I cannot see why if a man has property in two wards he should not have a vote for each ward. I am in favour of a limitation of votes in any one municipality, but I think that one vote for each of four wards in a municipality would be fair and desirable. I know there have been difficulties when local authorities have wanted to spend money in the territory of other local authorities. That has applied when one has desired to spend money on a cemetery in another's area, and special Acts of Parliament have been passed to enable that to be done. The provision in this Bill in that regard is commendable. There is much in the measure that is good and much that is bad, and I hope that we will be given a lot of time to deal with it in Committee.

On motion by Hon. H. Tuckey, debate adjourned.

House adjourned at 9.42 p.m.

Legislative Assembly.

Thursday, 6th December, 1945.

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

QUESTIONS.

MUTTON AND LAMB.

As to Local Trade and Advances for Export.

Mr. TELFER asked the Minister for Agriculture:

1, Has the Department taken any steps to distinguish between mutton and lamb carcases when these are offered for sale to consumers?

2, Now that the Commonwealth Meat Commission is paying 97½ per cent. of the value of carcases of mutton and lambs submitted for export would he consider Meat Export Works paying the farmer the full value of carcases submitted for export?

The MINISTER replied:

1, Special roller brands have been completed by the State Engineering Works, and an announcement will be made in the near future by the Prices Office and the Department of Agriculture advising consumers of the date on which branding of lamb carcases will commence.

2, Following upon the announcement by the Commonwealth Meat Commission that the first payment for export mutton or lamb had been increased to 97½ per cent. of the export value, Meat Export Works agreed to pay farmers the full value of carcases accepted for export. The remaining 2½ per cent. is being carried by Meat Export Works until final payment is received from the Commonwealth Government.

PENSIONS AND SUPERANNUATION.

As to Recipients of Dual Benefits.

Mr. THORN asked the Premier: Are any, and if so, how many, ex-civil servants drawing pensions under the 1871 Act and in addition receiving payments under the Superannuation and Family Benefits Acts?

The PREMIER replied: No.

PRIVILEGE—MARKETING OF EGGS BILL.

As to Votes and Proceedings.

MR. WATTS (Katanning): On a question of privilege, Mr. Speaker, I wish to raise a small but important matter in connection with yesterday's Votes and Proceedings. Dealing with Clause 7 of the Bill for the marketing of eggs, it is stated on

page 219 that an amendment was moved by me to strike out the word "commercial" in paragraph (d). There are two words "commercial" in paragraph (d), and the striking out of one would have quite a different effect from the striking out of the other. When the amendment was moved, it was on the notice paper in the name of the member for Beverley and was to strike out the word "commercial" in line 2 of paragraph (d). In consequence I seek to have the records amended so as to disclose the proper amendment, in view of the effect if the correction were not made.

Mr. SPEAKER: That will be noted.

ASSENT TO BILLS.

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

1, Motor Vehicle (Third Party Insurance) Act Amendment.
2, Police Act Amendment Act, 1902, Amendment.
3, Police Act Amendment.
4, Inspection of Scaffolding Act Amendment.
5, Mines Regulation Act Amendment.
6, Rights in Water and Irrigation Act Amendment.

MOTION—STANDING ORDERS SUSPENSION.

THE PREMIER (Hon. F. J. S. Wise—Gascoyne) [4.37]: I move—

That during the remainder of the session the Standing Orders be suspended so far as to enable Bills to be introduced without notice and to be passed through all their remaining stages on the same day, all messages from the Legislative Council to be taken into consideration on the same day they are received, and to enable resolutions from the Committees of Supply and of Ways and Means to be reported and adopted on the same day on which they shall have passed those Committees.

Question put and passed.

BILLS (3)—FIRST READING.

1, Workers' Homes Act Amendment.
Introduced by the Premier.

2, Roads Closure.

3, Reserves.
Introduced by the Minister for Lands.

BILL—FACTORIES AND SHOPS ACT AMENDMENT.

As to Leave to Introduce, etc.

THE MINISTER FOR LANDS (Hon. A. H. Panton—Leederville) [4.39]: I move—

That leave be given to introduce a Bill for an Act to amend Sections one hundred, one hundred and two, one hundred and six, and one hundred and eight and to repeal Section one hundred and five of the Factories and Shops Act, 1920-1937.

