

The member for Kimberley himself said how difficult it is to obtain release at the hands of the Minister. Do not let us force decent citizens back into native conditions. The onus should be borne by the Government, and not by the individual.

Mr. MARSHALL: The member for Kimberley is quite correct in pointing out that the progeny of quadrooms would not be subject to this Bill, even if it became law. Before getting away from the Act, however, they have to follow a procedure which is objectionable. Many of them have proper personal pride. I know of two well-educated boys who ask, "Why should we have to appeal to a magistrate to get the liberty which other people have in our country?"

Hon. N. KEENAN: I wish to correct a wrong impression possibly conveyed by the member for Kimberley. The parent Act does not touch quadrooms at all. The proposal now is to rope in another generation. The net is being extended most unduly. We should lift these people up, and let them be absorbed in our own population, as they can be without injury. I hope the Committee will not do what the parent Act never contemplated—include quadrooms in the definition of "aboriginal."

Progress reported.

*House adjourned at 11.5 p.m.*

## Legislative Council.

*Tuesday, 8th December, 1936.*

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

### ASSENT TO BILLS.

Message from the Lieut.-Governor received and read notifying assent to the undermentioned Bills:—

- 1, Vermin Act Amendment.
- 2, Bunbury (Old Cemetery) Lands Revestment.
- 3, City of Perth Endowment Lands Act Amendment.

### MOTION—STANDING ORDERS SUSPENSION.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [4.41]: I move—

That, during the month of December, so much of the Standing Orders be suspended as is necessary to enable Bills to be passed through all stages at one sitting and all messages from the Legislative Assembly to be taken into consideration forthwith; and that Standing Order No. 62 (limit of time for commencing new business) be suspended during the same period.

The PRESIDENT: This motion will require to be carried by an absolute majority of members, no notice having been given of it.

HON. C. F. BAXTER (East) [4.42]: The motion is the usual one to be submitted towards the end of each session. We have not the volume of legislation before us now that we often have at this stage of the proceedings, but I would like the Chief Secre-

tary not to ask members to follow a procedure that will require them to sit after midnight. I realise that that can hardly be avoided during the last night of a session, but I think it would be advisable if the course I suggest were followed. Every member will agree that, with long sittings, tempers become frayed and the judgment displayed is not in accord with what we could desire when giving consideration to matters that come before us after midnight, especially after commencing a sitting in the afternoon. I know perfectly well the Chief Secretary will not force important measures through, and will give members every consideration in that direction. I trust each member of the House will work to the end that we shall not have to sit after midnight at any one sitting.

Question put.

The PRESIDENT: There being no dissentient voice, and more than an absolute majority being present, I declare the question agreed to in the affirmative.

Question thus passed.

### **BILLS (3)—THIRD READING.**

1. Purchasers' Protection Act Amendment.
2. Dairy Industry Act Amendment.

Returned to the Assembly with amendments.

3. Industries Assistance Act Continuance.

*Passed.*

### **BILL—FINANCIAL EMERGENCY TAX (No. 2).**

*Laid Aside.*

Order of the Day read for the resumption from the 24th November of the debate on the second reading.

The CHIEF SECRETARY: I move—  
That the Bill be laid aside.

Question put and passed; Bill laid aside.

### **BILL—GERALDTON HEALTH AUTHORITY LOAN.**

*Second Reading.*

Debate resumed from the 3rd December.

HON. J. M. DREW (Central) [4.49]:  
My object in speaking to the Bill is that I propose to move amendments, amendments

which would not be necessary if a Government grant had not come into the question. A brief resume of the history of the sewerage scheme at Geraldton should be helpful to members. Towards the end of 1935 the Geraldton Municipal Council, as a health authority, arranged a loan of £9,000 from the Commonwealth Bank for the purpose of constructing a sewer drain to serve a portion of the Geraldton health district. There was no opposition to the scheme, which was much desired and generally applauded. Soon afterwards the Commonwealth Government made a grant of a sum of money to encourage the installation of sewerage in Western Australia. The Geraldton health authority received £4,500 as a fifty-fifty subsidy on the work. The object of my first amendment will be to protect the rights of those who have to bear the cost of the scheme, by ensuring that they shall get the benefit of the Commonwealth grant. It is, I understand, the intention of the health authority that this will be done. But legislation passed in 1933, when a Government grant to encourage sewerage operations was never contemplated, may eventually prove a serious obstacle in the way, insofar as the Commonwealth grant has been recognised as a gift. In the Act of 1933, under that portion of that measure headed "Limited or party schemes"—and this Bill applies to one of such schemes—there is a provision that where the cost of the work comes out of loan money, the owners of property within the area of that scheme shall repay the local authority the loan money expended in instalments, with interest over a period not longer than the period of the loan. That is all right. But where it is not loan money—and the Commonwealth grant is not loan money—the amount can be recoverable by any action in any court of competent jurisdiction from the owners of rateable land within the district served. Section 20 of the Health Act Amendment Act of 1933 reads as follows:—

(1) Where the local authority proposes to carry out any sewerage or drainage works which will be of special benefit to a particular portion only of its district, the local authority may decide that the cost of constructing such works (in so far as it is not defrayed out of loan moneys) shall be recoverable by action in any court of competent jurisdiction from the owners of rateable lands situated within the aforesaid portion of the district, and such moneys shall be recoverable accordingly: Provided that the respective amounts to be recoverable from the various owners shall be proportionate to the values of

the rateable lands owned by them respectively within such portion of the district. No direction or order given or made under this section shall be subject to appeal.

There is no appeal against any decision; in fact under the law the loan money is repayable over a period not longer than the term of the loan. Money other than loan money can be recoverable in any court of competent jurisdiction, and the owners of property must pay in proportion with the rateable value of their land. It is clear to me that the health authority could, if it so desired, insist on repayment of the whole amount of the Commonwealth grant in a lump sum by the owners of the property concerned—that is, as stated in Section 20, proportionately to the value of the rateable land owned by them within the area served. That, I believe, is not the intention, but the auditors may take up a different stand in the conscientious performance of their duties, and insist upon strict adherence to the letter of the law. In that event, a great injustice would be done, with the result that we would be asked to pass another Bill with retrospective application in the interests of justice. To avoid this, I intend to submit an amendment when in Committee. I had intended to place my amendment on the Notice Paper for to-morrow in order to give members an opportunity to study the position; but although I was promised by the Parliamentary Draftsman that the amendment would be here at 4 o'clock, soon after that hour he rang me up and said he had come to the conclusion that the amendment would not be within the scope of the Bill. My amendment was to the effect that no portion of the grant made by the Commonwealth Government for the same purpose as such loan was raised should be deemed to be money owing to the Geraldton Municipal Council as a health authority. I want some time in which to ascertain whether my amendment does or does not come within the scope of the Bill. Then I may have to reconsider the amendment. However, I trust the Bill will not be taken into Committee this afternoon.

On motion by Hon. E. H. H. Hall, debate adjourned.

## **BILL—LOAN, £3,212,000.**

### *Second Reading.*

Debate resumed from the 3rd December.

**HON. H. SEDDON** (North-East) [4.57]: The Chief Secretary, when moving the

second reading, went to great pains in placing before us some very important figures. I express my appreciation of the way in which these matters were set out for the information of the House. The Bill provides £800,000 to enable the Government to exceed their income from revenue. That is to say, income from taxation, from the departments and from the Commonwealth. Up to the end of November we have exceeded that income during the last few years until the excess now stands at 5.8 million pounds. Assuming that that £800,000 will be the excess for this year, five months of which have gone, we shall finish up with over £6,000,000 borrowed and spent without any assets to represent that amount. The question has been asked why do we make such a fuss about balancing the Budget when we have always got over that position all right in the past. Up to the present certainly we have got along all right, although the State has been at least in one period during the last few years in a very serious position on account of this very assumption. Money has always been found for us, whether by the Commonwealth or the Loan Council. The difficulty has been overcome because the money has been found in some way. The time is rapidly approaching when that happy position can no longer be relied upon.

Hon. G. W. Miles: The sooner that time comes the better.

Hon. H. SEDDON: The indications are that the time is rapidly approaching.

Hon. L. Craig: What about the time when Governments fund their deficits?

Hon. H. SEDDON: I will deal with that. One of my reasons for this statement is the response that is apparently being made to the present loan. Members may have noticed the paragraphs which have appeared in the Press from day to day on the subject. Last Thursday the Commonwealth Treasurer, Mr. Casey, made an appeal and stressed the value of the loan, and in the same paper I noticed some remarks by the Premier. Those gentlemen are doing their best to ensure the success of the loan. It is significant that these statements have had to be made in connection with this loan of £7,500,000. Members may recollect a discussion that took place at the Loan Council meeting when the Commonwealth Bank officials were invited to express their views. The Bank indicated

that it considered the sum for which the Loan Council should go on the market should be limited to £7,000,000. It was only after considerable discussion that it was decided to attempt to raise £7,500,000. At that meeting the Government of Western Australia asked for an additional £1,000,000. The reply they received was stressed by the Premier and the Minister for Mines who attended the meeting, and it was to the effect that we would get the extra amount if it could be raised. The Chief Secretary also referred to this subject. It is interesting to note how we have progressed in regard to our loans in the last few years:—

Date.	Amount (in millions).	Price.	Rate.	Our sha e.
	£	£ s. d.	%	£
Nov., 1934 ...	7.5	99 15 0	3½	...
Nov., 1935 ...	7.5	99 15 0	3½	800,000
June, 1936 ...	9.0	98 10 0	3½	800,000
Nov., 1936 ...	7.5	97 10 0	3½	1,000,000 (if we get it)

I cannot gather how much the Government would expect out of that loan apart from the extra £1,000,000 asked for. Judging by the previous loans I do not think the amount the Government could expect to get would be in the vicinity of anything like £1,000,000. It seems to me that there is a danger signal sticking out that may cause the Government seriously to modify their programme. What is indicated by this progressive increase in the cost of our loans is that the source of loan funds in Australia is drying up. That deduction is supported by the remarks of the Premier and Mr. Stevens. A little while ago both those gentlemen stated that it might be desirable to consider the borrowing of money overseas, in other words, resuming a practice which brought this State and the rest of Australia very nearly to their knees in 1930 when the overseas borrowing programme had to be abandoned. Loans borrowed overseas carry a very great handicap, because we have to pay an exchange of 25 per cent. on our interest bill, and also contribute to a sinking fund. We might be justified in saying that the position is this: We have exhausted the local loan market; by our performances we do not intend to live within our income; we are now going to ask the overseas investor to find us additional money so that we can continue our irresponsible financial schemes. Within the last few years we told the overseas investor that the burden of interest was too great. We have already reduced that interest by conversions

on the overseas market in the last few years. I contend we are again approaching a position when we shall have to repeat that performance, and again say we cannot meet our contractual obligations in regard to interest, and again ask investors to accept a reduced return for the money they lend us. Anyone who looks at the position from the standpoint of an investment will admit that it is advisable to be exceedingly cautious about any future loans that may be made to Governments who adopt that procedure. What would we think of the individual who managed his private finances in that way, and what reply would we expect him to get from his banker when he asked for an overdraft, in view of the performances which have characterised Governments in Australia in the past? The reply he would receive would not be very encouraging. He would be instructed to mend his ways, not only in his own interests, but in the interests of those who had trusted him. In support of that contention I will read to the House the replies to my questions made by the Chief Secretary. In the first question I asked—

What was the Government's present estimate of what the position of the Consolidated Revenue Fund would be on the 30th June, 1937, allowing for the reduction of the Federal grant and the effect of basic wage increases?

The Chief Secretary replied—

Since the introduction of the Budget, revenue has been adversely affected by the reduction of £300,000 in the Commonwealth grant. A considerable portion of the cost of drought relief will be met from revenue, but no reliable estimate of the amount can be made until the position develops further. The cost of the increase in the basic wage which may be altered again in three months' time cannot be definitely stated, but if the present figure continues, expenditure will be increased by approximately £70,000 this year.

Then I asked the following questions:—

What additional steps do the Government propose to take to balance the Budget?

The Minister replied—

Every effort is being made to reduce expenditure and obtain all revenue possible.

I then asked the Chief Secretary—

In view of the loss of £300,000 due to the reduction of the Federal grant and also increased expenditure, do the Government intend to bring down supplementary estimates with a view to balancing the Budget?

The reply of the Chief Secretary was in the negative. I then asked a further question

to the effect that, what steps, if any, would the Government take to avoid incurring deficits at the end of the current financial year. The Chief Secretary replied—

It is not possible to avoid incurring a deficit when the State is afflicted by a calamity such as the present drought, but every effort will be made to curtail expenditure and collect revenue.

These replies do not square with the reiterated replies given to the House in connection with the policy of the Government. The Government are deliberating exempting taxpayers, or a large number of them, from having to make contributions on account of certain taxes. They have increased expenditure and they have granted increases in certain directions, and the reply we get is that this is their policy. We have been told that the Government do not intend to bring down supplementary estimates. Evidently they are relying upon the assistance they receive either from loan moneys or from the Commonwealth Government. The outlook at present is this: That failing these moneys being found the Government will not be able to meet their obligations. I therefore contend that if they do not intend to carry on their finances on sound lines by increasing their revenue as far as possible and cutting down expenditure as far as possible, they are going to face a very serious position. So far there is no indication in any of their actions that they are going to act in either of these two directions. I also asked if the Government were prepared to carry out the definite pledge of the Premiers' Conference, namely, that if they could not balance the Budget at the time, immediate steps would be taken to balance it in the year in which the last deficit was incurred. The Government have said they will not take these immediate steps. They have said they do not intend to bring down supplementary estimates. They have also failed to indicate how they intend to increase the revenue and decrease the expenditure. They are therefore deliberately riding for a position which may result in a very serious crisis for this State. It has been pointed out by the Chief Secretary that there were two contingencies which, when the Estimates were being framed, were not provided for. There was the contingency of the drought and that of the reduction in the Federal grant. The experience of the past has shown that quite apart from these con-

tingencies which had then developed and could be provided for, there may be unforeseen contingencies, even during the currency of the year under review. I remember when the Mitchell Government were in power. They had been sailing close to the wind and there came a series of storms which destroyed a large section of the Government railways and brought about a heavy expenditure in that direction. So today other contingencies may arise which are entirely unforeseen, and may place the Government in a very serious position, even when they think they have made adequate provision for everything. It appears to me they are deliberately ignoring the position that is staring them in the face. Is it their intention to force a crisis? Do they intend to work up to the limit of the funds they now have in hand and then find themselves in a serious position? I would be surprised to learn that that was their attitude. From my experience of the Chief Secretary I feel sure he would not be a party to such a scheme as that, realising, as he must do, what would be involved. If the Government committed themselves to such a course of action they would be adopting what is known as the Lang plan, one which got the finances of another State into a serious position some years ago. I wish now to deal with overseas borrowing. One would think from the experience we had after overseas borrowing was stopped and after the effects that the borrowing policy had had upon the various States, with resultant heavy charges for interest, etc., that all concerned would have realised it was one of the most ruinous policies any country could adopt. Any money that comes to us from overseas on behalf of private individuals will be to the advantage of the State, because the contingencies such as exchange, interest, etc., will be borne by those who are engaged in their own private enterprises. It is, however, a serious business when the premium of 25 per cent. and the other charges for overseas borrowing involve Governments. My contention is that no friend of the Australian worker would advocate such a policy. Last year our interest bill overseas was increased by £154,000. The reason, of course, was the exchange that had to be paid on the amount of interest to be made available in London. I was pleased to notice that certain figures

were given by the Chief Secretary the other day. They are set out herewith—

	The Public Debt Position :		Total.
	Raised Overseas.	Raised in Australia.	
	£	£	£
Redeemed ...	60,604,468	46,465,140	107,069,008
	14,328,254	2,397,299	16,725,553
Balance ...	46,276,214	44,067,841	90,344,055
Sinking Fund ...	...	...	569,180
Net Debt...	...	...	£89,774,871
Of the £107,000,000—			
Deficits Funded were ...	...	£6,332,328	
Advances to meet Deficit ...	...	£4,673,000	
		£11,005,328*	

\* Debt which represents living beyond our income.

\* Debt which has no assets to represent the sum expended.

