

already waited all this time for the fulfilment of a promise, and no harm would be done if the period of this waiting were extended for another year. The Minister cannot do more than complete the permanent survey during the next two years. There are about 350 miles of railway to construct, and this short line of 26 miles could not be commenced for a long time. Why not, therefore, wait until the permanent survey is completed? The Minister will have an opportunity during the recess of collecting information upon the subject, and of giving us something that may enable us to come to a right conclusion. The matter is not so urgent that we should be asked to accept this Bill on the information supplied to us in the course of a three-minute speech. For that reason, it should be allowed to stand over. I have lost count of the millions of pounds of expenditure to which we are committed for the next few years, but this expenditure of £100,000 could well be held over. If the Minister should persevere with the Bill, when in Committee we shall want to know why he has taken the right to deviate to the extent of five miles. That is not the usual distance allowed for this purpose, the limit generally being three miles. This larger deviation would seem to indicate that the matter has not received thorough consideration. If the whole of the country were properly examined, and the departmental officers were confident in themselves, there would be no need to ask for this deviation. It is for Parliament to decide where a line should go, subject to proper discretion being given to the Government to go two or three miles on either side. If we give power to deviate five miles, we shall not know where the line will finish.

The Minister for Works: It is broken and undulating country, and the deviation is intended to improve the line as we go on with the permanent survey.

Hon. P. COLLIER: The power is sought because the permanent survey has not yet been completed?

The Minister for Works: Yes.

Hon. P. COLLIER: If it had been completed, there would have been no need to ask for this deviation. As the survey proceeds, it may be found advisable to depart from the route to this extent.

The Minister for Works: If it is possible to find a grade of 1 in 80, surely a deviation should be allowed to take that in.

Hon. P. COLLIER: Yes, but that supports my argument that we should not proceed with the Bill until the permanent survey is completed. The Minister would then know where the line should go. It is only a business proposition to suggest that the matter should wait until this work has been finished.

On motion by the Premier, debate adjourned.

House adjourned at 10.37 p.m.

## Legislative Council.

Tuesday, 11th December, 1923.

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

### QUESTION—AUDITOR GENERAL'S REPORT, AS TO PAPERS.

Hon. A. LOVEKIN asked the Minister for Education: Will he, before the debate on the Appropriation Bill is finalised, lay on the Table of the House all papers on which the following statements in the Auditor General's report, 1923, were based:—1, In several instances the stock sheets submitted were unreliable. Fictitious entries were made in the head office accounts, etc. 2, It was reported last year that the Government Stores' account was, with the sanction of the Treasury, used for manufacturing, and that there was no proper authority for the procedure. The practice still continues.

The MINISTER FOR EDUCATION replied: The papers are being tabled to-day.

### MOTION—PEEL AND BATEMAN ESTATES.

To inquire by Select Committee.

Hon. J. J. HOLMES (North) [4.34]: I move—

*That a select committee be appointed to inquire into the operations of the Government in connection with the purchase and development of the Peel and Bateman Estates, and to report thereon.*

When speaking on the Appropriation Bill last week I went fully into this matter, and indicated that I would move for the appointment of a select committee to inquire into the operations of these two estates. I realise that, at this late stage in the session, a select committee will be faced with some difficulty, and that unless Parliament remains in session it cannot continue its inquiry. I understand, however, the Government offer no objection or opposition to the motion, and it is, therefore, in their hands to suggest a way out of the difficulty.

The MINISTER FOR EDUCATION (Hon. J. Ewing—South-West) [4.36]: The Government have no objection to the motion. They are anxious that the fullest inquiry should be made into this question. They have nothing to hide, but everything to gain by such an inquiry, and will welcome anything that is required to be done for the satisfaction of members. The session is drawing to a close, and the select committee could not sit while the House was in recess. The Government, however, will make all the necessary arrangements for it to carry on, after the session is over, in the form of an honorary Royal Commission.

Question put and passed.

*Select Committee appointed.*

Hon. J. J. HOLMES: I move—

*That the select committee consist of Hons. E. Rose, E. H. Gray, A. Lovekin, J. Cornell, and the mover, with power to call for persons, papers and records, to move from place to place, and to report on the 13th inst.*

I wish it to be understood that if the select committee is subsequently turned into a Royal Commission, as suggested by the Leader of the House, it must be an honorary Royal Commission.

Question put and passed.

**BILL—FACTORIES AND SHOPS ACT  
AMENDMENT.**

*Assembly's Message.*

Message from the Assembly notifying that it had agreed to the amendment made by the Council, subject to a further amendment made by the Assembly, now considered.

*In Committee.*

Hon. J. W. Kirwan in the Chair; Hon. J. W. Hickey in charge of the Bill.

No. 4—Council's amendment: In Subsection (4) of the proposed new section, strike out all the words after "prescribed by" to end of paragraph (a), and insert "the Superintendent of Public Health or some duly qualified medical practitioner appointed by him, who shall have power to order suspension from such employment; provided that such examination shall be without charge to the occupier or employee."

Assembly's amendment: Strike out the word "Superintendent" and insert the word "Commissioner" in lieu thereof.

The MINISTER FOR EDUCATION: In the absence of Mr. Hickey, I move—

*That the Assembly's amendment be agreed to.*

Question put and passed; the Assembly's amendment agreed to.

Resolution reported, the report adopted, and a message accordingly returned to the Assembly.

**BILL—FRIENDLY SOCIETIES ACT  
AMENDMENT.**

*Assembly's amendments.*

Schedule of seven amendments made by the Assembly now considered.

*In Committee.*

Hon. J. W. Kirwan in the Chair: the Minister for Education in charge of the Bill.

No. 1—Clause 3. Strike out "the Registrar" in line 3, and insert the word "place" in lieu.

The MINISTER FOR EDUCATION: Members may be satisfied that the Assembly's amendment is a fair and reasonable one, and will not interfere with the usefulness of the Bill. I move—

*That the amendment be agreed to.*

Hon. J. DUFFELL: The Minister has not fully explained the amendment. According to his explanation the position is a bit mixed up.

The CHAIRMAN: A printer's error occurred in the Notice Paper and the inverted commas have been misplaced. The Assembly's amendment should read—"Strike out the words "the Registrar," in line three," and insert "place," in line five, in lieu thereof."

The MINISTER FOR EDUCATION: That is the position. I should have made it plain when submitting the amendment.

Question put and passed; the Assembly's amendment agreed to.

No. 2. Clause 8.—Strike out the figure "7" in line one and insert "8" in lieu.

The MINISTER FOR EDUCATION: This is necessary because of another clerical error. I move—

*That the amendment be agreed to.*

Question put and passed; the Assembly's amendment agreed to.

No. 3. Strike out Subclause 6.

The MINISTER FOR EDUCATION: I move—

*That the amendment be agreed to.*

I am sorry that I have to submit the motion and perhaps some hon. members will not be inclined to agree with me. Considerable debate took place in the lower Chamber and the decision, when the question went to a division, was decisive. I do not wish to jeopardise the Bill. The clause refers to the societies' power to advance money on property. We desired to limit the power to two-thirds of the value of the property. With the clause struck out, the societies will be able to advance on properties as in the past. We can give the Bill a trial with the Assembly's amendment incorporated, and if the position is not satisfactory, amending legislation can be introduced.

Hon. J. DUFFELL: I suggest the Leader of the House should report progress at this

stage. I have not been able to confer with those concerned in the operation of the Bill, and if the further consideration of the amendment is postponed till to-morrow, it will not take much time to dispose of this and the succeeding amendments.

The MINISTER FOR EDUCATION: I desire to meet the wishes of hon. members. I will agree to the course Mr. Duffell suggests, but I urge upon members to get down to business and not lose time in this way. I trust we shall be able to close the session at the end of this week.

Progress reported.

#### MOTION—SANDALWOOD, AMENDED REGULATIONS.

*To disallow.*

Debate resumed from 27th November on the following motion by Hon. A. Lovekin—

*That the regulations under the Forests Act, 1918, laid on the Table of the House on 30th October, 1923, be and are hereby disallowed.*

The MINISTER FOR EDUCATION (Hon. J. Ewing—South-West) [4.50]: Papers in connection with the sandalwood controversy have been tabled and are available to hon. members. Everything that has been done from the inception of this problem to the present time is disclosed in those papers. The Government's desire has been to do only what is best in the interests of the State and of the pullers engaged in the industry. It is not my intention to speak at length on this question, and I desire only to show that the attitude of the Government has been consistent and has been prompted by the one desire to accord even-handed justice to all parties concerned. Hon. members must realise one thing and that is the enormous amount of money the State has lost for many years in connection with this industry. There is no doubt whatever that the pullers have not received what they were entitled to, nor have the Government received their due proportion by way of royalty. In the past the policy has been to issue licenses to pullers who sold to dealers subject to royalty charges. Until three years ago the royalty was only 5s. per ton, and if hon. members have regard to the tenders recently received, they will realise from that fact alone what an enormous amount of money has been lost to the State. About three years ago there was a controversy regarding the sandalwood trade and the Government of the day decided, at the request of those who sold the sandalwood, to raise the royalty to £2 a ton.

Hon. R. G. Ardagh: They could easily afford to suggest that.

The MINISTER FOR EDUCATION: A little while later there was a serious slump in the sandalwood trade and at once there was an outcry that a royalty of £2 was ex-

cessive. It was said that such a royalty was killing and ruining the industry. How that could be the position I will leave hon. members to judge for themselves from what I shall tell them. By increasing the royalty of 5s. a ton to £2 a ton it was estimated that an additional amount of £50,000 would be received by the State. That showed how low the royalty had been in the past.

Hon. J. Duffell: Have the Government taken into consideration the price of Indian sandalwood?

The MINISTER FOR EDUCATION: Every phase of the question has been taken into consideration. Does the hon. member refer to the position at Mysore?

Hon. J. Duffell: Yes.

The MINISTER FOR EDUCATION: The position at Mysore is serious to-day. Mr. Kirwan explained the matter to me recently and from what he said it would appear the Mysore industry will disappear altogether. Should that be so, it will be all the better for the Western Australian trade. I have not given close study to the Indian trade and perhaps Mr. Kirwan will explain the position to the House. So far as I can see, however, the Government here have not received a fair deal in the past nor have the pullers. The Chinese merchant has been the individual who has received all the profits from an industry which has not returned to us what we have been entitled to expect from it.

Hon. H. Stewart: Do you mean the British merchants in China, or the Chinese people themselves?

The MINISTER FOR EDUCATION: There are certain gentlemen who act as representatives of the Chinese people, and they have secured the sandalwood at a price far below its real value and at a price that has not given to the Government or to the puller the returns they should have received.

Hon. J. E. Dodd: What were the pullers getting?

The MINISTER FOR EDUCATION: I think they received £10 a ton and paid for everything out of that price.

Hon. J. E. Dodd: I do not think they got as much as that.

The MINISTER FOR EDUCATION: When they had to pay freight and all the other extra charges, it brought the price down to £6 or £7 a ton.

Hon. J. Mills: I have known instances of sandalwood being pulled at £5 a ton.

The MINISTER FOR EDUCATION: The hon. member knows the position in his district. The price of sandalwood in that area is, I believe, £12 per ton; perhaps the timber in the eastern districts is not of such a good quality. It was decided to call for tenders in connection with the sandalwood industry. Following on that there was an uproar and an attempt on the part of certain people to intimidate the Government and members of Parliament. The propaganda indulged in was quite unnecessary. The Government have not been biased in their attitude one way or the other. Irrespective of any propaganda in-

dulged in, they sought to act equitably and fairly with those concerned. Before I have concluded my remarks I hope I shall have proved to hon. members that such is the case. If I do so, then hon. members will vote against Mr. Gray's motion.

Hon. J. Duffell: Were tenders called for openly?

The MINISTER FOR EDUCATION: Yes, they were advertised and anyone could tender. Only four were received.

Hon. J. Nicholson: This motion stands in the name of Mr. Lovekin, not of Mr. Gray!

The MINISTER FOR EDUCATION: But Mr. Lovekin did not speak to the motion. Mr. Gray spoke for two hours and I must take some notice of what he said. After opening the tenders the Government found out what an enormous amount of money had been lost in the past by way of royalty. In the last ten years, it is estimated, Western Australia has lost not less than a million pounds on account of royalty in connection with the sandalwood industry. The position is serious and it has justified the Government in being severe and strict in the regulations that are now under consideration by hon. members. I do not wish to make a long speech. Some may say that I have sinned in that direction already this session, but I spoke on a matter of importance which I considered I had to deal with at length. I do not wish to deal at greater length than is necessary with this question. I hope members will be seized with the importance of it and be concise in their own references. To get down to business: If hon. members throw out the regulations, according to Mr. Gray, the industry will be saved from chaos. On the other hand, I contend that if the regulations are disallowed, then chaos will ensue. It will be a serious position for the pullers and for the Government. Mr. Gray asserted that by bringing in these regulations, the Government had deserted the pullers. That was the sum total of his remarks. According to the Conservator of Forests, a certain time must elapse before trade can become normal again, because it will take about four or five months to work off the stocks already available at Fremantle. In the meantime the work will not be available for the pullers. Everything necessary for the protection of the sandalwood industry and for the pullers is embodied in the regulations. These provide that a royalty of £25 shall be paid with a rebate of £16 a ton to the pullers. Licenses are to be issued to cut sandalwood and a regular quantity has to be cut each month. That is the essence of the stabilisation of the industry. The licensees will be compelled to cut quantities as laid down by the Conservator of Forests for the next four or five years and this will make for a maximum stability of work for the pullers. That being so, Mr. Gray should withdraw the remarks he made about the Government deserting the pullers.

Hon. J. Mills: For how long do these regulations hold good?

The MINISTER FOR EDUCATION: Until they are disallowed or amended. The royalty to the Government will be £9 per ton. These

regulations were published on the 30th October and have been operating during November. In that month the revenue increased by £2,550 and I doubt whether so much wood was cut as in the previous month.

Hon. G. W. Miles: You will be able to straighten out the finances on sandalwood.

The MINISTER FOR EDUCATION: The figures show how necessary it is for members to consider the facts before voting for the motion. The pullers seem to have got hold of some disjointed statement that they will be out of work for four months. How long will they be out of work if these regulations are disallowed? The regulations are necessary to stabilise the industry. I have nothing to say against any merchant in the business, except that the Co-operative Sandalwood Co. submitted a tender about £4 below that of two other tenderers and also made an offer to pay 5s. per ton more than any other tenderer, a method that I consider was not commercially moral. Those people were crying out against a monopoly, but they themselves were quite prepared to get a monopoly. The question of a monopoly, however, does not now arise. There are only four firms in the industry and they have been allotted the business proportionately to their trade during the past 12 years. The Government's desire is to see that the people engaged in the industry have the money to carry it on.

Hon. H. Stewart: Was not all that correspondence, aiming at getting this concession from the Government, very unseemly.

The MINISTER FOR EDUCATION: The Conservator of Forests did not act otherwise than in the interests of the Government and when it became necessary to frame a recommendation, he framed one that was masterly and fair.

Hon. H. Stewart: I did not intend any reflection on the Conservator.

The MINISTER FOR EDUCATION: Mr. Gray inferred that the Conservator, or the Government, had been too closely in communication with Paterson & Co. The matter was entirely in the hands of the Conservator, who acted fairly, squarely and honourably, and did wonderfully good work, especially in regard to the exchanges.

Hon. A. Lovekin: Mr. Gray's argument was against a monopoly.

Hon. E. H. Harris: He wanted another State trading concern.

The MINISTER FOR EDUCATION: The Government do not stand for that, and will not interfere with private enterprise more than they can possibly help. Mr. Gray need not be alarmed about the statement of the Conservator that there was an accumulation of sandalwood in the bush and that the pullers would be idle for three or four months.

