s.	2349
Legal Practitioners Act Amendment, 2s.	2351

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

QUESTION—RIOTS, EASTERN GOLDFIELDS.

Dwellings Replaced by Government.

Hon. H. SEDDON asked the Chief Secretary: 1, How many dwellings were replaced by the Government on the Eastern Goldfields for persons who suffered as a result of the riots? 2, What was the average cost? 3, What was the total cost?

The CHIEF SECRETARY replied: 1, 60. 2, £168 15s. 3, £10,125.

BILL—RESERVES.

Report of Committee adopted.

Read a third time and returned to the Assembly with amendments.

BILL—LOAN, £2,267,000.

Second Reading.

Resumed from the 5th December.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central—in reply) [4.36]: I propose, in the first place, to deal with statements made, under cover of the Loan Bill, reflecting on the character of one of the Commissioners of the Agricultural Bank. It is the first opportunity I have had because of the length of the second reading debate on the measure. Mr. Holmes commenced the onslaught. He said that, when the Agricultural Bank Bill was under discussion, members had heard a lot about people getting away with pigs that really belonged to the

Bank. He felt that there was no need to mention any individual, but he considered that the necessity had arisen to clarify the position. With that end in view, and for the purpose of obtaining an explanation, Mr. Holmes directed my attention to pages 51 and 54 of the report of the Federal Commissioner of Taxation, where, he said, a connection would be seen between the matter he had mentioned and the Agricultural Bank. Mr. Holmes excluded the Chairman of the Commissioners from his remarks, and there is no doubt now that Mr. C. L. Clarke is the officer aimed at. I have received a statement from the Chairman of the Commissioners, which is endorsed by the Ministerial head of the Bank, setting out the facts. It reads as follows:—

At the interview between the Minister for Lands and Mr. C. L. Clarke, at which the position of Commissioner of the Agricultural Bank was offered to him, Mr. Clarke mentioned to Mr. Troy what had occurred between himself and the Taxation Department. Mr. Troy reported what had occurred to Cabinet and advised that there was nothing in the incident.

Before accepting the position, Mr. Clarke called on the Commissioner of Taxation and explained to him that the position of Commissioner of the Agricultural Bank had been offered to him, and before he accepted it he desired to know whether anything had occurred between himself and the Taxation Department which would stand in the way of his accepting the Government's offer. He was advised by the Commissioner of Taxation that there was certainly nothing in his transactions with the Taxation Department that would warrant his refusing the position.

Since the discussion has occurred in Parliament, Mr. Clarke has again interviewed the Commissioner of Taxation, and Mr. Black has advised Mr. Clarke that "the investigations of his accounts for the period mentioned disclosed that no attempt was made to evade taxation."

Did Mr. Clarke grasp the position with both hands when he had the opportunity? No! He acted the part of an honourable man. He told the Minister for Lands what had occurred between him and the Taxation Department. Mr. Troy reported the matter to Cabinet. Cabinet could see no reason why they should alter their former decision. Not satisfied with that assurance, Mr. Clarke, before accepting the offer, asked the Commissioner of Taxation whether there was anything in his transactions with the Taxation Department which should stand in the way of his doing so. Mr. Black told him that there was certainly nothing that would warrant his refusing the position. Since the discussion in Parliament, Mr.

Clarke has again seen the Commissioner of Taxation, and Mr. Black has advised him that the investigation of his accounts for the period mentioned disclosed that "no attempt was made to evade taxation." Those were the exact words used by the Commissioner of Taxation.

Hon. J. Cornell: Why did they fine him?

The CHIEF SECRETARY: I shall deal with that later. There was no attempt to evade taxation; therefore there was no fraud. Hence the reference to "some cases of fraud" on page 51 of the Federal Commissioner's report can have no application to Mr. Clarke's case. I got in touch with the Commissioner of Taxation yesterday, not to investigate Mr. Clarke's affairs, which, of course, are confidential to the department, but to ascertain what was the actual practice of his department with regard to erroneous income tax returns. The Commissioner of Taxation advised me as follows:—

If the evasions of tax are considered to be deliberate with an intention of defrauding the revenue, prosecution is recommended and generally approved.

If it is considered that they are accidental, or arise through misunderstanding of the law, or from any other cause than deliberate evasion, the assessments beyond a period of three years are re-opened on a certificate of the Federal Commissioner. In every such case, the names must be published in the Commissioner's annual report.

Many of those so published are purely accidental omissions.

Mr. Cornell went much further than Mr. Holmes. He said he wanted the clients of the Bank to know that the men who were policing them to-day had had to toe the carpet for trying to get away with other people's money. "If the reputation of such men were at all murky," he added, "the people should know all about it." In support of his remarks, Mr. Cornell referred to the report of the Federal Commissioner of Taxation already quoted. That report, I wish to emphasise, was not directed at anyone in particular. It stated that in some cases there was little reason to doubt that fraud had been present, but the difficulty of proving it was so great that the maximum penalty of double the rate of tax was imposed instead. Mr. Holmes confined himself to one Commissioner. Mr. Cornell ropes in all without exception. He says he wants the clients of the Bank to know that the men who are policing them to-day have had to toe the carpet for trying to get away with other

people's money. A sweeping accusation that! It brands with fraud every member of the Commission. The member of Parliament who levels such a charge should feel under even a deeper obligation to support it by proof than if he levelled it in circumstances that would debar him from utilising the armour of parliamentary privilege for his protection. The hon. member, however, has a queer conception of the uses to which parliamentary privilege may be put without debasing the decencies of orderly debate. In reply to an interjection by Mr. Clydesdale, Mr. Cornell said, "Mr. Clydesdale asks why I am venting my spleen here. If I were doing so, this would be the proper place for it." Is it necessary for me to add any comment? I do not think so. I will leave it at that. I can hardly understand why Mr. Cornell should have let himself go in that manner.

Hon. J. Cornell: Will the Minister repeat that statement?

The CHIEF SECRETARY: The statement was, "If I were doing so, this would be the proper place for it."

Hon. J. Cornell: That is torn from the context.

The CHIEF SECRETARY: The hon. member can get the whole of the reference. Every member has means to ascertain what was actually said. The matter I have been dealing with might have called for explanation. It is far better, from the point of view of Mr. Clarke, that it should be brought into the open than that secret uses should be made of it, with a colouring defamatory to the officer concerned. The facts, as presented by me, show conclusively, on the best authority, that there is nothing in Mr. Clarke's dealings with the Taxation Department of which he need feel ashamed. Not everyone can master the intricacies of taxation legislation and what was Mr. Clarke's experience may be the experience of any conscientious man who carries on, as he carried on, an extensive business with numerous ramifications, and who must necessarily depend to a large extent upon others for the preparation of his returns. From what I have said members will agree that there is no reflection on Mr. Clarke, that he has not done anything which can be regarded as dishonourable, and that he has not done anything to render himself unfit for the position. He merely made mistakes in his taxation returns, perhaps on a large scale, owing to their mag-

nitude, such as are made by people carrying on business in a large way.

Hon. J. Cornell: I know clients who made statements to the Bank and were not granted time. They had to go to gaol. Of all the taxpayers in Western Australia, how many were fined?

The CHIEF SECRETARY: Mr. Holmes referred to a statement made by me, and said it confirmed the opinion so often expressed by himself that Western Australia was heading for bankruptcy. So easy has it been for the hon. member to arrive at such a conclusion in the past that it would be surprising if he failed to do so again on this occasion. It is true that our public debt has increased very considerably during the years of the depression, but an important point regarding our debt position overlooked by Mr. Holmes is that our interest bill at the present time is no greater than it was in 1929-30.

Hon. J. J. Holmes: Due to the reduction in interest?

Hon. L. Craig: Due to the reduced rate of interest.

The CHIEF SECRETARY: It does not matter what the reason is; I am giving facts. By reason of that fact, the assets which have been created by the expenditure of such loan moneys in the interim have placed us in a better position to meet our commitments when times return to normal, than was the case previous to the depression.

Hon. J. J. Holmes: The reduction of interest does not alter the capital indebtedness.

The CHIEF SECRETARY: It means a lot to the Government and to the taxpayers. The taxpayers are not more heavily taxed to-day than they were in 1929-30. Of course, our floating debt is troublesome, and it is recognised that a serious position would arise if the total of our Australian Treasury bills had to be funded. Practically the whole of those bills were issued for deficits incurred from 1929-30 to the present date. All Governments in Australia are faced with a similar problem. It could not be otherwise when the world's markets, upon which our export trade depended, had become almost paralysed, and when most of our products could find sale only at a definite loss or at a small margin of profit to the producer. It is easy enough to criticise, but I would ask Mr. Holmes to "put himself

in Mulligan's place, and say what he would do."

Hon. J. J. Holmes: I would not borrow money and spend it unless I could see that I could get returns from it.

The CHIEF SECRETARY: It is submitted, and it is generally acknowledged, that the Financial Agreement never contemplated the situation that has arisen through causes entirely outside the control of the parties to the compact. The suggestion that some part of the floating debt might be carried by the operations of a Treasury bill market has been discussed. However, the proposal was not supported by a committee appointed by the Loan Council to inquire into the subject. It was considered that the time was not opportune, but, perhaps, in later years, it would be possible to carry some of our floating debt by such means. Another suggestion is that the Financial Agreement should be amended, and, no doubt, discussion towards the realisation of that view will take place at no distant date.

Hon. J. J. Holmes: You told the House that it was a one-sided agreement.

The CHIEF SECRETARY: And I said that we had either to accept the Financial Agreement or get nothing. The Commonwealth had abolished the per capita payment of 25s., and we had to accept the agreement or get no contribution from the Commonwealth.

Hon. H. J. Yelland: It was a case of "hands up."

The CHIEF SECRETARY: Yes, the per capita payments had been abolished by Act of Parliament.

Hon. J. J. Holmes: If the Financial Agreement had not been accepted, something else would have been evolved.

The CHIEF SECRETARY: Something else was attempted. Suggestions were made to the Commonwealth, but without result.

Hon. J. Nicholson: The per capita payments were for a limited number of years.

The CHIEF SECRETARY: If it is decided that the provisions of the Financial Agreement must be carried out, the funding of our floating debt could be successful only if it is done very gradually. A large scale operation would mean a heavy cost against revenue, which could be met only by immediate and drastic increase in taxation. This, in turn, would be found to

have serious repercussions on industry and employment.

Referring to belated repairs on buildings, Mr. Holmes mentioned that £362,000 had been spent, and that this amount would have to be recouped from revenue later on. The amount quoted by the hon. member was the sum spent on railway repairs—deviations and regrading—of which £170,000 was recouped from revenue to the 30th June last. The amount spent on belated repairs to buildings is less than £100,000, and this amount will be dealt with when railway repairs have been cleared. Surely the hon. member could not successfully contend that belated repairs to our railways—repairs not possible in the worst days of the depression—should be met out of revenue in a lump straight away. If he seriously thinks it should be done, he ought to tell us how it could be done. The same remark applies to building repairs. I feel sure members will agree that our buildings were in urgent need of attention. Many were in such a state that, if preservative measures had not been adopted, deterioration would have been rapid, and in a very little time it would have become necessary to reconstruct most of the buildings at a very great expense.

While we are financing on deficits, it really makes no difference whether money for such repairs is provided under the heading of revenue or loan. In both cases the money has to be borrowed, but it is fair and reasonable to spread the amount of such expenditure over a period of years, rather than to show it as a debt against revenue during the year or years in which the work is actually carried out. The need for repairs accumulated through the neglect and shortage of funds in the very bad times, and it would be wholly unfair to expect one year or two years to bear the whole burden of bringing the buildings back to a normal condition.

There is an analogy between these building repairs and the money received from mining companies as guarantees for water to be supplied from extensions from the goldfields water supply main. Mr. Holmes seems to question the honesty of the Government regarding these amounts. He says that the Government had been paid in advance for the water, and that the

money should go to the credit of the Government which later on supplied the water. The hon. member is unaware of the true position, and it is a pity that he did not seek information before jumping to conclusions.

Hon. J. J. Holmes: But if I ask questions, I get evasive answers.

The CHIEF SECRETARY: Never. If the hon. member makes his meaning known, I supply him with all the information at my command. Actually, all deposits lodged under these various guarantees are treated as trust moneys. Withdrawals will be made and paid to revenue only for the value of water supplied, or in clearance of the minimum quantity guaranteed by each company, whichever is the greater sum. Therefore, no money will be taken to revenue until the service—that is, the supply of water—is actually performed. In that way, revenue will receive the benefit only when it is due. I hope I have made my meaning clear, so that the hon. member will realise that the Treasury's method of keeping accounts is comparable with that of any private business house. Referring to expenditure under the head of "Development of Agriculture," Mr. Holmes inferred that the whole of the £30,000,000 was advanced through the Agricultural Bank. That is not the case.

Hon. J. J. Holmes: I corrected that.

The CHIEF SECRETARY: The heading covers not only agriculture generally, but amounts spent on abattoirs, including the Wyndham Meatworks, pine planting, advances to industry through the Council of Industrial Development and the I.A.B., group settlement expenditure not taken over by the Bank, and a number of sundry items incurred from the development of our agricultural lands. Very large sums were spent on those services. The amount spent on group settlement, not taken over by the Bank, amounted to approximately £6,000,000. Abattoirs accounted for £1,000,000; Agriculture generally £2,500,000—this sum includes surveys of blocks—and £3,000,000 advanced through the I.A.B. and the Council of Industrial Development. Much can be said for and against our policy of agricultural development, but it cannot be overlooked that, in pre-war years, there was evidence of a slackening off

in gold production, and if that had continued it would have meant that in the course of time the population of the State instead of increasing would have gradually decreased. It was therefore necessary to find some avenue to retain and build up the population, and the development of our agricultural areas was the natural opening. Development was rapid, and of course our State expenditure was heavy. In more recent years the need to assist wheatgrowers because of the low price of their commodity has necessitated very heavy advances of Government funds. Unfortunately, heavy losses are bound to occur, both to the Government and to private business houses, but our State will not be singular in that respect.

I appreciate Mr. Angelo's efforts to offer constructive criticism of the Bill. Unfortunately, the figures that he quoted, although interesting, were, as he stated, some years old, and moreover, they dealt with the average exports, over a period of five years, from the whole of Australia. I have been able to obtain statistics relating to Western Australian exports for the year ended 30th June, 1935. Some of these should be of interest to the hon. member, as they tend to prove that this State is establishing itself successfully as an exporter of many of the items quoted by Mr. Angelo. The exports from the State to the United Kingdom in 1932-33 totalled £9,814,497. In 1933-34 the total amounted to £12,066,962. The higher prices received for wool contributed towards the increase during that year. The total exports to the United Kingdom for the year ended 30th June, 1935, amounted to £11,427,149. It will thus be seen that, even allowing for the low market prices received for primary products, our exports have increased tremendously during the last two years. Mr. Angelo referred expressly to the market existing for eggs. He quoted £175,000 as the average export from Australia for the period he was referring to. The export from this State last year was valued at £95,118, or more than half of the figure for the whole Commonwealth. This proves that our exporters are aware of the possibilities of that particular market, and are exploiting it successfully.

Hon. E. H. Angelo: There is still room for expansion.