In other words, the burden overseas which was so great has been decreased considerably by the repayments made. The Government have shown sound judgment in carrying out that policy. The present position is that we have 46½ millions owing in London and 44 millions owing in Australia. We have very nearly brought the position to this, that we owe half our debts overseas and half in Australia. That is a step in the right direction, and all repayments in the future should be made overseas so that we may get into a more solid position. Our net debt at the present time, allowing for the amount credited to the Commonwealth, is 89¾ millions. There is, however, one feature of our flotations, that out of the 107 millions, according to the returns placed before the House during the present session in connection with the Budget, we find that no less than 6½ millions was funded on account of deficits. In addition to that, there is a sum which has been made available under our Loan Bills amounting to £4,673,000; in other words, there is a sum of £11,000,000 out of that £107,000,000 raised which represents living beyond our income. There are no assets to represent those enormous sums which have been expended, and that is a very serious thing. If a man lives beyond his income, sooner or later he must come to the end of his tether. When Governments live beyond their income, the only thing that will prevent them coming to an inglorious end is the fact that they find the financial institutions are willing to assist them in carrying them on along their unsound lines. At the same time, the credit of a Government is the same as the credit of an individual; it depends entirely upon integrity. If

integrity is called into question, if once it is found that an individual is not trying to keep his word, he is then brought up with a round turn. So that (1) if Governments say they will not carry out the undertaking given to the Premiers' Conference in 1931, (2) when Governments dodge their responsibility from the financial agreement of 1928 (when it was promised that where a deficit was incurred and that deficit was carried by borrowed money, we should impose upon ourselves a four per cent. sinking fund—that was an obligation which was only being evaded by a legal quibble), then these two things will reflect upon the integrity of Australian finance, and will have a bad effect on our financing in the future. I ask members to work out for themselves what a four per cent. sinking fund would be on 12 millions borrowed to meet deficits up to the present time. This House has been criticised from time to time for the stand it has taken in connection with the Government's financial proposals. All I can say is that the contentions of this House have been based entirely on sound finance, and have been advanced with the idea of saving the people from the effects of the unsound finance which has characterised Governments in the past. I ask now whether it would not be better to pay something, even if it be only a small amount, in order to assist the Government to balance the Budget and to find money for sustenance work, or whether we should adopt the Government's policy and find ourselves later on in the position where we would not be able to raise any money to provide sustenance work. The attitude taken by this House reflects far greater credit than the attitude adopted by the Government. Up to the present we have been fortunate in our relationship with the Commonwealth Government and the Loan Council—exceedingly fortunate. But that may not continue.

Hon. G. W. Miles: Unfortunate, I should say.

Hon. H. SEDDON: Fortunate in regard to meeting our requirements. There is a growing feeling in the Eastern States with regard to the way in which Western Australia has been continually asking for special consideration, and while that feeling exists the Government should take action in the direction of meeting their obligations. After all, the Commonwealth Bank has

taken a definite stand, and we may find ourselves in a serious position. I should like to make one or two references to items appearing in the Loan Bill. When speaking on another Bill a few nights ago, I indicated that the Government might find a better way of employing loan funds than the way in which they propose to spend the money it is intended to raise. Money is being provided for metropolitan sewerage, and the sum found every year for this purpose is considerable. It is very interesting to note the way in which the various items are included in the Bill year after year, and I contrast that with the attitude adopted by the Government when asked to find money for sewerage schemes in places like Kalgoorlie. In that connection, we are told that conditions are laid down by the Federal Government when making a special grant for such schemes; but it seems peculiar that there should be such a distinction between the attitude adopted by the Government on the question of metropolitan sewerage and that relating to country sewerage. The latter is equally important and valuable from the standpoint of health. I am aware also that a large amount has been made available in the metropolitan area to assist householders in connection with the small homes scheme. Last week I advocated that the Government should consider the extension of such a scheme to the goldfields and should make small loans available to assist people there to build homes of their own. I had in mind places like Lancefield and Menzies, and again the newly-established towns on the Murchison goldfields, where we find the miners are obliged to make arrangements in the way of providing housing accommodation. Nothing whatever has been done to assist people in those places to get homes together apart from what the companies have done. I contend that the loan of even small sums would meet the position, sums just sufficient to enable people in those places to put a roof over their heads, and the amount of rent they would save, if this course were adopted, would soon enable them to pay back the loan. One financial policy is adopted in the metropolitan area, and a totally different one is associated with the goldfields towns. My suggestion is that some of the amounts mentioned in the Bill might well be re-allocated to the goldfields to meet the urgent needs of the employees on the mines. In previous years I have

urged that this House should adopt the stand of opposing loan Bills. This year I do not intend to take such an action; I am quite convinced that the Government are going to be faced with serious problems and they therefore require all the money they can get, whether from loan or revenue, with which to carry on their ordinary programme. At the same time, the Government should not be allowed to borrow money for deficit purposes unless they revise their programme in the direction of meeting their obligations.

Hon. G. W. Miles: They would have to increase the emergency tax by 100 per cent.

Hon. H. SEDDON: Even that is far better than loading on our shoulders a future burden that we cannot carry. This House has always warned the Government of the consequences of irresponsible finance, and if there should be a crisis, I want to make it definitely clear now that this House has tried to keep the Government on the right track. If the Government, before the end of the present year, find themselves in the position of having reduced funds, it will be useless for them to try to put the responsibility on the financial institutions, because a significant warning has already been given regarding their method of finance, and therefore to attempt to do that will simply be following out the old idea of putting the responsibility on the wrong shoulders. The shoulders that should bear the burden are those who devised the Government policy in this State, and I give warning that the Government cannot escape that responsibility. That is all I have to say with regard to the Loan Bill, and I urge even at this late hour, that the Government should seriously revise their financial programme, and also seriously consider the question of bringing in supplementary estimates with the intention of balancing the budget in the present year, or at any rate bringing it closer to a balance than the present figures indicate.

HON. W. J. MANN (South-West) [5.28]: I do not propose to analyse the Schedule in the Bill, but to refer to one phase of the State's activity that has been neglected and which should receive considerable attention. Once again Parliament is being asked to authorise the raising of a large sum. Perhaps the simplest way to realise the magnitude of that sum is to refer

to it as approximately representing one third of the total revenue received by the State last year. The revenue for that period was something like £10,000,000, and this Bill authorises the raising of about 3¼ million pounds, a relatively large sum for a State with a turnover such as we have. If this matter were not so serious, one might discern humour in the cheerful way in which, year after year, Governments come along with these borrowing programmes, although we have reached the condition where we are almost top-heavy with a load of debt. I am in accord with Mr. Seddon to a great extent in what he has said regarding the necessity for a firm endeavour to call a halt, or as much of a halt as possible, in our borrowing habits. I am not going to contend that this huge State can adequately be developed from ordinary financial channels—that is, the channels of revenue. The fallacy of any contention of that nature would be perceived by looking at the long line of deficits in the past, proving that we are not able to develop this country from our own resources. A mere handful of people, holding an enormous territory, as we do, not alone for ourselves but for the Empire, cannot be expected to build it up unaided. It must be developed, however, and it must be peopled and utilised. Western Australia is too vast, too richly endowed and too desirable to be permitted to remain a neglected asset, and that would be the position if we did not do all in our power to improve the State. We have two alternatives—either to press on with development or invite disaster. The most disturbing feature of State borrowing, next to its magnitude, is the fact that so much of the money raised has not been properly employed. What a revelation would be made if a return were furnished showing exactly how much borrowed money is returning interest and a margin of profit, and how much has been squandered and lost, and wasted. We want a return of that nature.

Member: Wasted in the South-West.

Hon. W. J. MANN: No, not in the South-West, but in the State as a whole. There has been a good deal of waste in the South-West however, as in other parts of the State.

The Chief Secretary: What do you mean by wasted?

Hon. W. J. MANN: Money irrevocably lost, wickedly spent, without any idea of getting value for it. If the Chief Secretary

would like me to go into details of some of the wastage, I could give them, but I do not think he does. A return of that description would serve a very good purpose and might help people to realise that they have had some part in creating the present position. All the blame for borrowing money is not attributable to Governments. The people are largely responsible because they are everlastingly approaching the Government for some form of State assistance.

Hon. L. Craig: The Government should resist that.

Hon. W. J. MANN: There is a steady pressure on Governments, and when they come along with big borrowing programmes, the people in a large measure have only to thank themselves for it. Incidentally, this pressure of the people on the Government is one of the reasons why I oppose taxation exemptions. I believe that all who participate in the benefits afforded by Government action should bear a proportion of the cost of improvements and their maintenance. The Chief Secretary is looking at me rather inquiringly, but I want to point out to him that I am in good company when I make that assertion. Actually I am in the company of trade unionists who use that argument forcibly when it suits them. I might mention the demand for preference to unionists and the A.W.U. 25s. extortion we hear so much about. I sympathise with the Government on this occasion because, while they were perhaps somewhat optimistic in expecting to get £300,000 more from the Federal Government this year than they are actually to receive, they have had a severe disappointment. In addition, they have had to face the calamitous position of having to raise approximately three-quarters of a million pounds for assistance to drought-stricken agriculturists in this State. That is a serious blow, and for that reason one is inclined to view the Government's borrowing programme a little more kindly than otherwise. The one item to which I wish to refer, and only incidentally, because it is allied to a very profitable business which is being neglected by the Government to-day, that of tourist traffic, is the rebuilding of Caves House, Yallingup. That is a venture I contend one can very honestly support because it would definitely be a reproductive work that would return interest and sinking fund and some profit from the outset. If I am in order, I want to take this opportunity



of reminding the House that earlier in the afternoon I gave notice of my intention to ask a series of pertinent questions regarding the State Gardens Board. In case a false impression is created, I would explain that I am not blaming either the State Gardens Board or the metropolitan people for what has been done at National Park or Yanchep, or along the river, and in other directions. Rather I would say, "Good luck to them," on being able to get away with all those good things without let or hindrance apparently from anyone. Whatever may be said of successive Governments of this State, it cannot truthfully be alleged against them that they neglected the development of facilities for pleasure in and around the capital. What I do blame them for, however, and very definitely, is that while permitting the capital to be lavishly treated, tourist activities in other parts of the State have been virtually stifled and almost wholly disregarded. I feel very strongly on this question of tourist traffic. I have had some experience with regard to it. I made a study of it for a number of years and have first-hand information regarding the position in other countries, and the enormous amount of money brought into them by tourists. What has been done around the metropolis is little more than to provide for day trips for city people. The real tourist business, the remunerative phase, is that far afield from the capital. One could mention quite a number of attractions. There are the superb forests of the State with their incomparable flora; the wondrous caves extending over a long coast line; the wonderful fruit-growing districts possessing, I suppose, scenic beauties surpassing any in the Continent, because they are set, almost without exception, in hilly country, beautifully wooded and with rivers and streams flowing through them. There are our delightful seaside resorts with climates such as the people of other countries only read about but rarely experience. We have outstanding goldfields. A lot of people get the idea that goldfields are places to which tourists would not bother to go. But I have seen goldfields other than ours where the tourist trade is considerable and very lucrative. We have unique goldfields with mining and extraction plants which are said to be the last word in efficiency. We have unique goldfields towns, full of interest, with all the activity, energy and life that gravitates where gold is being extensively mined.

Then there are our agricultural and pastoral areas and the great sub-tropical north, full of more than potential wealth, big problems and perhaps dangers. These are the things that embrace the spectacular and have a real live interest. It is well-known that the pleasure-seeking world must have variety. This State has attractions out of the ordinary and it should be our business to commercialise them and lose no time about it. I make no apology for again drawing attention to the Government's neglect to do a fair thing by other parts of the State. All progressive countries have realised the value of tourist business; some almost live on it. All with anything to offer have embarked on campaigns to attract tourists. Each of the Eastern States is displaying increasing activity in the business and is finding that it pays handsomely. I could review their methods and the part their respective Governments play in assisting what can now be fairly termed an industry, but no good purpose would be served by my doing so at this stage. I am concerned particularly with Western Australia where there is definitely a splendid field for tourist activities. From Wyndham to Eucla, as I have shown, there is a varied range of wonderful natural and man-made interests for the sightseer, the student and the traveller in search of something different.

Hon. G. W. Miles: Did you say man-made?

Hon. W. J. MANN: Yes.

Hon. G. W. Miles: God-made, too.

Hon. W. J. MANN: I also said natural, so I think I have included all. There are hundreds of thousands of people to whom the only spice in life is travel, and they are the people we want to attract. I repeat that the Government, by their apathy in fostering this business, are losing revenue and prestige for the State. On some future occasion I shall revert to this subject and show what is being done in the Eastern States and in New Zealand. On previous occasions I have pointed out the colossal sums expended every year on tourist traffic in other countries, and I remind members that the tourist trade of to-day is bigger than ever it was. In conclusion, let me refer to a statement made by the Commonwealth Treasurer, Mr. Casey, affording some interesting information regarding the spending of Australian tourists in one direction each year. A little more than three

months ago Mr. Casey estimated that £5,000,000 would be spent in England alone during 1937. That was, of course, in view of the expected coronation and with no knowledge of the regrettable events of the last few days.

Hon. L. Craig: Spent by Australians?

The Chief Secretary: I think you are under-estimating the figure.

Hon. W. J. MANN: I propose to give the figures quoted by the Federal Treasurer.

Hon. G. W. Miles: Are you speaking of Australian money?

Hon. W. J. MANN: Yes; I thought I made that clear.

Hon. G. W. Miles: You did not.

Hon. W. J. MANN: Mr. Casey said—

Exhaustive investigation has been made by the Commonwealth Statistician (Dr. Wilson) and Treasury officials, who have been in close touch with the shipping companies. In 1934-35 about 7,500 Australian tourists went to England, either by the Suez, the Cape or North America. About one-third travelled first class.

Inquiries from shipping companies, banks and other sources showed that, including full fares, the Australian tourists who went abroad in 1934-35 were responsible for £4,000,000 to £4,500,000 in Australian currency leaving this country. In the financial year 1935-36 figures just to hand show that about 5 per cent. more tourists and about the same percentage more money left Australia.

That is an increase of 5 per cent. over the year 1934-35 when the late King George's Jubilee was celebrated, a year that was considered to be phenomenally heavy.

An estimate based on figures from shipping companies and others connected with tourist traffic indicated that in 1936-37 there may be a further 5 per cent. increase over the year just ended.

That is 10 per cent. increase in the number of people leaving Australia for England on holiday bent and 10 per cent. more Australian money being taken out of the country as compared with two years ago.

This meant that the outflow of money through tourist traffic in 1936-37 might reach about £5,000,000 in Australian currency. This estimate was based on figures supplied by those intimately concerned with the tourist traffic after a close calculation of the passenger ships available, their capacity and advance bookings.

Those figures are arresting and indicate need for exerting all possible efforts to effect a balance by encouraging tourists to come to Australia. An estimate in round figures of the inflow and outflow of tourist money in Australian currency makes interesting reading, as it illustrates one of the

main points that should be borne in mind. Mr. Casey provided a table showing the outflow and inflow of tourist money during the five years, with an estimate for 1936-37 as follows:—

Year.	Outflow.	Inflow.	Balance against Australia.
	£	£	£
1931-32 ...	1,750,000	1,000,000	750,000
1932-33 ...	3,000,000	1,000,000	2,000,000
1933-34 ...	3,500,000	1,000,000	2,500,000
1934-35 ...	4,500,000	1,250,000	3,250,000
1935-36 ...	4,750,000	1,500,000	3,250,000
1936-37 ...	5,000,000	1,750,000	3,250,000

The man in the street does not regard tourist business as being worth while; he does not stop to think. I suppose very few people would believe that there was taken from Australia by tourists last year 3¼ millions of money more than was brought in by tourists. This is a business that warrants governmental action. If we wish to preserve anything like a balance between the outflow and the inflow, we must endeavour to popularise our tourist attractions to induce people to come here. I trust that I have succeeded in demonstrating the importance of this matter. If I have done nothing more than awaken the interest of members in what tourist traffic means to Australia and what it might mean to this State, I shall not have spoken in vain. I support the second reading.