Hon. H. Seddon: They are idle now.

The MINISTER FOR EDUCATION: Yes, and that is very unfortunate. It is due to Parliament not having considered this question earlier. The accumulation of sandalwood at Fremantle will cause a slump in the operations of the pullers for three or four months, but that will be overcome. After that the

supplies coming to hand from the licensees will be regular and continuous, and this will be in the interests of the pullers and of the Government.

Hon. J. Duffell: What is the estimated quantity required each year?

The MINISTER FOR EDUCATION: A maximum of 6,000 tons and a minimum of 5,000 tons.

Hon. J. M. Macfarlane: What has been the average quantity exported annually during the last 20 years?

The MINISTER FOR EDUCATION: About 7,000 tons or 8,000 tons, sometimes running as high as 10,000 tons. The merchants have taken advantage of the delay to accumulate huge stocks of sandalwood on which they stand to make an immense amount of money. What the buyer makes out of it, however, is no concern of ours. The point is the regulations will operate to the benefit of both the State and the puller, and that being so members cannot consistently vote against the regulations. An immense amount of money is required to carry on the sandalwood trade, and the merchants have to take the risk. The stocks in hand on the 1st November were worth £16 per ton to the puller and £9 per ton to the Government. If the regulations be disallowed, the sandalwood will drop to about £8 per ton to the puller, and there will be few, if any, buyers.

Hon. E. H. Harris: They will be lucky to get that.

The MINISTER FOR EDUCATION: The present position is that there will be no work for the pullers for four months, owing to the surplus wood in the bush, although the carters may continue to bring in stocks already pulled. If the regulations be disallowed, there will be no work for anyone in the sandalwood industry for at least two years, and even after that period the industry will be subject to a continuation of booms and slumps, reacting to the advantage of the Chinese and to the disadvantage of the pullers and of the Government.

Hon. J. M. Macfarlane: But the merchants have been sending away 8,000 tons a year for several years.

The MINISTER FOR EDUCATION: The maximum now to be pulled is 6,000 tons a year.

Hon. J. M. Macfarlane: There was no chaos when the 8,000 tons was being shipped annually.

The MINISTER FOR EDUCATION: When the exchange was favourable to the buyer, he took all the sandalwood he could get, but when the exchange was against him he did not care a rap for the puller. After six months the industry will be stabilised and there will be continuity of work for the pullers and carters.

Hon. J. Duffell: On what basis did the Government apportion the trade?

The MINISTER FOR EDUCATION: On the 12-years' operations of the various firms. Just consideration was given to each company, and the Co-operative Co., with the others, has received an equitable share of the

business. As to oil distillation, Plaimar Ltd. have done wonderful work. They have spent a large sum of money during the last 12 months. The Government found it necessary to get a market for the sandalwood roots, and in order to assist the distillation industry, the royalty on roots and other wood used for distillation was fixed at 5s. per ton. That £14 per ton would be paid at Fremantle for the roots, and £12 per ton would go to the getter.

Hon. J. Duffell: They did not say anything about taking the whole of the output, did they?

The MINISTER FOR EDUCATION: They can take far more than the entire output. There is not enough of the roots to go round. The Conservator of Forests said, "These roots have to be sold, and their price will be £14 per ton, and so the industry of oil distillation will be encouraged." Were it not for this arrangement, the roots would continue to go to waste. Plaimar and Co. will buy the entire output of roots for 12 months. That arrangement is most satisfactory, because otherwise the getters would not know where to dispose of the roots. After the making of the arrangement, a difficulty arose with a Mr. Braddock, who has done a considerable amount of work in connection with oil distillation, and is again starting in that industry. The difficulty, however, has been overcome. Mr. Braddock will not be injured in any way owing to the quantity of roots going to Plaimar and Co.

Hon. J. Duffell: Do the same conditions apply to Faulding & Co.?

Hon. J. J. Holmes: But what about Mr. Jones and Mr. Smith if they want some of the roots?

The MINISTER FOR EDUCATION: The arrangement is only for 12 months, within which time it is hoped to build up the oil distillation industry to considerable dimensions, when anybody else desirous of coming in will have an opportunity to do so.

Hon. J. Nicholson: You prevent the export of the roots altogether by arranging for their utilisation by a local company?

The MINISTER FOR EDUCATION: Yes. Both Mr. Braddock and Messrs. Plaimar and Co. are satisfied with the arrangement made by the Conservator of Forests. The sale of the roots, which in years past have been simply lost, will be very valuable to the pullers here. If any hon. member wants further information, I shall be pleased to give it to him. The Government have acted in the best interests of the pullers, and in the best interests of those connected with the sandalwood industry generally, and certainly in the best interests of the State. During the past 10 years Western Australia has lost a million pounds owing to want of information which did not come to the Government's hands until certain tenders were received. Western Australia shall not be robbed of its birthright in this connection for the future. Anybody else can start oil distillation by purchasing the sandalwood itself, and sandalwood for distillation purposes, instead of paying £9 per ton royalty, will pay only 5s. per ton.

Hon. A. Lovekin: But there is a great handicap involved.

The MINISTER FOR EDUCATION: Yes, because the best thing for oil purposes is to deal with the roots. I hope that before hon. members vote to disallow the regulations, they will consider the position fully. Contrary to Mr. Gray's statement that the regulations will bring about chaos, I declare, having gone into the matter carefully with the Conservator of Forests, that disallowance of the regulations will result in chaos.

Hon. J. NICHOLSON (Metropolitan) [5.23]: I have listened with close attention to the Leader of the House on this subject. I believe, however, that he has hardly convinced hon. members that the regulations are all that is desirable. Some months ago I had the opportunity, with other deputationists, of waiting on the Premier in this connection. The question of the regulations was then discussed at considerable length, and the views expressed by the various deputationists were such as to lead to the conviction that whatever was arranged as regards regulating the industry, should have the effect of giving the maximum of protection and return to the Government, to the pullers, and to others engaged in the industry. I shall endeavour to show that the Government's regulations cannot attain those objects. The Minister has stated that the Government do not desire to make of the sandalwood industry another State trading concern. That decision I regard as very wise. The Minister added that the Government do not intend to interfere with private traders and others engaged in the industry. Looking at the regulations, we see that there is an inequality in the proportions of trade allocated under the Government's scheme to various persons or firms.

Hon. E. H. Harris: On what do you base that contention?

Hon. J. NICHOLSON: I shall endeavour to show. The inequality lies in the fact that 62½ per cent. of the trade has been allotted to one firm.

The Minister for Education: Is that your argument?

The PRESIDENT: Please allow the hon. member to put his case.

Hon. J. NICHOLSON: Under the regulations 62½ per cent. of the trade is allocated to one firm, 25 per cent. to another firm, 10 per cent. to a third firm, and 2½ per cent. to a fourth firm, making 100 per cent. in all.

The Minister for Education: That is not under the regulations.

Hon. J. NICHOLSON: It has been done by virtue of the regulations. The Government have determined that a certain quantity of sandalwood shall be cut during the year, and that the persons or firms engaged in the business shall be allowed to cut that quantity only in these proportions. There is the inequality at once. Why, if I, for instance, desire to embark in the sandalwood industry, should I be prevented from taking a hand in

it? Surely this is a free trade community and at the same time a fair trade community. Can it be suggested that such an allocation as this is either free or fair trade? It is neither one nor the other. With reference to licenses for the getting of sandalwood or any other forest product, Section 35 of the Forests Act provides—

Licenses shall be in the prescribed form, and shall authorise the licensee, in common with other licensees, to take and remove forests products.

The Minister for Education: That is a different thing altogether. This is a trade outside Western Australia.

Hon. J. NICHOLSON: The Minister is under a misapprehension. Where does the material for the trade come from? From the sandalwood forests in our back country. The trade is not one outside Western Australia. It is a trade which originates in the back country of Western Australia.

The Minister for Education: Nobody buys the sandalwood here.

Hon. J. J. Holmes: If it did not grow here, there would be none to sell.

Hon. J. NICHOLSON: If no one is buying the sandalwood here, why in the wide world have the Government allocated to persons carrying on businesses in sandalwood here the right to cut the timber in certain proportions? That is the thing which absolutely baffles me.

Hon. J. J. Holmes: And those people are given the right to the exclusion of all other people.

Hon. J. NICHOLSON: Yes. Why should I or anyone else be prevented from engaging in this industry if desirous of doing so? The regulations as framed absolutely exclude me and every other man from engaging in the industry.

Hon. E. H. Harris: How long are others excluded?

Hon. J. NICHOLSON: For all time, for as long as ever the regulations remain in force. The regulations are law now, and will remain law unless disallowed by this House to-day. Unless we disallow them, they will remain in force so long as the Government choose to keep them in force, or decide to bring in other regulations, which might be many years hence. It is quite true that the licenses granted under the regulations are granted for a limited period only; but that does not alter the fact that the regulations, once they have been passed by this House, will remain in force until the Government choose to bring in fresh regulations. That is the point I wish to make clear to hon. members. Let them not be carried away with the idea that the regulations will remain in force for only a limited time. This is an industry created in the State, and it is an industry in which I and every other person should have a right to engage if we wish. It should not be given to those four firms who have been chosen for the right to carry on the trade. It creates a monopoly undesirable in every way. The Minister has said that in the past Chinese mer-

chants have profited largely from these operations.

Hon. R. G. Ardagh: They are doing so to-day.

Hon. J. NICHOLSON: Well, it is time that should cease.

Hon. R. G. Ardagh: How are you going to stop it?

Hon. J. NICHOLSON: Possibly by developing our local industries we might be able to use the whole of the sandalwood in some secondary industry in this State. I will not question the bona fides of the Government in any way. All these aspects have been ventilated very thoroughly.

Hon. J. E. Dodd: It is a great pity that fact was not recognised long ago.

Hon. J. NICHOLSON: What I do question is the fairness of the regulations, and of what has been done under them. For that reason I am forced to say the regulations, not permitting of fair free trade, ought not to be approved by the House. Section 35 of the Act provides that licenses shall be issued in the prescribed form, and shall authorise the licensee, in common with all other licensees, to take—in this instance sandalwood. That is the point: "in common with all other licensees." If, for example, I, in common with other licensees, want to take mallet bark or other forest products—

Hon. C. F. Baxter: How would the prices of such products be controlled?

Hon. J. NICHOLSON: By the Government. Probably if those products were put up for public competition, the Government would receive very much more than they have received in the past. The same thing applies to sandalwood. If some other scheme were devised than that which has been adopted, the Government might benefit to a greater extent than they have done in the past. I agree that the Government should have a full return for the produce.

The Minister for Education: Somebody has got it in the past.

Hon. J. NICHOLSON: The thing to do is to see that the Government get it in the future.

The Minister for Education: That is what we are doing.

Hon. J. NICHOLSON: The regulations will not give the Government that full measure they otherwise might get. Under the Act the right to be granted to licensees shall be a right granted in common with other licensees. What is implied by that is that there shall be an equal right to every licensee to share in the industry.

Hon. G. W. Miles: The Government have the right to limit the quantity.

Hon. J. NICHOLSON: I agree that it may be desirable to issue regulations providing that there shall not be too much exported. At the same time, the mere fact of regulating the quantity should not deprive me of my right, in common with other licensees, to work in the industry if I choose to work in it. The same thing does not

apply to permits; that is clear and emphatic. I think probably it may have been overlooked when the Government framed their regulations and issued those directions allocating to various firms the whole of the output of sandalwood in varying proportions; because they have conferred on those four firms jointly an absolute monopoly of the sandalwood trade.

Hon. G. W. Miles: If they want to retain that monopoly for all time, their licenses are for a limited period only.

Hon. J. NICHOLSON: But so long as the Government choose to renew the licenses, the licenses will continue. I contend that a monopoly is given jointly to those four firms, and that there is inside that monopoly another monopoly given to one firm of 62 per cent.; another firm of 25 per cent.; another of 10 per cent., and another of  $2\frac{1}{2}$  per cent. That is not a right in common, in the sense understood in the Act.

Hon. E. H. Harris: How would you divide it—equally?

Hon. J. NICHOLSON: I would consider the matter much more carefully than it has been considered. The regulations are unfair and inequitable, and are only to regulate a monopoly that is not in the best interests of the State. I will support the motion to disallow the regulations.

Hon. J. J. HOLMES (North) [5.40]: I look on the sandalwood industry as of very great importance to the State. To begin with, the position is that the State controls a monopoly of the world's supply of sandalwood. Therefore, it is a commodity out of which the State is entitled to make quite a lot of money. For the Minister to tell the House that the Government's one object was to protect the revenue of the country, seems to me to be an moonshine in face of the information the Government have had for years past.

The Minister for Education interjected

Hon. J. J. HOLMES: An attempt to monopolise the trade was made in 1920, but because the monopoly could not be worked out to suit some people, the whole thing was abandoned for three years. So, on the Minister's own showing, we have lost £100,000 per annum revenue, or £300,000 in all. The Minister said the Government discovered the value of this commodity only when they opened the tenders. There is in existence a report prepared by Mr. Drake-Brockman, now the Commissioner for the North, who was sent to China three years ago to inquire into the sandalwood trade. He returned and reported to the Government, and for the last three years, on the Minister's own showing, the Government have protected the revenue by giving to the robbers referred to by the Minister this afternoon £100,000 rebate on royalty per annum! What amazes me is why the position was not faced in 1920. The Government then knew the value of this commodity, and it was the Government's duty to act there and then.

The Minister for Education interjected.

Hon. J. J. HOLMES: Will the Minister keep quiet? The Government should have acted there and then, and not allowed the sandalwood trade, of which the State holds a monopoly, to drift on for three years after the knowledge of its true value came into their possession. During the last three years the average shipments have been about 8,000 tons per annum. In other words, some 25,000 tons have gone out of the State at a royalty of £2 per ton, when the Government might have had £12 or £15 per ton; because as far as I can judge, the sandalwood is used in joss houses, and the more the Chinaman pays for his sandalwood, the more favour does he hope to get from his joss. Here, then, was an opportunity the State Government ought not to have lost. After backing and filling on the sandalwood question for three years, the Government now frame these regulations. The regulations undoubtedly create a monopoly and, as explained by Mr. Nicholson, another monopoly within the monopoly. The point I raise is, can the Government grant a monopoly to four firms to the exclusion of all other citizens of the State? They are dealing with a State commodity owned by the people of the State. If I were a manufacturer of pickles or jam, or some other commodity, and I chose to give a retail firm the whole of the distribution, thus creating a monopoly, I should be within my rights; but can a Government, acting for the whole of the people of the State, create a monopoly, and a monopoly within a monopoly, and so give this sandalwood trade to four firms to the exclusion of all others? Sooner or later, this question will find its way to the Privy Council. During the last few years the Government have been to the Privy Council at a cost to the State of many thousands of pounds. I think the Government would do well to look into the constitutional and legal aspect of the sandalwood regulations before giving the whole of the trade, which belongs to the State, to four firms, to the exclusion of every other British subject in this part of the United Kingdom. The Minister told us the Government had discovered that a considerable quantity of sandalwood roots had been allowed to rot in the ground for years past. My information is that Plaimar Ltd., who knew the business, discovered that the Government were pulling only 6,000 tons per annum instead of 8,000 tons, and they figured it out that 6,000 tons of logs would give 1,000 tons of roots. They then put in an application for 1,000 tons of roots and the Government, of course, knowing the business so well, gave Plaimar Ltd. the first 1,000 tons of roots at £14 a ton, only to discover that they had excluded every other person in the trade.

The Minister for Education: But a contract was not made.