The CHIEF SECRETARY: Yes. I am not blaming the hon. member. Western Aus-

trian apples have gained a very high place on the English markets and an extensive trade is also being established for dried fruits. There is one important point that must be taken into consideration, and that is the fact that, in order to exploit such markets as may be available, we have first to establish our products on those markets. It would be folly to dump large quantities of exports indiscriminately on the English markets. Once the products are favourably known, they create a demand, and then it is for our exporters to cater for and foster that demand by the provision of high quality supplies. That practice is being followed in regard to our trade with Malaya, with consequent increasing benefits.

Mr. Thomson has quoted figures purporting to show that, although no extra mileage was added to the railway system during the past year, earnings per mile worked decreased by £15, and that working expenses increased by £9 per mile, while the addition to the capital cost of the railways was £568,311, thus increasing the average capital cost of the railways by £101 per mile. While it is true that no additional mileage of railways was added to the system during the year 1934-35, the figures quoted by Mr. Thomson are those applicable to 1933-34, in which year 22 miles of track were added. Mr. Thomson starts out on a wrong basis, with the inevitable result. The increase in the capital account from 1934-35 totalled £246,790, and the increase in the average capital cost per mile £58.

Hon. A. Thomson: I was quoting from the report of the Commissioner of Railways. That is all I can go by.

The CHIEF SECRETARY: I obtained this information from the Commissioner. If the hon. member will furnish me with a copy of the source from which he got his information, I shall have the matter investigated. The earnings per average mile worked, increased by £89, and the working expenses by only £44 over the previous year. So that cannot be accounted bad business. A benefit of £45 per mile is something worthy of commendation. It is not correct to say that the old grades and embankments where regrading and deviation works have been carried out, are still a charge upon the capital cost. Let me tell Mr. Thomson that the capital account is debited only with the enhanced value of the new work, the balance, i.e., the equivalent of the original cost of the line, being a charge to working ex-

penses. At the present time the whole of the cost of the works is being paid temporarily from loan moneys, and the amount chargeable to revenue will be repaid later. As a fact, an amount in the vicinity of £60,000 has already been paid from revenue in respect of such works, and, as I previously stated, so far as repairs, deviation and regrading are concerned, £170,000 was recouped from revenue to the 30th June last.

Hon. J. J. Holmes: How much was not recouped?

The CHIEF SECRETARY: Seeing it is only 12 or 18 months since operations were started by the Government in that direction, I think it will be admitted they have done well in recouping revenue to the extent I have shown. Mr. Nicholson suggested that the amount set out in the Bill should be reduced because the loan authorised by the Loan Council at the recent meeting was for £7,500,000, whereas the sum really required to complete the programmes of the various States and Commonwealth for the year was £12,500,000. Mr. Nicholson should not overlook the fact that, although the Loan Bill authorises the State to raise money, it does not necessarily follow that the authority so given will be exercised within the year to meet the requirements of the particular year. When introducing the measure, I mentioned that the authority requested was required for three purposes—

1. For deficit finance.
2. To replenish authorisations from various works and services set out in the schedule to the Bill.
3. To provide authority for the raising of funds for continuance of those works to their completion, or until such time as a further authority could be obtained.

Actually, the condition of unexpended Loan Act authorisations, in conjunction with the proposed loan programme for the year, and the sum required to cover the deficit, regulate the amount set down in the Loan Bill. For the present year the loan programme, as detailed in the Loan Estimates—when the Appropriation Bill is in Committee I shall be prepared to give information in regard to every item in the Loan Estimates—provides for expenditure totalling £2,677,000. The deficit, after allowing for the additional grant of £200,000 from the Commonwealth, is esti-

mated at £56,000. A further sum of £244,000 is included in the Loan Bill to cover portion of the deficit accumulated to 30th June, 1933. This was not covered by Loan Act authority. Hence this Bill is not dealing merely with the present; it is dealing with the past also—the past when another Government were in power. The total loan expenditure programme and deficit finance, therefore, amount to £2,977,000, but the balance on previous Loan Act authorities has enabled a reduction to £2,627,000 being made in the Bill before the House. The existing loan authority has not been exhausted, and that has been taken into consideration in the framing of this Bill. It is practically certain that finance for our Loan programme, as approved by the Loan Council, will be provided—and funds already in sight are within £300,000 of the required total—but even assuming that a reduction has to be made, no object would be served by altering the Loan Bill authority. If our programme is not affected, as we hope it will not be, the authority will be needed; on the other hand, if our programme is reduced, then any balance of authority under this Bill will be carried forward and taken into consideration when the next Loan Bill is presented. That is the usual practice, which also conforms to constitutional requirements.

Referring to the £25,000 provided for a tramway substation, Mr. Nicholson suggested that tram services were obsolete, and that no extension except in the direction of trolley bus or bus services should be considered. The proposal does not envisage new tramlines, but is required to save current and improve those services in operation at present. Page 35 of the report of the Commissioner of Railways for the year ended 30th June, 1935, reads:—

“The necessity for the erection of a new central sub-station . . . is again stressed. If funds which have been asked for on Loan Estimates for this purpose were made available, it would be possible to speed up the present tramway service, and, in addition to the saving which could be effected in the current consumed, the department would be relieved of considerable expense now occasioned through damage to telephone cables by electrolysis.”

Expenditure on Fremantle Harbour Works was questioned because of the surplus on operating paid into revenue by the Trust. We claim that the profit earned at Fre-

mantle is no more than sufficient to cover the losses sustained at outports. In the view of the Government, the total investment by the State in harbours and rivers should be considered as a whole. For the year 1934-35, the financial result on that basis showed a loss of £6,877. That is taking the whole of the harbours into consideration.

Hon. J. Nicholson: In future we shall have to be careful about authorising the construction of further harbours.

The CHIEF SECRETARY: Apart from that aspect of the position, the work in course at Fremantle is principally the reconstruction of Victoria Quay and the North Wharf. Reconstruction suggests replacement of an asset, and, as such, the correct charge would be against Revenue, not Loan. But at Fremantle the work entails much more than ordinary replacement. Much of it is entirely new; other sections represent considerable improvement values to the previous structures.

Hon. H. J. Yelland: Are all renovations at Fremantle paid for out of revenue?

The CHIEF SECRETARY: No. They are called replacements by the critics, but in many instances they are replacements only to a small extent and with a new work a new asset is created, very different from that previously existing. In total, the added value is in the vicinity of 60 per cent. of the expenditure incurred to date. The balance of 40 per cent. is practically covered by a sum of £337,000 written off the capital of the Fremantle Harbour Trust on account of sinking fund accumulated to the date of the Financial Agreement, and £96,000 provided from Government Property Sales Fund as part of the cost of replacements. Therefore, the Trust has not been capitalised with expenditure from Loan Funds which is not represented by equivalent values in assets. No concrete proposition has yet been promulgated for Empire works. In the meantime, the necessity to provide work and reasonable conditions for our unemployed is an ever-present problem. Even if an Empire scheme of national works was prepared and put into operation, some responsibility for finance, no doubt, would be placed upon the Dominion Governments. The result, more than likely, would then be that Dominion Governments would be faced with an annual liability for interest and sinking fund on works which could not pay their way, and, consequently, taxation would need

to be increased to make good the deficiency. With regard to migration, it is obvious that, if our population were increased, the debt per head would be reduced, always providing, of course, that any increase in debt is at a lesser rate than the increase in population. At the present time it is probable that any increase in population by means of migration from overseas would increase the debt per head.

Mr. Bolton appears to have confused the amount shown in the Loan Bill for Development of Agriculture with the functions of the Agricultural Department. The various services rendered by departmental officers of the Agricultural Department are provided on the Revenue Estimates, and included in the Appropriation Bill. The amount is £88,505, or £12,970 greater than the actual expenditure for the year 1934-35. It will be understood, therefore, that every endeavour is being made to meet the growing demands of this department. The provision under the heading of Development of Agriculture is intended to cover the various proposals set out in the Loan Estimates under the same title. Last year expenditure amounted to £414,649, while this year a sum of £340,500 has been provided. The reduction of £74,000 is more than accounted for by—

	£
Abattoirs—completion of extensions at Midland Junction in 1934-35, and consequent reduction in 1935-36 of	30,569
Forestry—assistance from Commonwealth in the current year has enabled a saving to be made in our loan provision of	51,084
Development of Agriculture, Lands—gradual reduction in the numbers employed on land clearing and similar works put in hand for the relief of unemployment	35,127
Total	<u>£116,780</u>

A provision of £50,000 has been made for assistance to settlers under the Industries Assistance Act, in order to meet some portion of any assistance which may be necessary for the relief of farmers who have suffered as a result of the drought in certain areas. Last year there was no expenditure under the Industries Assistance Board item. In other directions the proposals for this year are very much the same as for last year, and the policy of encouragement of our primary and secondary industries

will be pursued without interruption. The provision for State hotels and tourist resorts is intended to cover a loan of £10,000 to the Rottneest Board of Control for improvements—now well in hand—at Rottneest. This loan will be repaid over a period of years from the Board's funds. The balance of £10,000 is to provide for the extension of the Caves House at Yallingup so soon as a commencement of that work can be made. It is considered that a larger sum than that will be necessary to erect a building which will meet the requirements of the future.

Mr. Macfarlane dealt with forests, and I have here some information for his benefit. Reference to the report of the Conservator of Forests for the year ended the 30th June, 1935, will show that an annual planting programme of 1,000 acres of soft woods has been maintained for nine years. There are now over 5,000 acres of pines established within a 40 miles radius of the important markets of the metropolitan area. The total quantity of pine logs removed from Crown lands and private property during the year showed an increase of 7,135 cubic feet over the figure for the previous 12 months. A total of 40,753 cubic feet was supplied to local sawmills during the year. Afforestation of pines is covered by the Forestry Vote under the heading of "Development of Agriculture." The actual amount available this year for reforestation, pine planting, etc., is £200,000, as our provision of £100,000 is being supplemented by a similar amount by way of a grant from the Commonwealth. Mr. Piesse argued that, because no amount has been provided for Albany harbour, the port has been neglected. Actually, a considerable amount of money was spent in recent years in deepening the berths and providing other facilities. Altogether, expenditure from Loan funds on this harbour has aggregated £272,000. The Albany water supply was constructed by the Government from loan money, but was passed over to the control of a local board. A further loan of £3,000 was made to the board last year to enable improvements to be carried out. Whatever complaint there may be as regards service is primarily the responsibility of the board, not of the Government. The Pingelly water supply is a departmentally controlled undertaking. Admittedly, the water is of poor quality. A proposal for a new source of supply has been discussed, but the cost is particularly

high for such a small community, and there would be a heavy annual loss. The proposal referred to in the letter from Mr. Casey to Senator Johnston, read by Mr. Piesse, is under consideration. The difficulty lies in the fact that the Commonwealth offers to make contributions for interest and sinking fund, but leaves the responsibility for raising money in the hands of the local authority. In our State, most, if not all, of the undertakings suggested by the Commonwealth are under the control of the State, and consequently the only means of financing any such works would be through our loan programme. On the face of things, we appear to be excluded from any benefit. Mr. Seddon quoted the Loan Asset Statement, and compared the net loss year by year from 1929-30 onwards. It is necessary to explain that this statement, in dealing with the transactions for last financial year, incorporated for the first time sinking fund charges, which amounted to £224,828. The loss for 1934-35, in comparison with other years, therefore, was inflated to that extent. Then again, the results, as shown in the various statements, have been influenced by the policy adopted in regard to interest charges on Agricultural Bank capital. Previously the amounts owing by Agricultural Bank clients were transferred as book entries to revenue. This Government introduced the Agricultural Bank Bill, and from then on that practice was abolished. It may have been all right when the farmer was meeting his interest bill, but in later days it was a very questionable form of bookkeeping. It has now come to an end.

Hon. G. W. Miles: If you had not operated in that way, you would have shown a surplus instead of a deficit.

The CHIEF SECRETARY: Yes, if we had followed the practice that had been adopted for years, and adopted with the sanction of Parliament.

Hon. J. Cornell: It would have been a spurious surplus.

The CHIEF SECRETARY: When allowance is made for these alterations in the method of presenting the results for each year, the position in respect of the year 1934-35 compares very favourably with that of any of the preceding financial periods. Mr. Seddon is quite correct in his references to the obligations of Governments under the Financial Agreement, but he is very much

astray in his remarks regarding the application of the Agreement to the deficits which have accumulated during the past six years. There has not been any question of evading the obligation by our State, or any other State, to provide a sinking fund of 4 per cent. on funded deficits. When introducing this Bill, I made reference to the fact that the whole of the accumulated deficit had been financed by Treasury bills, and it was stated that, ultimately, some part, if not the whole, of the amount would have to be cleared by a funding operation. In that case the terms of the Financial Agreement would become effective. Until an actual funding operation takes place, the finance provided by the issue of the bills is of a purely temporary nature.

Hon. J. J. Holmes: You will leave it to the other Government to do the funding.

The CHIEF SECRETARY: The other Government left it to us to a large extent. There is therefore no obligation under the Financial Agreement to provide a sinking fund of 4 per cent.

Hon. H. Seddon: Do you contend that your Government did that last year, that you financed out of Treasury bills so far as the deficit was concerned?

The CHIEF SECRETARY: Our Government had nothing to do with the floating of Treasury bills.

Hon. H. Seddon: You said your Government financed the deficit last year out of Treasury bills.

The CHIEF SECRETARY: I would not like to say what was adopted last year. Deficits must be financed out of loan moneys.

Hon. J. J. Holmes: The policy is to get the money honestly if you can.

The CHIEF SECRETARY: The position is recognised by all Governments in Australia, and there is no doubt that it will be the subject of special consideration at a Loan Council meeting at no very distant date. As some portion of loans raised during the past two years has been applied to the funding of Treasury bills, it might be advisable to traverse the principal points relating to Treasury bill finance. In the early stages of the depression, when the loan market was practically closed, finance was provided by the Commonwealth Bank, for both deficit and loan works purposes, by the acceptance of bills issued by the Commonwealth Government on behalf of the several States. Later, when it became possible to raise

money by way of loans, the issue of Treasury Bills was restricted to finance for deficits. This method continued until the end of 1933-34 year. In the meantime some portion of the bills issued for works were funded from the proceeds of loans raised on the market.

At the 30th June, 1934, Loan bills amounting to £1,435,000 and deficit bills totalling £5,155,000 were still either in circulation, or under temporary redemption from the proceeds of a public loan. When finance from the year 1934-35 was under consideration, the Commonwealth Bank Board made it known that finance from deficits by means of Treasury Bills would be arranged on the understanding that an equivalent amount of Bills would be funded from loan proceeds. It was agreed that the Bills to be funded would be those issued for loan purposes. During the year Bills issued for deficit purposes amounted to £165,000, and Loan bills totalling £450,000, were funded. The position then at the 30th June, 1935, was that deficit bills totalled £5,320,000, against our accumulated deficit of £5,316,525, and Loan bills were reduced to £985,000.

For the year 1935-36 the financial arrangements have taken a further turn. At the meeting of the Loan Council in May last, it was agreed that only the lag in revenue would be financed by Treasury bills, and that a refund of any amounts so provided would be made before the end of the financial year. Amounts required for deficits were to be raised on the market. This alteration means that all finance required by Governments for works and deficits must now be obtained by loan raisings. If any of the money raised in that manner is used for deficit purposes, then the obligation to provide a 4 per cent. sinking fund will become operative. In our own case £60,000 of the June 1935 loan was tentatively allocated to deficit finance, but if the year closes with a surplus, the amount of £60,000 will be transferred to the funding of Loan bills, and, whatever surplus we may have, will be applied to the reduction of the accumulated deficit and redemption of deficit bills. In brief, that is the position.