MR. WATTS (Katanning) [4.40]: I notice, from the Title of this Bill, that it involves sections of the Factories and Shops Act which will require careful consideration and which I think we should have an opportunity of referring to those who have hitherto acted under the existing law.

The Premier: It is going to be left on the notice paper.

The Minister for Lands: I told you that the other day.

Mr. WATTS: That does not matter. The House did not know. It involves matters which should be given time for reference, but if the matter will not be proceeded with immediately, in order to enable time for reference to be given, I have no objection.

Question put and passed.

Bill introduced and read a first time.

LEAVE OF ABSENCE.

On motion by Mr. Wilson, leave of absence for two weeks granted to Hon. W. D. Johnson (Guildford-Midland) on the ground of urgent public business.

BILL—INDUSTRIES ASSISTANCE ACT CONTINUANCE.

Read a third time and transmitted to the Council.

BILL—MARKETING OF EGGS.

Report, etc.

Report of Committee adopted.

Bill read a third time and transmitted to the Council.

BILL—SUPERANNUATION AND FAMILY BENEFITS ACT AMENDMENT.

Second Reading.

THE PREMIER (Hon. F. J. S. Wise—Gascoyne) [4.45] in moving the second reading said: The Superannuation and

Family Benefits Act of 1938-39 was introduced to provide superannuation benefits for persons permanently employed by or under the Government of the State of Western Australia, to make provision for the families of those persons, and was assented to on the 31st January, 1939. The Act was proclaimed to commence on the 1st March, 1939. Section 8 of the parent Act provides that, for the purposes of the Act, there shall be a superannuation board consisting of three members to be appointed by the Governor, who shall appoint one of the members to be chairman. One of the members shall be the Government Actuary and one a contributor elected by the contributors. In the Act there is provision for a period of six months within which an employee could give the requisite notice of his intention to become a contributor. That period expired in August, 1939, but there is a provision that the board may extend that period in any case in which the extension is reasonable. For employees then in the service the commencing date for contributions was fixed as at the 1st July, 1939, and the first deduction was to be made from the first salary payment on or after that date.

There is a provision in the Act, a very vital one affecting those people who were within sight of their retirement, and this provided that all people over the age of 30 at the time of becoming contributors would take out their first four units as concession units, on the basis as if in fact they were aged 30. That is a very important point as to the State's contribution towards superannuation, on which I will enlarge later. At the close of the first year there were 11,090 contributors, of which 1,242 were females. Eight hundred and one of those females were in the Education Department. In 1942, there were 10,452 contributors and during that year there were 242 retirements and 261 resignations. In 1943, the number of contributors was 10,215 and there were 219 retirements and 195 resignations.

In 1944, there were 9,911 contributors and during the year there were 212 retirements and 174 resignations. In 1944-45, the number of contributors was 9,168, and during the year there were 684 retirements and 158 resignations. It will therefore be seen that the difference in the number of contributors from the inception of the fund until now is the difference between 10,801 and 9,168. There have been the numbers of retirements and resignations that I have mentioned, all of which are referred to in the annual reports of the board, which, with other papers, I intend to table at the conclusion of my remarks. Section 29 of the Act, in relation to quinquennial actuarial investigation, specifies that the actuary shall report and shall state whether any variation is necessary in the rates of contribution payable to the fund or in the proportion payable by the State in respect of pensions. Section 29 of the Act is therefore a very vital one and contains a very vital principle applying to the whole scheme. It reads—

> (1) An investigation as to the state and sufficiency of the fund shall be made at the expiration of each period of five years after the commencement of this Act.
>
> (2) The investigation shall be made by the State Government Actuary or by an actuary appointed by the board and approved by the State Government Actuary.
>
> (3) The State Government Actuary or the actuary, as the case may be, making the investigation shall report to the board the result of his investigation, and shall state whether any reduction or increase is necessary in the rates of contributions payable to the fund or in the proportion payable by the State in respect of any person and, where the fund is found to be more than sufficient to provide for the benefits which are a charge upon the fund, he shall also state what additional benefits (if any) could, in his opinion, be provided out of the surplus.