Hon. J. J. HOLMES: No; Plaimar Ltd. being shrewd business men said, "We will buy 1,000 tons of roots at £14 a ton" and the Government allowed them to have that quantity, only to discover later that they had given one firm the whole of the roots. Here

is a letter addressed by the Conservator of Forests to C. L. Braddock, 27 Queen-street, Perth, and dated 27th November, 1923:—

Your letter of the 6th inst., has received careful consideration, and I have discussed the matter with the Hon. the Premier and the Minister for Forests. It has been decided that for the time being the royalty payable on sandalwood logs pulled south of the 26th parallel of latitude, and used for oil distillation purposes within the State, shall be 5s. per ton. The revision of this royalty rate will receive consideration at the end of 12 months. Arrangements may be made, if you so desire, for you to obtain any logs you may require through an existing licensee—

Not licensees.

—in which case the amount sold to you will not be included in the total quota set out in his license, or else you may take up a license on your own account—

Under this he cannot do it.

It is understood, in either case, that the minimum price to the getter for wood of fair average quality, namely, £16 per ton, will have to be paid. With regard to the roots and butts which licensees are under it has been decided to enter into a contract obligation to hand over to the department, for the supply of such roots and butts for 12 months from the 1st November, 1923, to Plaimar. This firm submitted a tender for the whole of the roots, and butts for five years when tenders were first called, and while it is not considered advisable to tie up the supply at a fixed price for the whole period, a 12 months' contract, as already indicated, has been decided upon.

The Minister for Education: They are satisfied.

Hon. J. J. HOLMES: Now we have this position that the whole of the roots have been handed over to Plaimar Ltd., and the other people are told that they can buy logs at £16 a ton, though Plaimar Ltd. are getting the roots at £14 a ton plus 5s. royalty, and the logs do not produce the same quantity of oil as do the roots. The Minister says that the position has been rectified.

The Minister for Education: I said they were satisfied.

Hon. J. J. HOLMES: But Smith, Jones and Brown may want to start in the sandalwood oil business. I mention this to show that the Government, who know so much about this trade, and are following it so closely, actually know very little about it, that without any consideration they start out to give a monopoly to one firm. I do not wish to be misunderstood. I do not blame Plaimar Ltd. in any way whatever in connection with this transaction. They saw that the roots would be valuable, and having discovered that the roots were going to rot in the ground, made application for them. It may therefore reasonably be argued that they are entitled to these roots.

Hon. H. Stewart: What is your point?

Hon. J. J. HOLMES: The Government who have been watching this business so carefully



and who knew all about it, actually knew nothing about it. They did not know of the existence of the roots until the firm interested came to light and said "We will take 1,000 tons of roots annually." Then the Government found that they had given a monopoly. With regard to the allocation of sandalwood as now suggested, we find that 65 per cent. is going to one firm and 35 per cent. to three other firms to the exclusion of any other persons in this portion of His Majesty's dominions. What can happen, and what will happen, will be this: it is done in trade generally, and it is considered a legitimate thing to do. The 35 per cent., when it reaches China, will be met with 35 per cent. of the 65 per cent., and with that 35 per cent. the men having 65 per cent., will place 35 per cent. in order to squeeze out the other 35 per cent. Then those individuals will have 30 per cent, with which to gamble on the market as the opportunity offers. In other words, every time one ton of sandalwood goes into China the man with the big proportion will have one ton to meet it and to spoil the sale of it, and he will have two tons with which to gamble after the shipment has been got rid of. This is what happened in connection with the jam business. A jam factory was started here and immediately we had jam to sell Jones & Co. came in and flooded the market with their own jams. So a monopoly of 100 per cent. will be created in China, and instead of getting our own royalty we shall get what they choose to give us. The big man can make things very uncomfortable for the small man. What is the trade worth? The Minister has told us that we have lost £100,000 a year royalty for ten years—a total of £1,000,000. The Minister for Forests has told us that the Chinese market is overstocked, that there are huge piles of sandalwood in China, and that unless something is done to cut down the supply, the cutter and everybody else will be stranded and there will be so much sandalwood in China that the Chinese will not know what to do with it. Let me inform this House that at the present time there are two ships at Fremantle loading sandalwood. One ship is taking 2,300 tons and the other ship, I understand, arrived on Saturday with phosphate rock to discharge, and that on the completion of that discharge she will take 4,000 tons of sandalwood to China. There we have a total of 6,300 tons about to leave Fremantle at any rate within the next fortnight.

The Minister for Education: Then everything is all right.

Hon. J. J. HOLMES: Yes, but the Minister told us that there was no more room in China for sandalwood and that supplies were held up there. Here we have two vessels at Fremantle loading over 6,000 tons.

Hon. E. H. Harris: What are the names of the vessels?

Hon. J. J. HOLMES: I do not know. The ships are there. The names do not concern me very much.

Hon. E. H. Harris: But we want to know the names.

Hon. J. J. HOLMES: I will find out tonight if the hon. member wishes.

Hon. H. Boan: It is a mistake; you should have the names.

Hon. J. J. HOLMES: I do not know that the names affect the position.

Hon. H. Boan: They do, very seriously. We may question your assertion if you give us names.

Hon. J. J. HOLMES: If I were permitted to leave my seat, I would ring up the Fremantle Harbour Trust and inquire the names in order to satisfy the hon. member.

Hon. H. Boan: Do so.

Hon. J. J. HOLMES: In any case, the two vessels are there. I will tell the House at what price the sandalwood has been sold, and whilst the Government hope to make a lot of money out of the royalty, traders are making a lot more than the Government can ever hope to get. Sandalwood, under the present royalty of £9 a ton, costs f.o.b. Fremantle £30 a ton. It will be interesting to Mr. Boan to learn that I have seen a letter of credit, establishing credit at Fremantle for a portion of this sandalwood. Already 700 tons have been sold at £37 a ton and I presume that it was all bought under the £2 a ton royalty. That will have cost the purchaser £23 a ton, and it is being sold for £37 a ton to a market which we are told is glutted and cannot take any more.

Hon. R. J. Lynn: The beef buccaneers are not in it in comparison.

Hon. H. Stewart: Nor are the coal magnates.

Hon. J. J. HOLMES: Imagine about 6,000 tons of sandalwood going out of Fremantle on which there is a profit of £7 a ton. This represents £42,000 in one hit.

Hon. R. J. Lynn: The Government ought to get some taxation on that.

Hon. J. J. HOLMES: Within the last few months 4,000 tons of sandalwood have gone away. On this basis the people concerned must have made a profit of about £30,000 on this 4,000 tons. This is what is going on in the sandalwood trade at a time when China is over-stocked and Fremantle is over-stocked! What, then, is going to happen within the next five years if these regulations are allowed to stand, and the firm with 65 per cent. of the trade is allowed to squeeze out the others holding 35 per cent. of it? If this firm can rig the market in China, and can obtain the monopoly of the whole output, it can make a fortune out of the business. The matter has been allowed to drift for three years, and the Government now propose to solve the difficulty in this manner.

The Minister for Education: We are doing pretty well now on the new royalty.

Member: Are you satisfied with the £9 a ton royalty?

Hon. J. J. HOLMES: I would not be satisfied with that. At one stage I said it was the duty of the Government to fix a royalty, and allow one and all to scramble for the trade, and let the puller, with his organisation behind him, protect his own interests. I now realise that the pullers are so scattered that

it is practically impossible for them to protect their interests. I would, therefore, be prepared to fix the royalty at a little more than £9 a ton, fix the price the puller is to get, state the amount of sandalwood to be exported, and then let everyone scramble for the trade.

The Minister for Education: Have you seen the different proposals?

Hon. J. J. HOLMES: Yes. The fourth Government proposal is that one firm gets 65 per cent. of the trade, and three others 35 per cent.

Hon. A. Lovekin: That is what they suggest for next year.

Hon. J. J. HOLMES: The license permits this to be done for three months. It is open to the Government at the expiration of that time to give 100 per cent. of the trade to one firm.

The Minister for Education: There is no such intention.

Hon. E. Stewart: Will the Government give us that assurance?

Hon. J. J. HOLMES: The file discloses that the Conservator is emphatic on the point that if anything is done it must be done for five years. To do anything for three months is only playing with the matter.

Hon. A. Lovekin: They told me that they proposed to auction it next year.

The Minister for Education: Who told you that?

Hon. A. Lovekin: The Conservator.

Hon. J. J. HOLMES: The Forests Department state that the regulations must be enforced for five years. On the file the Conservator makes it clear to his Minister, on the 26th October, five days before the regulations were gazetted, that the monopoly must continue for five years. I am afraid when the license for three months expires, in June next, in view of what is on the file, the 65 per cent. monopoly will continue to the exclusion of anyone else who wants to take part in the industry.

Hon. A. Lovekin: The Conservator did not tell us that.

Hon. J. J. HOLMES: It is disclosed on the file, under date of the 26th October.

Hon. A. Lovekin: They must have altered their views since.

Hon. J. J. HOLMES: They have altered their tune to every wind that blows. That is my complaint. They have been tuning for the last three years, and this is the best tune they have been able to produce. We see how the puller is protected. Under this arrangement he pulls the roots, and cleans them, the cost being estimated at 8s. per ton. This 8s. is to come off the quota to be paid to the puller. Members must carefully consider these regulations. The Leader of the Opposition in another place has said, "Thank God we have the Legislative Council."

Hon. C. F. Baxter: It is the first time he has ever said that. He now says "Thank God" for what he is out to destroy.

Hon. J. J. HOLMES: Mr. Gray paid a tribute to this Chamber. He appealed to it for justice.

Hon. E. H. Harris: For the puller.

Hon. J. J. HOLMES: And the Government.

Hon. J. Duffell: All are concerned in it.

Hon. J. J. HOLMES: He was satisfied he would get justice in this Chamber, and I believe he will get it. My opinion of justice is a royalty fixed at a fair thing, a fair amount to be paid to the puller, the quantity of sandalwood to be exported to be fixed at about 6,000 tons—it was 8,000 tons last year—and let anyone scramble for the trade who wants to do so. If we do not make such an arrangement, the poor puller will get a bad time. There are only four people competing for the trade, one firm to the extent of 2½ per cent., which is negligible.

The Minister for Education: The license will be cancelled if people do not carry out their obligations.

Hon. J. J. HOLMES: If the puller has only three firms to deal with, he will have only three buyers for his sandalwood. He will be subject to all kinds of rejections of his wood, which will be very harassing for him. If a number of people were operating, there would be competition amongst the buyers and a good deal of sandalwood would be acquired instead of the eyes being picked out of it, as will be the case under these regulations. The State has no right to give a monopoly to three or four sets of individuals to the exclusion of all others. That is what will happen in this case. This is a British community. Surely, if the residents of this country desire to embark in the trade they should be allowed to do so, provided they pay the necessary royalty, recompense the puller to the amount required, and keep within the maximum output that the Government agree should be sent out into the world's market.

Hon. C. F. Baxter: If you throw the trade open, how are you going to keep the export within the maximum?

Hon. E. H. Harris: How would you regulate that?

Hon. J. J. HOLMES: When the railways have lifted 6,000 tons of sandalwood, they would lift no more.

Hon. E. H. Harris: So that if one firm is first in the field, it will get the lot?

Hon. J. J. HOLMES: Only 6,000 tons can be pulled in one year. People talk about finding work for the puller. The absurdity of the whole thing is that immediately the Government put up the price to the pullers 100 per cent., the Government start out to reduce the output of sandalwood. The puller has been encouraged to supply more sandalwood than ever before, and yet the Government propose to cut down the export by 25 per cent. On their own figures 25 per cent. of the pullers must go out of the trade, leaving the other 75 per cent. at the mercy of three sets of persons.

The Minister for Education: They have to buy so much sandalwood every month.

Hon. J. J. HOLMES: If they have to buy 500 tons a month, when that supply has been purchased, are the pullers to sit down, if they

have finished their quota by the middle of the month, and wait until the evening of the last day of the month before starting out to commence pulling on the first of the following month?

Hon. A. Lovekin: Some pullers would be left out, anyhow.

Hon. J. J. HOLMES: Yes. This is an instance of the complications that will arise under these regulations. I will, therefore, vote against their confirmation.

Hon. J. DUFFELL (Metropolitan-Suburban) [6.12]: So much has been said and so much written, about this sandalwood question, that it is our duty to express our views on such an important item in the realm of commerce.

Hon. J. Cornell: And the world of medicine.

Hon. J. DUFFELL: Mr. Holmes started off well, but finished up by being slightly mixed as to the manner in which the product is handled. Mr. Gray went to considerable trouble, in introducing the matter, to get at the foundation of the control of this article. It is a commodity of the first importance in the world. Not only is it used in religious ceremonies in China, but the oil from it is used in the medical world because of its medicinal properties. Some time ago, when I was in London and Europe, I was astonished to find the attention that was accorded to anything pertaining to this article. So intent were buyers upon it that they talked not in pounds weight but in ton lots of sandalwood oil. This interest can be understood when we consider the limited area upon which sandalwood grows.

*Sitting suspended from 6.15 to 7.30 p.m.*

Hon. J. DUFFELL: I was drawing attention to the fact that sandalwood and sandalwood oil are among the products that are regarded as important in the world's markets to-day. Sandalwood is valuable because it grows over very limited areas. During the Minister's speech I interjected to ascertain what quantity of sandalwood was being produced in India at the present. It is common knowledge that the sandalwood supplies in the district of Mysore, in India, are fast petering out. That will leave parts of Western Australia as the only known areas where sandalwood flourishes. That being so, it is imperative to legislate to secure the greatest possible advantage to the State and to those engaged in the pulling of the tree. Because of this, I took exception to the remarks of Mr. Holmes, that there should be a scramble for the sandalwood by anyone who desired to pull it.

Hon. J. J. Holmes: I referred to trading in sandalwood.

Hon. J. DUFFELL: The trading could well be regulated, as is the pulling. When I was in Europe two years ago, I inquired regarding the markets for sandalwood. I found that Western

Australia had a particular advantage in the trade, and it behoves us to regulate the supply to meet the demand. I do not favour the Government's proposals to allocate quantities on the basis of the past 12 years' trading. I do not agree with the allocation of 62½ per cent. to one firm. My opposition is based on the facts outlined by Mr. Gray, when he informed the House who those forming Paterson and Co. really were. He gave the names of the shareholders, where they resided, and the number of shares they held. The Conservator of Forests recommended, somewhat hurriedly, the granting of 62½ per cent. to Paterson and Co. I base my contention on Mr. Kessell's own statements. The file discloses that on the 22nd October last Mr. Kessell wrote to the four firms seeking information as to their volume of the trade during the previous 12 years. To secure that information, he submitted a series of questions. I was surprised to find from the file that on the 31st October, Mr. Kessell committed himself by making a certain allocation. He had had very few days within which to get the particulars. He did not secure full returns from the various firms. The firm allocated 25 per cent. of the trade had not completed their returns. They had furnished them up to a certain point, but other firms who had been operating on their account had not supplied the full figures, so that this particular firm could not submit a complete return. Notwithstanding that, the Conservator contended he had sufficient information to warrant his granting 62½ per cent. of the trade to Paterson and Co. That firm has representatives in various parts of the world, but is not located in Western Australia. The firm has small interests in Western Australia, but big interests in China. Bearing in mind how the shares are held in the old company and in the new company, members will be surprised to know that that firm is to receive the lion's share of the trade. The W.A. Sandalwood Co-operative Company deserved favourable consideration, as it had provided greatly improved conditions for the pullers, whose interests are solely in Western Australia. As a result of the participation of that firm in the sandalwood trade, everything reverts to the benefit, financially and otherwise, of Western Australia. Notwithstanding that fact, the firm is only to get 25 per cent. as against Paterson and Co. 62½ per cent.

The Minister for Education: You know the position.

Hon. J. DUFFELL: I do not subscribe to the principle of that firm offering 5s. per ton more than the highest tenderer.