**HON. E. H. ANGELO** (North) [5.55]: I support the second reading and, in doing so, shall make a few remarks on only one item in the schedule. The item is the development of goldfields. In speaking the other night the Minister told us that the amount of £20,000 provided for the development of goldfields this year was £6,619 less than the amount expended last year, but he also said that the sum provided would be supplemented by a grant made by the Commonwealth to assist prospecting. On that phase of the matter I wish to speak. I have always been favour of the Government's policy of assisting prospectors. Any number of young men who were doing nothing, and in fact were deteriorating in the metropolitan area, have been sent out prospecting, and more could be sent out. The mere fact of a good field being discovered would more than amply repay any cost incurred in sending them out. I wish to direct the attention of the Government to another area where I think prospecting would be very profitable. It is because the indications point to prospecting offering good results in that district

that I have risen to speak. In the area I refer to a certain amount of mining has been done, but judging by the statements of residents of the territory, some of whom live in the locality I have in mind, I am satisfied that nothing like a systematic prospecting scheme has ever been carried out. Vast stretches of that country have never been scratched. The information given me by residents has been confirmed by an officer of many years standing in the Mines Department. He considers it would be promising to have prospecting undertaken in that area in a properly organised fashion. The other day I came across a report on the geology of the Kimberley district made by Mr. Hardman in 1885. I am told that the Lands Department no longer have a copy of the report. I was fortunate enough to be able to borrow a copy from Mr. M. P. Duraek. I shall read a couple of paragraphs to inform members what Mr. Hardman thought in 1885—over half a century ago. We all know the qualifications Mr. Hardman possessed, how reliable all his reports were, how thoroughly he carried out any work entrusted to him. He stated—

Referring to the Kimberley country Mr. Hardman wrote:—

Gold indications and prospects of finding that metal in payable quantity.—I am glad to be able to report that I have discovered a large area of country which I believe will prove to be auriferous to a payable degree. This country is traversed by the Margaret, Mary, Elvire, Panton, and Ord Rivers, and comprises an area of at least 2,000 square miles so far as observed, but it doubtless continues over a much greater extent of country. The formation is principally Lower Silurian slate and schist of various kinds traversed by an enormous number of quartz reefs. In some localities many of these occur in the space of a few hundred yards, and it was quite usual to notice 25 or 30 large reefs while riding over a mile of ground, without taking into account the smaller reefs or veins. The quartz constituting these reefs is of a very promising character. It is a dull yellowish and grey quartz, very cellular and vuggy, containing quantities of black and other oxides of iron, together with casts of, and often crystals of, iron pyrites. From most of the surface quartz the enclosed minerals have been washed away, however, although their traces are still apparent. Minute specks of gold have been noticed in a few cases, and I have very little doubt that many of these reefs, when properly examined and tested, will prove to be auriferous.

Now comes what, in my opinion, is the vital portion of the report—

Alluvial gold.—The river valleys and flats are in many places covered with deposits, sometimes

very extensive, of quartz-gravel, and drift; the quartz being derived from denudation of the reefs referred to above. I have prospected these gravels over many miles of country, and I have rarely failed to obtain good colours of gold; in many localities of a very encouraging character. Very often good colours were obtained in every pan washed, in different trials in the same locality. I have thus found gold to be distributed over about 140 miles along the Elvire, Panton, and Ord Rivers, etc.; as well as on the Mary and Margaret Rivers, where the indications were very good, and the appearance of the country most favourable. In several instances I obtained good colours of gold at a considerable distance from the quartz-bearing rocks from which the gold could only have been derived. This to my mind seems to indicate that there must be large quantities of gold in the quartz-bearing rocks, and in the drifts immediately overlying them. The gold-yielding country is well watered—

I would like hon. members to note this—

—by numerous rivers, creeks, and gullies, which even in the driest part of the year are never wholly without water. And although during the dry season water is scarce, there would be no difficulty in conserving water anywhere in sufficient quantity for all mining purposes.

Connected with the report is a highly valuable plan, which hon. members can inspect if they wish. There is a footnote to the report, "Gold lines = quartz reefs, probably auriferous." I found ten large patches, and numerous smaller ones, gold coloured. A further footnote to the report reads, "Gold dots = colour of gold in alluvium." I found on the map 283 of these dots, extending over 140 miles along the Elvire and Ord Rivers, and for about a further 20 miles along the Margaret and Mary Rivers. The latter part of the report, dealing with alluvial gold in the rivers, is highly important. One of the favourite mining activities of to-day is dredging and sluicing of riverbeds. That system of mining has not yet been tried in Western Australia. Large fortunes are being made in New Guinea, New Zealand, and elsewhere by treating riverbeds. It stands to reason that when rivers and large creeks are draining thousands of square miles of country, part of the specks coming off the reefs, and also perhaps nuggets, must be drained into the rivers and creeks. That aspect of mining, I understand, has not yet been touched here except on one of the salt lakes. I suggest to the Government that some portion of their prospecting scheme should be directed to this area which was so highly recommended by Mr. Hardman 50 odd years ago, and with which

so little has been done since. A number of residents of the district tell me that though a little prospecting has been done there, nothing in the nature of systematic prospecting work has ever been undertaken. That information was confirmed by a leading officer of the Mines Department, who really believes that something good may be found up there. The ground is highly difficult to work, and the sending of one or two isolated parties would not do. Prospecting would have to be done by way of a systematic scheme. Motor trucks would be of little use up there, because mostly these veins and indications are in the rougher ground on both sides of the rivers. I understand that the Government have quite a number of camels running loose, not being utilised at present. I do not suggest the expenditure of any loan money on this prospecting, but by using the Federal grant an organised campaign of prospecting could be carried out in that district. I would recommend that an officer of the Mines Department, perhaps with the title of warden, be located at Hall's Creek. From that centre various parties could be sent out to operate, and thoroughly scour the land, and the warden could supervise the prospecting. If any reliance is to be placed on Mr. Hardman's report, such parties would assuredly find something valuable. In the event of their being successful, the money expended in financing the parties could be refunded by the successful parties. That could be an obligation placed upon the prospecting parties before they left. From another point of view I urge the Government, if they can do anything in this direction, to undertake it, because that part of Western Australia requires population and development more than any other part of the State. Mr. Mann has just touched on that aspect. Here is an opportunity, perhaps, upon this 2,000 square miles of country mentioned by Mr. Hardman, to make some really good discoveries, and also to find some good alluvial fields and opportunities for dredging and sluicing activities. Thus quite a new area of activity could be started, providing work for unemployed and profit for Western Australia. This is merely a suggestion to the Chief Secretary to bring the matter before the Minister for Mines when opportunity offers. If the Government have not a copy of Mr. Hardman's report, I shall probably be able to induce Mr.

Durack to lend his to the Minister to peruse. I support the second reading of the Bill.

**HON. J. J. HOLMES** (North) [6.12]: In offering a few remarks on the Bill, it would be difficult for me to avoid repeating certain things I have stated in this Chamber over a period of 20 years.

The Chief Secretary: The Standing Orders forbid repetition.

**Hon. J. J. HOLMES**: No Standing Order can refute the truth of what I have been stating. I realise the truth of it to-day more than ever. Probably no Ministry has ever been, or ever will be, in a tighter corner for money than the present Ministry. The starting point of my argument is the Financial Agreement of 1927, the year in which the Commonwealth took over our debts and agreed to pay half the sinking fund on new debts and one-third of the sinking fund on then existing debts. A condition was imposed, however, that there were to be no more deficits, and that if through emergency a deficit did arise, there was to be a sinking fund of 4 per cent. per annum to be paid in to meet such deficit, on the ground that it was realised that there was no asset represented by the amount of the deficit. Since then we have piled up a deficit of  $5\frac{1}{4}$  millions sterling unrepresented by any assets.

**Hon. V. Hamersley**: Are we paying 4 per cent. per annum on that amount?

**Hon. J. J. HOLMES**: When previously speaking on this aspect, I calculated what Western Australia owed to the Commonwealth, or to the Loan Council, or to the pool, since the inception of the Financial Agreement. I do not purpose going over that ground again: but the deficit of  $5\frac{1}{4}$  millions, on a 4 per cent. basis, should have been a charge of £210,000 upon revenue for the last financial year, to say nothing about past years. Since the year 1927 nothing has been paid on this account, although we claim to finish our last financial year with a surplus of £88,000. This Bill provides that £800,000 shall be borrowed to finance the current year's deficit. One of the excuses for this proposed borrowing is that the Commonwealth has cut down its grant to Western Australia by £300,000. If the Government had come to Parliament and said, "We budgeted to balance the ledger, but we are £300,000 short from the Commonwealth, and therefore we ask Parliament for authority to

borrow to finance that sum," there might be some justification for that course. But the Government have come to Parliament to ask for not £300,000 but £800,000. If I can induce the House to follow me, our reply will certainly be, "Your finances have been upset to the extent of £300,000, and not of £800,000; and therefore we will reduce the amount of your Loan Bill by £500,000." In view of all the circumstances, I consider, the House would be justified in doing that.

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

Hon. J. J. HOLMES: At the tea adjournment I was dealing with the deficits that had been incurred up to 1935-36. That is to say, from the commencement of the Financial Agreement in 1927. I had pointed out that the deficit since that date was £5,250,000. I had also drawn attention to the fact that the sinking fund commitment that should have been paid on deficit account was £210,000, but we had not paid any of it. If the Loan Bill now under consideration be agreed to it will mean that £800,000 will be borrowed for deficit purposes. That will mean that in 1936-37 the increase in the sinking fund that should be paid at four per cent. on that £800,000 will represent £32,000, so that the sinking fund on the deficit that should be paid in 1936-37 will amount to £242,000. I have dealt with deficits only up to this point, and now I must draw the attention of members once more to the fact that this has been going on for some years. We have been going on borrowing and spending. It is well known to all of us, and it was more appreciated when the crash came in 1929-30. The Associated Banks on that occasion saved the situation. They could see what was coming and made provision to meet the emergency. In 1929-30, when the deposits at the banks increased by only £2,000,000 the banks found £25,000,000, or £23,000,000 more than they had received by way of fixed deposits. That helped to tide the Government and the country over that serious stage. If we continue on the way we are going and the Government continue to borrow and spend, there will not be anything like those reserves in the banks to carry on the business of the country. The reason for that is that the banks have to subscribe to all the loans that are floated, and that means so much less for the development of the country by private enterprise. It leads, as I have previ-

ously mentioned, only to a dead-end. I understood from the Chief Secretary the other night that the State indebtedness, to say nothing about our Federal quota, was £90,000,000. Taking that on the average basis of interest at four per cent., it accounts for £3,600,000 that this State has to provide. I am now dealing with interest and not with the sinking fund that has not been provided for. If we authorise the borrowing of this amount of £3,250,000, it will mean a further £125,000 added to the interest bill, which will bring the total interest for 1936-37 to £3,725,000. The trouble that I anticipate is that we may reach the stage at which we will not be able to borrow. As a matter of fact, the outlook for the present loan is not very hopeful. Our State finance is built on anticipation of the money the Commonwealth Bank is able to borrow, and Western Australia requires the borrowing of £800,000 to meet the deficit for 1936-37. We can well ask this question: What will happen if that money cannot be borrowed? It is a very simple matter when the Government have any amount of loan funds available, for them to take loan funds with which to pay revenue accounts and create a deficit. In my opinion, we are reaching the stage at which loan money will not be available for the purpose of paying revenue accounts. What position will be created then? The Government already see the writing on the wall. They say, "We anticipate a deficit of £800,000 and we are going to make provision for it. If we do not borrow money with which to pay revenue accounts, we shall be at a dead end." That is where I told them many years ago the State Governments were heading. Anyone who runs can read. Members can call it the "Lang Plan" or the "Willcock Plan" or the "Trades Hall Plan," but the fact remains that the policy is borrow and spend and let the other fellow pay.

The Chief Secretary: In other words you cannot call it the "J. J. Holmes Plan?"

Hon. J. J. HOLMES: That is the policy. Borrow and spend and let the other fellow pay! I do not know what the Minister's reference to the "J. J. Holmes Plan" amounts to, but I know that J. J. Holmes has always paid his way and never bought anything until he knew he could pay for it. In my opinion, the end is in sight. The way out of the difficulty is to meet it. The longer we allow the present trend to continue, the

worse will be the position that will ultimately be created. If I had my way, I would reduce the present Loan Bill by £500,000. I would provide £300,000 that the Government say they anticipated getting from the Commonwealth Government, but did not receive. I would reduce the Loan Bill by £500,000, having made provision for £300,000 and say to the Government, "We will not allow you to go on borrowing and spending and allow the other fellow to pay. You must live within your means." It must be apparent to anyone that the longer we stave off the adoption of that course, the greater the crash will be when it comes. Recently the ex-Premier cabled to London telling the people there that Western Australia was around the corner and that everything was all right. We were so much round the corner that the Government gave members of Parliament and civil servants their full salaries. We are round the corner and coming up the straight with the winning post in view! Now we have to borrow £800,000 to pay revenue accounts in order that we may reach the winning post—if we reach it at all. I know that this House will be told that if we cut down the loan funds that are desired, the poor old agriculturist and the primary producers generally will be the first to suffer. Why should the primary producers, upon whom the country depends, always be singled out to be the first to suffer. The Government can provide £70,000 for trolley buses in the metropolitan area, although they are not required. By the expenditure of that money to provide a service, they seek to displace private enterprise. Any Government that can afford to do that has no right to kick up a row and say that if we cut down loan expenditure the first to suffer will be the primary producers. The primary producers should be the last, not the first to suffer. What is happening in this State? I do not know whether it is the Lang Plan, the Trades Hall Plan or whose plan it is. The railways are run by the Government. The tramways are run by the Government, and now the trolley buses will be run by the Government. Private enterprise and private employees will be pushed out. There will be so many more Government employees, and they mean so many more votes for the Labour Government. The Chief Secretary can shake his head.

The Chief Secretary: I was thinking of your imagination.

Hon. J. J. HOLMES: I have done a lot of imagining during the last 20 years, and 90 per cent. of it has come true. The more Government employees there are, the more votes there will be to keep the Government in power. I hope members will not be led astray by the cry that if we do not help the Government to find this money, the first to be affected will be the primary producers.

Hon. G. B. Wood: What about the State ships? Would you cut them out?

Hon. J. J. HOLMES: I have made my position perfectly clear regarding the State ships from the very inception. The State has built railways in the south for agricultural development. Some of those railways should never have been built, for many of the centres could be better served to-day by motor truck. On the other hand, the State will not provide the people in the North with railways, or even ordinary facilities.

Hon. L. Craig: You would not advocate the construction of railways through the North?

Hon. J. J. HOLMES: No, but we must have transport; and the State Shipping Service provides it.

Hon. G. W. Miles: Why cannot private enterprise deal with that service?

Hon. J. J. HOLMES: The hon. member can deal with that point.

Hon. E. M. Heenan: That is inconsistent with your argument.

Hon. J. J. HOLMES: Why is it inconsistent? I do not claim that private enterprise should run our railways. The Government conduct the railway services in the south and, to be logical, why should they not provide transport in the North? I do not say that private enterprise should take over the trams, but I do say that private enterprise has provided proper transport facilities in the metropolitan area, and the Government are raising money for the purpose of inaugurating a service that will push that traffic off the road. I hope that makes the position clear. Boiled down, we have reached this stage: Despite the £90,000,000 we owe, which makes an interest charge upon our revenue of £3,600,000 or thereabouts, this present proposal will mean a further charge of £125,000 on the interest bill, and £800,000 of that money is for the purpose of paying revenue accounts that should be paid out of

revenue. The other day I read this, which I thought was rather appropriate—

*Politics is the art of obtaining money from the rich, and votes from the poor on the pretext of protecting each from the other.*

I shall vote against the second reading.