Thus it is incumbent upon the Superannuation Board, acting for the Government, to have an actuarial examination made every five years. The actuary shall examine and recommend whether it is necessary, because of the condition of the fund, to increase or decrease the rates then applying to contributors. This, therefore, becomes a very vital part of the whole basis of the fixing of the rates for contributors.

When the scheme was introduced, the tables upon which the contributions were based were those in the original Commonwealth Act of 1922, which in turn were based upon the mortality experience derived from the 1911 census. That course was followed by Victoria in 1926 and by South Australia in 1927, but in both those cases, and in the case of the Commonwealth also, experience showed that the rates were too low. In consequence, to

maintain the financial stability of the funds, their rates of contribution have been increased. In our case, the rate of interest upon which calculations were originally based was 4 per cent. In the first year of the operation of our scheme, war was declared and interest rates began to decline. Some of the earlier investments from the fund were made at an interest rate slightly in excess of 4 per cent.

One sum invested in Victoria is earning 4½ per cent., but although an average of 4 per cent. was obtained for some time, the average at the end of the five-yearly period was only 3⅔ per cent., the major portion of the securities being in 3¼ per cent. Commonwealth stock, this being practically the only avenue for investment. It is interesting to note and it is a point that should be stressed, that although the fund was based on its capacity to earn 4 per cent., in spite of the falling rate of interest and the lower rate earned, had the fund earned an additional £3,000 as interest, it would in fact have shown a 4 per cent. return.

The late Mr. Bennett, in his report on the position of the fund as at the 30th June, 1944, which marked the completion of the first quinquennial period, referred to the fact that contribution rates should be increased. He made his valuation on the basis of 3¼ per cent., and submitted scales of proposed new rates of contribution on that basis. Those proposed rates were higher than the revised rates in operation for the Commonwealth, Victorian and South Australian schemes, but those schemes had had the benefit of higher interest rates in their earlier years and therefore their average earnings were higher than the average earnings of the investments from our fund.

The sixth annual report, which I tabled some weeks ago and a copy of which has been supplied to all members, gives some very interesting details of the condition of the fund. Paragraph 2 shows that the contributors at the 30th June, 1944, totalled 9,168, compared with 9,111 at the 30th June, 1943. New contributors numbered 216 and exits 959. The tables in the report give very clear details of the elected retiring ages and there is a table showing the resignations and additions to the fund. The contributions for 1944-45 totalled £159,785, compared with £169,089 in the previous year. In addition, the contributions from employers amounted to £9,266, compared with £10,111 in 1943-44. The investments fund at the 30th June, 1945, is shown in the report as £1,198,680, the balance in current account at that date having been £6,848. Table 1 shows all the details in that connection.

The pensions in operation at the 30th June, 1945, consisted of 132 invalidity cases, 1,162 of persons who had reached the maximum age, and 400 widows. Thus at the 30th June, 1945, there were 1,694 pensioners under the scheme. The total annual liability to pensioners, as at the 30th June, 1945, was £171,667. The pension payments in 1943-44 and 1944-45 totalled £129,916 and £158,285 respectively, of which the State's shares—and this is a very important point—were £117,246, and £142,102 respectively.

Yesterday the member for Nedlands asked whether there was any possibility of existing contributors making good the pensions of those who had retired or were about to retire. I wish to make that point very clear. I have just recited the figures of the total payments from two contributors, the figures from the fund and from the State revenue respectively. So that in 1944—that is, the 1943-44 year—the total payment was £129,916, of which £117,246 was from State revenue and only £12,670 from the fund. In 1944-45, of a total of £158,285 paid to pensioners, the State found £142,102 and the fund only £16,183. Therefore, the liability accepted by the State from the inception of the fund because of the concessional units granted will, for a term until all of those over age 30 from the inception of the fund reach the retiring age, be a burden on the State revenue in a declining proportion until the contributions, both State and contributor, are on a fifty-fifty basis. But until the pensioners entitled to concessional units all disappear by retirement or death, they will be a burden on the State disproportionate to the 50 per cent. of the contributions to be paid to pensioners. That will decrease, but until that time is reached, the excess to the concession unit pensioners is not a fund liability, but a State revenue liability. It is not a contributors' liability at all; it is the liability of the State Treasury.