I would now refer to the allocation in the Loan Bill of £300,000 as a temporary advance to revenue. Deficits during the

three-year period ended the 30th June, 1933, were very much in excess of the provision which had been made in Loan Acts to cover the temporary finance provided by means of Treasury Bills. The position at that time was:—

Accumulated deficit to 30th June, 1933	£ 4,360,518
Loan Act authority	2,323,000
Shortage in authority	£2,037,518

This deficiency in the authority, therefore, was a legacy from the previous administration, but it is only fair to state that there was doubt—and the doubt still exists—as to whether it was necessary to obtain an authority under a Loan Act to raise money for a temporary need. If the deficits had been funded, or raised by loans on the market, the position would have been different. Since 1933, each year's deficit has been more than covered by the authority in the Loan Act of the respective years, and the balance, after providing for the deficit, has been applied to reduction of the shortage at the 30th June, 1933. The position at the end of the 1934-35 year was that the balance of the shortage amounted to £943,525. The Bill now before the House proposes a further reduction of £244,353. Of course, if there is a surplus at the end of the year, the whole of the £300,000, plus whatever the surplus may amount to, will be applied in the reduction of the shortage of £943,525.

In connection with the development of the goldfields, the amount which we propose to allocate to this purpose is being supplemented by a grant of £60,000 from the Commonwealth, so that in total there will be a far greater sum available this year than was the case in previous years. The amount provided under the heading of Workers' Homes Board is to supplement the capital of the board. During the past few years the building programme of the board has been accelerated very considerably with the object of creating as much work as possible for building trades' artisans, and, at the same time to provide homes in accordance with the intentions of the Act. Ample funds are available to the board to continue their building programme without interruption. In regard to building on the goldfields, or at any other centre, it is not proposed to hamper the operations of the board by direction as to the locality where

buildings shall be erected, or advances for buildings be made. The board has authority to build in any part of the State that it deems advisable, and it is considered that any interference with the functions of the board must undermine their responsibility to the Government for capital moneys which have been entrusted to their control. The Government consider that it would be a most dangerous practice if the Minister exercised a power of direction in the activities of the board.

Hon. J. Cornell: The board are asking Parliament to provide fresh capital to be spent in the metropolitan area.

The CHIEF SECRETARY: This Bill only provides for the raising and not the spending of money. We are looking ahead. With regard to the electricity supply, I have to say, in reply to Mr. Mann, that the amount provided in the Bill is required to meet commitments on contracts for supply of machinery, etc., for a new unit at the East Perth power station. The cost of this extension is estimated, in round figures, at £500,000. Last year £200,000 was provided, and this year £175,000 has been included in the Loan Estimates, as a further contribution towards meeting the cost. The bulk of the expenditure for rolling stock for railways during this year will be directed towards improving passenger and parcels traffic on spur lines. It is proposed to purchase five rail coaches; one as a complete unit, and the other four chassis, the bodies for which will be built locally. In addition to rail coaches, it is intended to commence a programme of work to bring our rolling stock up to date. I submit the following facts in reply to statements made by Mr. Cornell and others:—

Recent revaluation of the Goldfields towns has brought residential leases within the ambit of land taxation by the increased values due to the present prosperity on the Goldfields. The usual practice of the department is not to tax land if it cannot place an unimproved value of more than £6 on it. Old age pensioners are not subject to land tax in those cases where the department is aware of their status. They must, however, lodge returns and prove that they are entitled to exemption from taxation both in respect to the vacant and residential blocks they own. Workers' homes taken up under Part 3 of the Workers' Homes Act, 1911, are exempt from State land tax, vide Section 15 of that Act which reads as follows:—

“Every worker's dwelling under this part shall be exempt from assessment under the Land and Income Tax Assessment Act, 1907.”

The reason for the exemption is that the land never vests in the lessee, but always remains the property of the Workers' Homes Board. Residential leases in Fremantle are liable to taxation and have been assessed for State land tax. Mr. Cornell's statement that a man on the basic wage of £3 12s. 0d. per week in Fremantle is not taxed is incorrect. Every person, no matter where residing, receiving £3 12s. 0d. a week or more is taxed for Financial Emergency Tax and Hospital contribution. The exemption under the former Act is less than £3 12s. 0d. per week.

Hon. J. Cornell: I said under £3 12s. a week.

The CHIEF SECRETARY: Whatever the hon. member said applied to the Commissioner of Taxation. Mr. Miles says the Government have not sufficient ships to cater for the trade along the North-West coast. I agree with him, and I hope that, if a proposal is submitted to build another ship, it will have his support. He said that only two ships a month called at North-West ports. Judging from his remarks, his view of the North-West does not extend outside the Port Hedland district. Either Mr. Miles's arithmetic is very weak, or he did not take the trouble to get the facts to strengthen his utterances. There were 32 visits by ships to Port Hedland from the south scheduled for 1935. This works out at more than two per month. Some other ports not affected by tides will have had up to 50 visits from ships for the year. “They are shutting out cargo,” he exclaimed. It depends on whom he means by “they.” State-owned vessels have not shut out cargo. The “Koolinda” which left last week, was a full ship and all cargo offering up to within four hours of sailing was accepted. Surely Mr. Miles does not mean this as something to the discredit of the State Shipping Service.

Hon. G. W. Miles: I say you have never given the northern people any consideration at all. All you have considered is the State Shipping Service.

The CHIEF SECRETARY: We have had to combat such statements more than once. The Marble Bar Road Board made a definite charge against the State Shipping Service of shutting out cargo, but, when pinned down for details, retired from the argument. The one instance they mentioned was proved not to have happened. In support of Mr. Miles's idea that a more frequent service is practicable, he states that there is a period of five days from the beginning to the end

of the tide. Mr. Miles has not experienced the difficulty of fitting a ship's itinerary to tidal ports. I have referred the matter to the Manager of the State Shipping Service, and he writes:—

"If Port Hedland were the only port to consider from a tidal point of view, perhaps vessels could do as Mr. Miles suggests, one on the first of the tides and another on the last.

Whilst it is usually possible to work Port Hedland on five days each tidal period, one must remember that Broome is similarly affected by tides. Therefore, whilst a vessel could work Port Hedland on the first, second and third day of the tidal series and still be able safely to work Broome on the tidal period, there would be a greater risk than most shipmasters or managers would care to take to work Port Hedland on the fourth day, which would make the vessel, after working Broome, dependent on a sufficient tide on the sixth day to get out of that port or be neaped for eight or nine days. The best that could safely be done, with exceptions due to local circumstances, would be for one vessel to arrive at Port Hedland on the first day of the tides and for another to arrive on the night tide of the third day; that is, with a gap of two days between. The latter vessel would get out of Port Hedland on the midday tide of the fourth day, arrive at Broome on the fifth day and get away the night of the fifth day. Derby must also be considered, not for high tides, but to get in and out before dead neap tides, which are on about the eighth day of each tidal period. The suggestion could not be adopted successfully."

Mr. Miles says:—"We had a better service on the North-West with private enterprise than we have to-day with the State Shipping Service." That is a groundless statement.

Hon. G. W. Miles: It is not.

The CHIEF SECRETARY: "What do we find," he asks, "in the report laid on the Table of the House? Continual losses are being made and the taxpayer has to foot the bill." In 1910, the vessels trading regularly on the coast were:—

- S.S. "Charon"—2,681 tons (gross).
- S.S. "Koombana"—3,333 tons (gross).
- S.S. "Minderoo"—2,719 tons (gross).
- S.S. "Gorgon" (old)—2,885 tons (gross).
- S.S. "Paroo"—2,665 tons (gross).

Only one had a better speed than 12 knots, and there was very little, if any, refrigerated space in the majority of the vessels. In 1935, we had:—

- M.V. "Koolinda"—4,372 tons (gross).
- M.V. "Kangaroo"—4,434 tons (gross).
- M.V. "Kybra"—858 tons (gross).
- M.V. "Centaur"—3,066 tons (gross).
- M.V. "Gorgon" (new)—3,533 tons (gross).
- S.S. "Minderoo"—2,719 tons (gross).

In 1910, the service consisted of five ships with a gross tonnage of 14,283, as compared with the present service of six ships with a gross tonnage of 18,982, with adequate refrigerated space and speed up to 16 knots, with up-to-date ventilation, etc., and, generally, a much better class of vessel in every way.

Hon. G. W. Miles: But you will not allow those vessels to call at the ports.

Hon. J. Cornell: What is the use of the vessels if they pass the ports?

The CHIEF SECRETARY: He adds: "If Government subsidised a line their fares and freights could be controlled and there would be no monopoly." That is a matter of opinion. The experience of the treatment of the people by private shipowners does not give reason to expect any great consideration from them. The North West people have gained benefits that are worth many thousands of pounds in cash per annum through the Government being able to force the position when circumstances warranted special consideration.

Hon. J. J. Holmes: It was the action of the two private shipping companies that brought the State Shipping Service into existence.

The CHIEF SECRETARY: That is confirmation of what I say.

Hon. G. W. Miles: That does not prevent you from giving the other boats permission to call at the ports.

The PRESIDENT: Order! Hon. members will have ample opportunity to discuss the State Shipping Service when the Bill is in Committee.

Hon. G. W. Miles: Let the boats call at the ports in the meantime; get sufficient vessels to cater for the coast.

The CHIEF SECRETARY: If one studied the figures over the period of the service, it would be seen that the losses do not take into consideration the provision of a fund worth £140,000 which last August paid off the purchase of the m.v. "Kangaroo." Credits transferred to Consolidated Revenue by the State Shipping Service represent over the years a huge sum. The service has been charged compound interest, which the railways have not had to meet. There have been reductions in freights and passage money amounting to a very large sum per annum. The opening up of new trade overseas, which reached £200,000 last year, cannot be shown in the accounts of

the service. "The State Shipping Service is quite as good as one could wish for," he concludes. This opinion, coming from a critic, is very welcome. In the remarks made by Mr. Miles, there is but little supported by facts.

Hon. G. W. Miles: That is wrong.

The CHIEF SECRETARY: When the State Shipping Service required advances, they were charged 6½ per cent. The "West-Australian" was sold to the British Government for £40,000 and that money went into the Treasury.

Hon. G. W. Miles: That was wrong.

The CHIEF SECRETARY: Money has from time to time been paid by the State Shipping Service into the Treasury.

Hon. G. W. Miles: You should remedy that.

The CHIEF SECRETARY: The service has been charged compound interest. Now, what about the agricultural railways? There has been no compounding of interest there. If there had been, the Railways would have been millions to the bad. About £400,000 altogether has been paid by the State Shipping Service into the Treasury chest.

Hon. G. W. Miles: Why do you not remedy that, and introduce a proper method of bookkeeping?

The CHIEF SECRETARY: The State Shipping Service should not come under the State trading concerns. That is my opinion.

Hon. G. W. Miles: You will take credit for anything.

The CHIEF SECRETARY: That has been the position since 1910. The hon. member said that they had a better service in the North in 1910.

Hon. G. W. Miles: We did; we had a regular service.

The CHIEF SECRETARY: Cargo to the North has dropped from 38,900 tons to as low as 22,300 tons per annum.

Hon. G. W. Miles: I know. The people have been starving up there.

The CHIEF SECRETARY: Cattle shipments have dropped from 39,000 head to 11,000 head. Sheep dropped from 76,000 to as low as 11,500, and the number transported last year was 56,000. Wool southward is the only bright spot from a shipping point of view. This has increased from under 1,000 bales to as high as 57,000 bales. Prior to the war, the bulk of the North-West wool went overseas and did not come to Fremantle. As the restrictions on the other vessels referred to by Mr. Miles

do not apply at all to southward voyages, cargo, such as wool, does not fit into the argument regarding present and past shipping on the coast.

Hon. C. B. Williams: I think you have flooded Mr. Miles.

Question put and passed.

Bill read a second time.

In Committee.

Hon. E. H. Gray in the Chair; the Chief Secretary in charge of the Bill.

Clauses 1 to 6—agreed to.

First Schedule:

Item, Eastern goldfields water supply, £7,000:

Hon. J. CORNELL: On the 16th October last I asked the Chief Secretary regarding goldfields water supply extensions, in what proportion did the State Government and the Federal Government and the mining companies concerned contribute towards the cost of the extension of the Norseman supply. The answer the Chief Secretary gave showed that the Federal Government had contributed nothing. In yesterday's "West Australian" there appeared a statement by the Minister for Water Supplies showing that the Federal Government had contributed £17,500 to that work. I am not blaming the Chief Secretary for the answer, but it goes to show that the departmental officials are not always correct in the information they supply.

The CHIEF SECRETARY: I admitted there was £17,500 in hand. Mr. Cornell is referring to a speech made by Senator McLachlan. I did not dispute his assertion. If the proposed construction of sewerage systems had not been agreed to, Senator McLachlan would have been right in his statement, and £27,000 would have been available for the Norseman water supply. The Northam people agreed to the installation of the sewerage system and the Geraldton people also came to an agreement, with the result that there was a balance of £17,500 left. I admitted that at the time. I cannot say whether the £17,500 is available now. The money may have been distributed in accordance with the terms of the grant.

Hon. J. CORNELL: The point I want to make is that when I first asked the Min-

ister the question, the Federal money was already available, although the departmental reply to my question was that the Commonwealth Government had contributed nothing.

Hon. C. B. Williams: We got the money, so what does it matter?

Item, Agricultural Bank, working capital, £50,000:

Hon. J. J. HOLMES: There have been tremendous losses in connection with the Agricultural Bank. Some of us realised that when we started out to nationalise the agricultural industry, we were looking for trouble. That trouble has come home to us. From what I can ascertain of the position of the Bank, the institution is so short of capital, on account of losses and other reasons, that if there is a client who can keep his head above water, then, if the Agricultural Bank does not ask one of the Associated Banks to take that client over, the Associated Banks, in fact, do take him over, and the Agricultural Bank will have the advances repaid. The point is that if we continue that policy, the Agricultural Bank will be left with all the derelict farmers who will have to be spoon-fed to prosperity, and we will never have a chance of pulling the institution out of difficulty.

Hon. H. Seddon: That is what the Royal Commission said.

Hon. J. J. HOLMES: That is what has happened.

Hon. L. Craig: And that is what must happen.

Hon. J. J. HOLMES: Now we are asked to sink another £50,000 in this institution in order to carry on farmers for a further period on areas that are unsuitable for wheatgrowing, and to assist farmers who will never make a success of their job anywhere. The Chief Secretary, in his reply to my criticism of one of the Commissioners of the Agricultural Bank, viewed the position as I did when the matter was brought under my notice. I felt that, in the interests of all parties concerned, the position should be clarified. To use a colloquial expression, "all the dogs were barking it" in the wheat areas. The matter was brought under my notice specifically, and I felt it my duty to assist in clarifying the position; especially did I feel that I should do so when a Federal docu-

ment was put into my hands setting out that one of the Commissioners had had a penalty of £3,830 imposed upon him. Surely that was sufficient warrant in itself for drawing attention to the matter! I know that the State Taxation Department handle taxation business for the Federal authorities, and it followed that if there was an omission in regard to the Federal taxation, there was also likely to be an omission in regard to State taxation. I deemed it my duty to draw attention to the matter. The Minister has told us that inquiries have been made, and the position was considered satisfactory. I do not propose to say anything further on the subject.