**HON. A. M. CLYDESDALE** (Metropolitan-Suburban) [7.46]: I want to say a few words towards inducing the Government to encourage tourists to come to Western Australia. An unsatisfactory position has existed here for many years. Let anyone turn up the newspaper to-morrow morning and have a look at the steamship advertisements. He will there find advertisements inviting tourists to go to Java, Fiji, Japan, New Zealand, Adelaide, Melbourne, Sydney, Brisbane, South Africa and many other places. In a sense this is done with the one object of taking money out of Western Australia. If one takes up an Eastern States' paper, will he find any advertisements by shipping companies whose advertised destination is Fremantle? The steamship companies are to blame. Why should we not have them advertising Fremantle as an attractive port, and let some of the money in the Eastern States come over here? For years past tourist money has been leaving this State, and it is time we got some of our own back. Mr. Mann referred to the tourist traffic from the Old Country, but I think we should concentrate on Australian tourists. There is any amount of money available to people of the Eastern States if only they wish to come over here. But we are hiding our light under a bushel, and are not putting up to those people the attractions to be met with over here. We are up against established business. It is of no use following orthodox methods and reducing by a couple of pounds the fare to Western Australia. We would have to reduce fares very considerably to induce people to come here. Our State Government should arrange for a trip twice a year from here to Brisbane; if they did that, the business people of Western Australia would be behind them, and it would bring many tourists and much money to Western Australia. There is no other State in Australia that can give greater inducements to people to visit it than can Western Australia. Take the goldfields, the North-West, the South-West, and I have no doubt whatever that once people began to come here, others would

follow. I have many times met the Eastern States boats at Fremantle, and the first thing visitors say when they are driven through King's Park is, "Why, I had not the faintest idea that it was so beautiful a place." I hope that greater efforts will be exerted by the Government to induce a tourist traffic. After all, it has been proved in most countries of the world that the tourist traffic is as profitable as any other traffic. We are not getting anything like the number of people coming to Western Australia that we are justly entitled to. I hope the Government will put forward greater efforts to induce people to come here, instead of our tourist money going out of Western Australia.

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West—in reply) [7.49]: In view of the remarks made by one or two members on this Bill, I feel it would be quite easy to invoke a very long discussion on the financial position of the State, and on finances in general. Because, however, of the late stage we have reached in this session and the desirability of concluding this week, if at all possible, I do not propose for a moment to follow those speakers in all the points they have raised; but I do feel that there are one or two things I should refer to for, to my way of thinking, while I am not objecting to the criticism, so much depends on the individual point of view. For instance, Mr. Seddon described the financial policy of the Government as being irresponsible finance. He also said that this irresponsible finance had been going on for a number of years. Therefore I am assuming that this charge lies, not against this Government only, but against other Governments also.

Hon. H. Seddon: That is quite right.

The CHIEF SECRETARY: It all depends upon the point of view as to whether our financial policy is described as irresponsible or as being in the best interests of the State. There is no member of the House not prepared to admit that about 400,000 people in Western Australia have a very big job ahead of them. They have tackled a task which requires courage on their part, and sometimes a great deal of courage on the part of those responsible for the government of the country. As a result of their point of view, we have found it necessary at various times to raise large sums of money in order to develop the country at a quicker rate than we could have done had we not had money

made available by those means. That is a fair statement of the position we are in. During the last seven or eight years we have been facing a very serious time, commonly called "The Depression." That depression has affected every section of the community. We were under the impression that we were passing out of that experience. I think the statement I am about to make is a fair one, in all the circumstances, namely that had we not been faced with the disastrous position in our agricultural and pastoral areas this year, we would have heard very little of the criticism we have heard during the last few days or weeks touching our financial policy.

Hon. E. H. Angelo: Taxation has been largely increased during the last few years.

The CHIEF SECRETARY: No, taxation has not been increased. Certainly the Government have received a larger amount from taxation, but the incidence of taxation on the individual has not been increased.

Hon. L. Craig: The financial emergency tax is all new, and it has become a permanent tax.

The CHIEF SECRETARY: Is there one State in the Commonwealth, or one country in the British Empire, that has not had to do the same?

Hon. L. Craig: I am not getting to that; but taxation has been increased.

The CHIEF SECRETARY: Since pre-depression days it has.

Hon. H. Seddon: The financial emergency tax was brought down in 1932.

The CHIEF SECRETARY: I am safe in saying that taxation has been increased since pre-depression days. My statement is strictly correct that since pre-depression days taxation has been increased; in other words, it has been increased because of the depression. But the point I had arrived at is whether we shall endeavour to carry on as during the last few years, finding employment for a large number of men, or whether we are to say that we shall not provide work for those men but shall provide only sustenance to keep body and soul together; or, as an alternative, whether we are going to increase taxation in order that we shall make ends meet during this financial year? Because it must not be forgotten that we have been faced with a calamity in the shape of the drought we are going through at present.

Hon. A. Thomson: You must have means to face the calamity.

The CHIEF SECRETARY: Of course. Does any country as the result of a calamity of this magnitude in any one year either bring down supplementary estimates, upon which Mr. Seddon relies so much, or increase taxation generally in order to meet the calamity?

Hon. L. Craig: But this is not a time for reducing taxation.

The CHIEF SECRETARY: The hon. member has had his opportunity to speak on the Bill, and will have a similar opportunity on another measure presently. The only reduction of taxation has been where we considered it unfair to certain sections of the community. However, as I say, the hon. member will have another opportunity for dealing with that. All I wish to say with regard to the Loan Bill is that, unless the money herein represented is provided, we simply cannot carry on as we have been doing, and the only alternative then will be to increase our taxation in order that we may meet the deficit referred to by Mr. Seddon and by Mr. Holmes. We have anticipated money that we shall have to find for the primary industries. This year we shall be £700,000 behind our Estimates. Speaking from memory I think the total of our income tax receipts is about £270,000 per annum. Suppose we had to find only £500,000 for drought relief this year, and were going to meet it from taxation, and we decided to raise it by means of the income tax, we would have to increase the present rate of income tax 200 per cent. Members will realise the impossibility of meeting the position by increased taxation at the present time.

Hon. H. S. W. Parker: But an increase of 200 per cent. in the income tax would not cover the financial emergency taxation.

The CHIEF SECRETARY: I think Mr. Mann referred to quite a lot of money that has been raised but has not been profitably employed. Of course there is some truth in what the hon. member had to say.

Hon. W. J. Mann: That was over a long period of years.

The CHIEF SECRETARY: Yes. Our experience in that direction is just the experience of every other State in the Commonwealth. It has been necessary from time to time for the State to find large sums of money for various schemes, such as land settlement schemes and so on. If the return that the hon. member suggested should



be made up, were prepared, many members would get a rude shock; if they could get a return of the amount of money sunk in this State from which interest is not being returned, the amount would be found to be so large that, not only members here, but the general public would get a rude shock.

Hon. A. Thomson: But then we have to set off all that has been produced as the result of that expenditure.

The CHIEF SECRETARY: That does not get away from the fact that there is some truth in what has been said. It is of no use blaming this Government or any other Government for actions of that kind, for in 90 per cent. of the cases in which such money has been spent, it has been spent with a view to developing this State, and more particularly the primary production of this State. It is mainly from country districts that we are not getting interest on the money expended. When we compare that with the money that is being spent in the metropolitan area, we must admit that this is in favour of the expenditure of the moneys referred to by Mr. Seddon. The money that has been spent on sewerage, water supplies, etc., in the metropolitan area is providing interest and sinking fund. That is more than can be said of the great proportion of the money that is being spent in the country districts. Where money is being spent by the State and interest and sinking fund are being provided by the people on whom the money is being spent, we have no cause for complaint.

Hon. L. Craig: Nothing at all.

The CHIEF SECRETARY: As a result of the situation we are faced with, are we so to curtail our loan appropriations that we would have to stop some of the Government works, thus creating a large amount of unemployment, and putting out of work thousands of men who cannot get work elsewhere; or are we to increase our taxation to such an extent that we would be able to meet the anticipated deficit? Mr. Seddon says we are not carrying out the policy to which we were pledged at the Premiers' Conference, with regard to balancing our Budget every year, and as to our taking steps to getting as near as possible to balancing the Budget if in any year there were signs that we were not going to do so. It would be futile for the Government to carry out such a policy in a year such as this. Other members have dealt with the tourist

traffic, and I agree with what they have said. Mr. Mann said that £5,000,000 was going out of the Commonwealth to Great Britain this year because of the Coronation. All that money will not go to Great Britain, as a great deal of it will be paid in fares. No doubt a tremendous amount of money will be taken to Great Britain as a result of the tourist traffic. We have a great deal to attract visitors to this State, and it would be very good for us if we could induce large numbers of people to come here. It does not matter whether members are criticising the Government for their loan policy or their financial policy, for almost without exception they complain that the Government are not doing enough for their own provinces, and that there are certain directions in which money should be provided for those provinces. What they mean is that the Government should provide money for such purposes at the expense of other works they have undertaken. It does not matter so much what the point of view is, so long as the districts members represent are looked after. That kind of argument does not get us very far. We have found it necessary to obtain employment for large numbers of men. We have endeavoured to do that by providing work which would give as much labour as possible and cause as little expenditure on material as possible. That has had to be the guiding principle of the Government in any scheme that has been put into operation. As I have said, work in the metropolitan area will provide interest and sinking fund. Money spent on the railways will provide an indirect return. The expenditure on roads will probably come back in only a very indirect manner. It would be correct to say that the people who are reaping the benefit of the expenditure on water supplies, etc., in the country districts will not be in a position to meet either the interest on capital or for a long time pay the cost of those schemes. For any expenditure that has been incurred in the mining industry the State has generally speaking had a handsome return. According to the point of view of members, so have they criticised the policy of the Government. We are just as anxious as anyone to make ends meet, to provide employment for those who are in need of it, to provide assistance for those who require it as the result of bad seasons, and it is simply bad luck that in a year when our main primary products are bringing higher prices

than they have brought for many years, we should have been struck by such calamitous conditions that many of our producers are not able to take advantage of the improved values. Had we enjoyed a good season, had our wheat harvest been normal and our wool returns as usual, with the present prices prevailing, I do not think we would have had the adverse criticism that has been voiced in this House during the past few days concerning the financial policy of the Government. I feel sure that, notwithstanding the criticisms, this Bill will be passed. The Government realise the seriousness of the position. Unless we have a little more success at the next meeting of the Loan Council than some of us are inclined to think, we will have a still more serious position to face. We are taking whatever steps are open to us to ease the situation as much as we can. We are endeavouring also to do our duty to the unemployed who are at present obtaining relief work from the Government, and to the producers who are in sore need of assistance if they are to carry on their ordinary work and stay upon their holdings.

Question put and passed.

Bill read a second time.

#### *In Committee.*

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

#### *Third Reading.*

Bill read a third time and *passed*.

### **RESOLUTION—STATE FORESTS.**

#### *To Revoke Dedication.*

Message from the Assembly received and read requesting concurrence in the following resolution:—

That the proposal for the partial revocation of State forests Nos. 14, 20, 22, 29, 30, 31, 36 and 38, laid on the Table of the Legislative Assembly by command of His Excellency the Lieut.-Governor on the 8th December, 1936, be carried out.

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West) [8.11]: I move—

That the resolution be agreed to.

This is one of the usual resolutions which have to be brought before Parliament when it is desired to excise from the State forests certain areas that are required for utilisation

for other and principally agricultural purposes. Some 15 areas are involved, varying in size from one acre to 260 acres. No. 1, for instance, is a quarter of a mile to the north-west of Holyoake, comprising one acre of swamp country, and is applied for by the adjoining landholder. Area No. 2 is two miles south of Holyoake, about 12 acres, containing a strip of swamp land, and the remainder poor blackbutt country, applied for by an adjoining landholder. No. 4 is four miles north of Jarrahdale, comprising 45 acres of poor jarrah country and is applied for by a local resident. No. 5 is 2½ miles north of Jarrahdale, comprising about 15 acres of poor forest country and is required for additional grazing land. Area No. 7 is of about five acres at Canning Mills and is required for a school site. No. 8 is a mile west of Benjinup, comprising 300 acres, carrying very little timber, and is applied for by a local resident. No. 12 is 1¼ miles east of Hester. It is about eight acres in extent and is of no value to the Forests Department. It is required as a holding paddock by a farmer residing 14 miles from the railway and who trucks cattle from Hester. No. 14 is an area seven miles west of Pemberton. It is about three-quarters of an acre in extent and is to be exchanged for an equivalent area in the same locality. The State Sawmills timber tramway passes through the area required by the department, and will form a permanent road and fireline when the tramway is removed. Those are typical of the forest areas of land which are included in this resolution. The Conservator of Forests has approved and recommended each one of these areas of land being taken out of the State forests, and, as the message indicates, the proposals have been agreed to in another place. I submit the motion.

**HON. W. J. MANN** (South-West) [8.18]: I support the motion. This is one of the proposals that come down annually, and the areas mentioned many of us consider suitable for selection. I trust that the Forests Department will continue the practice they have carried out during the last three or four years of making these areas available to the residents, particularly in the south-western districts.

Question put and passed.

**BILLS (2)—FIRST READING.**

1, Industrial Arbitration Act Amendment.

2, Dairy Products Marketing Regulation Amendment.

Received from the Assembly.

**BILL—PEARLING CREWS ACCIDENT ASSURANCE FUND.***Assembly's Message.*

Message from the Assembly received and read notifying that it continued to disagree with the amendments made by the Council.

**BILL—FEDERAL AID ROADS AGREEMENT.***Second Reading.*

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West) [8.22] in moving the second reading said: The purpose of this Bill is to ratify an amendment to the existing Federal Aid Roads Agreement. The existing agreement expires on the 31st December, 1936, but, under the amending agreement entered into by the Prime Minister of Australia and the Premier of this State, its term will be extended to the 30th June, 1937. This will ensure provision for a complete financial year. Since this arrangement was agreed to by the States, a conference of Commonwealth and State representatives has been held in Adelaide. There it was decided to extend the existing agreement for a term of ten years as from the 1st July, 1937, but to increase payments to the States in respect to customs and excise collections from petrol. The present Commonwealth tariff imposes a customs duty of  $7\frac{1}{2}$ d. per gallon, including primage on imported petrol, and an excise duty on the domestic product at the rate of  $5\frac{1}{2}$ d. per gallon. Under the existing agreement, it is provided that a proportion of such Commonwealth collections shall be distributed to the States—the amount to be equivalent to the sum that would be derived from (a) a rate of  $2\frac{1}{2}$ d. per gallon in respect of imported petrol, and (b) a rate of  $1\frac{1}{2}$ d. per gallon in respect of petrol refined in Australia. When the new agreement made at Adelaide is completed, it will contain a provision increasing each of these rates by  $\frac{1}{2}$ d. per

gallon. The original agreement, which operated as from 1st July, 1926, provided for the distribution of £2,000,000 per annum to the States on the basis of three-fifths according to population, and two-fifths according to area. This State then received £384,000. It was further provided under that agreement that the States would expend from their own funds an amount equivalent to 15s. for every £1 received under the agreement. When, in 1929, the Commonwealth decided to devote an additional £1,000,000 to works for the relief of unemployment, this State's share amounted to £192,000.

After the original agreement had operated for five years, it was amended to provide for the discontinuance of the distribution of the fixed sum of £2,000,000. I have already outlined the basis of distribution fixed by the 1931 agreement. However, that agreement incorporated other new features. The provision relating to contributions by the States was cancelled, and approval was given for works of maintenance to be undertaken, in addition to the works of construction provided for under the original agreement. That the current agreement has been of incalculable value to this State may be gauged from the following figures relating to payments. Including sinking fund payments at the rate of £21,148 per annum, amounts totalling £4,067,857 have been received by Western Australia since the inception of the agreement.