Hon. J. C. Willcock: We accepted that position in order to inaugurate the fund.

The PREMIER: Exactly. I will stress that point, but I want to make it quite clear that there is a misunderstanding in the minds of many people that any increase in the present rates and, in fact, part of their existing contributions, are a contribution to the people already in retirement. That question has been raised by members in the House; and I wish to make it plain that it was necessary, as the member for Geraldton has pointed out, for the State to accept a responsibility to enable the fund to be established and to include in it persons who at that time were approaching retirement, and to whom contributions based on an actuarial rate contribution would have been excessive, as being beyond their capacity to pay. For example, there is a very striking case which applies to many people, the case of the man who elected to retire at 65 and was 64 when the fund was established. He paid for only 26 fortnights and for the pension which he received, £2 a week, he paid at the rate of 5d. per week only.

Mr. Doney: Is that following the method adopted by South Australia, Victoria and the Commonwealth?

The PREMIER: The States had varying contributions fixed for those in advanced years. Some of the States, I think, are on an age 40 basis; but in a somewhat comparative way—in an endeavour to do the right thing by all existing servants—an age had to be declared at which it was fair for all—even those of maximum age—to join the scheme. Therefore, in the case of the person who retired after paying only 26 contributions, the State's share is £1 19s. 7d. of that £2 per week; and today the maximum contribution that has been paid by the pensioner in retirement is slightly under 3s. per week. For a contribution of 3s. per week he became entitled to a pension of £2 a week. The State accepted that responsibility in order to inaugurate the fund and to be fair to those people who were approaching an age at which they were not insurable. They made this substantial contribution in a generous way to those people. It is expected that the call on the State revenue this year will be £180,000 and that the pensions this year from the fund will be approximately £20,000. To meet a pension bill of £200,000, the fund will find only £20,000.

Hon. J. C. Willcock: What about the pensioners under the 1871 Act?

The PREMIER: They come under the Public Accounts and are dealt with in the Sixth Annual Report. The contributions to the fund this year are anticipated to be £164,000. The amount to the credit of the fund, including investments and money in current account, is £1,218,528; but, in anticipating its future liability, it is—according to the actuary—in deficiency calculated at £424,032 on a 3¼ per cent. valuation. The assets of the fund include a proportion with interest rates higher than 3¼ per cent. and equivalent to £38,021, which could be treated as a set-off against the deficiency. The net figure as at the 30th June, 1944, is £386,011; that is the deficiency calculated by the actuary as at the end of the first five-year period. The contribution rates that I mentioned when quoting Section 29 of the Act were fixed on a five-year valuation basis, and that basis shows a deficiency of £386,011 net.

Hon. J. C. Willcock: Has the longevity remained the same?

The PREMIER: The tendency is for persons to live much longer than the mortality tables based on the 1911 census would show. The actuary has included that in his calculation for a long period of deficiency; and that calculation includes an allowance for the lessened mortality. I stress the point that had the fund earned another £3,000, it would have earned at the rate of 4 per cent. for the total of its sum, and that shows that it is rather the quantum of the fund and not the interest rate that is the trouble. On receipt of the actuary's report the Government was faced with three alternatives.

I intend, as I mentioned, not only to table all the reports of the board, so that members may have ready access to them, but also the reports of the late Mr. Bennett, the actuary, and Mr. Gawler, the actuary of Victoria who investigated the fund. I propose in addition, as a guide, to table also the new proposed rates. I will enlarge on the reports a little later, because it will be necessary for me, at the conclusion of the second reading, to move that the tables of rates to be adopted be tabled and approved. To give members the opportunity to ascertain exactly to what extent it is necessary to increase the rates, I shall table those papers also. I mentioned the alternatives. There are three—

1, Leave things as they are.
2, Abandon the fund.
3, Face the responsibility.