Hon. C. F. Baxter: Do you think that is commercially right?

Hon. J. DUFFELL: I said I did not subscribe to that. The benefits should be retained as far as possible to Western Australia, and members should consider that aspect when dealing with the regulations. With a re-apportionment of the trade I could meet the Government and agree that they have

done the right thing. With the apportionment suggested, I shall have to think twice before supporting the regulations. If the Minister will give an assurance that the Government will further consider the apportionment, I shall be with him.

Hon. E. H. Harris: You contend they are entitled to more than 25 per cent.

Hon. J. DUFFELL: They are entitled to an even distribution. I do not care whether four firms are controlling it, so long as the conditions to the puller and the Government are fair. Whatever amount be paid to the puller and to the Government, the merchant will get a reasonable profit over and above all expenses. There is little sandalwood outside certain portions of the State. The regulations refer to wood grown below the 26th parallel of latitude. North of that there grows a sandalwood that is equal in santanol to the best grown in Mysore or any other part of India. Three years ago, when this question was before Parliament, I was instrumental in getting certain questions asked in another place. I did so for a specific reason. Those questions have revealed the reasons of the Government for allotting the quantities as they have done. It is quite true a number of firms have been distilling sandalwood oil for a number of years, but it has not yet been shown that any firm was able to cope with the trade offering. Only recently one firm spread themselves to develop the trade from portion of the wood that hitherto had been accounted dross. Experiments showed that the roots left in the ground contained properties that could be turned to profitable account. Accordingly, a firm entered into an arrangement with the Government. I commend the Government upon having accepted their offer. Other firms then realised that they had been sleeping. Now it is claimed that a monopoly has been created. The firm in question have a right to 1,000 tons of roots for 12 months. There is no monopoly, but the firm have provided an object lesson for others distilling sandalwood oil. The other firms are being permitted to get a certain quantity of roots which, together with the wood they will obtain under the reduced royalty, should enable them to compete successfully. Here is the crux of the whole thing: Are we going to permit every Tom, Dick, and Harry to scramble for our sandalwood and allow it to lie at sidings losing its value because there is no one to buy it, or are we going to control the industry in such a way that users of sandalwood products in China, Paris, and elsewhere will not secure an advantage to the detriment of the State? This is an important article of commerce, deserving of the closest attention before we commit ourselves to a course that may be detrimental to the State. I hope the Government will reconsider the allocation. There has been a tremendous amount of correspondence bearing on the trade, and if the Government would only grant a more even distribution, the industry may be brought to a sound and flour-

ishing condition, thus redounding to the credit of those members who initiated the discussion of the question in this Chamber.

Hon. J. J. HOLMES (North) [7.53]: On personal explanation, when speaking this afternoon I stated that 6,300 tons of sandalwood were being shipped from Fremantle, although the Minister for Forests in July last had said there was three years' supply of sandalwood in China. I have since discovered that my figures were not quite correct. With the permission of the House I should like to give authentic figures obtained during the tea hour. Since the statement was made by the Minister for Forests, 4,000 tons of sandalwood have been shipped, and 2,500 tons are being shipped at Fremantle at present by the steamer "Chupra." Another ship is under charter bound for Fremantle to load 2,500 tons, and this will be sent away in time to reach China for the Chinese New Year in February. Therefore the figures are 9,000, not 6,300, and the shipments will have taken place between July last and February next, when, according to the Minister for Forests, there was three years' supply in China and it was necessary to enforce the regulations to stabilise the trade.

Hon. J. MILLS (Central) [7.55]: Judging from the amount of printed matter that has reached members, there appears to be a good deal of bitterness among certain firms at Fremantle interested in the sandalwood business, and in the correspondence we can find evidence that a splendid profit is attached to the trade. I agree with Mr. Holmes that the business should not be confined to four firms domiciled at Fremantle, as at present. Sandalwood is found from Carnarvon in the north to Albany in the south, and I do not see why any trader at Carnarvon, Shark Bay, or Geraldton should not have an opportunity to purchase sandalwood from his customers, and export it, provided always that he pays the price required by the Government. Some arrangement should be made whereby this would be possible. I admit there are difficulties in the way, but I do not see why they cannot be overcome.

Hon. C. F. Baxter: And control the exports under an arrangement like that?

Hon. J. MILLS: Yes; and let the Government say how much sandalwood should be exported each year.

Hon. E. H. Harris: They have said so. They stipulate 6,000 tons.

Hon. J. MILLS: We owe nothing to the Chinese; they have had a pretty good innings in sandalwood. If it suits the Chinaman to propitiate his joss by burning sandalwood, he is welcome to continue. We have a monopoly; it is ours, and we can give him what quantities we choose. He has had a good innings. Let us restrict the output to one-half, and double the price.

Hon. C. F. Baxter: You cannot do it by open trade.

Hon. J. MILLS: It may be hard on the Chinaman.

Hon. A. Lovekin: You would be jeopardising the souls of the Chinaman.

Hon. J. MILLS: Sandalwood is a vanishing product. We have 90 or 95 per cent. of the world's supply, and, therefore we can do as we like with it. At one time the coastal areas of Western Australia were studded with sandalwood. In the olden days it was an easy matter to go out to get a load. To-day it is not so easy, because one has to go into the interior for it. In my province the wood is very small, but I believe it is more valuable for the oil content on account of its being grown under drier conditions. But it is disappearing, due to the advance of settlement and the consequent clearing of the land. In the dry seasons particularly, sheep destroy the young plants, and I doubt whether any young plants are maturing in sheep country. Only away out beyond the reach of sheep is the young sandalwood maturing, and if we do not restrict the output, the day when we shall have no sandalwood business at all will be within measurable distance.

Hon. F. E. S. Willmott: What will become of the Chinese then?

Hon. J. MILLS: I expect they will have to go the other way. It will be a very great hardship to debar traders in the North from dealing in sandalwood. Those men are doing as much for the country in their small way as are the people at Fremantle, and should have an opportunity to buy sandalwood or trade in it in exchange for commodities. Under the proposals of the Government the trade is to be restricted to four firms, one of which will have practically a monopoly, for 65 per cent. of the trade is being apportioned to it. I do not wish to discuss the question of the regulations. They have already been gone into fully by various members. I have merely to add that I shall vote for the motion.

Hon. E. H. HARRIS (North-East) [8.1]: Mr. Gray, when speaking to this motion and putting up a case for it, said he was making a plea for the cutter and the puller. I thought that the hon. member, when speaking in behalf of the man who does what is called the "hard yacker" in the bush, would have looked after his interests. But we find him later making a plea in behalf of some company or companies who in his opinion did not get sufficient quotas of sandalwood under the distribution arranged by the Government. He concluded by suggesting that sandalwood should be made another State trading concern.

Hon. E. H. Gray: That is the best way out of the difficulty.

Hon. E. H. HARRIS: Perhaps, but the hon. member knows that the present Government are not pledged to State trading. The eloquence of members of this House would hardly induce the Government to accept the suggestion that sandalwood should be turned into a State trading concern. As regards the regulations, I hope they will be supported.

Mr. Gray said that when in the back country he tried to get an understanding of the position from the point of view of the pullers and also from the point of view of the traders. He had the opportunity of going through much of the country in which pulling is done, and he said that all the men he met condemned the monopoly proposals of the Government. I was one who joined in condemning a monopoly proposal when first mooted. I joined in a deputation to the Premier to ask that the proposal should not be carried into effect. But since then the position has changed very considerably, and we must look at it as it is to-day. Many sandalwood traders, being led to believe that a monopoly might be granted, bought large quantities of sandalwood throughout the State at greatly enhanced prices. I am now putting up a case chiefly on behalf of the unfortunate man who has cut wood and sold it, and has gone on cutting in the belief that the trade will continue. As a matter of fact, there are now 2,000 or 3,000 tons of sandalwood lying in the bush or at railway sidings. The number of tons cut latterly exceeds by 200 per cent. what was formerly cut in 12 months, and there has been a corresponding increase in the amount of labour engaged in the industry. If, as suggested by the regulations, cutting is limited to 6,000 tons per annum, two-thirds of the present cutters will have to go out of the business. Many of the cutters have drays and horses and harness, and all the other paraphernalia incidental to sandalwood getting. They will find themselves stranded in the desert with their plant and with no buyers for it. I speak as a representative of the North-East Province, where 50 per cent. of the sandalwood of Western Australia is obtained. In that province there are cutters getting sandalwood 30 miles out from the railway line, and in such localities there are certainly no buyers for horses and drays. If the regulations stand, these men will be able to sell their wood, though at a slow rate, because future cutting will be limited to 6,000 tons annually. If the regulations are disallowed, we have to bear in mind that in view of the large stocks of sandalwood both in China and in Western Australia, no one will feel inclined to buy more until those stocks are exhausted. Stocks within this State will have to be sold for a song, because the cutters will be obliged to leave the districts where the wood is got. Mr. Duffell put up a case on behalf of some firm or firms who, he said, should have larger quotas. He referred to a company having 89 pullers among its shareholders. At the Forests Department to-day I ascertained that 400 applications for licenses have been received from pullers engaged in that avocation at the present time. The company referred to has, I think, been allotted 25 per cent. of the trade, but it has not 25 per cent. of the pullers. If, as suggested by Mr. Gray and Mr. Duffell, allocation is to be based on the number of men engaged in the industry, the company in question would certainly not be entitled to more than 25 per cent. I have

before me a copy of the report of the Forests Department for the year ended on the 30th June, 1923, and that report gives statistics of the export of sandalwood since 1836. The average over that period is about 5,600 tons per annum. The suggestion has been made that a minimum of between 5,000 and 6,000 tons per annum should be allocated. From the records I see that the cutter in the past has had no protection. With the fluctuations of the market the cutter has had as little as £6 10s. per ton, and as much as £9 to £12, the average being about £9 10s. Out of that the cutter had to pay either freight to Fremantle or royalty. Under these regulations he is to get £16 per ton. That amount, however, will be less rail freight. Taking freight from Kalgoorlie as the average, I would say that rail freight on sandalwood to Fremantle approximates £2 14s. 2d. per ton. Thus the cutter, under the Government's proposal, will be guaranteed about £13 6s. per ton. The roots can now be sent in the truck along with the trunk, 10 per cent. of roots being allowed. For the roots the cutter is to receive £12 per ton, less an average rail freight of £2 14s. 2d., and also subject to a deduction for the cost of severing the roots from the trunks. There will be an additional gain to the cutter in that the whole trunk of the tree will be sent in, whereas in the past the cutting off of the roots meant a waste of three or four inches of trunk. The allowance of ten per cent. of roots in an order means that that proportion of roots will not count in the order. Suppose a cutter had an order for 10 tons of sandalwood. With that quantity of wood he would be entitled to send one ton of roots. He would receive £13 6s. per ton for the wood and £7 16s. per ton for the roots, or an average of £12 8s. 9d. per ton. That is more than he ever had before.

Hon. E. H. Gray: Still, he makes a present of £2 per ton to the distiller buying the roots.

Hon. E. H. HARRIS: I cannot find that under the regulations the cutter will be making anybody a present of anything. The Government seek, by these regulations, to protect the puller. They say that for sandalwood he shall receive £13 6s. per ton on trucks at Fremantle, and for roots £7 16s. per ton at Fremantle. That is an infinitely better proposition than was ever offered to the cutter previously. Mr. Gray said that he did not wish to see the royalty abolished, and that he did wish to safeguard the interests of the puller, and that therefore he moved to disallow the regulations.

Hon. J. W. Hickey: He did not move the motion. He seconded it.

Hon. E. H. HARRIS: He put up the case for disallowing the regulations. I am unable to understand how he reconciles his statements regarding assistance to the cutter in the bush with his statements regarding assistance to the merchants in the trade. Mr. Holmes said he believed in everyone having opportunity to deal in sandalwood, that the Government should limit the quantity and that the first man to get his wood to the siding should be the one to secure the order. To prevent the

unfortunate puller being strangled by those methods, I would not permit that. If we look back into the history of shipping in the North-West, we find that at one time there was but a limited space for cattle. A few of the bigger men put their heads together, secured the whole of that space and then proceeded to buy from the unfortunate small man his stock at their own price.

Hon. J. W. Hickey: That is exactly what is to be done with the sandalwood now.

Hon. E. H. HARRIS: The same thing would obtain if the shipping of sandalwood were conducted by Mr. Holmes' method; two or three men would get all the call for wood, and the others who carted later would have to dispose of their wood at a reduced price.

Hon. J. W. Hickey: Mr. Gray must have told you that.

Hon. E. H. HARRIS: If hon. members would find a way to assist the men who are pulling sandalwood, I hope they will vote that the regulations be retained.

Hon. J. CORNELL (South) [8.17]: If ever a subject has been thrashed threadbare it is this of the control of sandalwood. Years ago attempts were made by the Government to exercise control of the industry. At one time, perhaps only 10 years ago, Western Australia contained 75 per cent. of the world's sandalwood. However, nothing was done, and anybody who has watched the fluctuations of the market and the manipulations of merchants at Fremantle can only conclude that those merchants, while unwittingly they may have operated for the benefit of John Chinaman, yet wittingly they have operated exclusively for their own benefit. That is why, for months past, they have been putting up so strenuous a fight against any regulating of the industry. I have yet to hear a legitimate protest from the men who matter, the pullers of sandalwood. The question is, who shall be the medium of exchange between the pullers and the buyer. I was against a monopoly being handed to one firm. To-day the monopoly, instead of being in one firm, is in five or six.

Hon. E. H. Gray: Practically only two.

Hon. J. CORNELL: In actual practice in years past it was but one, because of an honourable understanding amongst a number.

Hon. J. W. Hickey: Including the Chows.

Hon. J. CORNELL: If so, it was only in keeping with that wealth of wisdom that has characterised Chinamen since Confucius. One section of the community says that, rather than five or six firms having the monopoly, it should be taken over by the State. The Government say they will not agree. That ought to end argument in that direction, at all events until we get a Government that will do it. The House, I think, is agreed that the payment to the puller is satisfactory and that the royalty is reasonable and much in advance of anything paid in the past. The average annual output for the past 10 years has been between 6,000 and 7,000 tons. In the past fluctuations in the market have been arranged for the sole purpose of boosting up prices,

at favourable times. Only four years ago, owing to the exchange rate of the dollar, we had a boom in sandalwood. Buyers were everywhere. Syndicates were formed to go out into the bush and cut sandalwood at what then appeared to be a favourable price. But the bottom fell out of the market, and the majority of those who had gone out and cut sandalwood found it left on their hands. The only people to benefit were those who bought at the Fremantle end. Following the burst of that boom, I introduced a deputation of Yilgarn pullers and carters to the Minister for Mines. The Minister said to them: "There are three ways in which I can assist you: first by a reduction in the royalty, secondly by a reduction in the freight, and, thirdly, by a combination of the two." Be it to the credit of these men that they said: "No, we have been long enough in the game to know that if you do any of those things we shall not be the gainers, but the State will be the loser." The only inference to be drawn was that the sandalwood merchants would exclusively gain the advantage. I have not heard any serious objections to the regulations insofar as they relate to the royalty, to the payment to the carter or to the limitation of the annual output. In the years before us, whether the industry be controlled by a monopoly of six or a monopoly of one, or by the State itself, the real problem will be where to find the 6,000 tons of sandalwood per annum. Long ago I told the Conservator that the chief problem confronting us was how to replace the sandalwood ruthlessly destroyed in the past. That problem is greater than the problem of the control of the industry. There is no part of the South Province, extending out to the South Australia border, where, even from the trans-Australian railway, sandalwood can be tapped within 50 miles. The royalty is all right, the payment to the cutter is fair, and the limiting of the output is legitimate. By limiting the output we stabilise the industry. The control of the limited output of 6,000 tons per annum being vested in the hands of five or six companies has destroyed all incentive to go out into the bush as in the past. The objects of the regulations are to stop the ruthless destruction of sandalwood, prevent market fluctuations and stabilise the industry. By stabilising the industry we shall cause trouble. All these have to be thrown overboard because six men are to handle the output. Let me draw an analogy between the sandalwood and the great timber industry of the State. The latter is not a State monopoly. It is vested by way of concessions in concessionaires, and they regulate it in the interests of the companies they represent, subject to the regulations of the Forests Department. The position is comparable to the proposal that six men shall manipulate the sandalwood trade.