Hon. J. CORNELL: I also was one who "belled the cat," and, like Mr. Holmes, I heard many references to the matter.

Hon. J. J. Holmes: With me it was not a matter of hearing. I had the document placed in my hands.

Hon. J. CORNELL: I took the trouble to secure a report from Canberra, and in perusing it I found that out of all the taxpayers in Western Australia, there were only 30 delinquents in respect of whom the lowest amount of shortage in the income stated was £429, whereas the highest represented £133,440. The next highest amount was £20,738. I noticed that the man responsible for the shortage of £20,738 was fined £3,830, whereas the man concerned in the amount of £133,440 was penalised to the extent of £7,451 only. The Chief Secretary has informed members that all the facts were thoroughly explained to the Minister before the appointment of the Commissioner was made, and that there was nothing associated with the matter that prevented the appointment from being made. All I can say is that I had an obligation to the clients of the Bank, and in the course of my remarks I said that many of the clients, if they had been placed in such a position, would have been given imprisonment and would have had to suffer in duranee vile, whereas one of these men, at any rate, had been given a chance, and allowed time to enable him to pay the fine.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. CORNELL: Usually the Minister is quite fair and I absolve him from blame

on this occasion because he has only quoted what was put up to him. He said that after Mr. Clydesdale interjected, "Why vent your spleen here?" I replied, "If I were doing so, this would be the proper place to vent it." Whoever put that stuff up to the Minister—

The Chief Secretary: I put it up myself.

Hon. J. CORNELL: It did not appear in the "West Australian."

The Chief Secretary: I know it did not.

Hon. J. CORNELL: If the Minister produces "Hansard," he will find that I did not make that remark immediately after Mr. Clydesdale's interjection. He has done what is not usual for him—torn about three lines from the context. What the Minister quoted occurred much further on in the debate.

The Chief Secretary: Not immediately afterwards.

Hon. J. CORNELL: No, quite a long way down. The Minister, as an old journalist, knows that by tearing three or four lines out of the context, one might place a totally different interpretation on what was intended. I did use the word "men"; I used it unwittingly. At no stage of the debate did I mention the other two Commissioners. All I desired to convey had reference to the man who was under discussion.

The Chief Secretary: Then I did not misquote you.

Hon. J. CORNELL: No; I take no exception as to that. I unwittingly used the word "men," but my remarks cannot be construed as having had any reference to the other two Commissioners. I meant the one man under discussion. I pointed out what I considered it my obvious duty to do and that was confirmed by a prominent banker in Perth. My side has been heard and the Government side has been heard and there the matter can rest so far as I am concerned. As to workers' homes, I regret that the Minister has not informed us that the £15,000 of new capital is to be absorbed in the metropolitan area. I hope I am wrong but, judging by the Minister's expression, workers' homes for the goldfields are still in the lap of the gods, or in the lap of the Workers' Homes Board. The Minister did not refer to the very small allotment to the goldfields generally as compared with the very large allotment to other parts of the State. The amount allotted to the goldfields is quite out

of proportion to the amount allotted to other parts of the State.

Hon. V. HAMERSLEY: Regarding the item "Assistance to settlers, industries, etc., £75,000," I should like to know if it is the intention of the Government at long last to recognise the destruction caused in the Bickley Valley early in the year. Settlers' homes and orchards were wrecked and their trees suffered considerably. They are getting practically no crop, and I think I am right in saying that the Government have done nothing for them. The pearling fleet suffered recently and consideration has been given to that industry. I do not object to that, but I consider that the Government should assist the Bickley settlers, who for years have been striving to build up homes and serve the community. Those settlers sustained terrific losses and, with the exception of the money raised by public subscription and the amounts made available by the Lotteries Commission—I understand so much per day is being paid to those in dire distress—the Government, I believe, have stood aloof. Those settlers deserve better treatment. I should like to know also whether the Government are making provision out of this item and, if so, how much, for the Midland abattoirs and saleyards. The accommodation has been over-taxed for a considerable time. Large numbers of stock are handled; inconvenience is experienced by those who have business there, and the treatment received by the stock is not humane. It is high time that the saleyards were improved. We are borrowing large sums of money, and there would be some satisfaction if we knew it was being expended on works likely to produce some returns.

Hon. E. H. ANGELO: The Chief Secretary, in the course of his able reply, told us that it was necessary to obtain revenue from the Fremantle Harbour to make good the losses on other harbours. He also said that the Government had assisted the North by granting a rebate of the surcharge. I cannot reconcile his statement that some of the Fremantle harbour revenue had to be spent in the North-West. I went to the Table to seek the report of the Harbour and Lights Department, but we in this Chamber have not been favoured with a copy of it. The report was tabled in another place, and from it I have obtained some figures which are illuminating and which certainly do not bear

out the contention that we in the North-West have to look to the Fremantle harbour to make our harbours pay. Port Hedland is run by the Railway Department, but I have the figures for five other North-West ports. At Carnarvon the revenue last year was £9,676, salaries and wages £3,115, contingencies £416, excess of revenue £6,104. When I raised the question previously, I was informed that interest on the cost of the jetty had not been charged, but the jetty has been standing for 40 years and the cost must have been repaid long ago.

Hon. C. F. Baxter: Would your figures include maintenance?

Hon. E. H. ANGELO: Nothing like £6,104 has been spent on maintenance. Carnarvon has a community of about 2,000 people who are thus paying £6,104 to the jetty revenue. Onslow shows a surplus of £1,129, Cossack £592, Broome £1,129, and Derby £622, a total of £9,579 excess of revenue over expenditure for those five North-West ports.

The Honorary Minister: Will the hon. member refer to the fact that the Harbour and Lights Department is not the only department affected?

Hon. E. H. ANGELO: I say it is impossible for maintenance at Carnarvon to have cost anything like £6,104, the amount of excess revenue over expenditure. Therefore I do not think the Government have done very much in cutting out the surcharge. I was struck with the Chief Secretary's reference, and I deemed it my duty to turn up the figures which, as I have stated, I had to obtain from a report tabled in another place, not here.

The CHIEF SECRETARY: It has been remarked that I did not make any reference to the way in which the new capital for workers' homes proposed under the Bill will be spent. The Bill does not set out how any of the money in the schedule is to be spent. This measure is simply an authorisation to raise money. If we wish to know how money is to be spent in connection with governmental administration of loan funds, we naturally look at the Loan Estimates. When the Appropriation Bill is in Committee, if hon. members ask me questions concerning items I shall be glad to give them any information desired. Mr. Hamersley said there was no provision in the schedule for the Bickley Valley sufferers. Such expenditure would not be

specifically mentioned in the Bill, but would come under the heading of "Assistance to Agricultural Settlers." Again, Mr. Hamersley referred to the Midland Junction abattoirs. The disallowance of a certain regulation was recently under discussion here. Its disallowance would have meant the loss of no less a sum than £20,000 to Consolidated Revenue.

Hon. C. F. Baxter: Now we are learning something!

The CHIEF SECRETARY: Anyhow, whatever is proposed to be done to the Midland Junction abattoirs will be found in the Loan Estimates. Mr. Angelo succeeded in proving, to his own satisfaction, that instead of a deficit in connection with North-West harbours there was a surplus. Sooner or later I shall be able to verify and either condemn or confirm the hon. member's assertion. Further, it has been stated that Mr. Clarke had been subjected to a penalty of £3,830, being double the amount of tax. That is quite right, but it has not been stated that his returns were examined over a period of 13 years, in accordance with the practice of the Taxation Department. The department have that right. Hence the penalty of £3,830. The estate is a big one, with wide-spreading ramifications. I give the information so that hon. members may clearly understand that the fine is not in connection with one year's tax, but in connection with 13 years' taxes.

Hon. C. F. BAXTER: I hope that the Loan Estimates item for Midland Junction abattoirs will not be based on the circumstance that if a regulation submitted to this House were disallowed, it would mean a loss of £20,000 to Consolidated Revenue. That would not, in fact, be the case, because the calculation is based on the same number of stock being sent into the abattoirs in future as at present, whereas the same number would not be sent in. The regulation would mean ruination to many of our taxpayers.

Item, Pine planting, purchase of land, forest regeneration, £110,000:

Hon. J. J. HOLMES: I rise in order that the Minister may obtain certain information. Surely there should be no need for the Government of Western Australia to buy land for the planting of pines. We have pines growing on inferior lands. In my opinion, any of our light lands with good rainfall are suitable for pine plant-

ing. In fact, our native pine grows on our poor lands. If, when out riding, one sees land growing pines, one immediately says, "Poor land." York gum country, on the other hand, is at once known to be worth inspecting. I understand that some time ago a leading officer of the Forests Department proposed to use the coastal country from Fremantle to Geraldton for the growth of pine. That being so, surely there is no necessity to provide any part of this £110,000 for the purchase of land.

The CHIEF SECRETARY: This amount will be supplemented by a pound for pound subsidy from the Commonwealth. This expenditure is in pursuance of a three-year scheme covering the expenditure of a total amount of £600,000 with the object of making up leeway in the regeneration of forests. Last year 49,429 acres were treated for the regeneration of jarrah, karri and mallet forests. The whole of the work for the current year will be carried out in accordance with the programme agreed upon with the Commonwealth. Over 1,000 men are now employed in this work. The same subject will come up in connection with the Loan Estimates. To anticipate that the Government would purchase large areas of land for pine planting is absurd.

Hon. E. H. ANGELO: I want to correct my statement that certain papers relating to Harbours and Lights have not been laid on the Table of this House. I looked for those papers under "Departmental Reports," the term used in another place. I see now that they are recorded under the heading "Reports Generally." This correction, however, does not affect the figures I quoted.

Hon. H. SEDDON: The Chief Secretary pointed out that under the Financial Agreement so long as the short-term debt exceeded the amount of the accumulated deficit, it was not necessary to apply the four per cent. sinking fund. Such is the interpretation the Government have now adopted to save themselves from the expense of sinking fund. The total amount of our short-term debt is £8,538,000. If we adopt and maintain the method of financing arrived at by the Government, the only conclusion is that so long as there is a triple margin, the sinking fund need not apply, according to the Government's interpretation of the Financial Agreement. However, the point which I raised, and which the Chief Secretary has not cleared up is this. According to the Auditor General's report, the increase

in loan funds during last year was £2,850,000, roughly, and of that £2,850,000 only £13,000 comes under the heading of short-term debt. Last year we authorised the sum of £750,000 to be raised for funding the deficit. Seeing that last year only £13,000 was raised in the way of short-term debt, I fail to see how it can be argued that the balance of the £750,000 should not bear the four per cent. sinking fund, as having been raised from the proceeds of public loans. Certainly, short-term bills were renewed last year to the amount of £2,700,000 odd. It may be argued that by the renewal of the bills the £750,000 came under that heading. Apparently the evasion previously adopted with regard to loans, by considering short-term or Treasury bills as not being loan, is now being extended to cover the whole of the Treasury bills not redeemed.

Hon. G. W. MILES: I see nothing in the schedule for the improvement of transport facilities in the North. Adverting to the Chief Secretary's remarks on permits extended to shipping in the North, let me point out that it is ridiculous to say the ships of to-day are better than the ships of 25 years ago. Any child must know that in respect of chilling facilities, for instance, shipping accommodation has vastly improved during the last quarter of a century. My argument, however, is that the service which the North had 25 years ago was infinitely better than the present service. In those days every ship leaving Fremantle for the North called at every port along the coast. I am not a representative of Port Hedland or of Marble Bar, but of the North-West Province. The Chief Secretary's concern is for the State Shipping Service, and that service alone. The Government do not care a damn for the people of the North. What I am surprised about is that the present Government should neglect to consider the people of the North in having an embargo placed on the overseas ships travelling along the coast. The permit is only for overseas boats to call when the State steamers are not running. The result is that these overseas ships have developed a trade overseas, and when the fortnight comes for their calling at the coastal ports they allow only sufficient space for 300 or 400 tons of cargo. So the people of the North are not so well served as they were prior to the State Government influencing the Commonwealth

Government to restrict those ships from calling on their northern trips. They go up the coast only as far as Carnarvon, and then they head overseas. I should like the Chief Secretary to put it to his Government, who have done so much for the North, that they should consider the people of the North in the matter of transport. Figures were quoted of the numbers of cattle coming down in 1910. But there was then no Wyndham Meat Works, and the cattle were coming down overland as well as in the boats. Until the Government can provide more ships for the North, they should ask the Commonwealth Government to allow the overseas ships to call at all the ports.

The CHIEF SECRETARY: Under the Commonwealth the first consideration is given to licensed ships run by white men, as against the other ships with black crews.

Hon. G. W. Miles: Yes, that is right.

The CHIEF SECRETARY: And any request that might be put up by this Government would be decided by the Navigation Department of the Commonwealth. So even if the State Government were to put up an unanswerable case, the other side would also have an opportunity to put up their case, and the Navigation Department would then decide the question. It is not to be supposed that overseas ships with black crews should be allowed the same facilities as our own State steamers manned by white men. In this there is no injustice to the North. The hon. member would lead members to believe that there ought to be a weekly service.

Hon. G. W. Miles: No, I did not say that. It is impossible.

The CHIEF SECRETARY: The hon. member did not say it, but he implied it. All the reasonable requirements of the North are now being met.

Hon. G. W. Miles: How can you say that when you are shutting out cargo all the time?

The CHIEF SECRETARY: There has not been any cargo shut out by the State steamers.

Hon. G. W. Miles: I did not say the State steamers.

The CHIEF SECRETARY: Well the others do as they please about picking up cargo.

Hon. G. W. MILES: On behalf of the residents of the North-West I said that cargo is being shut out by these overseas ships through the action of the State Government in approaching the Commonwealth Government with the request that the overseas ships should be restricted in calling at the North-West ports. The State ships are full, and the department is running them to a standstill. No shipping service can be run to Darwin and back with only two days in ports. The State's ships are being shaken to pieces and so are deteriorating. Until the Government are in a position to provide sufficient ships, they should allow the overseas ships to trade on the coast as they did previously. But owing to the restriction those ships have made arrangements to take cargo overseas, and for the coastal ports they have to call at they leave only sufficient space for about 400 tons of cargo, and so they have to shut out cargo, and in consequence the people up North cannot get their goods along and have to go without them. Ever since the eighties those vessels called at each of the ports along the coast, but now the State come in and use their influence to induce the Commonwealth, through the Navigation Act, to put on an embargo, and so those boats are allowed to call only at certain ports once a month when the State steamers are not running there.

Hon. A. Thomson: You had a fortnightly service, but you have now only a monthly service.

Hon. G. W. MILES: These overseas ships allot only 400 tons of space for our coastal ports.

Hon. C. F. Baxter: Why do not they allot more?

Hon. G. W. MILES: They are not going to be made a convenience of by a socialistic Government, and so they have been driven off the coast.

Hon. E. H. ANGELO: While I am just as keen as my colleague—

The CHAIRMAN: Which item are you discussing?