With regard to the first, to leave things as they are: Perhaps not in the lifetime of pensioners of the next 20 years but ultimately the fund must be insolvent and unable to pay contributors now living. We have an example on that point in our own State of what can happen. I refer to the Police Benefit Fund, which was abolished on the 29th June, 1939, as it was not in a position to meet its liabilities. Those figures are most important. The position of the Police Benefit Fund at that date was that it had a credit balance of £33,938 and it had gratuities due to members of £151,000, thus leaving a deficiency of £117,000. The then existing members themselves had contributed £59,000 towards the fund, yet there was only £33,000 in it at that date. When that fund was finally dissolved, liabilities amounting to £89,000 were assumed by the State. That is a plain example of what could happen to this fund, even though it has investments and funds in current account approaching £1,250,000. On an actuarial basis, it is in deficiency to the extent of £386,000. If the matter be not attended to now, not only would the fund be threatened but it would be distinctly unfair to the younger people contributing to it as well as to those who are to follow.

Mr. Needham: Are you satisfied that the rates will be on a sound actuarial basis?

The PREMIER: I will explain that point.

Hon. J. C. Willcock: The rates will be ascertained every five years.

The PREMIER: As I have explained, all of the rates which are prescribed are subject to review—that is part of the contract—every five years, and the actuary's calculations are based on several things, not only the trend of withdrawals but also the longevity of the contributors and the incidence of invalidity, all of them in relation to the contribution. There will be tabled the actuary's report which will clearly show his warnings in that direction. The second alternative I mentioned is to abandon the fund. That would not only be a serious breach of contract, but, to the older men particularly, a serious matter indeed. Many men who contribute to this fund cannot now insure. After six years' contributions, they could not satisfactorily take out an insurance either by way of a life policy or an annuity. To those people the refunding of the surrender value of their contributions would be an inadequate and improper way to overcome this difficulty.

So the third alternative, that is to face the responsibility, is, in my view, the only course to take and the Government is anxious that all the requirements suggested by the actuary, in spite of our having passed almost another 18 months of the second quinquennial period, should be dealt with as soon as possible. In paragraph 17 of Actuary Gawler's report—he is the Victorian actuary—it will be found that he recommends and has calculated his new rates on a basis of 3½ per cent. That basis is not intended to rectify the difficulty within the next quinquennial period, but over a very long time. Members will find, on an analysis of the rates, that, although not very large increases are involved except for the units above the concession units, there will be very little added liability so far as the contributors are concerned.

Taking the age 30, which is the true basis, as the tables in the last annual report—that is the Sixth Annual Report—show, the present contributors for retirement at age 65 pay 8s. 5d. per fortnight. That is the age 30 rate at which the majority of the contributors—all those who were aged 30 and over at the time of the inception of the scheme—are contributing. The proposal is that for the first four units the increase will be to 9s. 5d., or an amount of 1s. a fortnight. But for any units taken out in excess of the first four the actual age rate will apply. Therefore if a man today were contributing for his excess units at an actual age of 50 he would be paying for each four units 25s. 4d. a fortnight. The amended rate, as at age 50, will be 29s. 9d., or a rise of 4s. 5d. a fortnight, taking the actual age rate.

The rate for females has been increased more substantially than has the rate for males. Mr. Gawler reports that the initial rates, which were much under the rates for males, were quite insufficient in their general application to females. Therefore, in the case of females, using the same ages as I quoted before, that is, retirement at 65 the rate for the first four units at age 30 is 5s. 8d. and it will be increased by an additional 3s. 4d. making the contribution 9s. a fortnight. The question of in-

validity in women is one that has given all funds of this kind serious concern. Although there is a greater degree of invalidity in women they live longer than men so that it is necessary to have the rates for females adjusted much as the tables, which I will make available shortly, disclose. They show increases greater, on a percentage basis, than what applies to males. In paragraph 23 of his report Mr. Gawler states—

> The value of the change in contributions will diminish with each month of delay in making the change, and therefore it is desirable to bring the new scales into force as soon as possible. I do not recommend any retrospective application of increased contributions by contributors.

In a subsequent paragraph Mr. Gawler stated that the alterations for females had been dictated by experience of the several funds which showed that rates of mortality and invalidity employed in 1921 were not now applicable as there had been falling mortality among average lives, more numerous cases of invalidity than expected, and high mortality among invalids. In each case women's mortality had been lighter than that of men, although instances of invalidity among women had been substantially higher. Prior to the death of Mr. Bennett, early this year, he made his report as the Government Actuary, and therefore the actuary of the board. The position as reviewed by Mr. Gawler, was confirmed by Mr. Bennett's calculations, and they both recommended that immediate action be taken towards reducing the deficiency to a manageable size, He too stressed the need for prompt action in view of the rates of contribution having been too low for a period of six years, because postponement would cause greater leeway to be overtaken.