Hon. G. W. Miles: The timber people have half a million invested in the industry.

Hon. J. CORNELL: Yes, but it is a fair analogy.

Hon. J. J. Holmes: Anybody can start a timber mill to-morrow.

Hon. J. CORNELL: Provided he gets a concession from the Forests Department. I understand when this controversy began, there were only certain firms dealing between the cutter and the Chinese markets. That is on record. If we are going to control the output, some consideration should be given to those firms, and I understand that consideration has been given. If it has not been given on their turnover for a period of years preceding the issue of the regulations, then that should have been done. That is the only process of reasoning that appeals to me. In view of all the circumstances I intend to support the regulations as they stand. There is, however, one to which I wish to draw the Minister's attention. It has been said, in and out of season, that whoever controlled the sandalwood industry in the future, whatever regulations were made to safeguard it, due consideration would be given to the prospector. Prospecting and the getting of sandalwood may be said to be allied, and therefore proper consideration should be given to the man who goes out prospecting over and above the able bodied man who does nothing else. It is an industry that provides the finest remedy for the ailments contracted by those engaged in mining operations, that remedy being God's fresh air and sunlight. It was also said that similar preference would be given to disabled diggers. They should be placed on the same footing as the miners to whom I have referred. The regulation dealing with this position does not altogether meet the case. The first two paragraphs are capable of intelligent interpretation, but the other is not, because the Miners' Phthisis Act, 1922, has not been proclaimed, and until it does come into force no man can be withdrawn from the mining industry under its provisions. There is enough wisdom in the Mines Department as well as the Forests Department, to make the necessary alteration to the regulation. In conclusion let me say that for a spectacular point of view I could have made out just as good a case from the reverse side. But the only motive that actuated me in speaking as I have done was consideration for those who pull sandalwood.

Hon. H. SEDDON (North-East) [8.37]: After the excellent case that has been advanced by Mr. Cornell it is not my intention to take up much of the time of the House. Along with my colleague Mr. Ardagh, I have been through my province and have had the opportunity of coming into touch with many men engaged in the cutting of sandalwood. I found that those men have been hung up for some time in connection with the pulling of sandalwood, and that they are now one and all waiting anxiously to know when transport is going to be resumed. They feel that they are the victims of the battle of forces which has always more or less operated against them in the past. I have recollections during my association of 20 years with the gold-

fields, of the way in which these men have been the shuttlecock of the opposing forces. At times they have been able to get a good price for their wood, while at others the bottom has been out of the market and they found themselves landed with stocks and unable to dispose of them. As soon as the suggestion is made to control the industry, the price is up and every man finds that he has a better opportunity of making a decent livelihood out of it. Then there appear upon the scene men who have never had anything to do with the industry before, and they are participating in the good things that are offering. Thanks to the Government, the men who have been engaged in the industry in years past, and the prospector who is able to eke out an existence by the help that he gets from occasionally pulling the wood and disposing of it, while out exploring in the bush, are receiving consideration. But these men have not had what is their due in the past from the variation in the price. Reference has been made to the inequalities existing with regard to the distribution. We have to remember that during the last three years the puller has had a pretty hard time. Not only has he been receiving a low price, but he has not been able to dispose of his wood. He has been a victim of circumstances. We find that people have ventured in the business, because they saw that the opportunity existed to make money. A number of firms have been consistent in their buying and they stuck to the cutters at the time when the market was against them. They helped the men who were cutting the wood during the bad period. Therefore we should approve the regulations as they are to-day and stand by those people who did not desert the cutters. Reference has been made to a co-operative company that was formed recently. I am strongly of the opinion that that company was formed only when it was realised that certain people were speculating in the trade and saw the opportunity of participating in the profits that were to be made.

Hon. E. H. Gray: Have you any reason for making that statement?

Hon. H. SEDDON: My reason is that the company was not formed until the suggestion was made to control the output of sandalwood. Until that time the cutter was allowed to jog along in his own sweet way. I have reason to believe, too, that the majority of shares in that company are held, not by men who are cutting sandalwood. Therefore, for the sake of the men who are engaged in the business of pulling wood, and for the sake of prospectors to whom this industry is a great assistance, I intend to support the regulations.

Hon. A. LOVEKIN (Metropolitan—in reply) [8.43]: I tabled this motion because, unless action is taken within fourteen days, the regulations become effective and Parliament loses control. I was given certain information which I have since checked and found to be correct. That information shows that it was proposed to give a monopoly in

two directions, one to certain firms for the export of sandalwood and the other to a firm which was manufacturing sandalwood oil. We might put out of view all persons in discussing this matter. I have no interest either in Paterson & Coy., Plaimar Ltd., or anyone else. This subject should be discussed purely upon its merits. Should we set a precedent for the establishment of a monopoly? Under these regulations it appears that as regards export we are establishing a monopoly, nominally for three months, but if the regulations are passed, it is intended to apply I understand, for a period of five years.

Hon. G. W. Miles: Does the Minister concur in that?

Hon. A. LOVEKIN: I think so.

The Minister for Education: That is correct.

Hon. A. LOVEKIN: As regards the monopoly for roots, the arrangement will operate until the 31st October next.

The Minister for Education: That is right.

Hon. A. LOVEKIN: We should not give a monopoly to anyone, and, therefore, I must record my vote against these regulations. I shall be doing no harm in that. Under the law new regulations can be put up to-morrow morning, the wishes of the House can be given effect to therein, and the country will not lose a penny. The only difficulty that seems to arise is how we are to limit the output unless we give control in certain directions. The question of price, however, will regulate the output. If new regulations were promulgated increasing the royalty to the State, if necessary giving the puller a higher rate, and we throw the trade open to anyone who wants to enter into it, we should limit the output. No one will buy more than 6,000 tons if the price is made high enough. Before people can export sandalwood to China I suggest they should have to pay a royalty of £20 a ton. If the export is limited, we must get the price asked from China. If China takes only 6,000 tons a year, it will require no more than that quantity at the increased price. Buyers will not take more than the 6,000 tons, and the pullers will not pull more than that quantity, but for that which they do pull they will get a better price, and the State will benefit from the increased royalty.

Hon. E. H. Harris: They might get all that is required in six months.

Hon. A. LOVEKIN: That may be so. Under these regulations the quantity exported is to be limited to 6,000 tons, and when that quantity is reached, what are the cutters to do? Will not the export regulate itself?

Hon. J. Duffell: No.

Hon. A. LOVEKIN: I think it will.

Hon. G. W. Miles: The cutting can be governed now by regulation.

Hon. A. LOVEKIN: I fail to see how the cutting can be governed by regulations, unless a monopoly is given to certain cutters.

Hon. J. Duffell: What are you going to do if the regulations are disallowed?

Hon. A. LOVEKIN: To-morrow morning new regulations could be put forward allow-



ing anyone to get sandalwood on paying the royalty of, as I suggest, £20 a ton.

Hon. R. J. Lynn: Why not £30?

Hon. A. LOVEKIN: The hon. member could make it any price he liked. Western Australia has very little sandalwood left, and it will soon be cut out. We might as well conserve this asset.

Hon. J. Duffell: That is what it is proposed to do.

Hon. F. E. S. Willmott: The men with the most capital will get the trade, instead of its being cut up amongst several.

Hon. A. LOVEKIN: But the State will get the increased royalty. The State will benefit all the time.

Hon. A. J. H. Saw: Would not the exporters and the pullers agitate to have the royalty reduced?

Hon. A. LOVEKIN: Under these regulations there will be no more than four or five firms in the trade. Will they, or someone in China, not endeavour to create a monopoly under which they will get all the benefit?

The Minister for Education: But you cannot stop the State from getting its royalty.

Hon. A. LOVEKIN: In a few years the whole of our sandalwood will be cut out. The State might as well make hay while the sun shines, and get as big a royalty as possible.

Hon. J. Nicholson: And there will be no sandalwood then for our secondary industry.

Hon. A. LOVEKIN: I place no embargo upon the distillation of oil, or upon anyone getting as much sandalwood as necessary for this purpose. Canada was in the habit of exporting its timbers to America, to be turned into pulp there in connection with the paper industry. The Canadian Government stopped the export of timber and decided to manufacture the pulp within its own territory, thus obtaining the benefit of the labour and the industry instead of the benefit going to the United States. Seeing that sandalwood is so scarce in this State, it would be better if we disallowed the export of it. The large wood that is used for the making of fancy boxes could be utilised for that purpose here or sawn up for export. The off-cuts and spare stuff could be ground into powder, in which form it is used by the Chinese in their joss houses, and exported to China as powder. That would be better for this country.

The Minister for Education: I thought you were opposed to State enterprises?

Hon. A. LOVEKIN: I did not say the State should do that. If we prohibit the export of sandalwood, people could go in for these industries. Another reason why the regulations should be disallowed is to enable Mr. Cornell to deal with the point regarding prospectors.

The Minister for Education: There is nothing at that point. It is merely that the area has not yet been proclaimed.

Hon. A. LOVEKIN: If there is anything in it, and the regulations are disallowed, the hon. member can get in a new regulation covering the position. The present regulations give a monopoly to four or five people, whereas

the trade should be thrown open to anyone who desires to enter it. Because these regulations establish two monopolies, I feel bound to vote against them.

Question put, and a division taken with the following result:—

Ayes	..	..	..	8
Noes	..	..	..	18
Majority against				10

#### AYES.

Hon. J. W. Hickey	Hon. J. Mills
Hon. J. J. Holmes	Hon. J. Nicholson
Hon. J. W. Kirwan	Hon. E. H. Gray
Hon. A. Lovekin	(Teller.)
Hon. G. W. Miles	

#### NOES.

Hon. R. G. Ardagh	Hon. J. M. Macfarlane
Hon. C. F. Baxter	Hon. G. Potter
Hon. A. Burvill	Hon. E. Rose
Hon. W. Carroll	Hon. A. J. H. Saw
Hon. J. Cornell	Hon. H. Seddon
Hon. J. Duffell	Hon. H. Stewart
Hon. J. Ewing	Hon. F. E. S. Willmott
Hon. J. A. Greig	Hon. H. Boan
Hon. E. H. Harris	(Teller.)
Hon. R. J. Lynn	

Question thus negatived.

### BILL—STAMP ACT AMENDMENT.

#### Assembly's Message.

Message from the Assembly received and read as follows:—

*The Legislative Assembly requests the reconsideration by the Legislative Council of its message No. 25 returned herewith, inasmuch as the Bill for an Act to amend the Stamp Act, 1921, referred to in the said message, being one by which taxation is imposed, may not, under the Constitution Act Amendment Act, 1921, be amended by the Legislative Council.*

The MINISTER FOR EDUCATION (Hon. J. Ewing—South-West) [9.1]: I move—

*That the proceedings in connection with the Stamp Act Amendment Bill so far as they relate to the report of the Committee and the third reading be annulled.*

The PRESIDENT [9.2]: Perhaps I should say one word in explanation regarding the Bill. When it was before the Committee it was apparently accepted by the Chairman of Committees, and excusably so, as he was not to recognise it as a money Bill. His action in not recognising it as such among the number of Bills dealt with was pardonable. There was no excuse whatever for the Clerk of the House failing to recognise it as a money Bill and to advise the Chairman at once accordingly that it was a money Bill. He should have at once acquainted the House of the fact. By his negligence we have simply

created the impression that we do not know our business in this Chamber or that we were too careless to do it. In the circumstances the Bill is returned to us to be dealt with over again. I am sorry to find that the Leader of the House has to move the motion he has just submitted.

Hon. A. LOVEKIN (Metropolitan) [9.4]: I am sorry, Mr. President, that you should have seen fit to censure the Clerk from the Chair, because, after all, the Clerk is an officer of the House. Although it may be that both the Chairman of Committees and the President ought to have been advised by the Clerk that the Bill was a money Bill, clearly the responsibility rests with the Chairman and the President.

The PRESIDENT: I think the hon. member is out of order. I explained the occurrence.

Hon. A. LOVEKIN: In my opinion the Chairman and the President must accept the responsibility, and I do not think it is quite fair to put the blame on the Clerk.

The PRESIDENT: You are somewhat out of order. I have simply explained the position to the House.

Hon. J. CORNELL (South) [9.5]: Regarding the reference made to the Clerk, I think the explanation would have been better left unmade and that the House should have proceeded with the business on the Notice Paper. My opinion regarding yourself, Mr. President, and the Chairman of Committees in relation to the Clerk is that the Clerk should speak when spoken to and only when his opinion is asked should he advance it. That is the attitude that should be taken up, and the Clerk should thoroughly understand his position. I regret the statement you made and I do not think it should have been uttered.

Question put and passed.

## BILL—LAND TAX AND INCOME TAX.

### *In Committee.*

Hon. J. W. Kirwan in the Chair; the Minister for Education in charge of the Bill.

Clauses 1 to 4—agreed to.

Clause 5—Income from dividends:

Hon. A. LOVEKIN: The clause includes the words "without regard to the super tax imposed by Section 6." I intend to move the amendment to Clause 6, and I take it that if my amendment be carried it will apply automatically to Clause 5.

The CHAIRMAN: That is so.

Clause put and passed.

Clause 6—Super tax of 15 per cent.:

Hon. A. LOVEKIN: I propose to move that the Legislative Assembly be requested to omit Subclause 1, which provides for the imposition of a super-tax of 15 per cent. I dis-

cussed this matter fully on the second reading of the Bill. The Minister told us that the super tax was again necessary this year because the Government had not received in revenue more than £30,000, which represented the exemptions agreed to last year from the increase from .006d. to .007d. in the rate of tax. In order to support his case he placed before members exactly the same contentions as were put to us last session. When some of us claimed that the increase of .001d. was altogether too much we were met with the statement that the department had calculated the matter and found that the increase would give only £30,000, and therefore the increased rate suggested should be passed or the Government would not have sufficient money to make up for the exemptions on incomes under £200. The way in which the calculations were made was the same last session as it is this session, with the exception that the Minister tells us that on this occasion the check of the calculations has been carried out to three decimals. We are agreed this time that the amount involved is £31,000. As we pointed out before, it is impossible to make a simple proportion sum out of a graduated tax problem. Last session the calculation was made on the basis that if .006d. gave so much money in return, how much would .007d. give? We contended that the calculation could not be made on that basis. For instance, the tax on £200 is roughly £4. By a simple method of proportion that on £2,000 would be £40, whereas in fact the tax on £2,000 is something like £111. We claimed that .001d. would give the Government considerably more than was anticipated, in addition to which other factors had to be taken into consideration. For instance, this year dividends are brought in, and if a person receives income from dividends he has to take that into account in connection with his income and then get a rebate in respect of the amount paid on account of dividend duties. In that way the rate of the tax is raised. Another point to be considered is what was referred to last session as "the stabilisation of stocks." Many firms for the year which was taken as the basis had stocks that were high priced. These had been written down when the slump occurred, and the Taxation Department received the benefit in the following year. The Treasurer last session indicated that he merely wished to be recouped to the extent of the £30,000 involved in the exemptions. When we came back to the Chamber after conferring with representatives of another place, Mr. Holmes, who had agreed with us, thought that we were going too far regarding the .007d. and moved for .006d. The Minister then said, "If you do that we shall lose £30,000." That showed that no more was contemplated than to cover the exemptions. I was accused, with others, of changing front because we thought we would give the .007d. rate a trial for a year and see how it worked out. We thought it would give the Government too much and I suggested it

would give £64,000. Last year it was all guess work, but this year we have the actual figures.