Hon. E. H. ANGELO: The same as the other members. I am just as desirous as my colleague that the North-West should get as good a service as possible, but I cannot endorse Mr. Miles's opinion that the State Government are to blame. The State Government are not to blame. As the Chief

Secretary has said, these overseas ships are running against the Navigation Act, and in exchange for what the State Government are doing for them, they should do something for the benefit of the people of the North. Before allowing any permits for the Singapore boats, we should tell them that we will recommend permits provided they help us to give the North-West a decent service. We cannot hope for a weekly service, but there is nothing to prevent the North from having a regular fortnightly service. A short time ago we had a deputation to the Minister for the North-West, who was then Mr. Millington, and it was suggested that the Minister controlling the State steamers should invite Mr. Glyde and Mr. Lewington to hold a conference in the Minister's office. If that were done, I am convinced the trouble would soon be over and the two shipping concerns would provide a fortnightly service. We might then go further and ask them to arrange an interchange of tickets. Mr. Lewington should be asked to run a fortnightly service right up the coast, and to take all the cargo offering. The overseas line must come in and help; otherwise the sooner we get another State steamer the better.

Hon. C. F. BAXTER: I was sorry to hear the views expressed by the Chief Secretary, namely, the taking up of the cudgels against the black labour boats, as against the others. I would not mind that if the people of the North-West were not going to suffer in consequence. The most important factor we have to consider in this are the residents of the North. The steamship service is to the people of the North what the railways are to the people of the South. I was surprised at Mr. Angelo; how can the overseas' companies operate if they do not get permits?

Hon. E. H. Angelo: They have the permits.

Hon. C. F. BAXTER: During my time as Minister controlling State steamers, I got the State Shipping Service and the overseas companies to agree, and I may say they worked satisfactorily. I am not aware of the reasons why they are not agreeing about it now. But those we have to consider first are the people of the North. The existing service is poor enough, not so much as regards the people of the ports, as the people outback from those ports, when there is such a long interval between ships, especially in the summer. The perish-

ables are hardly fit for human consumption when they reach their destination. If an adequate steamer service were provided, this state of affairs could be avoided. For years there has been some influence at work to prevent ships from getting permits. At present, the ships are assisting in opening up a big trade in the islands, and everything possible should be done to encourage that trade. There is no need to slaughter the steamship service provided by the State. I trust the Government will review the position. When it comes to serving the people of the North, and putting up with black labour, I say let us put up with black labour until we can otherwise improve the position. The people of the North must be served.

The CHIEF SECRETARY: Mr. Baxter's remarks represent nothing more than a general statement. He does not say how the people of the North have suffered.

Hon. C. F. Baxter: There is too great an interval between ships.

The CHIEF SECRETARY: If the hon. member will supply me with a specific statement, I will go into the matter. I cannot see how the North-West is suffering in the way indicated.

Hon. G. W. Miles: I have already told you.

The CHIEF SECRETARY: A fortnightly service has been suggested. For years we have been trying to bring that about. Last year I had a conference with the manager of the State Shipping Service and representatives of the companies over this very question, but we got nowhere. Apparently it is impracticable for the companies' ships to run side by side with the State ships, and for the former to fix their time tables accordingly. The companies would not agree to an amicable arrangement for the drawing up of a schedule to meet the tides, and provide the North-West with a fortnightly shipping service.

Hon. E. H. Angelo: The Government are not to blame.

The CHIEF SECRETARY: That is so. If something specific is put before me, I can examine it.

Hon. G. W. Miles: Did I not put something specific before you?

The CHIEF SECRETARY: The companies said it was an impracticable proposition.

Hon. G. W. Miles: The Singapore boats are shutting out cargo through the action of the State in restricting their service.

The CHIEF SECRETARY: It is a sort of boycott.

Hon. G. W. Miles: It is not a boycott.

The CHIEF SECRETARY: Pressure has been brought to bear with the object of securing a free go for the ships belonging to the companies. It is, however, the law of the land that all ships trading within the Commonwealth shall be licensed.

Hon. A. Thomson: On a point of order. I contend that this debate should take place on the Appropriation Bill.

The CHIEF SECRETARY: I am surprised at the remark of Mr. Thomson, who himself debated every possible subject, revenue and loan, on this Bill. He now wants to pull me up. There is no doubt pressure was brought to bear upon the Navigation Department to contravene the laws of the Commonwealth.

Hon. J. J. HOLMES: I would have kept out of the debate but for a misunderstanding that may have occurred through the remarks of one speaker. He indicated that until another boat was put on the coast, the position would never be a happy one. There would not be enough business for two boats on the coast. If two boats were put on, we should then have only two instead of five as at present. Directly the overseas boats were robbed of all the trade on the coast, they would leave the coastal trade altogether, and concentrate on the overseas trade. At present the three boats that are trading with Singapore, the "black" boats, carry the greater proportion of cattle from Derby to Fremantle. They also bring wool to Fremantle. If the Government think they are going to monopolise the North-West trade with two vessels and drive the other boats off the coast, then this will represent the last step towards breaking up the North.

Item, State Hotels and Tourist Resorts, £20,000:

Hon. W. J. MANN: I understand that £10,000 has been set aside for the rebuilding of Cave House. Yesterday afternoon I spent a couple of hours going over the establishment. I know of no licensed premises in the State in a more dilapidated and disgraceful condition. If the hotel were being conducted by private enterprise the Licensing Board would close it down. The facilities for the entertainment of guests are

crude. That is not the fault of the manager and his wife, who are doing wonderfully well in the circumstances. It is impossible for any person to provide tourists with reasonable comfort under such conditions. The kitchens were clean but are disgraceful. The arrangements for service in the dining-room mean the employment of twice as many hands as would otherwise be necessary. The food is prepared in one place and has to be conveyed through the scullery, and across a passage to the dining-room.

Hon. H. V. Piesse: How many people will the dining-room accommodate?

Hon. W. J. MANN: There is accommodation for 54 persons. Last Easter and only recently the management had to turn visitors away. The conditions of the place are appalling. The arrangements for the storage of food would not be tolerated in an outback hotel. The safes are made of hessian, but are quite inefficient. In some places the roof is pitted with holes and will have to be renewed. The conditions under which the servant girls are asked to live is a disgrace. The rooms are poorly furnished, and are not even provided with washstands. The sooner the Government realise the position and make some alteration, the better. Any amount of money can be found for Yanchep.

Hon. E. H. Angelo: Who finds it? They make it out of their revenue, I think.

Hon. W. J. MANN: If the Government were to spend £20,000 on Cave House immediately, they could provide for both interest and sinking fund and, in addition, make a handsome profit.

Member: The present building could at least be kept in repair.

Hon. W. J. MANN: It would be waste to spend money on it.

The CHIEF SECRETARY: The position is fully recognised by the department, and I will bring it under the notice of the Government. In reply to Mr. Seddon, I will make a further explanation when the Appropriation Bill is presented.

First, Second and Third Schedules—agreed to.

Preamble, Title—agreed to.

Bill reported without amendment and the report adopted.

Read a third time and passed.

BILL—APPROPRIATION.*Second Reading.*

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [S.35] in moving the second reading said: This is the annual Bill to authorise the appropriation of money necessary for services covered by the Revenue and the Loan Estimates, and by the Advance to the Treasurer. The Bill covers the whole of the Government expenditure for the year, with the exception of that provided for under special Acts. The expenditure provided for this year, under the Revenue Estimates, exclusive of special Acts, is £5,760,476; by General Loan Fund £2,677,021, and by Advance to Treasurer £500,000—the total amount requiring appropriation being £8,937,497. Supply Bills covering £3,700,000 have already been passed, and the balance now requiring approval is £5,237,497. Schedule "A" of the Bill sets out the various amounts already appropriated, and the amounts to be appropriated under the present measure. Schedule "B" contains a summary of the allocation of revenue expenditure. Schedule "C" summarises the loan expenditure, and Schedule "D" sets out the purposes for which the advance to the Treasurer can be used, and the manner in which it will ultimately be adjusted. Schedule "E" itemises the amounts expended from the Treasurer's Advance for the previous year, and shows the allocation and adjustment of revenue charges, whilst Schedule "F" details the loan expenditure allocations and adjustments for the same period. Although excesses provided for in Schedules "E" and "F" for the year 1934-35 were incurred, it does not mean that the total amount appropriated for the year, under the headings of revenue and loan, was exceeded by the amounts stated. The total revenue appropriation last year was £5,584,095, and the actual expenditure was £5,656,186, thus showing an excess of £72,091. The Loan appropriation was £3,142,319, and actual expenditure amounted to £2,784,185—a saving of £358,134. After allowing for the excess on revenue account this leaves a real saving on the total authorisations of £286,043. But hon. members must understand that savings on individual items cannot be offset against overdrafts on others; and, consequently, the excess items have to receive parliamentary approval.

It is pleasing to be able to state that the result on both revenue and loan account for last year was much better than was anticipated. On the revenue account the budget deficit for the year was estimated at £644,452, whereas the actual deficit for the year amounted to £167,095, or an improvement of £477,357 on the estimated figures. Revenue collections registered an increase of £484,923 above the estimate, practically every heading showing an improvement. Taxation returns exceeded the estimate by £260,435. No doubt the higher wool prices received for the year helped to increase this item substantially. Receipts from public utilities were £344,252 greater than was anticipated, the railways accounting for £277,544 of this amount.

The only important decrease in revenue was under the heading of "Treasury." The reduction was due to the alteration in the method of collecting interest from the Agricultural Bank and allied institutions. As hon. members know, it was the custom to charge the Bank with interest on the total capital moneys provided by the Treasury; and the result was that the Bank was being debited with large amounts that could not be collected. Last year this practice was discontinued, and only the surplus interest collected over and above administration charges was paid to the Treasury. The resultant loss to the Treasury last year was £368,422.

Including expenditure under Special Acts, the total Revenue expenditure for last year was £7,466 above the estimate. Had it not been necessary to make grants to assist the pearlers at Broome, who suffered as a result of the disastrous cyclone in the early part of this year, and to make a contribution to the Youth and Motherhood appeal, the year would have closed with a reduction in the estimate.

A most pleasing feature of last year's transactions on Revenue account was the marked improvement in the railways position. Earnings improved greatly, notwithstanding concessions in freights estimated to total £150,000 per annum, and expenditure was within the estimate. After allowing for interest on capital, the net result was the best since the year 1927-28. Harvest prospects for the present year are not encouraging, but it is hoped that the position of the railways will be maintained.

In regard to the current year, the budgetary position on Revenue Account is:—

	£
Estimated Expenditure	9,662,137
Estimated Revenue	9,406,490
Estimated deficit	<u>£255,647</u>

The Budget was prepared before the recommendation of the Grants Commission, in regard to the Disabilities Grant for the year, was known. We have since been advised that the grant will be £800,000. An amount of £600,000 was allowed for in the Budget, and consequently the revenue will be increased by £200,000. The estimated deficit will therefore be reduced to £55,647. Transactions to date indicate that the Budget will be realised. Revenue is slightly better than estimated, and the expenditure to date is well within the estimate. Taxation is expected to return an increase of £28,414, mainly under the heading of "Probate duty." Of course it is very difficult to estimate collections under that Act, as they are affected by influences outside of human control; but it is expected that the amendments to the Administration Act, passed last session, will close many of the avenues through which the payment of succession duties was avoided.

Territorial revenue is expected to show a decrease of £40,688 owing to the reduction in pastoral lease rents assessed on the low price of greasy wool during the year 1934-35. An increase of £31,241 in timber revenue is expected. Departmental earnings are expected to increase by £64,139. This result will be mainly in Treasury revenue, and will be due to the repayment of advances made to the State Sawmills. These advances were made from Revenue, and the improvement in the cash position of the State Sawmills accounts makes it possible for the amounts to be repaid. It is estimated that the collections from State Trading Concerns will show a decrease of £1,893 as compared with last year; and the receipts from utilities will probably increase by £110,098. It is estimated that Railway collections will increase by £72,456, and that the Goldfields Water Supply revenue will show an increase of £12,051. State Batteries are also expected to show an increased return of £6,938. The total increase in revenue over

1934-35, including the additional £200,000 from the Commonwealth, is estimated to be £275,060.

In regard to expenditure, last year amounted to £9,498,525, and the estimated expenditure for the current year is £9,662,137—an increase of £163,612. The increased cost of wages and salaries, due to the discontinuance of the financial emergency reductions accounts for £107,000 of this amount, £58,000 being the additional cost due to the amendments to the Act, which had effect as from the 1st January, 1935, and £49,000 for the period from the 1st January, 1936, to the 30th June, 1936. Apart from this sum, the principal increases over last year are on account of sinking fund contributions and the railways. Sinking fund is expected to cost £26,696 more than last year, and the railways £51,440. The railway increase will be due mainly to extra train mileage to earn additional revenue, and the increased cost of fuel. There are other minor increases, but the only one of an appreciable amount is under the heading of "Crown Law Department," representing an increase of £9,309. This is due to the inclusion of the estimated cost of the general elections which will take place early next year.

The expenditure on unemployment relief last year amounted to £72,496, or only £12,000 more than for the year 1929-30. It is hoped that the expenditure for this year will not exceed that for 1929-30. Due to savings effected by the conversion of London loans, it is anticipated that our interest bill for the current year will be practically the same as last year. The estimate shows an increase of £2,182 only. As hon. members know, conversion operations commenced in London about January, 1933, and since that date we have participated in the conversion of £14,601,513 worth of our stock. The gross interest and exchange savings resulting from these operations are estimated at £219,331 per annum. The costs of conversion would reduce this figure, but, even allowing for that, the savings have been of substantial assistance in our financial recovery. Some hon. members will undoubtedly wish to be supplied with additional information, and I will be pleased if they will indicate their requirements as soon as possible, in order that I may be given sufficient time to obtain it and furnish replies. I can give an explanation re-

garding every item on the Loan Estimates and if members wish information regarding other matters not included on those Estimates, I hope that, in the course of their second reading speeches, they will notify me of their requirements so that I shall have ample time to secure the information desired. I move—

That the Bill be now read a second time.

HON. C. G. ELLIOTT (North-East) [8.50]: My remarks will have chiefly to do with the mining industry. It is interesting to know that the mining industry still maintains its pride of place among the other primary industries of the State and according to the satisfactory manner in which the producing mines are steadily increasing their ore reserves and in view of the fact that many other mines are in a satisfactory stage of developmental work preparatory to the erection of their own treatment plants, it can safely be said that our gold production will continue to maintain its increase for a considerable number of years before the peak period of production is reached. The Government of the day have a rather important obligation to fulfil in connection with the mining industry and that relates chiefly to fostering the industry and attending to its various requirements. It can be candidly and truthfully said that the present Government have stood up to their obligations in a great measure in the valuable assistance they have rendered the industry. Notwithstanding that, I am quite sure the Government are prepared to accept any suggestions offered for the betterment of the industry in the same spirit in which such suggestions may be offered. I intend to make one or two suggestions. The first is with regard to the State batteries. Since that system was inaugurated, it has been responsible for the production and distribution of about £7,000,000 worth of gold. That in itself, it will be seen, must have been of very material assistance and benefit to the prospectors and the small mine owners as well as the means of adding to the wealth of the State to no inconsiderable degree. Last year the State batteries treated approximately 100,000 tons of ore for a production of gold valued at £510,000 in Australian currency, showing a profit over working expenses of over £12,000. That I consider to be a very fine record and the Mines Department are certainly to be congratulated upon the achievement. The first sugges-

tion I would like the Government to take into consideration is to put into operation a system of zone crushing facilities. That would mean that prospectors and small mine owners would be able to have their ore treated without having to transport it over a considerable distance as they often have to do at present. It would provide an added incentive to prospectors to continue prospecting and would lend encouragement to the small mine owners to work and develop their properties, knowing that they would be able to have their ore treated in reasonable time. It would also be the means of preventing a certain amount of congestion that takes place at the various State batteries now operating on the goldfields. Another suggestion is that the treatment charges and want of extraction be investigated by the department. At present the State batteries pay on a 75 per cent. extraction and keep 25 per cent. for want of extraction. I consider that is far and away too much. I am prepared to say that any metallurgist employed by a company or even by a party treating a sand dump would not be in his position very long if he could not obtain more than a 75 per cent. extraction. The departmental officials might well go into that question. With regard to the charges for the treatment of residues, or sands when the ore has been crushed, the State batteries keep 2 dwts. 8 grains for treatment costs.