That is the background as clearly and concisely as I can explain it to the House. I hope members have found it not difficult to follow. In presenting this Bill my aim has been not merely to apply the corrective measures advised by the actuaries in regard to the slight increase in contributions but also to meet some of the difficulties that contributors on a low rate of income find both during the time they are contributors, and at the time of retirement. For example, with the Commonwealth means test applying and the Commonwealth social service and pensions legislation in operation, contributors who have only four units are anticipating that they will be contributing to a pension the almost equal of which they would get by making no contributions at all.

The endeavour in drafting this Bill has been to meet, in several ways, the difficulties that such persons find, even while they are contributors and later when they become pensioners. As I have stated the Government feels that it is under an obligation to take the steps involved in the recommendations of the actuaries. It is vital that the stability of the fund should be maintained. The principal recommendation of the actuaries to increase the rates of contribution, requires to be dealt with separately and distinct from this Bill. Under Section 41, Subsection (2) of the Act the date upon which the alteration of the rates will apply is to be fixed by proclamation, and immediate action is necessary for the tabling of such rates and the approval of them by Parliament. One provision in the Bill is for the refunds from the fund to be on an actuarial reserve basis; that is on a surrender value basis.

There will be found, in many of the clauses, a desire to ease the position of those who may be prejudiced when they reach the retiring age and who could then claim a Commonwealth pension. To group the amendments in this Bill there is first, the opportunity to join the fund at any time. That is provided for whereas the present Act prescribes that entry to the fund is limited to the first six months of the would-be contributor's employment subject to a satisfactory medical certificate. The provision under this measure is that he may join the fund at any time, subject to a medical certificate and, of course without the concession units applying. So, any person now joining the fund may do so at any time, but there is no provision for concessional units.

The next provision is that the contributors are to have the option of contributing for two or more units without the compulsory provision that is now in the Act and under which it is necessary, up to the age of 40, for a contributor to increase the number of his units according to his salary increases. That provision is to be abolished. Therefore if a person, on reaching a new salary range, finds that with the various

commitments for which he is liable it would be difficult for him to meet, not only his existing domestic liabilities but added contributions to the fund, then the compulsory provision is to be waived.

The present contributors are to be enabled to reduce their present number of units to two should they so desire. Those who contribute for more than two units are to have the option on retirement of accepting a full pension, or part pension and part refund, or the full refund of contributions paid. That is of vital moment to people on low range incomes who would normally apply for the old age pension and who would find that their maximum to be drawn as a pension from this fund, because of the means test applying to Commonwealth pensions, would not be anything approaching the sum to which they were entitled. That provision is included in the Bill so as to give such people the option of the three alternatives I have mentioned—full pension, part pension and part refund, or total refund of contributions based on an actuarial reserve calculation. Thus if they had been in the fund for a given number of years, they could get not less than 75 per cent. and as much as 100 per cent. of their contributions refunded to them, and that will not affect in any way the stability of the fund but will give such people relief and an opportunity not available to them at present.

Hon. J. C. Willcock: Would that cash repayment affect their old age pension?

The PREMIER: Dealing with that line of thought, there are very many people who, on retirement, may desire to have a holiday and such a cash payment would assist them to have that holiday, and not affect the pension.

Mr. North: They might desire to buy a home.

The PREMIER: Yes, and provide themselves with some cash. It would be a great benefit to them without affecting the pension and would give them at the same time relief in the way of ready cash. Under the Bill it is proposed to deal with a certain provision affecting the invalidity of pensions and, in case of re-employment of a pensioner, to afford some easement when such employment is for a short period only. In the principal Act there is a provision under which on re-employment a pensioner ceases to receive his pension. Under the Bill we propose to liberalise that provision so that employment of short duration will not affect the pension.

There are other provisions in the Bill but they are mostly of a machinery nature. They relate to employers' contributions credited in the Superannuation Fund; the appointment of a board member in lieu of the Government Actuary; provision for the admission to the scheme of certain employees of local authorities when certain legislation is passed authorising that step and the substitution of a title, which concerns a repealed Act. Some brief explanation regarding these points may be of assistance. The employers' share of contributions is paid by hospitals and other corporate bodies, as well as by the Commonwealth in respect of officers on loan. These employer-contributions are made to the Superannuation Fund which is absolutely responsible for pension payments on the retirement of contributors affected.