The Minister for Education: No, you have not.

Hon. A. LOVEKIN: The Commissioner of Taxation in his report has given us the figures and he sets out that the amount received was £240,166. That cannot be denied. Since then hon. members here have asked questions and we said to the Government, "Although you received £240,166, how much have you still on the books that you have not collected?" The Minister replied £103,849, so that the tax for 1922 was £240,166 received in cash and £103,849 on the books to be collected, a total of £344,015. In the following year according to the Budget, the Government received in tax £390,003. Of that amount I take it £103,849 represented tax uncollected in the previous year, and that left £286,154 collected in cash for 1923. The Minister told us that outstanding at the end of 1923 was £121,966, so that from the assessments of 1923 the department got in cash £286,154 and carried forward £121,966, representing a total tax for the year 1923 of £408,120 as against £344,015 in 1922. Thus the balance in favour of 1923 was £64,105 after all the exemptions and other factors of income tax had been taken into account.

Hon. G. W. Miles: Those are official figures?

Hon. A. LOVEKIN: Yes. Page 698 of "Hansard" gives the amount carried forward in each year; the Taxation Commissioner's report gives the figures quoted for 1922, and the Budget gives the amount received in cash to June, 1923. I am dealing with absolute actualities and nothing else. In this matter we should get a fair crack of the whip from the Labour Party. We had 39,000 taxpayers and released from taxation 27,000 whom Mr. Collier described as being on the bread line. We agreed to put on to the shoulders of the other 11,700 taxpayers, not £94,000 but £30,000. We should not be asked to perpetuate the £90,000 additional taxation on those 11,700 taxpayers. The Government assured us that they did not wish to exploit the people for more tax, all they wanted was to secure the £30,000 representing the exemptions granted. On that assurance we gave way. Now, dealing with actual figures, we find the Government are £64,000 to the good. The Government have no right to perpetuate the tax of an additional £64,000 on the remaining 11,700 taxpayers. We might get rid of this burden by reverting to the .006d. rate instead of retaining the .007d. rate, but I propose to delete the super tax. The super tax should be abolished as soon as possible because it was imposed for a special purpose and because its abolition will make the appearance of our tax rate much better. If we revert to the .006d. the maximum tax will still be 4s. 7d., whereas if the super tax be taken off the maximum tax will be 4s. I move an amendment—

*That Subclause 1 be deleted.*

Hon. R. J. LYNN: I have no wish to discuss the question as to how the amount of

£31,000 quoted by the Leader of the House is arrived at. I am inclined to think that in the return he produced the other night the basis was the year 1922. The graduation of the .007d. rate as against .006d. might give the figures quoted by the Minister, but those figures were taken for the year 1921-22 on a certain graduated basis. When the managers of both Houses met last year, Mr. Lovekin and I representing this House, it was purely an estimate that was spoken of. It was said £30,000 was the estimated amount that the .007d. would represent as against the .006d., and that that would make good the deficiency caused by the exemptions. Mr. Lovekin was very insistent both here and in conference that .007d. would make a difference of £64,000. There can be no doubt, if the figures quoted by him are correct, that £64,000 was the difference and not £31,000. When I agreed with the hon. member to the .007d. being substituted for .006d.—and I perhaps was more responsible than he for its acceptance—I recognised what a big impost the increase would mean to the remaining taxpayers. The exemptions wiped out £30,000 and the increased rate represented practically 16 per cent. The unfortunate part was that we not only agreed to the 16 per cent. increase in the tax, but we agreed to put 15 per cent. super tax on to the increase. This brought up the taxation on many incomes to such an extent that people cannot possibly afford to pay it.

Hon. H. Stewart: It meant an increase of nearly 20 per cent.

Hon. R. J. LYNN: Yes. If this were the only tax demanded of the people it could not be considered heavy, but when we add to the 4s. 7d. maximum State tax, the 8s. 1d. for Federal income tax, it can be understood why there is no money available for development in this State. The balance left to the taxpayer is relatively small. Increased incomes bring increased responsibilities. There are many men desirous of doing little acts to help the State along, but they find it impossible when only 7s. out of the pound is left to them, and consequently we have not the development that we would have if some of the money charged for taxation were released for development purposes. I fully realise that the State's finances seem to be just on the balancing point, and I have no wish to embarrass the Government in any way, but I am convinced that the longer this taxation is imposed, the worse it will be for the State as a State. Undoubtedly there is to-day a tendency to send money out of Western Australia. Our incidence of taxation is quite wrong. Large firms which have come to this State to compete with firms established here are contributing little or nothing by way of taxation to Western Australia. Take the case of a large wholesale grocery operating in Fremantle with Western Australian capital. It comes into competition with another wholesale grocery financed by South Australian or Victorian capital. The Fremantle establishment would be operated as a branch of the Adelaide or Melbourne house. The Fremantle

branch would not make large profits for this State to tax. The goods sent to the Fremantle branch from Adelaide or Melbourne would be invoiced at certain prices, and so the profits made here would be regulated to suit the head office, and not to suit Western Australia.

The Minister for Education: It is most unfair.

Hon. R. J. LYNN: Yes, and it is going on to-day. The invoicing is so arranged as to give some of the Western Australian profits to Victoria, where taxation is lower. I suggest to the Minister that he invite a conference of commercial men to put up to the Government suggestions in this connection. Of course it is too late to do that in connection with the present Bill. A tax collected by means of stamps, and by that means covering branches of inter-State houses operating here, would relieve some of the heavy burden of taxation borne by citizens of this State. I agree with Mr. Lovekin that .007d. should be reduced to .006d., or else that the 15 per cent. super tax should be abolished. I have no wish to give away secrets of the conference room, but what Mr. Lovekin has stated is quite right—that the Government's attitude was that they merely wished to replace by additional taxation what they gave away by exemptions.

The MINISTER FOR EDUCATION: I shall not at this opportunity debate the question of the incidence of taxation. Mr. Lynn and Mr. Lovekin say that one cannot calculate the results from a graduated tax.

Hon. A. Lovekin: Not by simple proportion.

The MINISTER FOR EDUCATION: But by calculating on another basis, the basis adopted by Mr. Lovekin himself, I have arrived at practically the same figures as before.

Hon. R. J. Lynn: I am not doubting your figures.

Hon. A. Lovekin: No one is doubting them.

The MINISTER FOR EDUCATION: After going through the figures I find that the £30,000 lost through the exemptions could be made up on the basis I suggested, thus leaving things practically square. Now I wish, but in the friendliest spirit, to expose Mr. Lovekin's fallacies. When the managers returned from last session's conference, Mr. Colebatch said certain things; but I would ask Mr. Lovekin to show me in "Hansard" where Mr. Colebatch promised that a super tax would not be brought down this year.

Hon. A. Lovekin: I have never said anything of the sort.

The MINISTER FOR EDUCATION: Is it in "Hansard"?

Hon. A. Lovekin: No; and I never said it was.

The MINISTER FOR EDUCATION: I do appreciate the point made by hon. members that the super tax was to be done away with this year if possible. According to Mr. Lovekin, there is an improvement of £94,000 in the amount received from taxation. Of that

sum, £30,000 odd was absorbed by exemptions. Thus there would remain a clear profit of about £64,000.

Hon. A. Lovekin: And there were the other factors which I mentioned.

The MINISTER FOR EDUCATION: Mr. Lovekin spoke of the number of people who are bearing the burden of taxation in this State during 1922-23. If I can prove that Mr. Lovekin's statement in this respect is erroneous, faith in his other statements must necessarily be weakened.

Hon. A. Lovekin: I was not speaking of the present day.

The MINISTER FOR EDUCATION: Mr. Lovekin said that out of 39,921 people paying taxation in 1922-23, 27,000 would be exempt, leaving 11,700 people to bear the whole burden of taxation.

Hon. A. Lovekin: That was the basis we argued on.

The MINISTER FOR EDUCATION: Does the hon. member say that 11,700 people are bearing the burden of taxation to-day?

Hon. A. Lovekin: I do not know. I did not say that. I was not speaking of this financial year.

The MINISTER FOR EDUCATION: I accept the hon. member's explanation. Let me ask him in what year did 11,700 people bear the burden of taxation?

Hon. A. Lovekin: On the 1920-21 figures.

The MINISTER FOR EDUCATION: Then there would be fewer people bearing the burden now, on account of the exemptions.

Hon. A. Lovekin: You are not following my argument.

The MINISTER FOR EDUCATION: In 1920-21, 40,280 people were assessed; in 1921-22, 42,289 were assessed; in 1922-23, up to the 30th June, 21,325 had been assessed, and 16,237 had been added to that number up to the 30th November, making the total number of assessments for 1922-23, 37,562.

Hon. A. Lovekin: That includes assessments for dividend duties.

The MINISTER FOR EDUCATION: But the assessments are the only thing we can argue on.

Hon. H. Stewart: Some of those represent assessments for the outstanding £121,000.

The MINISTER FOR EDUCATION: Just so. Mr. Lovekin was quite wrong in applying the amounts as he did.

Hon. A. Lovekin: Give us something new.

The MINISTER FOR EDUCATION: I intend to do so.

Hon. R. J. Lynn: Are they taxpayers?

The MINISTER FOR EDUCATION: Yes, they are assessed. The only basis to go upon are the assessments.

Hon. A. Lovekin: Have they doubled in a year? That is what your figures mean.

The MINISTER FOR EDUCATION: The position is quite clear. Mr. Lovekin said that during 1921-22 the collections were £240,166, and the arrears £103,849, or a total of £344,017. But the Commissioner's report shows that the collections were not complete.

Hon. A. Lovekin: We know that.

The MINISTER FOR EDUCATION: Then why did you not say it?

Hon. A. Lovekin: I did.

The MINISTER FOR EDUCATION: Mr. Lovekin said the amount was £240,166, meaning the collections for that year.

Hon. A. Lovekin: That was cash.

The MINISTER FOR EDUCATION: Then he added £103,849 for arrears, and so got a total of £344,017. But the assessments are not completed until the end of the financial year.

Hon. A. Lovekin: I know that.

The MINISTER FOR EDUCATION: Well, why not supply the right figures? In the Commissioner's report the assessments amount to £389,546. Therefore the hon. member's basis was erroneous.

Hon. G. W. Miles: Are your figures for assessments to the end of June, 1923?

The MINISTER FOR EDUCATION: No, June, 1922. The assessments for 1923 will not be complete until June, 1924. Even today we do not know the assessments at the end of 1922-23.

Hon. G. W. Miles: Have you the figures for 1920-21?

The MINISTER FOR EDUCATION: No. They do not affect the position. I am following the figures given by Mr. Lovekin. The £103,849 carried over from the previous year is included in the £240,166, so the hon. member's figures were quite erroneous. The carry-over may represent arrears in several past years.

Hon. G. W. Miles: Do you mean to say that some taxpayers are three or four years in arrears?

The MINISTER FOR EDUCATION: Yes. Some people try to evade taxation. In other instances consideration is given by the department to people for many years, in order to help them through. The Taxation Department is very kind-hearted. I repeat that the £103,849 is part of the £240,166.

Hon. A. Lovekin: What!

The MINISTER FOR EDUCATION: Of course it is. The collections are not assessments.

Hon. A. Lovekin: You cannot mean that.

The MINISTER FOR EDUCATION: Of course I do. The carry-over may have gone back five years.

Hon. A. Lovekin: In your answer to me you said it was outstanding from 30th June.

The MINISTER FOR EDUCATION: And the answer I gave was quite correct. It was outstanding for the year 1921-22, but portion of it was outstanding for many years. The hon. member will ascertain the correct figures for 1921-22 when perusing the 15th annual report. The correct value of the assessments for 1921-22 was £389,546, not the £240,166 given by Mr. Lovekin as the collections. Of that amount £103,849 represents tax for 1921-22 and previous years not collected. It is an aggregation of four or five years' standing.

Hon. A. Lovekin: But you said it was part of the £240,166.

The MINISTER FOR EDUCATION: So it is.

Hon. A. Lovekin: Now you say it is part of this other.

The MINISTER FOR EDUCATION: I say it is merged in this part. In dealing with the 1921-22 figures the hon. member took the incomplete returns and so arrived at an incorrect result. In dealing with the figures for 1922-23 he took receipts and added the outstanding debits, giving a total of £404,120. I am pointing out he was not assuming that these figures were figures that could be taken.

Hon. A. Lovekin: On your own showing there is a difference of more than £30,000.

The MINISTER FOR EDUCATION: It is hardly necessary to say why the hon. member did not take the actual assessments as shown in the 15th Annual Report of the Commissioner of Taxation, amounting to £389,000.

Hon. A. Lovekin: I cannot get the figures that follow; they are not yet available.

The MINISTER FOR EDUCATION: The figures the hon. member should have taken were those in the 1921/22 report.

Hon. G. W. Miles: How can comparisons be made if the assessments for 1922-23 are not yet available?

Hon. H. Stewart: Mr. Lovekin then should have taken the assessments and not the collections.

The MINISTER FOR EDUCATION: Yes, the hon. member has not a leg to stand on; the bottom has been knocked out of his argument.

Hon. G. W. Miles: Give us the assessments for 1922-23?

The MINISTER FOR EDUCATION: How can the hon. member have the temerity to say that we have lost £64,000?

Hon. G. W. Miles: He says you have gained it.

The MINISTER FOR EDUCATION: The assessments for this year will not be ready for another four or five months; it is useless therefore to say that we have gained £64,000 when we know that it is not so.

Hon. A. Lovekin: Why did your predecessor take that as a basis?

The MINISTER FOR EDUCATION: I do not know what he did; I am stating what appears to me to be right. I stand here to honour an implied promise from the Government.

Hon. G. W. Miles: If the hon. member's argument is right, will you give us a rebate next year?

The MINISTER FOR EDUCATION: If it can be proved that Mr. Colebatch said what is attributed to him, the Government will have to consider whether they will honour that promise. But I cannot prove it, and I do not think the hon. member can either; because what is likely to be the result of 1922-23 cannot be ascertained for another four or five months.

Hon. F. E. S. Willmott: It looks as if we were going to pay super tax for the remainder of our lives.

The MINISTER FOR EDUCATION : If Mr. Lovekin were right, we would have gained not £64,000, but £18,000 and that would not be sufficient to cover the loss we made. A correct comparison is as follows:—In 1921-22 the assessments amounted to £389,486. In 1923—to the 30th November last—the assessments amounted to £320,673, showing an actual deficiency as compared with 1921-22 assessment of £68,873.

Hon. G. W. Miles: But you have seven months of assessments to make up.

The MINISTER FOR EDUCATION : That may be so.

Hon. H. Stewart: It is so.

The MINISTER FOR EDUCATION : Yes; we do not know the position. Therefore, I contend that Mr. Lovekin cannot calculate in the way that he has done and neither can the Commissioner nor I tell what the position will be in 1924.

Hon. A. Lovekin: Why did your predecessor calculate for this year? If he did it, why cannot you do it?

The MINISTER FOR EDUCATION : The hon. member must understand that at the beginning or the middle of the year we cannot tell what the assessments will be. The Commissioner can prove that he has not more than two-thirds of the assessments in, and cannot declare what the position is likely to be. The hon. member has arrived at a conclusion based on figures which he says he got from the reports; and he tells the House the Government have gained £64,000.

Hon. G. W. Miles: Have you not an estimate from the Commissioner?