Hon. J. Cornell: They keep as much now as when gold was worth £4 an ounce.

Hon. C. G. ELLIOTT: Pretty well. It means that on the present price of gold, that charge represents about 16s. per ton. I know of private treatment plants that are treating sand dumps and are making the proposition pay with head values slightly over one dwt. per ton. Members will see that there is a great difference between a little over one dwt. and 2 dwts. 8 grains. That is another matter I suggest the departmental officials might well go into because I think it would be possible for them to reduce those charges. Before leaving the question of State batteries, I desire to congratulate and thank the Mines Department on their stand in connection with the advance of £2,500 for the purpose of assisting in the erection of crushing facilities at Leonora. Having taken a small part in connection with that movement, I regard it as very gratify-

ing indeed that it has reached a successful issue and I am prepared to state that, when the treatment plant is erected there, it will warrant its construction and it will greatly aid the mining revival in and around the Leonora district. Another suggestion I should like to make to the Government is the appointment of a Government geologist with headquarters on the goldfields, preferably at Kalgoorlie, because that is where the School of Mines is situated. There would be ample work for such an officer to deal with the various problems and obstacles that arise in practical mining. His duties would be to attend to the various classes of ore being discovered by prospectors and miners, the classification of minerals, and the problems of ore treatment processes. Another duty would be the co-ordination of the various developments and discoveries that have taken place in the deep mines of the Golden Mile and elsewhere during the past several years. He would be a sort of guide, philosopher and friend to the various sections engaged in the production of gold. We have a geologist attached to the School of Mines. He has a full-time job in attending to the tuition of the various classes, but in his spare time he also does quite a lot of work I have briefly enumerated. He makes appointments with various prospectors and mine owners, investigates their problems, and gives advice. I do not know how he gets through his work. I am sure that if he is not granted assistance in the way I have suggested, he will suffer a breakdown in health, because he has far too much to do. I should like the department to give this matter serious consideration because the presence of a full-time geologist on the goldfields would be most beneficial to the mines. The next question with which I wish to deal is that of the flotation of mining companies. It is rather disappointing that the Government have not seen their way to introduce legislation to amend and consolidate the Companies Act. All those directly or indirectly interested in the mining industry know that a drastic alteration of the laws concerning companies should be made, and that drastic punishment should be provided for those who contravene the laws. Many members will recollect the orgy of wild-cat flotations that took place during the discoveries at Kalgoorlie, Boulder, and other mining fields. Unscrupulous mining promoters then took advantage of the oppor-

tunity to place on the market all kinds of wild-cat flotations, with the result that through the absence of preventive legislation mining, so far as the introduction of English capital was concerned, was practically damned for at least 20 years. The same thing occurred during the Bullfinch and Hampton Plains booms. Numerous people lost all they had in the world, gulled by unscrupulous mining directors and their exaggerated and dishonest reports and prospectuses. People thought an opportunity existed to make money; they invested their cash and the majority of them lost it. The same thing has been occurring during the last couple of years owing to the weakness of our company laws, and if some provision is not made to deal with the flotation of mining companies, mining will again be damned for another 20 years. To show that other parts of Australia are taking up this question seriously, I should like to read a few extracts from the New South Wales Act of 1934, introduced to amend and consolidate the law relating to companies. Section 343 contains the following provisions:—

(1) A person shall not go from house to house or from place to place offering shares for subscription or purchase to the public or any member of the public.

Hon. J. Nicholson: We have that already in our Act.

Hon. C. G. ELLIOTT: We have a somewhat similar provision, but it does not stipulate from place to place. Other subsections include the following:—

(3) The written statement shall not contain any matter other than the particulars required by this section to be included therein, and shall not be in characters less large or less legible than any characters used in the offer or in any document sent therewith.

(7) Where a person convicted of an offence under this section is a company (whether a company within the meaning of this Act or not) every director and every officer concerned in the management of the company shall be guilty of the like offence unless he proves that the act constituting the offence took place without his knowledge or consent.

Section 140 of the New South Wales Act reads—

(1) Where a prospectus invites persons to subscribe for shares in or debentures of a company—

(a) Every person who is a director of the company at the time of the issue of the prospectus; and

(b) Every person who has authorised himself to be named and is named in the prospectus as a director or as having agreed to become a director either immediately or after an interval of time; and

(c) every person being a promoter of the company; and

(d) every person who has authorised the issue of the prospectus shall be liable to pay compensation to all persons who subscribe for any shares or debentures on the faith of the prospectus for the loss or damage which they may have sustained by reason of any untrue statement therein, or in any report or memorandum appearing on the face thereof, or by reference incorporated therein or issued therewith.

For a contravention of Section 343 and the subsections I have read, the penalties are—for a first offence, £200, or imprisonment for six months or both, and for a second or a subsequent offence, £500 or imprisonment for twelve months. In New South Wales it is certainly recognised that something must be done to prevent the public from being exploited. Victoria is also taking similar action. Part IV. of Schedule 8 dealing with the issue of a prospectus states—

(9) The names and addresses of the vendors of any property purchased or acquired by the company or proposed so to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of the issue offered for subscription by the prospectus, or the purchase or acquisition of which has not been completed at the date of issue of the prospectus, and the amount payable in cash, shares or debentures, to the vendor, and where there is more than one separate vendor, or the company is a sub-purchaser, the amount so payable to each vendor.

(10) The amount, if any, paid or payable as purchase money in cash, shares, or debentures, for any such property as aforesaid, specifying the amount, if any, payable for goodwill.

(16) Full particulars of the nature and extent of the interest, if any, of every director in the promotion of or in the property proposed to be acquired by the company or where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the company.

The penalty for a contravention of that part of the schedule is £500. To show the extraordinary happenings associated with the flotation of some so-called mines, I should like to give one or two instances of many that have come under my notice. One

had to do with a property not a hundred miles from Kalgoorlie. A company promoter got hold of a lease with the idea of floating it. He sent for two mining experts, or, I shall say, supposed mining experts, to make a report on the property. The report was embodied in the prospectus. The experts stated that they had investigated the property and found a length of ore extending through the lease for a distance of 200 ft., and that they had prospected it and sampled it, including various costeens and potholes on the surface. They considered that for the whole length of 200 feet the 4-foot width of ore would average from 4 to 6 dwts. That in itself, if true and correct, represented a reasonable proposition, one into which investors would put money. But the report did not say what was subsequently discovered—in the meantime, of course, the company had been floated and had started work—that a shaft already existed on the lode to a depth of 30 feet, and that a drive had extended 100 feet north and 100 feet south. The subsequent sample of the ore body thereby disclosed showed from traces to 2 dwts. The result was that the company made a three-penny call or two, and then decided to abandon the mine and seek "fresh woods and pastures new." Another instance occurred in the same vicinity, the same mining experts being despatched by the company promoter to make a report. On this second proposition they reported a 150-ft. length of ore 4 feet wide, and that they considered the samples proved that ore body 150-feet long by 4-ft. wide to average from 10 dwts. to 1 ounce. As a result the proposition was floated. Subsequently there was discovered what might easily have been disclosed in the first place by an honest report, that though the 150 feet of ore did exist, it was traversed by a quartz leader averaging about 4 inches in width and carrying values up to an ounce and even over an ounce in blobs in various sections, but that the rest of the 4-ft. width carried only traces. Was there anything honest in those reports? If we had a Government geologist available for making reports on instructions from the Mines Department, he could easily have discovered the dishonesty responsible for the flotation of those

two companies. Another instance I should like to mention concerns an English company. The purchasers of the two or three leases concerned decided to float the property in London. They got a price from the vendors, and in this case one of the purchasers and promoters happened to be also one of the vendors. The report published in the London "Financial News" was that 70,000 tons of ore had been crushed on the property for a return of 140,000 ounces of gold. The newspaper stated that the figures had been obtained from the Western Australian Mines Department. This was correct; the figures were so obtained. But the report did not state what was common knowledge on the goldfields—that the parties owning the mine 20 years previously were well-known I.G.B. parties.

Hon. J. Nicholson: What does "I.G.B." mean?

Hon. C. G. ELLIOTT: Illicit gold buyers. They certainly had returned that production to the Mines Department. Possibly they did crush a good few thousand tons of ore, or shall I say material? But where the 140,000 ounces came from the Lord only knows!

Hon. E. H. H. Hall: They knew, as well as the Lord!

Hon. C. G. ELLIOTT: They may not have known. During the time they produced the alleged 140,000 ounces, the parties were raided by the police and caught red-handed. The result was that one of the parties was introduced to the interior of one of His Majesty's gaols in this State for a term of six months. The wonderful returns induced people who did not know the real state of things to invest in the proposition. The flotation was over-subscribed, and the vendors received between £30,000 and £40,000 cash and 600,000 fully-paid shares. Some time after the flotation the shares went up to 250 per cent. above par. Whether the mine will pay any dividends is hard to say. It occupies a good position on a line of lode. Possibly future developments and exploration might bring about favourable developments. Let us hope so. Another case may be quoted to show how companies dishonestly endeavour to boost their shares. This has to do with a mine on our goldfields. The company operating it was floated during the Hampton Plains boom. After an inglorious run it went into recess. During the last revival, however, it bravely came out

again and tried to better itself. No harm in that. An Adelaide company sent along an expert to report on the mine, over which the company had secured an option. This expert happened to be a mine manager.

Hon. J. J. Holmes: A former manager of that mine?

Hon. C. G. ELLIOTT: No. I will read his report—

Values obtainable on surface along apparent length of deposit for 600 to 700 feet. Sampling of this deposit done mostly in 10-ft. sections, and after cutting down one or two high results average gives a reduced mean of 5 dwts. a ton.

Now, 5 dwts. at 8s. per dwt. is 40s.—really half-ounce dirt at the old price. That, of course, was an excellent report. It concluded—

Large tonnage now exposed and possibility of an increase. Exposed tonnage alone will keep the proposed plant going for five years, and possible and indicated tonnage (to 100ft. only) for 50 years.

The shares, which had been quoted at sellers 3d., as the result of that report rose to 1s. 9½d. Two or three months of operating failed to discover the phenomenal deposit. Two or three threepenny calls were made, and eventually the property was abandoned. Yesterday the shares stood at sellers 1d. That wonderful mining proposition is still out there waiting for someone to come along and exploit its riches. These cases prove the dishonesty rampant and the necessity for verification of reports. I shall quote a further instance to show how a purchaser endeavours to make his profit out of a resale. I know the mine well and know the owner. This man as the result of development work obtained £15,000 worth of gold. A representative of British capital came along and interviewed him, and he fixed the price, £20,000. Possibly the mine might be worth that sum, too. An option was signed, and the representative of British capital went away. Negotiations were carried on for three or four months. Then the vendor, becoming suspicious, sent a cablegram to London to ascertain how things were going there. The answer to the cablegram was that the representative was endeavouring to float the property into a company but that the purchase price he asked was £80,000. He had padded the £20,000 of original price with another £60,000. If the mine had been floated, that £60,000 would have gone into the purchaser's pocket for nothing. I do not think I need say much more in support of

my case for introducing some necessary legislation. There is the unscrupulous mining promoter, and unfortunately other factors enter into the business. Some persons not too particular about the honour of their names assist in much of this dishonesty. They are quite prepared to allow their names to be used as directors of companies of the nature described, because they get in on the ground floor and obtain a wad of shares with which they can speculate. Their names constitute an additional inducement for the purchase of shares.

Hon. J. Cornell: Mark Twain's definition of a mining promoter still stands good!

Hon. C. G. ELLIOTT: I am afraid so. The result is that unscrupulous mining promoters are always on the look-out for opportunities to take advantage of the never-ending credulity of the general public. Many of these promoters have never produced any gold at all, nor ever will; because they can get their money more easily than by producing gold. They can obtain it by gulling the public and the mining investors through exaggerated reports in connection with the flotation of these projects. It is desirable that the Government should wake up and bring in the necessary legislation to amend and consolidate our Companies Act. It is certainly due to the wonderful mining industry of which we all boast. I will support the second reading.

HON. J. J. HOLMES (North) [9.31]: There are only two points I wish to deal with on the Appropriation Bill. They are points which were raised by the Chief Secretary this afternoon on the Loan Bill. The first is his reference to the Financial Agreement in which he said the State had to take the Financial Agreement or nothing. I am not prepared to accept that statement without challenge. I remember it was the Chief Secretary who piloted that Bill through this House, and I think he told us it was owing to our financial troubles. I was so concerned about the Financial Agreement that I paid a visit to Canberra, where one important Minister said that the allocation of the money to the States for a period of 38 years, was an allocation he did not approve of. He referred to the fact that the Premier of this State—the same Premier as we have to-day—was one of the State Premiers that agreed to the allocation by the Commonwealth of £7,584,912 per annum to the States. That was to take

the place of the old per capita distribution of 25s. But in the allocation New South Wales received £2,900,000, Victoria £2,100,000, Queensland £1,000,000, South Australia £700,000, Western Australia £473,000, and Tasmania £266,000. I pointed out at the time that we could not develop one-third of the territory of the Commonwealth on an indirect taxation of £473,000 while New South Wales, practically developed, was to get almost £3,000,000. I nearly wrecked that Bill in this House and I believe I would have done good work had I succeeded. The Bill was wrecked but for the fact that one of the Ministers arrived here on the morning the vote was to be taken and influenced one or two members of this House. It will probably be remembered that I made my one and only mistake in a biblical quotation, when a member tore the agreement to pieces in a speech he had prepared before seeing the Federal Minister, and then finished up by saying he was going to vote for the Bill. It was then I remarked that the hand was the hand of Jacob but the voice was the voice of Esau.

Hon. J. Cornell: Esau was the hairy man.

Hon. J. J. HOLMES: So I thought at that time. I repeat it was an impossible proposition to ask that this State, one-third of the area of the Commonwealth, should be developed on an indirect taxation of £473,000, while New South Wales was to get nearly £3,000,000.

Hon. C. G. Elliott: But there are advantages in the Financial Agreement.

Hon. J. J. HOLMES: There are. The first, if it had been enforced, was the control of the loan expenditure and the prevention of the States and Commonwealth going on the loan market simultaneously to compete for what money was available. Another advantage under the Agreement was that at that time the sinking fund on the existing loans was to be 10s. per cent., and the Commonwealth agreed that they would pay 5s. per cent. and the State would pay the other 5s. per cent., while as to new loans the sinking fund was to be 7s. 6d. per cent., of which the Commonwealth would pay 5s. per cent., leaving 2s. 6d. per cent. to be paid by the States.

The Chief Secretary: I think it was the reverse of that.