Of this sum £1,920,000 was received during the first five years, and the balance—£2,147,857—during the five-year period ended the 30th June, 1936. The latter amount was made up as follows:—

	£
1931-32 .. .. .	347,931
1932-33 .. .. .	369,033
1933-34 .. .. .	423,875
1934-35 .. .. .	473,468
1935-36 .. .. .	533,550

Total 5 years ended 30th June, 1936 £2,147,857

It is anticipated that, for the current financial year, this State will receive a further sum of, approximately, £560,000. Hon. members will agree that it is most desirable that the revenue derived by the State from petrol taxation should continue. In the ten years that have elapsed since the inception of the agreement, the road system of this State has been well-nigh transformed. With the creation of a Main Roads Board in 1926, and, later, a Commissioner of

Main Roads, it has been possible to carry out a comprehensive programme of improvement with the moneys received under the Federal Aid Roads Agreement. Main traffic arteries have been established, and construction on these routes has taken the peril out of travelling over what were once, more or less, unmaintained bush tracks. Much, however, still remains to be done in the agricultural, mining, and North-West territories—more particularly in regard to roads serving new country, and on roads of a developmental nature feeding main roads and railways. During the ten years ended 30th June, 1936, the following expenditure on all roads and bridges has been financed from Federal Aid and State funds:—

		£	s.	d.
<b>Federal Aid Funds—</b>				
Construction and Reconstruction :				
Main Roads	...	2,847,110	13	5
Developmental Roads	...	1,787,304	14	7
Maintenance of Main Roads	...	239,574	11	8
		<b>£4,873,988</b>	<b>19</b>	<b>8</b>
<b>State Funds—</b>				
Maintenance Federal Aid Main Roads	...	118,166	19	5
Maintenance Metropolitan Roads and Bridges	...	142,933	1	6
Special License Fees (Prescribed Roads)	...	17,684	5	7
Transport Board Fees (Prescribed Roads)	...	3,360	16	8
22½ per cent. Traffic Fees—	...			
Construction of Roads and Bridges in Metropolitan Area	...	146,735	5	0
Sales and Government Property Trust Account	...	93,445	0	10
Loan Funds	...	1,324,887	4	3
		<b>£1,847,212</b>	<b>18</b>	<b>3</b>
<b>Grand Total</b>	...	<b>£6,721,211</b>	<b>12</b>	<b>11</b>

Construction has been carried out on 9,374 miles of main and developmental roads from Federal Aid and State funds. The details are as follows:—

Roads.	Bitumen Miles.	Metal Miles.	Gravel Miles.	Formed Miles.	Cleared Miles.	Total Miles.
Main ...	351	5	940	772	79	2,147
State Developmental	23	1	...	...	...	24
	53	370	1,928	1,944	2,908	7,203
Total	427	376	2,868	2,716	2,987	9,374

It is interesting to note that the length of declared main roads under the Main Roads Act totals 2,915 miles, comprising three arterial roads totalling 866 miles, and nineteen trunk roads totalling 2,049 miles. The total length of bridges of all types constructed during the period I have referred to was 27,848 lineal feet. Maintenance of the non-bitumenised roads is a serious problem—not only on account of the long mileage of such roads, but because of the great increase in the number and speed of motor

vehicles using them. Where funds permit, it has been the policy of the board to surface those roads with bitumen. At the expiry of the current financial year, it is anticipated that a further 200 miles of bituminous surfacing work will have been completed. The total length of such roads will then be 627 miles. "Corrugation," which develops considerably during the dry periods of the year, has been minimised to a certain extent by the grading and dragging operations of the permanent maintenance patrol gangs. It is unlikely that there will be any decrease in maintenance expenditure in the future, notwithstanding the increase in the mileage of surfaced roads. Certain it is that heavier traffic will necessitate greater maintenance expenditure on unsurfaced roads, and that some sections will also require widening. It is generally recognised, I think, that the Main Roads Board have done excellent work for the State, and to-day, while there is still much to be done, the State may congratulate itself on its network of up-to-date and serviceable roads. As the result of the operations of the Main Roads Board, our system of roads in this State and the quality of most of our country roads will bear comparison with those of the other States in the Commonwealth. They have been a great aid and a great boon to the people of this country, more particularly to those primary producers who require the necessary facility of roads in order that they might get to their nearest station or port as the case may be. I move—

That the Bill be now read a second time.

Question put and passed.

*In Committee, etc.*

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

Read a third time and *passed*.

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

*Second Reading.*

**THE HONORARY MINISTER** (Hon. E. H. Gray—West) [8.40] in moving the second reading said: This short measure has been brought down as a result of representations made by the Returned Sailors and Soldiers' Imperial League of Australia. The Bill simply makes provision to enable ex-service men receiving pensions under

Division 5 of Part III. of the Australian Soldiers' Repatriation Act (Commonwealth), 1920-35, to avail themselves of the exemption extended to invalid and old-age pensioners under the Pensioners (Rates Exemption) Act. The shortest way to explain this is to read the sections of the Pensioners (Rates Exemption) Act to which it refers. The section states—

A pensioner under the Invalid and Old Age Pensions Act, 1908, may claim to be exempt from liability for the payment of rates under the Municipal Corporations Act, 1906, and the Roads District Act, 1919, the water, storm water and sewerage rates, meter rent, sanitary and pan rates in respect of land of which he is in occupation as owner. The payment of such rates shall be deferred, and the same shall be payable only on the sale of the property or the death of the pensioner, but in the meantime they shall become a first charge on the property, subject to any rights of a mortgagee existing at the time of the passing of this Act. The service pensioners to whom I have referred are returned men of any age who have become totally or permanently unemployable, but whose cases are not accepted as war-caused. To these men is granted a pension of 16/- per week, while a similar amount is provided for their wives. However, an amendment to the Repatriation Act specifically precludes such a beneficiary from obtaining an old-age or invalid pension, unless he is a tuberculosis sufferer, in which case he is allowed a maximum pension of 3ls. 6d. per week. The Bill, therefore, merely removes an anomaly that at present exists in the principal Act. Under the new proposal, these ex-service men will be entitled to exemption from rates when they are unable to pay them. I feel that hon. members will agree that this measure is only just and reasonable. The Bill gives exemption to those ex-service men who are pensioners and own their own homes from paying rates.

Hon. H. Tuckey: Is there any limit to their pensions?

The HONORARY MINISTER: They receive only 16s. a week.

Hon. H. Tuckey: It will apply to that class only?

The HONORARY MINISTER: Yes. I move—

That the Bill be now read a second time.

HON. J. CORNELL (South) [8.43]: The purpose of the Bill is really to put ex-A.I.F. men who are service pensioners on the same basis as old-age or in-

valid pensioners as far as rates are concerned. The payment of such pensions to these men is a recent innovation brought about within the last few months. The service pension is payable to men who served in a defined theatre of war. The man eligible for an ordinary pension is not eligible for a service pension. A man who embarked from Australian waters is eligible for an ordinary pension if suffering from a disability, but a service pensioner requires to have been in what is known as a defined theatre of war before being entitled to the pension. It is given to him because it is established after a proper medical examination that he is more or less what is known as a "burnt-out" ex-service man, unfit to work any more. I understand that the position with regard to the exemption granted to old-age and invalid pensioners is that the rates remain a charge against their property, and the beneficiaries, even though they may be in indigent circumstances, have to carry the burden which has accumulated as a result of the exemption given to the pensioners. The same thing will apparently apply to the ex-service pensioner. I notice that if the pensioner is occupying a war service home the consent of the War Service Homes Commissioner to the rates exemption is necessary. An ex-service pensioner who had paid off or was paying off his little home would come under the provisions of this Act, but he would have to obtain the consent of the War Service Homes Commissioner before it would apply. I support the second reading. It is desirable that ex-service men should receive the benefit as well as old-age and invalid pensioners.

Question put and passed.

Bill read a second time.

*In Committee.*

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

*Third Reading.*

Bill read a third time and *passed*.

## BILL—APPROPRIATION.

*Second Reading.*

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [8.49] in moving the second reading said: This is the annual Bill which authorises the appropriation of money necessary for services covered by the Revenue and Loan Estimates, and by the Advance

to the Treasurer. With the exception of expenditure provided for under Special Acts, this Bill covers the whole of the Government expenditure for the year. Supply Bills covering an amount of £3,800,000 have already been passed. The balance of the supply, up to the Estimates which now require approval, amounts to £5,264,566. The expenditure provided for this year under the Revenue Estimates is £6,152,157; General Loan Fund £2,412,409, and Advance to Treasurer £500,000, the total amount requiring appropriation being £9,064,566. Schedule A sets forth the various amounts already appropriated and the amounts to be appropriated under the present measure. The allocation of revenue expenditure is contained in Schedule B. In Schedule C appears a summary of loan expenditure, while Schedule D defines the purpose for which the Advance to the Treasurer can be used and the manner in which it will be adjusted. Full particulars of the amounts expended against each item from Advance to Treasurer during 1935-36 are set forth in Schedules E and F. Although there were excesses on the Votes for certain items last year, there were savings on certain other items. There were unexpended balances on the revenue and loan funds of £65,564 and £622,874, respectively. The total revenue appropriation last year was £5,760,476, and the actual expenditure £6,026,922, the excess being £266,516. The loan appropriation was £2,677,021, and actual expenditure £2,464,168, the net underdraft being £212,853. Thus the total expenditure, after allowing for the excess on revenue account, showed an excess over the total authorisations of only £53,663.

As hon. members are aware, savings on individual items cannot be offset against overdrafts on others, and, accordingly, it is necessary for the actual excesses on each item to receive parliamentary approval. The revenue account was again better than anticipated last year. Owing, principally, to increases in taxation collections and the Commonwealth grant, revenue collections (£10,033,721) exceeded the estimate (£9,406,490) by £627,231. The main increases on the estimated receipts were as follows:—

	£
Taxation .. .. .	255,300
Commonwealth Grant .. ..	200,000
Railways .. .. .	74,494
Goldfields Water Supply .. ..	40,461
Electricity Supply .. .. .	21,425

The considerable increase in taxation was mainly on account of buoyant financial emergency tax collections, but income tax, dividend duties (including gold tax), and probate duty also registered improvement on the original estimates. Including expenditure under Special Acts, the total expenditure for the year (£9,945,343) was £263,206 in excess of the estimate. When it is considered that a sum of £48,050 was distributed in drought relief, while revenue was also charged with certain items formerly debited to loan, such as belated repairs to railways, ore cartage subsidies, repairs to buildings, and other unusual items of less importance, the discrepancy is not very significant. Then, again, we finished the year with a surplus of £88,000. It will be conceded, I think, that the actual result was quite satisfactory.

With regard to the current year, I must point out that, when the original budgetary estimates were framed, we assumed that the Commonwealth grant would be the same as last year. We anticipated that revenue during 1936-37 would total £10,159,599 and expenditure £10,153,925, leaving a surplus of £5,674. However, the subsequent reduction of £300,000 in our grant from the Commonwealth will turn the estimated surplus into a deficit of £294,326. With the exercise of the strictest economy, it might be possible to reduce this figure to £200,000. Members must bear in mind, though, that drought relief will require heavy expenditure—probably £560,000 up to the end of June next. After allowing for the reduction in the Commonwealth grant, revenue estimates show a net decrease on last year's figures of £174,122. Increases, however, are anticipated under the following headings:—

	£
Taxation .. .. .	9,000
Law Courts .. .. .	1,258
State Trading Concerns .. ..	12,460
Public Utilities .. .. .	122,591

From public utilities, increases are anticipated in the following items:—Railways £75,506; Metropolitan Water Supply £23,392; Goldfields Water Supply £19,539, and Electricity Supply £14,575. The main decreases are anticipated under Territorial (£10,091) and Departmental (£6,719). Expenditure, which last year totalled £9,945,343, is estimated at £10,153,925 for the cur-

rent year. Increases over last year are estimated as follows:—

	£
Special Acts .. .. .	83,417
Governmental .. .. .	74,016
Public Utilities .. .. .	51,149
Total .. .. .	<u>£208,582</u>

The greater proportion of the increase under Special Acts is accounted for by sinking fund and the public debt, the increase under those two items being estimated at £63,148. With the growth of the public debt, sinking fund contributions show a corresponding increase. Two of our London loans were converted in June last. However, the saving in interest which accrues from those conversions is more than offset by interest on new loans, and the increase from the rate of 1 2-3 per cent. on £1,538,584 of migration loans to 5 per cent. This increase is in accordance with a provision in the migration agreement. Under that provision the State was required to pay 1 per cent. for the first five years, 1 2-3 per cent. for the next five years, and thereafter the full rate at which the money was borrowed. Ten years have elapsed since the migration loan was raised, and we are now liable for the full interest rate. Under Special Acts appears a new item providing for the payment of £6,216 in accordance with the University Buildings Act, 1930-31. That Act provides authority for payment to the University of a sum of £85,000, plus interest spread over a period of 30 years. The first payment falls due this year. The Government are unfortunate in having to meet the full blast of interest on migration money, and also the first payment of University money in the present year, when such adverse conditions are being experienced in the country districts. Increased activities in most departments and the restoration of the financial emergency deductions are reflected in added governmental expenditure. The increase of £51,149 in expenditure under public utilities is made up as follows:—Railways, £21,588; Tramways, £13,608; Electricity Supply, £10,147; Other Hydraulic Undertakings, £2,604; Caves House, £2,026, and other £1,176. Here, too, the increases are attributable to greater activities. The apparently large increase in the item "Tramways" is mainly on account of a provision for relaying, formerly chargeable to a suspense account. The Caves House vote includes provision for certain

necessary repairs. In accordance with section 41 of the Forests Act, 1918-1931, Clause 4 of this Bill provides for the approval of expenditure from the Reforestation Fund. The Forests Act stipulates that the fund may be expended by the Conservator, but the scheme of expenditure must be submitted to and approved by Parliament. The provision set forth in Clause 4 has been included in the Bill on this occasion as the result of a ruling by the Solicitor-General. In the past, the absence of any action by Parliament has been taken as tacit approval of the scheme of expenditure tabled in the House each year. The Solicitor-General, however, has decided that the approval of Parliament must be a positive act. A new clause has therefore been inserted. I move—

That the Bill be now read a second time.

On motion by Hon. G. W. Miles, debate adjourned.

[*The Deputy President took the Chair.*]

## BILL—LOTTERIES (CONTROL) ACT AMENDMENT.

### *Second Reading.*

Debate resumed from the 2nd December.

**HON. A. M. CLYDESDALE** (Metropolitan) [9.1]: In supporting the second reading of the Bill, I wish to take this opportunity to reply briefly to some of the statements made by persons in another place. I am not concerned about those statements personally, knowing full well their objective. The audit referred to was made over three years ago, a fact I wish to emphasise. Neither the secretary, the Commission's auditor, nor any member of the Commission knew anything of the contents until the report was laid on the Table of the House last week. The person who vented his spleen on the secretary, purposely made no reference to the marginal notes in the auditor's report. In those marginal notes it was stated that in some cases the same practice still existed, and that in others the method had not been altered, notwithstanding the fact that the late Mr. O'Mahony, who before being appointed chairman of the Commission was for many years a Government auditor—and of course never saw this report—was perfectly satisfied to follow the methods laid down by the first Commission.

The DEPUTY PRESIDENT: The hon. member is on dangerous ground, and I would ask him not to go too much into detail as to where he got his information from.

Hon. J. J. Holmes: There is a morning paper, is there not? If the members of the Commission told you this, you can tell it to the House.