The MINISTER FOR EDUCATION : I have, and I am sorry to say it is serious. The Commissioner says that we are £68,873 behind. Admitted we have money to come in; he estimates that we shall be behind.

Hon. G. W. Miles: What does he estimate the figures will be?

The MINISTER FOR EDUCATION : He estimates a shortage of between £20,000 and £30,000.

Hon. A. Lovekin: According to the Budget he already has £390,000 in cash.

The MINISTER FOR EDUCATION : I can only tell hon. members what the Commissioner has told me, and that is that we are £68,000 to the bad. I am sorry to have to tell the House that we shall probably be over £20,000 behind the collections of last year. The Commissioner gives reasons and they are mainly that business has not been so good.

Hon. G. W. Miles: All the northern assessments are not yet in. That is where the wealth is made.

The MINISTER FOR EDUCATION : Seeing that the position of the assessments at the present time is unknown, I ask how is it possible for the hon. member to arrive at the conclusion that we have gained £94,000 by the increase of .001d.?

Hon. A. Lovekin: And the other taxes, the dividend tax merged into the income tax.

The MINISTER FOR EDUCATION : I could answer all the hon. member's questions, but I will not weary the Committee by doing so. I have set out to answer two points alone, and I consider that I have done that. I am satisfied too that the Commissioner is carrying out his duties faithfully and well.

Hon. A. Lovekin: That has nothing to do with the case.

The MINISTER FOR EDUCATION : The hon. member has had the temerity to say that the taxation people have falsified the accounts.

Hon. A. Lovekin: I did not say that.

Hon. G. W. Miles: The Auditor-General said that in regard to other departments.

The MINISTER FOR EDUCATION : The hon. member said that my statements were falsified because they emanated from the Taxation Department. The 14th and 15th reports of the Commissioner verify the figures I have given. I am sure Mr. Lovekin will express regret that he has made any suggestion as to accounts being falsified.

Hon. A. Lovekin: I said nothing of the kind. Ask the Chairman what "falsify" means.

The MINISTER FOR EDUCATION : So far as I know it means one thing only, but I accept Mr. Lovekin's word on the point. I appeal to members not to take from the State an amount of £60,000 from the revenue at this juncture. I do not know what will happen if they do. Mr. Lovekin has not proved that the State will gain anything by the loss, and it is unfair to ask the Government to deprive themselves of this amount.

Hon. V. Hamersley: You say we have not got the correct figures.

The MINISTER FOR EDUCATION : I am sure Mr. Lovekin cannot prove his case. The figures are not available to enable him to do so.

Hon. A. LOVEKIN: The Minister says the Commissioner reports he does not know whether he will get this year the £389,546 that he got last year. I have before me the Estimates of Revenue and Expenditure to the 30th June, 1924.

The Minister for Education: Those are collections, not assessments.

Hon. A. LOVEKIN: The Estimates show that there has already been collected and paid into the Treasury a sum of £390,003. The Minister says he does not expect that when the assessments are completed for 1923 they will realise as much as £389,000.

The Minister for Education: That is so.

Hon. A. LOVEKIN: But the Estimates, as I have shown, indicate that the Treasurer has already collected £390,003. It is hardly any use going into the matter with the Minister now, and I suggest the most practicable way of doing business is to strike out this clause. The matter will then go to the Assembly, and ultimately lead to the holding of a conference. Around the conference table is the place for the Commissioner of Taxation to satisfy us, or for us to satisfy the Commissioner. In that way we can reach

finality and see that justice is done to the people of the State.

Hon. J. CORNELL: The super tax was imposed in 1920, and has been imposed every year since. The Bill of 1920 passed its second reading by 10 votes to 9. The whole reason for the opposition to it was the super tax. Mr. Colebatch, then Leader of the House, had to thank the fat men who have to carry the baby for getting that through. The remarks of Mr. Cunningham, who was a member of the Council at that time, are interesting, as accounting for his opposition to the Bill. The reason given by the then Leader of the House for the imposition of the super tax was that the Government thought it inadvisable to interfere with the manner in which taxation was imposed, and that the super tax was a means of getting extra revenue and placing the burden on the shoulders of those who had the wherewithal. It is somewhat painful to read the remarks of the then Leader of the House in appealing to members to pass the clause dealing with the super tax. Mr. Colebatch urged that the burden would be shouldered by a section of the community well able to do so. Reference to "Hansard" will show that in 1920 the measure was passed by one vote. When the Bill was introduced in 1921 the speech of the Minister in introducing the Bill occupied half a column in "Hansard." That indicated that no serious objection was raised then. Last year some objection was raised to the Bill and valid arguments in favour of the deletion of the super tax were raised. In another place, on the third attempt, the Opposition were successful in securing relief for a section of the community entitled to it. It was to provide for that consideration that the passage of the super tax was urged in this Chamber. The Minister of the day freely admitted that the burden involved in the granting of relief to a section of the community would be shouldered by another section well represented in this Chamber. That section loyally shouldered the burden, and I claim now that they have rights which should be considered. The Government claim they cannot do without the money involved in the super tax. After reading the various debates I am forced to the conclusion that the Government will go on imposing the super tax until such time as this Chamber or another place says it shall no longer be imposed.

The Minister for Education: That is not the position.

Hon. J. CORNELL: The Government now say that the loss of the super tax will mean £60,000 less revenue. However, there are other factors to be taken into consideration. When the super tax was imposed originally it was on account of war considerations. We should consider the effect of the super tax particularly in regard to the transfer of securities and the transfer of capital to other parts of the Commonwealth. If the super tax were abolished its effect could be measured almost immediately in pounds, shillings,

and pence. But what would be the indirect gain to the State? Probably it would prove to be a blessing in disguise. I agree with Mr. Lynn that the time has arrived when the whole field of taxation should be reviewed.

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

Ayes	..	..	..	14
Noes	..	..	..	8
Majority for	..	..	..	6

#### AYES.

Hon. W. Carroll	Hon. J. Mills
Hon. J. Cornell	Hon. J. Nicholson
Hon. J. Duffell	Hon. G. Potter
Hon. V. Hamersley	Hon. H. Seddon
Hon. J. J. Holmes	Hon. F. E. S. Willmott
Hon. A. Lovekin	Hon. R. J. Lynn
Hon. J. M. Macfarlane	(Teller.)
Hon. G. W. Miles	

#### NOES.

Hon. H. Boan	Hon. A. J. H. Saw
Hon. A. Burvill	Hon. H. Stewart
Hon. J. Ewing	Hon. E. Rose
Hon. E. H. Gray	(Teller.)
Hon. J. W. Hickey	

Amendment thus passed.

Clause, as amended, agreed to.

Clause 7—Section 56 of 1907, No. 15, not to apply:

Hon. J. CORNELL: On the second reading I pointed out that it would be expedient to revert to the practice of permitting the tax to be paid in two moieties. Therefore I shall oppose the clause.

The MINISTER FOR EDUCATION: Now that so much of the year has expired, it is necessary to get in the tax in one payment. Still, as we have to discuss another matter with the Assembly, we may discuss this as well.

Clause put and negatived.

Clause 8—agreed to.

Bill reported with amendments, and a message accordingly forwarded to the Assembly requesting them to make the amendments, leave being given to sit again on receipt of a message from the Assembly.

#### POSTPONEMENT OF ORDERS.

The MINISTER FOR EDUCATION: I move—

*That Orders of the Day Nos. 5 and 6 be postponed until after consideration of Order No. 7.*

Hon. J. J. HOLMES: Members watch the order of the Notice Paper, and some may have gone home thinking the Appropriation Bill would not be further discussed to-night.

Hon. J. Duffell: They had better see it out.

Hon. J. J. HOLMES: I have yet to learn that Mr. Duffell controls the Chamber. If the Minister arranges the Notice Paper in a certain way, let us stick to the order so that members can judge when a certain Bill may be reached.

The MINISTER FOR EDUCATION: My only reason for asking for the transposition is that on the two occasions when the Loan Bill has been discussed, it has not met with the approval of the House. Consequently I thought members desired to discuss the Appropriation Bill first of all.

Hon. A. Lovekin: The Appropriation Bill is the last measure to be passed.

The MINISTER FOR EDUCATION: It is not for the hon. member to say that. At any rate, I ask that the Appropriation Bill be now considered. I do this, not in any spirit of hostility, but because I believe members desire to discuss the Appropriation Bill before dealing further with the Loan Bill.

Hon. A. LOVEKIN: It would be well to discuss the Loan Bill before the Appropriation Bill. It has been intimated that an amendment may be moved to the Loan Bill that will have to go to another place. If we take the Loan Bill before the Appropriation Bill it will facilitate the business, because there is no likelihood of any amendment being moved to the Appropriation Bill. Let us get forward the business that has to go to another place.

Hon. J. DUFFELL: The Leader of the House is entitled to our best consideration. He has considered us even at personal inconvenience, and it is our duty to assist him as he has endeavoured to assist us.

Question put and passed.

## BILL—APPROPRIATION.

### *Second Reading.*

Debate resumed from the 6th December.

Hon. J. MILLS (Central) [10.55]: The Minister in introducing this Bill referred to the buoyancy of the finances and the progress that has been made by the State. I agree to a certain extent with what he said. This progress is attributable in the main to the expenditure of loan moneys. The prosperity that has followed is more apparent in other portions of the State than the northern portions, because these loan moneys have been expended more particularly about Perth and south of it. I notice that £700,000 will be spent on the water supply of Perth this financial year, and it is contemplated that no less than £3,000,000 will be spent before the scheme is completed. This sort of thing goes on from year to year. Out of the loan expenditure for this year, amounting to over £3,700,000, I believe that not more than £100,000 will be spent in the country north of Moora.

Hon. J. Duffell: Shame.

Hon. J. MILLS: I have been associated with Parliament for six sessions, and during that time the country has been committed to

the expenditure of huge sums of money. Most of this has been spent either around the city or in the South-West, or anywhere than in the northern parts of the State.

Hon. J. Duffell: Seventy-five per cent. of loan money is spent in the country.

Hon. J. MILLS: Four-fifths of the State is north of Moora, and from this area huge revenues are drawn. Only a small portion of the money is spent there, although the taxpayers have to assist in paying interest upon the expenditure elsewhere. No matter what Government is in power, it is always the same, and I think it always will be the same. There is some consolation in this, because it will hasten the day when the State will be divided. The money lenders of Great Britain will keep an affectionate eye upon the expenditure in this State. In time to come there will be a big baby to nurse, for those who to-day are getting the plums out of the pudding. Against the £700,000 provided for water supplies in the city, £30,000 is set aside for water supplies in the country. Some of this is to be applied to drainage. I do not know where the drainage works are to be constructed, but I suppose somewhere in the South-West or at Herdsman's Lake. If the Government had provided water supplies for the settlers in the dry areas, where there are something like a couple of thousand farms, it would have led to the addition of at least one million sheep to the State's flocks, and the benefit to the State would have been enormous. The country supports the city and yet against an expenditure of £700,000 in the City, only £30,000 is being set aside for the provision of water for the women and children in the country. The people there have not sufficient water in which to wash their hands, whereas in Perth each person has an unlimited supply in which to wallow.

Hon. E. H. Gray: North Perth people do not say that.

Hon. J. MILLS: Let them go into the bush. The Government are making everything cheap for the city people. They have cheap transport facilities, cheap gas, cheap electric light and many other things, to make the position attractive. Notwithstanding this there are complaints about the concentration of population within 20 miles of the town hall.

Hon. J. Duffell: They are all an asset to the State.

Hon. J. MILLS: There is a considerable amount of opposition to the Industries Assistance Board and to its continuance. I cannot understand that. Through the Industries Assistance Board, the soldier settlement scheme, and the Agricultural Bank somewhere between 4,000 and 5,000 men are kept in constant employment. Most of these men are married and have families. The loss to the State at present in connection with these activities is only a fraction of what it cost Queensland to feed the unemployed in the past. A certain amount of expense has been incurred in appointing committees to report upon the Industries Assistance Board ac-



counts. The first report came in over a year ago. If the final report is not furnished soon someone ought to suffer for the delay. The position of some of the clients of the board is almost impossible. After years of struggling, since the disaster of 1914, many of these men, through tenacity, have reached a solvent position and have paid their creditors 10s. in the pound. Notwithstanding this fact some of the creditors are not willing to wait until they can be paid in full out of the profits from the settlers' farms, but are forcing them into the insolvency court. This applies only to certain creditors. There are four men who are under the Industries Assistance Board and it was thought that they could not be touched because of the protection afforded by the board. These men are now in the insolvency court. The Government could well afford to arrange for protection to be given to such settlers in the last lap of their financial difficulties. It is wrong and cruel that men who have stuck to their farms for so many years, through many trials and difficulties, and who have been building up homes for their children, should now lose their farms. The children have been brought up to expect that they would come into these farms and now they are to be deprived of them. The best settlers we have are the children of those who have pioneered in the agricultural districts. The Government could easily have asked Parliament to protect such people. When the moratorium ceased to exist, the settlers had no further protection and some of them, who have assets in excess of liabilities, are being sold up for the payment of their debts, and forced into the insolvency court. I notice that the mayor of Bunbury and others interested have been requested to report upon the advisableness of establishing electric works at Collie with a view to distributing cheap light and power to neighbouring towns. With that proposal I have no quarrel, but I wish to compare the treatment accorded to the people of the South-West and the metropolitan area with the treatment that is meted out to people further off. In my district, at Eradu, a coal seam of 16ft. was struck, and another of 12ft. at Irwin; but the Government will not give any assistance towards investigating or developing these discoveries. The secretary of the federation of local bodies in Geraldton was instructed to write to the Minister for Mines asking that something further should be done with regard to these discoveries. I wish to bring under the notice of the House the Minister's reply—

The Eradu coal bore. The town clerk said that as secretary of the conference of the federation of local bodies, he had received a letter from the Under Secretary of Mines, which he would read for the information of the council. The letter stated that the federation's request that the Government should further test the local coal bore at Eradu had already been duly considered and the Minister had been advised

by his technical officers that there was no geological ground for believing that further boring operations below the horizon of the coal seam met with at 118ft. in the No. 1 calyx bore at Eradu, would be successful, a view which later boring and collateral investigations had only served to substantiate. "There does not, therefore, seem to be any justification for the Government doing anything further to test the bore at Eradu, and private enterprise may reasonably be expected to follow up the pioneer work. The Minister, therefore, regrets that he is unable to approve of any action being taken in the direction suggested by you."

I understand that electricity is being supplied in the metropolitan district at 4d. per unit, I do not know whether for light or power.

Hon. J. M. Macfarlane: The charge is 4d. for light, and 1d. for power

Hon. J. MILLS: Geraldton is paying 1s. per unit for light. If the Eradu coal field were developed, the people of Geraldton and the district could develop their own power and light at very cheap cost. Our difficulty is the cost of haulage of coal to our district. Perhaps it is considered that the development of a coal field there would jeopardise the interests of Collie.

The Minister for Education: That consideration would not influence the Government at all.

Hon. J. MILLS: It may have had influence in other quarters. A little while ago I asked how much coal the Government used on the northern lines beyond Buntine for the year ended on the 30th June last, and the answer I received was—Collie coal, 13,662 tons; Newcastle coal, 1,361 tons. That would be a total of something over 15,000 tons. The haulage of that coal from Collie and Fremantle to the Geraldton district must cost a considerable amount, and the expenditure could be saved by the development of a coal-field locally. The quality of the coal in the northern field is nearly equal to that of Collie, but the Government do not want to open up a field at Eradu. The Government Geologist's report said that evidently there was a fold in the country. The Government decided to test the discovery away from the original bore. Those who know more about the matter than I do say the bore should not have been put down where it was put down, but about ten miles along the river, where there are better indications and where in all probability good coal would have been found. At present we have seven lines of railway in course of construction, and with the legislation now passing through this House there will soon be several more. Not one of those lines is for the North. The northern districts have been asking for two short lines for years, one from Yuna eastward and another from Pithara eastward. In those districts there is a great agricultural development going on, and the Agricultural Bank are advancing a good deal of money there.