Hon. J. J. HOLMES: Yes. That was another advantage under the Financial Agreement. We in this State had beer.

honest and had been providing a sinking fund and liquidating our loans as they fell due. Take, for instance, the Coolgardie water scheme, the cost of which ran into three millions of money. That was paid for by the State. If we had postponed paying, as the Eastern States have done, the Commonwealth would have come in and paid about £1,000,000 out of the £3,000,000. Again, I think we had a sinking fund of about £10,000,000 and a loan liability of about £70,000,000 in this State. New South Wales, I think, had a debt of about £240,000,000 and a sinking fund of £800,000. What happened was that the Commonwealth took £800,000 off the New South Wales indebtedness of £240,000,000 and assisted New South Wales to liquidate the balance under this scheme. But when it came to Western Australia, with her £70,000,000 of debt, they took off the £10,000,000 of sinking fund and only agreed to liquidate the balance. Now we come to the liquidation of the deficits. There was a proviso there which was a good one if it had been enforced. The proviso was that where money was borrowed for deficit purposes, there was no asset and so there was to be a 4 per cent. sinking fund provided by the States. That agreement was signed in 1927, or eight years ago. According to the Chief Secretary, the accumulated deficits amount to something like £5,000,000. According to the figures given—I think it was on the Loan Bill—if that 4 per cent. sinking fund were imposed it would represent a charge on revenue of £300,000 per annum. As sure as the sun will rise to-morrow, that sinking fund will have to be provided sooner or later. Reading between the lines of the Chief Secretary's speech, I say the day is not far distant when we shall have to face that position. The whole trend of Government administration for years past has been the postponement of the liability; wherever an opportunity presents itself, postpone meeting the liability. Surely we must come to an end and that end is not far distant. The Chief Secretary can boast that our interest bill, owing to the refutations in London, is not any more than it was before these later flotations. But while the interest bill is not any more, the State's indebtedness is continually increasing. The Chief Secretary told us to-day that one of the reasons for the anticipated deficit of this year is the fact that the sinking fund charges for the year have gone up by £26,000. But what is going to happen when the sinking

fund charge of 4 per cent. is imposed on the deficit fund, when the charge upon the revenue will be, according to my calculations, £300,000? There is only one other point I wish to deal with, namely the taking of loan money for the carrying out of repair and maintenance work which should be done out of revenue, and then at a later stage paying it back from revenue as circumstances permit. It is more evidence of postponing the payment of our debts. The further we go in that direction, the greater will our difficulties be. The longer we postpone the payment of our liabilities, the greater will be the difficulties that will have to be faced, and the sooner will they have to be faced. In my opinion they will have to be faced in the immediate future.

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

BILL—CONSTITUTION ACTS AMENDMENT.

Second Reading.

HON. J. CORNELL (South) [9.46] in moving the second reading said: The object of the Bill is to give the Legislative Council an opportunity to amend the Constitution with regard to the qualification and disqualification of electors, as to 95 per cent. of which appeared in the Electoral Bill. I understand the position taken up by members is that these things had better remain in the Constitution. If the Bill is not accepted we must fall back on the Constitution as it now stands.

Hon. J. J. Holmes: Is this not tinkering with the Constitution, something that you have been preaching about?

Hon. J. CORNELL: I only bring down the Bill to give members an opportunity to register a vote as to whether or not they will make an endeavour to clear up the numerous ambiguities that exist in interpreting the present Constitution so far as electors for the Legislative Council are concerned. When the Electoral Bill was before us, this House in no way endeavoured to interfere with the Legislative Assembly franchise or disqualification, but that cannot be said of another place with respect to this House. This Bill does not in any way tinker with the Constitution. All it endeavours to do is that which the Electoral Bill endeavoured to do, namely to

provide something clearer with regard to registered, legal or equitable freehold, something in regard to dealing with the interpretation of what constitutes "householder" or an inhabitant occupier in flats or in houses on the goldfields. To-day sometimes two or three families are domiciled in the one place on the goldfields, and they can all claim under the Act to be enrolled for this Chamber. The Bill endeavours to define clear annual value. That has been interpreted by the Crown Law Department in its application to the Legislative Council franchise in regard to householder as follows:—Where the landlord pays the taxes on a £17 annual rent, the qualification shall be plus the tax. If the rates and taxes came to £3 and these were paid by the landlord, the rent would be £20, whereas if the tenant paid the taxes, the amount would be £17. That is the Electoral Act as now interpreted. I join with Mr. Seddon in a desire to see a definition of clear annual value in regard to the householder. There is the definition in the Road Districts Act and the Municipal Corporations Act. If the householder is to appear with a qualification of £17, I fail to see what possibility there is of getting the acceptance of another place.

Hon. H. Seddon: Why not leave it as it is?

Hon. J. CORNELL: If members are prepared to leave the present chaotic position as it is, I am prepared to let the Bill drop. We cannot logically ask another place to agree to an interpretation of clear annual value of £17 as it appears in the Road Districts Act or Municipal Corporations Act, when since 1911 "clear annual value" has been interpreted, according to Mr. Sayer, as set out in this Bill. There is no doubt that the question of dwelling houses must be cleared up. When anyone squats on a lease or builds on a lease without the permission of the Crown lessee, he can claim that as a dwelling house. If he says that is worth £17 to him he goes on a roll whether he is in lawful occupation or not. The Commission endeavoured to clear that up. The occupier must be lawfully occupying or squatting on the lease, and must have the permission of the leaseholder. There is no definition of clear capital value or any definition with regard to "regis-

tered." So far as the equitable freeholder is concerned, the Chief Electoral Officer emphasised to the Commission that if a man or woman puts in a claim that he or she is an equitable freeholder, that officer has no alternative but to accept the claim and put the people on the roll. The only way he has been able to remove them from the Province roll is when they have put in a change of address for the Assembly. He then assumes that, having changed their address, they have lost their equitable freehold qualification. No one wants people to resort to subterfuge to get on the roll, and no one wants the Chief Electoral Officer to have to resort to subterfuge to put them off the roll. As the term "registered" appears, the Bill makes it possible that when anyone puts in a claim as a legal or equitable freeholder, the Chief Electoral Officer or Registrar can ask such persons, if he is in doubt, to prove their bona fides to show that they are legal or equitable freeholders. With regard to disqualifications the Bill perpetuates the present Constitution. It does not include half-blooded aborigines, but if the Council wishes to include them I have no objection. It restores the ratepayers' qualification as it appears in the Act. Summed up, the Bill means that the legal or equitable freeholder remains as heretofore, namely on a £50 qualification. If he is asked by a Registrar or the Chief Electoral Officer to produce documentary proof that he is a legal or equitable freeholder, he must do so in the terms of the definition of "registered." The Bill preserves the Crown leaseholder at £10, and preserves the leaseholder at £17. It also preserves for the inhabitant occupier the qualification of £17 clear annual value. The point is, are we going to accept what has been the law for 25 years, and which is based on the only law that gives us an interpretation of clear annual value, namely the English Interpretation Act; or are we going to put in something which has not operated since the Constitution Act was passed? The Bill preserves for the joint leaseholders and joint freeholders four votes. It takes nothing away from the existing Constitution. It departs a little from what the Commission recommended. It does not include the term "registered leaseholder." I am advised by Mr. Nicholson and other lawyers that there are numerous leases which may not be regis-

tered. In the case of the freeholder, there are the documents to prove the claim. The Bill will need a constitutional majority. I leave it to the Council to say whether it is prepared or not to insert in the Constitution 90 per cent. of what the Commission thought ought to be done in the way of interpreting the existing franchise. The main point is whether we are satisfied or not with things as they are. I am endeavouring to demonstrate to the Assembly that whilst the Council does not desire the qualification or disqualification of an elector to go out of the Constitution, it is not averse to accepting the recommendations of the Commission and to amending the Constitution accordingly. I move—

That the Bill be now read a second time.

On motion by the Honorary Minister debate adjourned.

BILL—RAILWAYS CLASSIFICATION BOARD ACT AMENDMENT.

Second Reading.

THE HONORARY MINISTER (Hon. W. H. Kitson—West) [10.0] in moving the second reading said: The Act which this Bill seeks to amend confers upon what is known as the Railway Officers' Classification Board jurisdiction to make awards in respect to various matters which are set out in Subsections (1) and (2) of Section 15 of the Act. The Act does not, however, expressly provide that the board's awards and findings shall be binding upon and be obeyed by the Commissioner of Railways. There is nothing in the Act to compel the enforcement of the board's awards and decisions. For instance, the board has power to hear and determine appeals by officers or classes of officers in regard to certain matters of classification, but the Act does not contain express provision that the decisions of the board shall be binding upon and be observed by the Commissioner, nor does it contain any machinery provisions which can be availed of to compel the Commissioner to obey such awards and decisions. The remedy left to applicants is to take civil action against the Commissioner. This would mean a Supreme Court action, which would involve considerable delay and great expense. It is proposed by the Bill, therefore, to amend the principal Act by inserting two new sections, to be numbered 22A

and 22B. The proposed new Section 22A will impose on the Commissioner an express statutory duty to obey the awards and decisions of the board; while the second new section, 22B, will provide the remedy which may be employed to compel the Commissioner, if necessary, to obey such awards or decisions. This provision covers two separate cases, the first being where the Commissioner may fail to obey an award in relation to matters upon which railway officers have no right of appeal to the board. The second is in relation to cases where railway officers may have appealed to the board and, having obtained a decision in their favour, the Commissioner refuses to obey it. In the first case, provision is made to enable the Railway Officers' Industrial Union to institute proceedings against the Commissioner by making application to the board for the enforcement of its award; and, in the second place, provision is made whereby a railway officer who succeeded in an appeal can make application to the board for the enforcement of its decision in the appeal. In these cases the provisions of Sections 17 and 19 of the principal Act will apply to the hearing of the applications. There is a further provision that if, on the hearing of an application, the board finds the Commissioner is not observing its award or decision, the board may submit a report of its finding to the Governor, who must then take measures to correct the Commissioner's default. A statutory duty is then imposed on the Commissioner to obey the Governor. Members will probably realise that the proposed amendment will bring this Act into line with a Bill which this Chamber recently dealt with, namely, the amending Industrial Arbitration Bill relating to the Public Service. Similar provisions were included in that Bill.

Hon. J. Nicholson: That Bill is not similar to this one. There the Commissioner is not responsible in the same way as is the Commissioner of Railways.

THE HONORARY MINISTER: In this particular case the Railway Officers' Classification Board is the equivalent of the Arbitration Court.

Hon. H. Tuckey: Why cannot the railway officers go before the Arbitration Court?

THE HONORARY MINISTER: There is no provision for that. They have the Rail-

ways Classification Board to which they may appeal.

Hon. J. Nicholson: They were expressly excluded from the Industrial Arbitration Act.

The HONORARY MINISTER: That is so. The Railway Classification Board is their tribunal.

Hon. H. Tuckey: It is really a wages board.

The HONORARY MINISTER: If one likes to call it so. The Act lays down very clearly the matters which may be dealt with by the board and what powers the board has.

Hon. J. M. Macfarlane: Has there been any dissatisfaction with the board?

The HONORARY MINISTER: Only in regard to this one point. If the Commissioner decides not to obey a decision of the board, there is no means laid down in the Act whereby he can be compelled to do so.

Hon. H. Tuckey: Have there been any cases?

The HONORARY MINISTER: I think so.

Hon. J. M. Macfarlane: You are not sure?

The HONORARY MINISTER: I know there have been cases that have not been satisfactorily disposed of, but what they are I cannot say. I think members will agree that if the Classification Board makes an award or gives a decision, the Commissioner should take cognisance of it.

Hon. J. M. Macfarlane: If a case has not arisen, is one likely to arise?

The HONORARY MINISTER: I say that cases have arisen.

Member: Can you give us instances?

The HONORARY MINISTER: It is quite possible there may be a case where the Commissioner will not see eye to eye with the board, and he may, for that reason, decide not to comply with the board's decision.

Hon. E. H. Angelo: Who comprises the board, officers under the Commissioner?

The HONORARY MINISTER: No. I cannot say who the members are at the moment.

Hon. E. H. Angelo: Who appoints them?

The HONORARY MINISTER: They are appointed under the Act. The Act provides the board shall consist of three members, one of whom shall be a magistrate.

Hon. J. Nicholson: I think the chairman is Mr. Kidson.

The HONORARY MINISTER: There has not always been the same chairman. One member is nominated by the Commissioner, and another elected by the union. It is very much on the lines of similar boards. There is an independent chairman, and a representative of each side, to hear and determine any case in dispute.

Hon. E. H. Angelo: It seems to be a fair board.

The HONORARY MINISTER: It is.

Hon. H. Tuckey: I do not think the magistrate should have to be approved by the union.

The HONORARY MINISTER: The Act provides, "One member shall be a magistrate, or such other person as may be agreed upon by the Minister and the union."

Hon. H. Tuckey: Why should the union have the right to approve of the magistrate?

Hon. J. Nicholson: The Act says, "the magistrate or some other person."

Hon. H. Tuckey: The Act says "approved by the union." Why should not the Minister have full control?

Hon. J. Cornell: Why should he appoint the President of the Arbitration Court?

The HONORARY MINISTER: I do not see anything wrong in that provision. Once you have mutual agreement in regard to the selection of a chairman, you are a long way towards settling a dispute.

Hon. H. Tuckey: I do not agree with that.

Hon. C. F. Baxter: Why not put these railway officers under the Act?

Hon. J. Nicholson: Do you mean the Industrial Arbitration Act?

Hon. C. F. Baxter: Yes.

The HONORARY MINISTER: The Classification Board was appointed to determine industrial matters arising between the Commissioner and the railway officers. Both parties go before the board, which hears the case and makes its award or gives its decision. Naturally it expects the decision to be obeyed. Mr. Baxter would be the first man to complain if I put up an argument to say that an organisation which approached the Arbitration Court could please itself whether it obeyed the court's decision or not.

Hon. C. F. Baxter: That is exactly what the position is. The Arbitration Court is not obeyed.

The HONORARY MINISTER: The hon. member knows it is in 99 cases out of a hundred.

Hon. C. F. Baxter: I wish it were.

Hon. E. H. H. Hall: The chairman of this board has no practical knowledge of railway working.

The HONORARY MINISTER: I am not concerned with that.

Hon. J. Cornell: Has the President of the Arbitration Court practical knowledge of railway work?

The HONORARY MINISTER: The Bill provides that in the event of the Commissioner refusing to obey the Governor, he shall be liable to dismissal from his office on the ground that he has failed to obey a lawful order of his employer. The Commissioner is a Crown representative or servant, and will appear before the board in his official capacity; consequently, it cannot sensibly be enacted that he must pay a fine or suffer imprisonment for a wrongful act done by him in his official capacity. Therefore, the only remedy is for the board to report to the Governor-in-Council the Commissioner's wrongful official act, and the Governor-in-Council can then take measures to see that the Commissioner corrects his default. I submit this Bill to the House claiming that it simply places the railway officers in the same position as other classes of workers. When a decision is given by the board, whatever party is affected by it is legally bound to obey that decision. I hope the House will agree to the second reading. I move—

That the Bill be now read a second time.

On motion by Hon. J. Nicholson, debate adjourned.

BILL—ELECTORAL.

Further Recommittal.

On motion by Hon. H. Seddon, Bill again recommitted for the purpose of reconsidering Clause 50.

In Committee.

Hon. J. Nicholson in the Chair; the Chief Secretary in charge of the Bill.