Hon. A. M. CLYDESDALE: I was a member of the Commission myself at the time, and therefore I should know. It is unfair to have alleged irregularities tossed at one after a lapse of three years. I am not blaming the Government for not supplying the Commission with a copy of the auditor's report. The present Government, and the late Mr. Scaddan, distinctly informed the Commission that the lotteries were not a Government department and that the consultations had to be run as a business proposition. The Government must have been well satisfied with the conduct of the lotteries after receiving that report; otherwise they would have notified the Commission. Hon. members have expressed satisfaction that a monthly audit will henceforth be presented to Parliament. As a matter of fact, since the inception of the Commission a monthly audit has been made of every consultation. A copy of the auditor's report has been supplied to the Minister, and when Parliament was in session a copy was laid on the Table in each House. Further, the Minister has the power to instruct the Auditor General to enter the Commission's premises at any time. In fairness to the firm of auditors at present employed, I should state that they have never been behind, even to the extent of a single day, in presenting their reports. In another place criticism of the secretary was voiced, practically accusing him of having obtained commission on the sale of X-ray plants and refrigerators. It was alleged that he purchased these things on his own account. As a matter of fact, the Commission insisted on prices being obtained from leading firms and the lowest tender being accepted. Before accepting such tender, however, the Commission informed the successful firm that provided they made a further reduction of 20 per cent. in their prices, they could have the total business for 12 months. That refers to refrigerators. Now as regards X-ray plants. After consultation with Mr. Huelin, the Commission found that one firm had a monopoly. The firm were informed

that the Commission considered their prices excessive. After the Commission threatened to import their own plants, the price of each machine was reduced to £300. At that time we were informed by Mr. Huelin that these were the cheapest machines purchased in Australia. That is a very different proposition from what was outlined in another place. On these purchases alone the Commission saved a considerable amount of money. The secretary did not make a single purchase on his own account. Next as regards the rate of 10 per cent. allowed by way of commission. I am quite aware that at present it is the general opinion that 10 per cent. is too high. However, there is the experience of the Eastern States. Tattersalls has been in existence for 40 or 50 years, and still pays 10 per cent. commission. New South Wales and Queensland are also paying 10 per cent. If 10 per cent. is too much here, what must it be in places where the turnover is so considerable? If the commission could be reduced in the case of seven or eight sellers below 10 per cent., while it remained at that rate for other sellers, the proposition would be reasonable; but how can we penalise a man simply because he is successful? There is a highly successful agent in Forest-place. All around him are agencies making perhaps a pound a week, while this man is making thousands a year. The Commission took the step of opening a shop or two in his vicinity. These shops barely paid expenses. During my time not 5 per cent. of the agents were doing any good at all. In this matter one has to be most careful, because if the whole of the agents were reduced to a commission of 5 per cent., the lotteries would be affected materially. Having gone carefully through the Auditor General's report, I find that the system now in operation under the Commission is almost the same as that laid down by the first Commission. The matters referred to are merely bookkeeping methods conducted on a commercial basis versus Government methods. As regards complaint No. 1, that regulation 7 requires that money received should not be held longer than two banking days, the reply is that cash was frequently used to pay wages, being later refunded and banked when cheques were drawn for the amount. As regards complaint No. 2, that examples came under the Auditor General's notice indicating that it was the practice to use col-



lections for the purpose of cashing cheques for parties not having business with the Commission. The reply is that occasionally cheques were cashed for the Ugly Men's Association, mostly for distressed persons who came after banking hours with orders for assistance. The third complaint was that instances came under notice where agents selling tickets did not remit to the Commission the cash from sales of tickets until after the close of the lottery. The reply is that the collections by agents were allowed to accrue only where the agents were responsible business people. Then there is the complaint that in the case of the Fremantle representative a member of the Commission failed to remit the sum of £501 10s. 6d. until a fortnight after the lottery had closed. The reply is that prior to this date some trouble was experienced with certain of the Fremantle agents. A member of the Commission undertook to distribute and collect in an honorary capacity all moneys for Fremantle; and he reported having considerable trouble in collecting from some agents. Eventually he paid one agent's fees out of his own pocket. Hence the delay, which was only a few days. As regards the charge that 2½ per cent. commission was paid to a Kalgoorlie agent and that there was no record of this in the minutes, the statement is incorrect. I made a trip to Kalgoorlie for the purpose of appointing an agent in a shop. The conclusion arrived at was that it would be better to appoint a representative. There is no record in the minutes of that appointment and of other appointments. Generally speaking, the appointment of staff was left to the secretary, as is the case in most businesses. A great deal of capital was made out of sums paid to the secretary for expenses and motor hire. All these matters were fully discussed by the Commission, and accounts were passed by that body. The expenses quoted covered a period of eight weeks, during which numerous agents were appointed and the premises of many applicants had to be inspected. There is also the charge that the Commission did not deduct the 22½ per cent. emergency tax of the period. Just fancy a body making such profits as the Commission made deducting the 22½ per cent.! We did not consider it advisable, and we plead guilty to not having done it. The main irregularity with which we are charged is that the Act pro-

vides that for each lottery the Minister shall approve of all distributions for charitable purposes, and that we failed to obtain this approval. The permit for No. 2 lottery did not detail the charitable purposes which were to benefit, nor was any list of the proposed distribution supplied to the Minister by the Commission. The reason is that it was impossible to comply with the Act, no applications for assistance having been received. Accordingly the money was placed to suspense account, to be distributed as occasion warranted. There was a general howl about £28,000 being hoarded in the bank. Were we to advertise in the newspapers that we had a large amount of money to distribute? I repeat, it is not possible to comply with the provisions of the Act because the Commission cannot allocate to any specific institution or organisation the total profit made. In many cases the institution or organisation would not require a quarter or even a tenth of that profit. I put the position before the members of the Commission at the time, and we decided that the only thing to be done was to place the money in a suspense account. I contend that all these matters could easily have been cleaned up at the time had the secretary's attention been drawn to them. Now, after the lapse of three years, political capital is being made out of such trivial affairs in order to belittle the secretary in the eyes of the public—a proceeding which I consider decidedly unfair. Here is the other side of the picture. These consultations were started against considerable opposition from interested parties. The one object of those responsible has been from the inception to retain here the large amounts of money that were being sent to the Eastern States. The result has exceeded the most sanguine expectations. The members of the Commission, instead of being subjected to condemnation, ought to be congratulated on now showing a profit of £80,000 per year. Although the secretary and his staff have handled the enormous total of nearly £750,000 to date, mostly in half-crowns, there has never been the slightest suspicion or suggestion of any shortage in cash. Moreover, every lottery has been balanced on time. That is the best answer to the criticism of the secretary and his staff. All sorts of suggestions have been made by people who have tendered advice as to how

the lotteries should be run. Some people suggest that the price of tickets should be reduced to 1s. Some consider that the lotteries should close with 100,000 tickets, and others think the price of the tickets should be increased to 5s. I am a great believer in leaving well alone. The lotteries have been remarkably successful, much more than was anticipated. I shall never forget an answer the late Mr. John Scaddan gave me when I first submitted the project to him and suggested that one day the lotteries would return to the State £50,000 a year. I shall always remember Mr. Scaddan's laugh as he said, "You are a greater optimist than Jimmy the Mitch." Even when the lotteries were launched, I think it was never anticipated that the amount now received would be collected. After all, the lotteries merely represent another method of taxation. They amount to indirect taxation. Economically no one can say that the lotteries are not unsound. Let members think of the odds against the purchaser. On the other hand, people will spend money in this direction. Why not keep that money in the State? The lotteries have resulted in the money being kept within the State instead of going elsewhere for the benefit of institutions on the other side of Australia.

Hon. J. Nicholson: On the principle of the tourist traffic?

Hon. A. M. CLYDESDALE: Yes. I hope that no drastic alterations will be made by the Government because the Lotteries Commissioners are doing remarkably well, and it is a very good policy, when things are going properly, to leave well alone.

**HON. C. H. WITTENOOM** (South-East) [9.19]: I support the second reading. I would regret very much indeed the passing of the lotteries. I listened with pleasure to the remarks of the Honorary Minister, and the long list of institutions that have benefited by donations from the Lotteries Commission indicated that the Commissioners are doing gratifying work. They have done it efficiently and, as a result, the community generally have greatly benefited. I do not suggest that everything has worked absolutely perfectly. There is still plenty of room for improvement, but the Commissioners are learning by experience. There have been some small errors, and some could be regarded as slight irregularities, some-

thing about which we heard when a certain member dealt with the subject in another place.

The DEPUTY PRESIDENT: Order! I would draw attention to Standing Order 392, which sets out that no member shall allude to any debate during the current session in the Assembly.

Hon. C. H. WITTENOOM: If there is one institution that should be conducted so as to be beyond criticism, it is the State lotteries. I am rather pleased that certain criticism has been indulged in by that certain individual, because it will prove helpful. I do not suggest that the criticism implied dishonesty or lack of straightforwardness, but it seemed to indicate that there had been some laxity. Anything of that sort should be entirely foreign to a body dealing with the subscriptions of a large number of people every month. I believe the subscribers average upwards of 150,000, and the amount of money passed in each month is about £15,000. The Act provides that the Commissioners shall appoint an auditor to audit the accounts monthly, and I understand that has been done. The Bill amended the Act to provide for a continuous audit by the Auditor General's Department, and for the provision of monthly reports. The lotteries have proved successful, and the Commissioners have done everything that was expected of them. Their work has proved helpful to the charities and has considerably relieved the Treasury. The inauguration of the lotteries has done a great deal towards decreasing the indulgence in gambling by means of those humbug competitions known as cross-word puzzles. It also did away with the objectionable form of gambling that was seen at White City, and it has also eliminated another objectionable feature. I refer to street collections, which are now limited to one very laudable purpose, that of the Returned Soldiers' League.

Hon. G. Fraser: It is very evident that you are not often in the city.

Hon. J. Nicholson: Yes, that is evident.

*[The President resumed the Chair.]*

Hon. C. H. WITTENOOM: I accept the interjections by members, but I was under the impression that street collections were now limited to one occasion per year. The inauguration of the lotteries has kept in the State large sums that would otherwise

have gone to Tattersalls in Tasmania and the Golden Casket in Queensland. I am not prepared to agree to a Royal Commission or any other form of inquiry, because I can see no good that would result from such an investigation. I do not think there is much to complain about. If any regulations are framed, the intention of the Government should be made perfectly clear. If that were done, then in the event of any irregularities or slackness in the future, the Commissioners should be dismissed and employees punished. On the other hand, if those concerned carry out the duties that they are appointed to undertake, there should be no criticism at the end of the year. At any rate, it is the duty of the Minister to see that the business is carried out properly during the year. I am glad that the Act is to be limited to a further period of 12 months only because that will again give us an opportunity to make any alterations that may seem necessary. I trust that at the end of the year the operations of the Commission will be above criticism. I have very little cause for complaint regarding the way the lotteries have been run this year. We sometimes hear that the commission paid to ticket sellers, which, I understand is 10 per cent., is too high. It may be, but when we consider that the lotteries are run for an administrative expenditure of not more than 15 per cent., the matter must be regarded as very satisfactory. Very few ticket sellers engage in any large volume of business and the work is mostly confined to a lot of small sellers who make little out of the sales. I support the second reading.

Hon. H. SEDDON: I move—

That the debate be adjourned.

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

Ayes	..	..	..	..	5
Noes	..	..	..	..	14

Majority against .. .. 9

AYES.			
Hon. J. Cornell		Hon. H. Seddon	
Hon. V. Hamersley		Hon. C. G. Elliott	
Hon. J. Nicholson			(Teller.)
NOES.			
Hon. E. H. Angelo		Hon. J. J. Holmes	
Hon. A. M. Clydesdale		Hon. W. H. Kitson	
Hon. J. M. Drew		Hon. G. W. Miles	
Hon. G. Fraser		Hon. H. S. W. Parker	
Hon. E. H. Gray		Hon. H. Tuckey	
Hon. E. H. H. Hall		Hon. C. H. Wittenoom	
Hon. E. M. Heenan		Hon. H. V. Piesse	
			(Teller.)

Motion thus negatived.

HON. J. CORNELL (South) [9.31]: I regret that I was the cause of the division as to whether the debate should be adjourned. While I was relieving the President I passed a note to Mr. Seddon explaining that I wanted to contribute to the debate, and that since the President had not yet returned I would be obliged if Mr. Seddon moved the adjournment, so that I could speak my little piece to-morrow. However, I will speak it now. Members seem to be obsessed with the idea that it is not right to oppose a Bill. I can remember the time when the House, if it were opposed to a Bill, took the earliest opportunity to put it out. On the measure before us I stand where I stood previously; I oppose it on its present basis. It is legislation that leads to political preferment and political machination. A weakness of the Lotteries Act is that the Commissioners who organise the lotteries and are responsible for their control, are the nominees of whichever Government may be in office at the time; and not only do the Commissioners receive the funds, but they disburse the funds also. I chance to know that Mr. Clydesdale is with me on this point. We have had the regrettable feature of Press announcements that the member for so-and-so and the member for such-and-such had succeeded in getting the Lotteries Commission to grant a certain sum of money for a certain purpose, of course within his electorate. That, in my opinion, is despicable; it is bad enough for a member of Parliament to get some cause recognised for the community he represents, but he should leave it at that and not carry it abroad and tell everybody that he has succeeded in convincing the Commission of the necessity for making a grant. Also it has put the Commissioners in a false light. I hope that in future if the Commissioners agree to any member of Parliament interceding with them, they will agree conditionally that he keeps his mouth shut and says no more about it.

The Chief Secretary: Do you suggest that a member of Parliament should not approach the Commission?

Hon. J. CORNELL: I do not know, but I certainly think it would be better if he did not.

Hon. H. V. Piesse: How are the Commissioners going to get all the necessary information?

Hon. J. CORNELL: They have other ways of getting the necessary information. Members of Parliament are just as honest as are other members of the community, but there are certain things that they should refrain from doing. It would be infinitely better if members of Parliament did not make representations to the Lotteries Commissioners. Other members of the community can be relied upon to do that.

Hon. H. V. Piesse: But those other people ask members of Parliament to intercede.

Hon. J. CORNELL: I for one would refuse to intercede.

Hon. A. M. Clydesdale: You do not suggest that the Commissioners would be influenced by members of Parliament?

Hon. J. CORNELL: No, I do not. Still, the position is that the Commissioners owe their position to members of Parliament. I hope that in future the Commissioners will not be approached by members of Parliament. I am opposed to the Commission, because I think that those who raise the money should not disburse it. My opinion is that the lotteries should be run for one specific body who has the maintenance and improvement of permanent hospitals to look to. We have to-day in the hospital system the spectacle of the community of Norseman, down in the dol-drums, and yet have to keep their little hospital going, putting their hands in their pockets and raising £2,000 or £3,000 with which to build a hospital. Then we have Kalgoorlie and Boulder, neither of which will pay 2s. towards the Kalgoorlie hospital extension. One section of the community gets away with it, and another section pays for it. The moneys raised by the Lotteries Commission should be definitely given to communities with which to obtain and equip proper hospitals. If that were done we would want one body to raise the money and another body to disburse it, under the guidance of the Health Department. As the position is to-day, the people who raise the money also disburse it, and even by the wildest stretch of imagination some members who were in the House when the Lotteries Commission was first agreed to would have the utmost difficulty in conjuring up in their minds some of the institutions that have been assisted by the Lotteries Commission. That is what the Lotteries Commission has developed

into to-day, assisting institutions that by no stretch of the imagination can be regarded as charitable institutions. I protest against some of the institutions that have been assisted because, as I say, they are certainly not charitable institutions as contemplated in the parent Act. If that Act provided that all moneys disbursed should be for assisting a proper hospital system, I would say that the Commission should have a life-long tenure for my part; but while it remains as it is, the only safeguard is that one body should raise the money while another disburses it. There is no question that the appointment of the present chairman of the Lotteries Commission was a purely political appointment. Still, he is a fair man and, knowing him as I have for many years, I am sure he will do a reasonable thing. The fact remains that the appointment of the chairman was a political appointment. Still I do not think that will weigh one iota with him in making his decisions. Now I want to say a word or two in answer to criticism levelled against some members of the staff of the Lotteries Commission. No other venture that I know has ever been launched in Western Australia with a better staff or with better men at the helm. I have known for upwards of 35 years the man who was first at the helm and I can say that my good friend, Mr. Clydesdale, was at once the brains and the restraining influence of the Commission. Almost the same thing could be said of the secretary, Mr. Buscombe. Any man who knows Mr. Buscombe must know that he is a capable, careful and cautious man. I also want to say for the gentlemen over whom Mr. Clydesdale presided that they were thoroughly reliable men in every respect. Then when I look at the staff of the Lotteries Commission in Boulder and Kalgoorlie I find it could not be improved upon. I have known the head of the affair up there for 35 years or more and I must say that no man in the goldfields community can claim a greater degree of honesty than can Mr. Richards, whose name is a household word. The Lotteries Commission in getting hold of him was very fortunate indeed. In conclusion I may say that Colonel Denton has been associated with the staff since its inception. His honesty and integrity are well known to all. Other lesser members of the staff are pulling their full weight. It ill-becomes anyone to criticise the management and the staff in

any disparaging manner, especially such men as the Commission have been fortunate enough to get hold of. I commend Mr. Clydesdale for his judgment in appointing these two particular men, because he could not have done better if he had gone to the ends of the earth. My final observation is that it is time we squared up to our full hospital responsibilities, both as to the present day and the future.