But the whole of the public money is being spent south of Moora. Yet we of the North are asked to pay our share of taxation.

Hon. J. J. Holmes: What is your harbour going to cost?

Hon. J. MILLS: It is true we are getting £30,000 for the Geraldton harbour this year. That harbour was promised 37 years ago, and the Government started on it last year. The proposal was to expend £400,000 at the rate of £80,000 per annum. So far as I can see, the Government are providing only £30,000 for the first year, though necessarily the initial expenditure must be the heaviest. For instance, there was a quarry to be opened, and that quarry had a huge overburden of sand which had to be removed. Lines had to be put into the quarry. Various preparations had to be made in Geraldton, including the removal of the viaduct. In spite of these considerations, only £30,000 is provided this year. I have spoken here several times about repurchased estates in the Geraldton district. There are a number of them, and every one, I believe, has proved highly successful. About a year ago I spoke here on what had been achieved in that connection, and I do not wish to repeat what I then said. There are in the northern portion of the State, and especially in the Geraldton district, various estates which have been offered to the Government, who however will not consider them at all. The Geraldton district is almost at a loss for land to settle its young men upon. I am not suggesting that any holder should be deprived of his land, but I do suggest that when estates are offered the Government should seriously consider the question of buying. As regards three estates offered recently, the Government would not even look at them; why, I do not know, unless the explanation is that the Government are trying to spend the whole of the State's money south of Moora. The good land to which I particularly refer is between Carnamah and Mullewa. A great deal of that land is agricultural. Some holders there are willing to sell, but the Government will not even make inquiries. There is another estate near Yandanooka that has been under offer to the Government for the past two years.

Hon. J. W. Hickey: There are other estates as well.

Hon. J. MILLS: That is so. Some outside Geraldton are owned by the Grant brothers. Some of that land was offered to the Government but it was turned down. I do not think the Grant brothers desire to prevent anyone from securing that land, and they only want what is, in their opinion, a reasonable price. I would not advocate the payment of an amount that was unreasonable.

Hon. A. J. H. Saw: You don't know whether it was on account of the price that the land was turned down?

Hon. J. MILLS: I have not heard what the price was. The Government should look into these matters.

Hon. A. BURVILL (South-East) [11.16]: I wish to refer particularly to the amounts mentioned in the first schedule. I notice that £700,000 is provided for the metropolitan water supply, whereas the amount set aside for water supply, drainage and irrigation in agricultural districts totals only £30,000. Of the industries that bring revenue to the State 95 per cent. are in the country and only 5 per cent. in the towns. In the fostering of those industries in the wheat belt and in the South-West, water represents one of the main difficulties. In the first instance the trouble is to get water to the area, and in the latter to get it away from that portion of the State. The difference between the provision of £700,000 for the metropolis and £30,000 for the agricultural districts is marked.

Hon. V. Hamersley: And in addition there is another three millions of loan moneys involved.

Hon. A. BURVILL: I was much interested earlier in the session when Mr. Lovekin desired to disallow certain increases in the rates levied for water supply in the metropolitan area. I congratulate that hon. member on his success. He practically forced the hands of the Government in the city areas. I recognise that the metropolis must have a water supply and I am in sympathy with hon. members who have spoken in favour of the supply being placed under a board or under municipal control. Country members, especially those from the wheat belt, realised that in helping Mr. Lovekin to secure the disallowance of the regulation, the price of water in the metropolitan area was reduced by 6d. per thousand gallons. As the result, the people here receive cheaper water and the Government have had to face an increase in the deficit. When Mr. Lovekin's motion went to a division it was carried against the Government by 14 votes to five. Practically all the members from the wheat belt areas, and, in fact, nearly all the country members, voted with Mr. Lovekin to secure the reduction in the price of water. A little later Mr. Stewart was particularly anxious concerning the amount provided for water supplies in the wheat belt and also for drainage. He criticised the Government regarding the provisions made in the Loan Estimates. Yet, by voting with Mr. Lovekin, he practically forced the hands of the Government to agree to the reduction. Mr. Stewart showed that the successive debits on the metropolitan water supply were £1,600, £6,600, £3,700, £6,700 and £8,200. He also said—

People in the metropolitan area contend that they pay for these services themselves and the country folk have been led to believe that there is some truth in the statement. The statistics, however, show that the metropolitan people do not pay for their water supplies.

Despite this, we find that some members are now howling because not enough money has been placed on the Estimates for water supplies in the wheat areas! When it came to

dealing with the metropolitan water supply those hon. members, by their vote, made the position worse. I congratulate Mr. Lovekin on the way he dished the crowd of them! As to the Loan Estimates, I notice that the following provisions are made:—Agricultural group settlement, £800,000; assistance to settlers, industries, etc., £450,000; land settlement for soldiers, advances, improvements and purchase of estates, etc., £500,000; and agricultural college, £30,000. I congratulate the Government on placing an amount on the Estimates for the agricultural college. I claim that some help should be afforded those engaged in the industries in the South-West, particularly the fruit growers. A lot of money has been sunk in fruit growing. Recently we had a Commonwealth fruit pool administered in the Eastern States on which a loss of £632,000 was experienced in respect of soft fruits alone. Western Australia has not benefited by one penny from that movement. We have received some benefit from jams manufactured in the Eastern States because they have been dumped here and sold at 2s. less than the price at which they were disposed of in the State of manufacture. That killed the jam factory in Western Australia and has intimidated further private enterprise in that direction. We pay our share of taxation to kill secondary industries in Western Australia. Further than that, the sugar industry has been bolstered up by the Federal Government, and in consequence we pay more for our sugar than do people anywhere else in the world. We are receiving from the Eastern States annually fruits and jams of the value of £316,000, and butter and bacon of the value of £964,000. Over in the East a subsidy of £125,000 has been given to help the soft fruits for canning. The Federal Government are willing to guarantee approximately 5s. per case for soft fruits delivered to the canner. That is equivalent to that price in the orchard, for neither packing nor cases are required. We do not benefit by that at all. Mt. Barker alone last year shipped 108,000 cases of fruit for a return of 3s. 11d. per case on rails at Mt. Barker. The cost of producing the fruit was about 5s. per case. Yet in the East soft fruits are guaranteed 5s. Why should the orchardists over there have preferential treatment? The New Zealand Government have guaranteed their growers 16s. 6d. per case on all fruits exported up to 250,000 cases. A considerable sum of money has been invested in fruit growing in Western Australia, and among our orchardists are many returned soldiers. They have had two very bad seasons now, and there is little hope of redress for them. Our Federal members appear to be powerless to assist us. The dumping of Eastern States fruit in Western Australia is not unconstitutional, but a subsidy on this State's fruit or butter would be unconstitutional. The State Government must do something. The Commonwealth surplus revenue ought to be divided amongst the States. That is one remedy by which

we might succeed, the other being State trading—much as I dislike State trading. We cannot get a subsidy from the Commonwealth Government, nor can we stop the dumping from the Eastern States. Consequently private enterprise cannot help the fruit growers. Virtually the only remedy is a State trading concern for the conversion of fruit into jams and the like.

Hon. J. Cornell: Mr. Baxter started a jam factory at North Perth, but they pulled him up.

Hon. A. BURVILL: I should like to know how the Government propose to get over this difficulty affecting the fruit trade and the small farmers, and that will affect group settlement. The Commonwealth Government are supposed to be favourable to primary industries, but we are not getting any benefit in this State. The tariff hits up the primary producers.

Hon. E. H. Gray: The farmers' best Government is the Labour Government.

Hon. A. BURVILL: The tariff will hit up the small growers wherever they are. I cannot see where we are to get any redress. It is all very well to have these votes for agricultural development, but if we could get a fair deal from the Federal Government it would do more for us than would anything else. As a matter of fact, we should be a long way better off without Federation. If we could get rid of Federation we should be all right.

Hon. W. Carroll: Tell us how we can do it.

Hon. A. BURVILL: I should like to say something about assistance to settlers generally, and the repurchase of estates. Mr. Baxter, a little while ago, secured a return relating to the Peel Estate. One set of the answers given is rather illuminating. I am not quite clear as to which expenditures are to be charged to the group settlers or to the soldier settlers on the Peel Estate, and which are to be national. According to that return £33,000 has been spent on development, £120,995 in group expenses, or a total of £154,520. In addition, there are roads and quarries £33,144, tramways £58,076, drainage £217,175, and the working plant £5,820, or a total of £364,215. I take it the roads and quarries, and also the tramways and the working plant, will be national. But I want some information about the item £217,000 for drainage. I have visited the Peel estate and studied the map. The combined area of the Peel and Bateman estates is 84,000 acres. The land is useless until it is drained, but drains are being constructed. Roads are being made and a light tramway has been laid. Within the water shed running into the Peel estate are approximately 200 square miles, an area much bigger than the Peel estate. I assume that £200,000 of the expenditure on drains will be for the construction of main drains necessitated by the water shed outside the estate. Are the settlers on the Peel estate to be charged for those drains? If so it is not a fair proposition. The main drains are being built for all time

and the present generation should not be saddled with the whole of their cost. It should be regarded as a national work as are railways and roads.

The Minister for Education: Nationalise them?

Hon. A. BURVILL: They should be nationalised. The cost of constructing and keeping in order the subsidiary drains would be a fair charge upon the settlers. There is an estate of 11,000 acres dovetailing into the Peel estate. It appears to be impossible to drain the Peel estate without draining also the smaller estate. Is that estate going to bear any portion of the cost?

Hon. G. Potter: The Government have compulsorily resumed certain lands such as that estate.

Hon. A. BURVILL: If the Government scheme is going to drain the smaller estate, the value of the land will be greatly enhanced. In the Peel estate is some of the finest swamp land to be found in Western Australia.

Hon. G. Potter: The Government have not hesitated to compulsorily resume land under those conditions. I know several people down there that lost their land.

Hon. A. BURVILL: The Government would be wise to resume that small estate because it dovetails into the Peel estate. The drainage scheme must improve that land enormously. The Government should inquire into that matter and also into the question of piling the whole of the cost of main drains upon the present settlers. I doubt whether they will be able to carry such a burden. The Peel estate swamp lands will be enormously valuable because of their close proximity to the city where local products may be marketed, and because of their handiness to the port whence butter may be exported. The greater proportion of the State's population is located near to Perth and the settlers of the Peel estate will have the advantage of a big local market. Even so, it will not be fair to load them with the whole cost of the main drains. The drains are being constructed very economically. They are costing less than 6d. per yard, while all the works done to date will amount to little more than 1s. per yard. If the department continue with the machinery they are now using, I think the cost of the work will pan out at less than 1s. per yard. That would be considerably less than any drainage work done elsewhere in the State. I compliment the Government upon having provided a road for the settlers, and I was pleased to see it being carried further into the estate. Roads will help the settlers more than anything else. It should be part of the group settlement policy to provide adequate roads, because good roads mean the cheapening of transport costs and the saving of the settlers' time. The Peel estate is about the dreariest place I have struck for Federal facilities. To-day at 8 a.m. I wanted to telephone three miles, and for that I was charged 5d. Then I was told I would have to pay a fee of 2s. 4d. for opening the office. The man I rang did not answer because it would have cost

him also a fee of 2s. 4d. I do not complain, but I am curious to know whether these charges are imposed upon the group settlers. If an accident happens, does it cost 2s. 4d. to open an office, and 2s. 4d. to get an answer?

Hon. W. Carroll: The explanation is that the offices do not open till 9 a.m.

Hon. J. Cornell: You ought to sleep more soundly.

Hon. A. BURVILL: When one may travel in a privately owned motor a distance of 22 miles over a Government road at a cost of 2s. 6d., and when one is charged 2s. 4d. to telephone a distance of three miles, there is certainly something wrong somewhere.

Hon. W. Carroll: You want a reduction for a shorter distance.

Hon. A. BURVILL: I congratulate the Government upon one item in the Loan Estimates, "New roads and bridges in country and goldfields districts, including feeders to railways, £100,000."

Hon. E. Rose: That will not go far.

Hon. A. BURVILL: But it is something, and it indicates that the Government have not forgotten us. We hear of a lot of money being spent on metropolitan water supplies—£3,000,000 I understand.

The Minister for Education: The residents of the metropolitan area have to pay for it.

Hon. A. BURVILL: Quite so, but if many more such amounts are provided, the undertaking will show a deficiency.

Hon. G. Potter: Was that on the regulations dealing with water charges?

Hon. A. BURVILL: Yes.

Hon. G. Potter: Country members recorded their votes as a protest.

Hon. A. BURVILL: I am aware of that.

Hon. G. Potter: You are misconstruing the position. Why do you say the antithesis?

Hon. A. BURVILL: Metropolitan members are not likely to want a water board while the Government are making a deficit on the system, and country members are helping them.

Hon. H. Stewart: That is your interpretation.

Hon. A. BURVILL: All our revenue comes from the country. If the money that is being spent on water supplies in the city had been spent in the construction of feeder roads in the country the State would be very much better off. Everywhere we see the want of roads.

Hon. G. Potter: Are you in favour of a direct road from Perth to the Peel estate being maintained by the Government, or would you leave the Peel estate in splendid isolation?

Hon. A. BURVILL: The Peel estate is very fortunate in getting a road. The nearer one is to the throne the better, and that estate has scored well. I wish the Denmark group settlements were closer to Perth, so that members might take some interest in them. The Government could not do better for the development of the country than spend

money in the construction of roads. Too much of the time of settlers is taken up in transporting their produce to market over bad roads. The great need is feeder roads. It may perhaps be looked upon as non-productive work, but it is one of the soundest and best investments the Government could make.

On motion by Hon. J. W. Hickey, debate adjourned.

#### BILL—INSPECTION OF MACHINERY ACT AMENDMENT.

##### *Assembly's Message.*

Message returned from the Assembly notifying that it had agreed to the amendment made by the Council.

BILL—LOAN, £3,763,000.

##### *Second Reading.*

Order of the day read for the resumption, from the 6th December, of the debate on the second reading.

On motion by Hon. W. Carroll, debate adjourned.

#### BILLS (3)—FIRST READING.

- 1, Architects Act Amendment.
  - 2, Road Closure (No. 2).
  - 3, Brookton-Dale River Railway.
- Received from the Assembly.

#### BILL—THE WEST AUSTRALIAN TRUSTEE, EXECUTOR, and AGENCY CO., LTD., ACT AMENDMENT (PRIVATE).

Returned from the Assembly with amendments.

*House adjourned at 11.49 p.m.*

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*Tuesday, 11th December, 1923.*

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

#### QUESTION—SANDALWOOD, PULLERS' STOCKS.

Mr. CUNNINGHAM asked the Premier: Having regard to the fact that the Government have been issuing permits to pull sandalwood during the last few months, and that in pursuance of such permits the pullers have accumulated large stocks of sandalwood at various stations or sidings on the Eastern Goldfields line, these stocks being at present unsaleable, is it the intention of the Government to arrange to assist the pullers by either purchasing the stocks or advancing money thereon pending sale, so as to enable the pullers to live until they are able to realise their stocks?

The PREMIER replied: No licenses or permits for the pulling of sandalwood were issued between 30th June and 1st November, 1923. The matter will be considered.

#### QUESTION—STOCK DISEASE, BELMONT.

Mr. PICKERING asked the Minister for Agriculture: At what date did his department become cognisant of the outbreak of disease in cattle at Belmont?

The MINISTER FOR AGRICULTURE replied: On the 22nd November, 1923.