Clause 50—Registration of claim:

Hon. H. SEDDON: When we considered the Bill in Committee, Clause 18 was deleted, and Clause 50 was amended by adding a proviso to Subclause 3. Later on Clause 50 was further altered by an amendment to Subclause 1. The two amendments are in conflict. The amendment to Subclause 3 provided that the registrar could take certain action. That really was consequent

upon Clause 18, and with Clause 18 out of the Bill, no longer applies. I wish to delete the proviso to Subclause 3, and I therefore move an amendment—

That the proviso to Subclause 3 inserted at a previous Committee be struck out.

The proviso reads as follows:—

Provided that if the claim for enrolment is in respect of a leasehold estate in land of the clear annual value of seventeen pounds at least or as an inhabitant occupier of a dwelling-house of the clear annual value of seventeen pounds at least the registrar shall compare the claim with the annual value as assessed by the current valuation (if any) under the Municipal Corporations Act, 1906, or the Road Districts Act, 1919-1933, as the case may be, and if by such valuation the annual value is assessed at less than seventeen pounds the registrar shall reject the claim, and send to the claimant a notification that the claim has been rejected on that ground.

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

Bill again reported, and the report adopted.

Third Reading.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [10.22]: I move—

That the Bill be now read a third time

HON. J. CORNELL (South) [10.23]: There are many rumours going about that the Bill will be dropped. Provided that the House will agree to amend the Constitution Act, as I have asked them to do, there are many features of the Bill that are worthy of preservation as distinct advantages over the existing legislation. With one or two minor exceptions, all my work in Committee has been to endeavour to give effect to the recommendations made to the Royal Commission. One regarding the presenting of perforated receipts to the elector was dropped by the Government, and I had no support for that proposal. Another point I have made is to restore the ratepayer qualification, and the other is that the postal voting system shall be restored, with certain restrictions regarding postal vote officers. With those exceptions, this Chamber has not in any way interfered with the machinery regarding the Legislative Assembly, but it has done more; it has restored to the Bill features that the Legislative Assembly struck out of the measure. One rather important feature referred to

bribery. A man would not be convicted of bribery in future if he honestly believed that statements were true when they were published. There are other good features in the Bill, and I hope the newspaper report was not correct when it was stated that the axe was ready for the Bill.

Question put.

The PRESIDENT: As this relates to a Constitutional matter it will be necessary for the House to divide.

The House divided.

The PRESIDENT: As there are more than 16 members voting with the "ayes," or more than an absolute majority of the House, and as there is one member only voting on the "no" side, I declare the motion carried by more than a statutory majority.

Bill read a third time, and returned to the Assembly with amendments.

BILL—SUPREME COURT.

Second Reading.

THE HONORARY MINISTER (Hon. W. H. Kitson—West) [10.30] in moving the second reading said: The purpose of this Bill is mainly to consolidate the existing Acts and Ordinances having a bearing on the jurisdiction of the Supreme Court. Consolidations which do not alter the existing law are made pursuant to the Acts Incorporation Act, 1923, and it is not necessary to submit them to Parliament because they are made under the authority of that Act. In the case of consolidations requiring amendments to existing enactments to bring them up to date, as in the present case, the matter must be submitted to Parliament. The Bill now under consideration has been prepared, as a consolidation, by Mr. Sayer, who was Solicitor General and Parliamentary Draftsman for many years. He retired from active service a few years ago, but continued, as a hobby, his work of consolidating the various Acts of Parliament. The Government recognise the value of the work that he is doing and consider that, in view of his great experience, nobody could be more competent to do the work, and, consequently, allowed him to remain attached

to the Crown Law Department, without remuneration, as he desired, and provided him with office accommodation only, to assist him in his labours. The State is under a deep debt of gratitude to Mr. Sayer for the work already completed, and for the continuance of further work on which he is actively engaged. I consider it only right to make that statement.

Hon. J. Nicholson: That is so; he deserves it.

The HONORARY MINISTER: Yes, he thoroughly deserves it, and I feel sure that members will desire to associate themselves with an expression of that kind.

Members: Hear, hear!

The HONORARY MINISTER: In order that members may fully understand the position, I think it advisable to review some of the early history in regard to the laws of this State. When the Colony of Western Australia was founded, all English laws, with the exception of such as were inapplicable to the social circumstances of the colony, were in force. In 1829, an Imperial Act was passed to provide temporarily for the Government of His Majesty's settlements in Western Australia on the western coast of New Holland. The Act authorised His Majesty King George IV. to appoint three or more persons within the settlement to make such laws and institute such courts and officers as might be necessary for the good government of His Majesty's subjects within the colony, and by an Order made pursuant to that Act, a Legislative Council was established in the colony. One of the first Ordinances of the Legislative Council was for the purpose of establishing a court of civil judicature. The temporary Imperial Act of 1829 was continued from time to time by a series of continuance Acts until 1850, when an Act for the better government of Her Majesty's Australian Colonies was passed. The Act of 1850 provided that there should be a Legislative Council, of which one-third of the members should be appointed by Her Majesty, and two-thirds should be elected by inhabitants of the colony. The Governor and Legislative Council, thus constituted, passed an Ordinance in 1863 to provide for the more effectual administration of justice by the establishment of a Supreme Court, to be constituted by one judge to be called the Chief Justice of Western Australia, who should be a barrister of the English or

Colonial Bar, appointed by Her Majesty, her heirs or successors. That Ordinance was amended in 1880 to make provision that, in addition to the Chief Justice, the Court should be constituted of such other judge or judges as Her Majesty might, from time to time, appoint, and, furthermore, the Supreme Court and the Court for Divorce and Matrimonial Causes, which had been established in 1863, were united, and the provisions of a recently passed Judicature Act in England were adopted. Numerous other Acts and Ordinances having a bearing on the jurisdiction of the Supreme Court were passed. The Bill I am now introducing to consolidate the law provides for the repeal of 42 Acts and Ordinances. When members, bearing in mind the history I have just given, reflect that the measure will repeal 42 Acts and Ordinances, the importance of the Bill not only from the point of view of the legal profession but from the standpoint of anyone who may be interested in the laws relating to the Supreme Court will be appreciated. The draft of the Bill has been submitted to the Judges for consideration, and the late Chief Justice (Sir Robert McMillan) conferred with the draftsman upon it. It has also been considered and approved by the Barristers' Board and the Law Society. The Bill has been needed for many years but this seems to be the first occasion on which it has been considered convenient to present it to Parliament. As I stated before, the Bill is primarily a consolidation measure. Clause 2 enumerates the matters dealt with. The memorandum attached to the Bill sets out clearly the material amendments made in the course of consolidation. Our existing Rules of Court of 1909 were adopted from the rules of the Supreme Court in England which were originally enacted by the Imperial Parliament as a schedule to the Judicature Act of 1876. This Bill provides the necessary statutory authority for Rules of Court and for the revision of those Rules according to the law and practice in England so far as it may be deemed advisable to adopt such Rules to meet local conditions. Members will fully understand that this is entirely a technical Bill to consolidate and modernise existing enactments, without, in any way, altering existing principles. It is not a party Bill, but simply one to place the law on a proper basis, and it will undoubtedly prove of great convenience to people doing business with the courts. To

a certain extent, it gives statutory authority to Rules of Court which have been in existence and have been acted upon for some considerable time. I consider that the Bill is wholly commendable, inasmuch as it continues the policy of endeavouring to consolidate and simplify all our laws so as to prevent confusion and minimise expense in dealing with legal matters. In regard to the appointment of judges, the Bill simply restates the law as it is at present, namely, that the qualification of a judge shall be that he is a member of the English or Colonial bar, but the interpretation of the word "Colonial" in this connection confines the appointment to a practitioner of this State. The Bill now proposes to enlarge this definition to include a barrister of the High Court of Australia, a legal practitioner of Western Australia, or a practising barrister of the English bar of not less than eight years' standing. The laws of the Commonwealth provide that any legal practitioner of any State is entitled to have his name put on the roll of practitioners for the High Court, and, while this reciprocity exists, there is good reason to permit practitioners of the High Court, as a class, to be appointed judges in this State. A further provision has regard to court actions for damages. Under the present Rules of Court, an application has to be made to a judge for trial by jury. The Bill gives the right to either party to have a jury, and a jury must be empanelled. Another provision is to implement the provisions in regard to appeals to the Full Court, under which judgments of a lower court might be set aside on the grounds of inadmissibility of evidence, or because judgment has been given under a section of an Act inapplicable to the case. This provision will give the Full Court the right, instead of sending a case back to the original trial judge, if all the necessary facts are before the Full Court, to give a determination itself. As this is a highly technical Bill, I think I must ask members to accept much of what it contains on trust. We have two members of the legal profession in this Chamber, who will, undoubtedly, be pleased to explain any matters that members are in doubt about. As I stated previously, the measure has received the consideration and approval of the Chief Justice, the Solicitor General, the Law Society, and the Barristers' Board. I feel sure that both legal gentlemen who are members of this House will desire to speak

on the Bill, and they perhaps will be more competent to explain some of the provisions than I am. As the measure does not seek to alter existing practice, members will agree that it is highly desirable to have one law relating to our Supreme Court instead of 42 statutes and ordinances. Members might desire quite a lot of information, but they will not expect me to reply to their questions offhand. Consequently I have avoided dealing with many technicalities. When members have considered the Bill, I feel sure they will agree that it is desirable and will pass it without delay. I move—

That the Bill be now read a second time.

On motion by Hon. J. Nicholson, debate adjourned.

BILL—LEGAL PRACTITIONERS ACT AMENDMENT.

Second Reading.

Debate resumed from the 3rd December.

HON. C. H. WITTENOOM (South-East) [10.47]: I listened carefully to the Chief Secretary's remarks in moving the second reading of the Bill. I cannot help thinking the measure anything but a compliment to the legal profession. I base that opinion on the fact that a legal man of this city in the course of conversation told me how small was the number of cases of defalcation or dishonesty among practitioners in Western Australia over a period of many years. Mr. Parker's speech covered the subject fully and ably. Having perused the measure, I must confess that its principles are not to my liking. Therefore, unless in the course of the debate the conclusions I have provisionally arrived at are shown to be wrong—for a layman it is quite feasible to make mistakes in such a matter—I shall oppose the second reading. I fail to see substantial reasons for the Bill. To me it does not seem to be required at all. Certainly it does not tend to enhance the reputation of members of the legal profession as a whole in Western Australia. Even the Minister who moved the second reading in another place admitted that criminal acts among lawyers in Western Australia had been very few indeed. If people go to a reputable lawyer and entrust their case to him, they will have very little to fear in Perth. On the other hand, if they go to a practitioner with not much of

a reputation—I do not say there are any such practitioners in Perth—they run the risk of losing their money through embezzlement or fraud. After all, the law is an honourable profession. As Mr. Parker pointed out, in no other profession has one to pay in order to be authorised to practise. Legal practitioners have to pay a fee of about £5 per annum to practise, the total of the fees going to provide free tuition for law students. I understand that no inquiries are made as to how the money is expended, the University being left to nominate lecturers. The injustice of the Bill bears mostly on legal firms comprising two, three, or more partners. Under the Bill each separate partner will have to pay a fee of say £10, the maximum. I refer to the maximum because the firms in question nearly always deal with large amounts of trust money. In the event of one partner defrauding, the responsibility rests upon all the other members of the firm; all of them must make good the loss through fraud. If one of four partners defaults, the other three cannot look to the guarantee fund to repay money lost by innocent persons. Rarely, if ever, will the other three partners be able to call on the fund for assistance. The Bill places something like a premium on dishonesty, because a lawyer who is practising on his own might say, "I have let my client down; I have used his money; this is probably going to ruin me, but what he has lost will have to be made up by my innocent co-practitioners." Under the Bankruptcy Act trustees and land-agents are bound to take out insurance policies to cover losses through fraud, embezzlement, or theft, the premium being 7s. 6d. per cent. At this rate of premium a cover of £2,250 would cost a firm £8 8s. 9d. per annum. Yet a legal firm comprising four partners would have to pay a total premium of £40 per annum for similar cover, which appears quite inequitable. The difficulty would be met much better by obliging all lawyers associated with large trust funds first of all to keep a trust account, secondly to take out bonds in the same way as trustees and land agents, and thirdly to have their accounts subject to surprise audits by a recognised auditor or perhaps a Government auditor, who would report any irregularity to some board or authority—probably the Barristers' Board. To me it seems unfair that the present legal practitioners should have to build up a fund of

something like £20,000 for posterity. The Bill provides that once the fund reaches £20,000 no further contributions need be made, except for the purpose of keeping the fund up to that quota. I oppose the second reading of the Bill.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [10.56]: I, too, oppose the measure, and for much the same reasons as those advanced by Mr. Wittenoom. He has the facts in much the same form as they have reached me. Legal firms in the city advise me that the Bill is wrong in principle. Assuredly it hardly tends to elevate an honourable profession, but rather to bring it into disrepute. The majority of our lawyers object strongly to being singled out as dishonest persons. Going back over history, we find perhaps less evidence of dishonesty amongst the legal practitioners of this city than in other professions.

Hon. J. Nicholson: That applies throughout the State.

Hon. J. M. MACFARLANE: Yes. The Bill casts a slur upon an honourable body of men. Further, the object of the measure can be attained in another way—by the taking out of guarantee policies, which can be obtained from insurance companies or financial houses. That method would be cheaper than the means suggested by the Bill. I am informed that on a basis of 7s. 6d. per cent. cover to the amount of £2,250 could be obtained for an annual premium of £8 8s. 9d., either by a solicitor practising singly or by a firm. The number of legal firms in Perth is 37, as against 22, solicitors practising individually. The difficulty in regard to legal firms is that, while having to pay a greater amount, they cannot take advantage of the fund when it is established, because each single partner of the firm would be responsible for the dishonesty of another partner, and would be called upon to make good that partner's deficiency without appealing to the fund at all. The single firm men among legal practitioners constitute the reason for the Bill, since some of them do not keep trust accounts. Every lawyer of repute should have a trust account, which is the proper thing to do instead of mixing up trust funds with his own money. Where a careless lawyer gets

operating on the basis of mingling trust funds with his personal funds, trouble may very easily arise. The fund is to be established for the benefit of these rare practitioners. The whole fraternity not being embraced, the Bill is inequitable. I cannot give a measure such as this my support until something on much better lines than the present Bill is submitted. According to the Minister, the Barristers' Board and the Law Society have been consulted, and have given their assent to the Bill. My informant states that lawyers as a body were not consulted, and that the great majority of practitioners are strongly opposed to the measure. An audit as suggested by Mr. Wittenoom would be welcomed by most of the legal firms and also by most solicitors practising by themselves. They agree that there should be such an audit, as well as separate trust accounts. In those circumstances I am unable to give the Bill my support, and I feel sure that the House will consider finalising it on the second reading.

HON. L. CRAIG (South-West) [11.0]: I am going to oppose the Bill. I have not found a single lawyer who is in favour of it. Also I have been discussing the Bill with a man who helped to draft it, and he admits that he is opposed to it. I would be strongly in favour of all trust accounts being subject to audit by chartered accountants, not only lawyers but all people who conduct trust accounts. I myself am a trustee of two estates and I think all trust money should be subject to audit by competent authorities. I do not see why solicitors should be treated differently from anyone else. I will oppose the Bill.

On motion by Hon. J. Nicholson, debate adjourned.

House adjourned at 11.2 p.m.