**HON. E. H. H. HALL** (Central) [9.45]: Mr. Clydesdale said that things were all right with the Commission, and that we should let well alone. No one who has read the criticism of the Auditor General could say that things were quite well. The criticism may not have revealed a very serious state of affairs, but it was serious enough. Now is the time when the business is in its early stages for it to be laid down on sound lines by the Lotteries Commission, which controls such a large sum of money. We have heard how the money has been distributed. Amongst other receipts was the Surf Life-saving Club. That case has been criticised. I have nothing to say against the club receiving assistance from the Lotteries Commission, but I do say that I know of people more deserving of assistance than that fine body of young people who are taking part in surf life-saving. I have a letter from a man in the country who asked me if I could get him some financial assistance through the Lotteries Commission to enable him to purchase a new wooden leg. He lost his leg many years ago, and the wooden leg he had is worn out. As he is a farmer, he is not able to buy a new one. I sent the letter to the Commission, and asked for assistance. As it was an individual case, I did not think there was much chance of getting anything, and was not surprised to receive an answer in the negative. With regard to the contribution to the life-saving club, I would point out that people are not compelled to go swimming, and that surfing is more or less a sport, a pleasure or an exercise. If money can be devoted to that purpose, surely it can also be devoted to the purchase of a wooden leg for the man I have referred to. This man is endeavouring to earn his living, keep off relief work, and remain on his property. It will be putting money to much better use if it is devoted to purposes of this kind than to life-saving clubs.

Hon. G. Fraser: People who belong to the life-saving clubs sacrifice a lot in doing so.

Hon. E. H. H. HALL: That may be so. A relief worker returning to his home in my district was killed in a motor accident and left a widow and two or three children. The people of Geraldton very soon raised a sum of money with which to help them. The widow came to me and told me she had three children and asked if there was any chance of her getting help through the Child Welfare Department. She filled up a form, which was sent in. The reply I received was dated the 8th November, 1934, and was as follows:—

I am in receipt of an application for assistance from X and note that she has several sums of money due to her. Assistance from this department will be granted at minimum rates when proof of careful expenditure of the amount in hand is submitted to this department. She will be permitted to retain approximately £20 of the sums stated above. Investigations are being made regarding her case, and you will be informed as soon as same are complete.

I received another letter from the department dated the 4th October, 1936, as follows:—

With reference to your recent visit to this office regarding the case of X, I have to inform you that the present position of this family is as follows:—Grandfather, invalid pension, 18s. 6d. per week; mother earns 12s. 3d., C.W.D. allowance 18s., total £2 8s. 9d.

That works out at less than 10s. per week per head. A great deal of money is applied for from the Lotteries Commission by different organisations, but what about the widows? Surely money might more fittingly be distributed amongst cases of this sort, especially amongst widows who on meagre allowances have to rear their families. Those people are entitled to assistance to enable them to live in decency and comfort. If criticism is levelled at the Commission for giving money to life-saving clubs, it is because in the opinion of many people there are cases more deserving of assistance. There is the widow to whom I have referred, and the man with one leg. I agree with Mr. Cornell's suggestion that the body responsible for raising the money should not be the body responsible for spending it. I notice that the ex-Minister for Police, who used to be in charge of the Act, acknowledged that the rate of commission paid to agents was too high. Many agents earn little enough at 10 per cent. commission, but others earn a huge amount. I wonder

whether the agents who have the large businesses could not be paid pro rata, so much for the first £200 or £300, and so much for the balance. I cannot see any great difficulty in arranging such a thing, and throw this out as a suggestion. I agree that the small sellers receive little enough recompense. Many of us are of opinion that for the big sellers 10 per cent. is too high a rate. The Act was passed so that money might be raised for charity, and not so that a few principal agents should earn big sums. I wish to protest, as I have done before, about the Commission spending too much money in advertising. Mr. Clydesdale says that if they do not advertise, the sales will fall off. I am reluctant to support this Bill. What has been spoken of as the experience of other countries will, I fear, be the experience of this State. Like other Australians, I have the gambling spirit in me. When the ban was placed on Tattersall's some years ago, I did not bother to find out where I could get a ticket, and for years sent no money to Hobart. The more these lotteries are advertised, the more will people buy tickets. Children and many womenfolk who can ill-afford 2s. 6d. are being encouraged to buy tickets in the hope of getting rich quickly, and that spirit is not going to do us any good in the long run. There are many people who are able to give to charities, but refrain from doing so. These institutions must have funds. Apparently the only way they can get them is by people having their little gamble. It is time the Commission endeavoured to stop all this advertising in the papers and on the screens.

Hon. W. J. Mann: You are out of date.

Hon. E. H. H. HALL: That accusation is made quite a lot of use of in these times, but if one is courageous enough to express one's opinion, it does not matter about being out of date. I support the second reading of the Bill.

**HON. H. V. PIESSE** (South-East) [9.58]. I support the Bill, as I have supported the other Bills of this nature. I listened attentively to Mr. Cornell, and noted his reference to members of Parliament visiting the Lotteries Commission with a view to securing assistance for charities in which they were interested. Many country people cannot come to Perth, and naturally approach their Parliamentary representative

to act on their behalf. Many who visit the Commission should be treated with the same courtesy that has always been meted out to them. Never have they had a more understanding man than Mr. Buscombe, who has been connected with so many charitable endeavours in this State. He is a splendid officer. The late Mr. O'Mahony, who was chairman of the Lotteries Commission for a brief period before his death was held in high esteem by those who knew him and no complaints were heard about the manner in which the work of that body was carried out during the period he was in control. Mr. Hall has spoken about reducing the commission paid to the agents for the selling of tickets, but I do not know that it would be possible to do this, and certainly it should not be done because a number of agents have been successful as sellers of tickets. Surely, if they can effect the sale of a considerable number of tickets, they are entitled to the commission that is paid to them. If any reduction is made in the commission, the consultations will be bound to suffer. There are frequent instances in every walk of life where a man who is successful makes a considerable amount by way of commission. So I do not consider that we would be justified in varying or reducing the commission to those who do business on a large scale. The result would probably be the formation of a company or a syndicate of four or five people who would in that way try to secure a monopoly of the sale of tickets. Occasionally I have purchased a ticket in the sweeps, and only the other day I happened to pick up 2s. in the street and added 6d. to it and invested in a lottery ticket, without, unfortunately, any result. We all have the gambling spirit in us and if we at any time have a few shillings to spare there is no better way of investing it than by purchasing a lottery ticket, because we know that in addition to providing prizes for a few, a portion of the money is being devoted to some charity or other. I intend to support the second reading.

**THE HONORARY MINISTER** (Hon. E. H. Gray—West—in reply) [10.4]: I should like to make a few comments in reply to some of the remarks offered by members. Mr. Cornell paid a tribute to the efficiency of Mr. Buscombe and Colonel Denton. Unfortunately, Mr. Buscombe has been a sick man for the last few weeks and whatever has been said against him as secretary of the

Lotteries Commission is without foundation. I agree that it would be far better if a State lottery were instituted, and the schedule set out what organisations should receive assistance. But this Chamber would not agree to a State lottery. I do not agree that hospitals only should receive assistance from the Lotteries Commission, especially in a State like ours where there is a growing need for substantial help in many directions. It is obvious that the Commission cannot deal with individual cases such as were referred to by Mr. Hall. I advise the hon. member to form a proper benevolent society in his district and I am sure he would then have no difficulty in securing assistance for special cases that might be quoted. With regard to the auditor's report, nothing but minor matters have been disclosed. The Lotteries Commission is not a Government department and therefore governmental routine is not established there. Practically everything questioned by the Auditor General's Department has a very simple explanation and it was not considered necessary to publish the report. Even the Commissioners themselves did not receive the report. I should like to know whether there is any business organisation which, in the course of two or three years' operations, will not disclose some irregularities. A business man is extremely lucky if he can go for six months without discovering something of that nature. My opinion is that the Lotteries Commission have come through the Auditor General's report with flying colours, particularly when we remember what used to happen in the old days, when lotteries were run and commission amounted to 51 per cent. of the money collected. Now, to question the methods of the Lotteries Commission, is just straining at a gnat and swallowing a camel. The Lotteries Commission came on the scene in the bad old days, when large sums of money were being collected from the pockets of the people by unscrupulous organisers. There is no question about that. It is a good thing for the State that the practices of those days were put a stop to. Mr. Holmes said that we were told that the Lotteries Commission Act would abolish street appeals. The hon. member is in error. We have to travel a long way along the path of economic freedom before it will be possible to do away with honorary social service as expressed in the periodical street appeals conducted for worthy objects. It would be a very bad ad-

vertisement for the State if those appeals were prohibited. It is a good advertisement for the community that tolerates street appeals. The average normal citizen is always eager to do whatever is possible to help along charitable and social organisations of proved reputation. This is exemplified by the fact that a well organised street appeal in the metropolitan area will return anything from £150 to £250—the amount collected varying in proportion to the number of ladies collecting. The persons engaged in this work deserve the highest commendation of the community, rather than harsh criticism.

Hon. H. S. W. Parker: The people who send the ladies out deserve the criticism, not the ladies themselves.

The HONORARY MINISTER: No matter how well advanced we may be, there is always something wanted beyond the capacity of the Government to supply, and the good intentions of generous-hearted people who carry out street appeals deserve encouragement. Mr. Holmes criticised the donation of £750 to the Young Australia League. Surely the hon. member is aware of the magnificent work that is being done for the youths of Western Australia by that organisation.

Hon. J. Cornell: Would you call it a charitable organisation?

The HONORARY MINISTER: I am calling it an important part of our social fabric. It renders a very valuable social service to the community by instilling high ideals of citizenship into its youthful members, and by discipline and education the organisation turns out hundreds of well-trained, clear-eyed, well-disciplined young men, solidly equipped to become in every way valuable citizens of the State.

Hon. J. Cornell: How much do the boy scouts get?

The HONORARY MINISTER: Perhaps they are slow to ask. The Y.A.L. musical combination, brass band and orchestra, render valuable service by appearing at major functions conducted for charity. The Y.A.L. is also a recruiting station for the metropolitan brass band. It is difficult to find a brass band in the metropolitan area without members who received their initial training from the Y.A.L. In this regard the organisation renders a valuable contribution to the musical culture of the community. In every way the Young Australia

League justifies the substantial assistance given to it by the Lotteries Commission.

Hon. J. Cornell: Culture—that is good.

The HONORARY MINISTER: Their special department is education by travel, and since the depression the league has taken into its ranks a large number of young men.

Hon. J. J. Holmes: They travel for the good of their health.

The HONORARY MINISTER: The hon. member must agree, if he has travelled, that education by travel is the best form of education for lads. The institution renders considerable help to charitable societies in the way of raising funds. The Y.A.L. Band played at seven or eight functions in November. Surely an organisation that is prepared to do that class of work—and to do so at times involves travelling long distances—can be said to be engaged in charitable tasks. To that extent, therefore, the Y.A.L. is a charitable organisation.

Hon. J. Cornell: Do the Salvation Army get anything?

The HONORARY MINISTER: The Salvation Army will not take any money from the Lotteries Commission. Mr. Holmes also criticised the grant for the three social service centres at the three metropolitan hospitals, and he asked what happens between Wyndham and Esperance? The reply is that both Perth and Fremantle cater for country patients. Of the total number of patients treated at the Perth Hospital, 25 per cent. come from the country. Fremantle also takes in a large number of country patients, as likewise does the Children's Hospital. It is not a practical proposition to organise a social service department in country hospitals, because the work is not there for a full-time sister. Mr. Parker has given notice of an amendment to secure the publication of the balance sheets of the Lotteries Commission in the "Government Gazette." I shall oppose that amendment.

Hon. H. S. W. Parker: You have not got the Bill to the Committee stage yet.

The HONORARY MINISTER: I shall oppose the amendment, because the "Government Gazette" is not the proper publication for an advertisement of that type. The balance sheets of only two organisations did appear in the "Government Gazette," one being the balance sheet of the

Cemeteries Board, and the other the balance sheets under the Road Districts Act. That procedure, for the latter, however, has been stopped for a considerable time because of the expense. As the Lotteries Commission is not in any way a Government department, I submit there is no need for the publication of the balance sheet in any periodical like the "Government Gazette." It would be useless because of the "Gazette's" limited circulation, and in addition it would be expensive. Balance sheets in the past have been laid on the Table of the House and have been available for perusal by the public and every member of Parliament. I am pleased at the way in which this Bill has been received by the House.

Question put and passed.

Bill read a second time.

*In Committee.*

Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 21 of the principal Act:

Hon. H. S. W. PARKER. I move an amendment—

That after "month" the following words be inserted:—"and such report shall be published immediately in the 'Government Gazette'."

Hon. W. J. Mann: Why the "Government Gazette"?

Hon. H. S. W. PARKER: Let me establish the principle that we want the report made available immediately. It is no use if, when this Parliament adjourns in December, we cannot see the report until the following August. All sorts of irregularities may be disclosed. I do not suggest there are any irregularities, but there might be. Suppose one arises in January; the report is filed until June. In July it is altered.

The Chief Secretary: What would you do during February if there was something in the report of which you did not approve?

Hon. H. S. W. PARKER: If there were anything in the report requiring notice I have sufficient confidence in the Press to know that they would find a news item in it. It may be suggested that the Press do not see the "Government Gazette." I can assure hon. members that they do. If there is any job advertised in the "Government Gazette" you will find that they have a notice about it in the news and notes.



Hon. W. J. Mann: Why not publish the matter in the Press?

Hon. H. S. W. PARKER: This is a charities organisation. Why force them to put items of news in the Press and pay for them?

Hon. W. J. Mann: They have to pay in the "Government Gazette."

Hon. H. S. W. PARKER: But the "Government Gazette," being a Government concern, goes to maintain taxpayers. Again, the "Government Gazette" could charge less. I was astounded to find that the Charities pay the Press for the publication of the prizes.

Hon. W. J. Mann: What is wrong with that?

Hon. H. S. W. PARKER: One newspaper makes a feature of the fact as a selling proposition that it gets immediately the list of prizewinners. I am asked, "why not publish the matter in the Press?" I do not know whether members realise the number of papers there are. The Commission would be inundated by 50 or 60 papers asking "Why are not we in this?" I say the auditor's report should be published in the "Government Gazette." It would be the only item of interest that would be seen in the "Government Gazette." It might result in the sale of the "Gazette" to other than those forced for business reasons to purchase it. If there is anything in the auditor's report that suggests in any shape or form any discrepancy there are certain papers that will pounce upon it, and we will get far bigger headlines than from publishing an advertisement. It is no use having an auditor's report unless it is seen, and the cheapest way to publish it is in the "Government Gazette."

Hon. W. J. MANN: This is the finest exposition of somersaulting I have heard for a long time. Mr. Parker, in season and out of season, is a champion of private enterprise, and now he comes along and with the idea of getting some mythical saving, urges that the matter be published in the "Government Gazette."

Hon. H. S. W. Parker: On behalf of charities.

Hon. W. J. MANN: On behalf of charities! Put it that way if you like. He suggested that the "Government Gazette," of all papers in this State, should be utilised for that purpose. I wonder he did not include the "Trade Protection Gazette." The Press is not a charitable institution. It is a very expensive

institution to carry on; much more so than many people realise. If Mr. Parker wishes to be consistent he should advocate the Commission publishing the results of the drawings in the "Gazette" and leave the other papers alone. But that does not suit the hon. member. Of all the absurd statements I have heard I think this is the limit.

The CHAIRMAN: Both hon. members have been out of order.

Hon. W. J. MANN: I will not be out of order any longer, but leave it to the judgment of the House to turn down this stupid idea.

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

Ayes .. .. .	12
Noes .. .. .	8

Majority for .. ..	4
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AYES.	
Hon. L. Craig	Hon. H. S. W. Parker
Hon. C. G. Elliott	Hon. H. V. Piesse
Hon. E. H. Hall	Hon. H. Tuckey
Hon. V. Hammersley	Hon. C. H. Wittenoom
Hon. J. J. Holmes	Hon. G. B. Wood
Hon. J. Nicholson	Hon. H. Seddon
	(Teller.)

NOES.	
Hon. E. H. Angelo	Hon. E. H. Gray
Hon. C. F. Baxter	Hon. W. H. Kitson
Hon. A. M. Clydesdale	Hon. W. J. Mann
Hon. J. M. Drew	Hon. G. Fraser
	(Teller.)

Amendment thus passed; the clause, as amended, agreed to.

Clauses 3 and 4—agreed to.

Title—agreed to.

Bill reported with amendment, and the report adopted.

### *Third Reading.*

Bill read a third time and returned to the Assembly with an amendment.

## **BILL—FINANCIAL EMERGENCY TAX (No. 3).**

### *First Reading.*

Received from the Assembly and read a first time.

### *Second Reading.*

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West) [10.31] in moving the second reading said: This Bill is to take the place of the one that was laid aside earlier in today's proceedings. The necessity for it is well understood by members. This House

having rejected the Financial Emergency Tax Assessment Bill, the Government had to introduce another Bill with certain amendments.

Hon. J. Cornell: What about the assessment Bill?

The CHIEF SECRETARY: There is no assessment Bill; we will fall back on the old assessment Act.

Hon. J. Cornell: Back to £3 15s. a week?

The CHIEF SECRETARY: This Bill provides that taxpayers with dependants and in receipt of less than £3 15s. a week shall be exempt from the tax. The scale of tax will be the same as was included in the Bill that I introduced a few days ago. That scale differs from the scale in the Act of last year to the extent that in certain instances the rate of tax was reduced by 2d. and in other instances by 1d., while for those taxpayers on the higher incomes, the rate has been increased from 9d. to 1s. in the pound. In the assessment Bill which was defeated in this House, the term "dependant" was used instead of the words "member of a family," which are the words used in the existing Act and we have reverted to those words in this Bill. I should not be expected to traverse the arguments used when I introduced the previous Bill. All I need say is that this measure is an expression of the Government's policy on the financial emergency tax, and in view of the fact that this House was not prepared to agree to the use of the term "basic wage" in providing for exemptions from the tax, the Government have substituted the sum of £3 15s. a week in order that those taxpayers in the metropolitan area and in the South-West land division earning the basic wage might be exempt in the same manner as they have been exempt during the last three years.

Hon. J. Cornell: Do you propose to ignore the present assessment Act?

The CHIEF SECRETARY: The basic wage in the metropolitan area at present is £3 13s. 9d. per week or £191 15s. per annum. In the South-West land division, exclusive of the metropolitan area, the basic wage is £3 14s. 8d. per week or £194 2s. 8d. per annum. Thus the sum of £3 15s. per week stipulated in the Bill provides for the exemption of basic wage earners in the metropolitan area and in the South-West land division, but excludes workers in the goldfields area where the basic wage is £4 7s. 6d. per week or £227 10s. per annum.

The other provisions of the Bill are exactly the same as those of the Bill which was laid aside.

Hon. J. Cornell: Why was it laid aside?

The CHIEF SECRETARY: Because this House was not likely to agree to it and it became necessary to introduce another measure.

Hon. J. Cornell: Was not it laid aside because the assessment Bill was wrong?

The CHIEF SECRETARY: That is one reason. Now we are back on the assessment Act passed two years ago.

Hon. J. Cornell: That provided for £3 12s. a week.

The CHIEF SECRETARY: Well, what about it?

Hon. J. Cornell: This is a contradiction of that.

The CHIEF SECRETARY: There is no contradiction at all. I repeat that the Government have introduced this Bill as an expression of their policy on this form of taxation. I move—

That the Bill be now read a second time.

On motion by Hon. C. F. Baxter, debate adjourned.

## **BILL—PETROLEUM.**

### *Assembly's Message.*

Message from the Assembly received and read notifying that it had disagreed to eight of the amendments made by the Council.

## **BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.**

### *Second Reading.*

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West) [10.39] in moving the second reading said: This Bill proposes to amend the Industrial Arbitration Act, 1912-35, and has for its main purpose the elimination of certain practices adopted by various people to evade its provisions, an alteration in the present basis of grouping workers for the purposes of arbitration, and the improvement of certain machinery sections in the Act. Some of the amendments have been submitted to this House on previous occasions and have not met with approval, but I submit that the time has arrived when members here should agree to these most important amendments, seeing that they affect a large number of people, many of whom

have no opportunity at present to make use of the Arbitration Court in the settlement of their industrial conditions. We propose to amend the definitions of the terms "employer" and "worker." Because of a doubt regarding the position of persons acting in a managerial capacity on behalf of employers, more particularly in cases where those persons virtually conduct the business of their employer, the definition of employer has been amplified to include any steward, agent, bailiff, foreman, or manager acting on behalf of any person, firm, company, or corporation employing one or more workers. The Bill seeks to amend the definition of the term "worker" to clarify the position in respect to "contracts to do work," as distinguished from "contracts of service." At present, considerable difficulty is experienced in actually determining whether the relationship of master and servant exists in certain cases, and frequent advantage has been taken of the position by a certain class of employer. Thus an employer may engage a labourer to cut and deliver stone at a certain place at a fixed rate per yard. The person for whom the work is being done claims that the worker is not his servant, but is merely acting as a contractor to cut and deliver stone. We propose that this class of worker shall be regarded as a worker within the meaning of the Act. In cases of dispute, the court shall decide whether the worker is in fact an employee. Again, employers have been able to avoid the provisions of certain arbitration awards by making certain employees, who provide neither skill nor capital, nominal business partners. It is well known that that has been done to evade the provisions of the Act covering their employment. Broad deliverers have actually signed articles of partnership with their employers, and while, of course, such partners are neither more nor less than the servants of the principal partner, nevertheless the legal relationship of partnership exists and is used to defeat the provisions of the industrial award covering the conditions of labour.

Hon. J. J. Holmes: They are partners?

The CHIEF SECRETARY: I say that a legal relationship exists, but by this Bill we are endeavouring to prevent a continuance of a practice that has been adopted simply to create unfair competition with those employers who play the game and

are compelled to abide by all the conditions of the industrial award.

Hon. J. J. Holmes: Will not that apply to all partnerships?

The CHIEF SECRETARY: No, only where it is shown that the object of the partnership is to evade the provisions of the award.

Hon. H. V. Piesse: Who is to be the judge of the evasion?

The CHIEF SECRETARY: The court. I do not think any member can object to that.

Hon. H. S. W. Parker: There is no appeal from that court.

The CHIEF SECRETARY: Why should there be an appeal in such a case?

Hon. H. S. W. Parker: Have you ever appeared there?

The CHIEF SECRETARY: Yes, and in other arbitration courts. The provision is an excellent one. I do not consider that there should be an appeal in any circumstances from the decisions of the Arbitration Court.

Hon. H. S. W. Parker: I am speaking of the industrial magistrate, who is the one that decides.

The CHIEF SECRETARY: The court will decide this question. The Bill seeks to block this loophole for evasion of the Act, by providing that partnership agreements of this nature, where the capital holding of a partner in a partnership is either nothing or of small account, may be disregarded, and that such a partner shall be regarded as a worker within the meaning of the Act. The next amendment deals with canvassers for industrial insurance. I have previously endeavoured to convince hon. members that industrial insurance canvassers are entitled to the protection of the Arbitration Act. On the last occasion we got part of the way—but only part of the way, as the result of a few words included in the amendment, which words provided that these people should be entitled to the protection of the Arbitration Court only under a certain condition, that they devoted the whole of their time to industrial insurance business. I do not at this juncture want to spend the same length of time on that amendment as I have done on former occasions. This, however, is how it works out. People who know anything of the business of industrial insurance canvassers are aware that such canvassers do come across ordinary insurance business among their industrial clients. The usual procedure has been that where an in-

dustrial insurance canvasser has been able to secure ordinary insurance business, he has referred it to his head office; and when the business has been completed, he has received the commission for that class of business in addition to the commission he receives for industrial business. But he does business for the same company all the time. Because of the fact, however, that he has been and is expected, in fact is encouraged, to do ordinary insurance business, he is, by virtue of that small amount of ordinary business, excluded from the provisions of the Arbitration Act. Further, the Bill provides that domestic workers, too, shall come within the definition of the term "worker." I think it will be admitted that not only does general opinion favour the raising of the status of the domestic, but that there seems no logical reason why this type of worker should not be brought within the scope of the Arbitration Act. While practically every industrial award provides that the secretary of the union shall have the right of entry to places where members of his union are working, the Bill provides that there shall be no such right of entry in the case of domestic servants. That disposes of what was regarded as one strong objection to the bringing of domestics within the scope of the Arbitration Act, that the privacy of the home would be violated by the union secretary or union inspector demanding admittance at all hours of the day and night—a ridiculous argument, but one which served its purpose. The Bill also provides for registration of the Australian Workers' Union. In this connection I wish to point out that any one of the large industrial firms may from time to time have to employ a plumber, or the firm may even have a plumber on its permanent staff. Because the trade in which the other employees are engaged is not the plumbing industry the plumber is not entitled to the wages and conditions of the arbitration award. That position is undesirable and should be altered.

Hon. H. S. W. Parker: Would not the common rule cover that?

The CHIEF SECRETARY: Unfortunately no. The deciding point is the industry of the employer, not the industry of the employee. I think the hon. member will appreciate the distinction. Before the award applies to that particular employee, he must be employed by an employer in the industry which the award covers. There have been

glaring instances of men not being given the wages and conditions to which they were entitled under their award. Those existing agreements which have not been made common rules shall, under the Bill, continue on the same basis as formerly. This amendment is necessary, in that it will prevent common rule agreements from expiring in the event of either party to such an agreement going out of existence. Hon. members may recall a decision of the Full Court in respect of this point. I have already mentioned that some of the main provisions of the Bill seek alteration of the present basis of grouping workers for the purposes of arbitration. Under the present Act industry rather than vocation is the guiding principle in the grouping of workers. Thus, while the court might make an award governing—for the sake of argument, I will say—the trade of plumbing, and this would bind all firms engaged in the plumbing industry, the award would, nevertheless, not provide for plumbers in the employ, from time to time, of firms engaged in other industries; since these employers could not be said to be engaged in the plumbing industry. Under the existing Act no control whatever is provided over the wages, hours, and working conditions of the plumbers thus engaged; and the same weakness applies to a number of other tradesmen. Many examples could be given of the same anomaly which the Bill now proposes to rectify by making the vocation in which the worker is engaged the guiding factor for the future. I have here extracts from a decision of Mr. President Dwyer dealing with this aspect. I shall not quote them now, but in Committee there will probably be extensive references to them. The proposal will automatically place each class of worker under his own vocational award, provided that no provision has been made for him when working at his trade in any particular industry. It is not uncommon for an employee to be actually engaged in work that involves the exercise of two, or even more, vocations. A provision of the Bill stipulates that a worker shall not be excluded from the provisions of an award or industrial agreement on this account, but that he shall be considered to be engaged in the vocation on which he spends the greater part of his time. That same principle applies under many awards already. Such a worker shall be deemed to be employed only at the class

of work performed by him for which the highest rate of pay applies, if no record is kept of the number of hours during which he is occupied at each of his separate vocational duties. That may sound rather technical, but I assure hon. members that there is nothing in it that is not readily understandable, and that it is a very fair provision in the interests of the workers. The Bill further proposes to amend Section 90 of the Act, which section provides that the court may review the provisions of an award, and may make amendments, after the expiration of the first 12 months from the date of the granting of the award, and, thereafter, at the expiration of any subsequent annual interval. This provision, however, does not give to awards all the measure of stability that it might. To take a hypothetical case, we will assume that an application is made to the court in the eleventh month of the second year. Hon. members will perceive that either party is again eligible to apply to the court for a further alteration or rescission of any of its provisions two months later—that is to say, in the January following on the November. This is not considered desirable, because it fails to give that stability which I have just mentioned. There is no stability if a decision of the Arbitration Court is to operate for only a couple of months. An amendment in the Bill proposes to supersede the provision I have mentioned, and to make the interval between any two hearings for an alteration of an award, or its amendment, not less than 12 months, subject to the proviso that no hearing for the first amendment of an award can be made until after the expiry of the first 12 months of its currency. Once an award is delivered, there can be no amendment of it until after 12 months have expired, and if the union or employers make no application until after the expiration of 18 months, neither shall then be eligible to apply to the court to amend the award until a further 12 months have expired. Both parties, therefore, will know that a definite period must elapse before any further application can be made. However, notwithstanding that provision, the Court may grant leave to either party to an award to apply for an amendment before the actual termination of the twelve months period, but there must be an interval of twelve months before the actual hearing of a new claim can be commenced. The reason for that is that we

know from experience there are often very long delays before parties can secure a hearing in the Arbitration Court. On the other hand, a union or an employer may be desirous of having a claim expedited. At present they cannot make any application to the court before the expiration of 12 months, but the Bill provides that they can lodge an application within that period, but their application cannot be considered until after 12 months have elapsed. With regard to penalties, although the maximum provided under the Act is £500, there is no provision for a minimum penalty for breaches of awards. A provision of this measure now prescribes that there shall be a minimum penalty of £1 for such an offence. It is proposed to amend Section 97 of the Act, under which the court is empowered to impose a penalty for a breach of any award, and, in the case of a penalty imposed on an employer, to add thereto any sum due to a worker because of short payments of wages due. While the penalty, plus wages due, is deemed to be a penalty for the purpose of recovery, it is not obligatory on the court to make an order for the payment of wages short paid, and, when an order is made in respect to the latter, the worker concerned is forced to have recourse to another court to recover his wages. The amendment seeks to obviate the costly and round-about process whereby the worker is forced to proceed from one court to another for the purpose of recovering his just dues. One tribunal, it is considered, should deal with the whole of a matter of this nature, for, apart from the delay sometimes occasioned under the present system, it seems more logical that the court that adjudicates on a breach of an award should deal, also, with any action taken for recovery of wages due. It is also proposed to extend the jurisdiction of industrial magistrates, and in Clause 14 provision is made for an appeal to the full bench of the Arbitration Court on all cases decided by industrial magistrates, irrespective of the penalty inflicted. It is considered that, as the Arbitration Court is the final arbiter regarding awards and industrial agreements, it is better placed than any other court to decide questions arising from these matters. At present, under Section 106 of the Act, the right of appeal to the Court of Criminal Appeal is given to any person who is ordered, either by the court or by an industrial magistrate, to serve

a term of imprisonment without the option of a fine, or who has been fined more than £20 for a breach of an industrial agreement or award. It is not deemed necessary, however, that such an appeal should be allowed where only a fine is inflicted. The Bill before the House proposes, therefore, to abolish the right of appeal to the Court of Criminal Appeal in every instance where an industrial offender has not been sentenced to a term of imprisonment. While the Act provides for the publication of all awards and industrial agreements in the "Government Gazette," it is now proposed that these shall be published in the "Western Australian Industrial Gazette," and that production of the "Industrial Gazette" shall be sufficient to prove the contents of any award or agreement set out therein. The "Industrial Gazette" is a publication which was first issued many years ago. It is edited by the Registrar of the Arbitration Court, and is recognised by the Employers' Federation and the employees' unions to be the official publication dealing with matters of this description. The "Industrial Gazette" is quoted time and again in all sorts of cases, and it seems the proper channel through which publication should be given to the decisions of the Arbitration Court rather than in the "Government Gazette" and the "Industrial Gazette" as well. Another provision purposes to give the officer of any industrial organisation the right of entry to any place where members of his union are employed, for the purpose of interviewing such workers. It is provided that this right shall apply only during lunch hour or non-working periods. Such an officer shall also have the right to enter and examine any place or premises at all reasonable hours, day and night, if he has reason to believe that any person is at any time performing work in connection with the vocation being operated within such place. This provision will enable officers to take action when they consider that work is being carried on outside the hours set down in the appropriate award. Clause 17 embodies rather an important amendment. Under the Act, in cases where the relationship of master and servant is alleged to exist, it is necessary to prove that the work done by the alleged servant is performed for reward. When a man is working for an employer, and the ordinary relationship of master and servant obviously exists, it should not be necessary to

prove that the man is working for a reward. Commonsense suggests that such a person does not work without reward. It is proposed, therefore, in such cases to place upon the employer the onus of proving that no reward is paid. With regard to premiums, the Act at present provides that no premium shall be paid in respect of an apprentice. This measure seeks to extend the scope of the prohibition by a provision that stipulates that no premiums shall be received in respect to the employment of any worker.

Hon. J. Cornell: That would be all right if it applied all round.

The CHIEF SECRETARY: That is so.

Hon. J. Cornell: It does not apply to dentistry.

The CHIEF SECRETARY: It applies to all who are subject to the Arbitration Court. There are other consequential amendments that I have not dealt with, but I have covered the more important amendments. I move—

That the Bill be now read a second time.

On motion by Hon. C. F. Baxter, debate adjourned.

*House adjourned at 11.10 p.m.*

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