The member for Geraldton, instead of taking these sums into revenue for which there was provision and yet no provision for their payment into the Superannuation Fund, adopted the very proper course of paying the employer-contributions direct into the fund. The amendment in this regard is for the purpose of validating from the inception of the fund such payments as it is necessary should be ratified. That amendment deals with Sections 6, 23 and 42 of the principal Act and is for the purpose of validating that practice. The appointment of an actuary to the board affects Sections 4, 5, 6 and 7 of the principal Act, which stipulates that one of the members of the board shall be the Government Actuary. Since we have now no Government Actuary, it is necessary to amend the Act to enable the vacancy to be filled.

There is also an amendment embodied in a new provision, Section 6A, to enable contributors to schemes operated for local authorities, when such authorities are given statutory power to join the superannuation scheme and pay their portion of the administrative costs of what will be a scheme for local authorities themselves. Provision is therefore made in the Bill to ratify that move should it come into being. The other small amendment deals with an alteration to

the title of the Public Trustee Office, which has been changed since the commencement of this Act.

Those are the whole of the provisions of the Bill. They are, as I have pointed out in the course of my remarks, to provide for a person to join at any time instead of within six months; to provide for a reduction of his units to two and to get a cash reduction on an actuarial reserve basis; to provide on retirement for a pensioner to have the option of a full pension, part pension and part cash or full cash, and the four minor machinery amendments that I have alluded to. I move—

That the Bill be now read a second time.

On motion by Mr. Watts, debate adjourned.

BILLS (2)—RETURNED.

1, War Service Land Settlement Agreement (Land Act Application).

2, War Service Land Settlement Agreement.

Without amendment.

BILL—ADOPTION OF CHILDREN ACT AMENDMENT.

Second Reading.

Order of the Day read for the resumption from the 4th December of the debate on the second reading.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time and transmitted to the Council.

BILL—LOCAL AUTHORITIES (RESERVE FUNDS) ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

MR. LESLIE (Mt. Marshall) [5.42]: No matter how careful a draftsman may be in setting out the clauses of a Bill, anomalies creep in that need correction. Where those anomalies are likely to impose a serious handicap upon any section of the community it is important that the Legislature should correct them. The Bill is designed to correct one such anomaly. The Minister mentioned the difficulty one local governing authority had experienced in consequence of a provision in the Act, which the Bill seeks to amend. The local authority to which I refer is at Wyalkatchem. Representations were made to that board by the people of Yorkrakine who desire to take over the Yorkrakine agricultural hall, which is controlled by trustees who are joint and several guarantors for an overdraft at the bank of over £1,300.

The trustees have reached the stage in life where it can be expected that any one of them at any time may answer the last call, in which case considerable legal complications are bound to arise both for the remaining trustees and for the residents of the district to whom the hall actually belongs. Because of that fact, the trustees desire to be absolved from responsibilities in connection with the guaranteed overdraft. The residents are also desirous of having them absolved, and they approached the road board and requested that it should take over the liability of the hall, and stated that, as ratepayers, they were prepared to pay the local rate in order to redeem their obligation.

The trustees have been very fair—in my opinion, they have been more than fair—because they have agreed that if the board will take over the indebtedness of up to only £1,000 they are prepared to find the balance of £300 and make no claim on the community for it. The proposition was submitted by the road board to the Minister, received Ministerial approval, and also the approval of the Treasurer for the raising of the loan as well as the approval of the Commonwealth Sub-Treasury. Unfortunately, however, the limiting provisions of the parent Act, to be amended by this Bill, having precluded those concerned from finalising the deal. Similar difficulties are likely to arise elsewhere. One may possibly arise in connection with another district which desires to acquire an electric lighting plant.

These boards all have reserve funds. While they have those reserve funds, which are made up of moneys taken from rates and are designed to be spent on roads, they cannot raise a loan for any purpose whatsoever, whether in connection with road-making or anything else. In the case of the

local authority I have mentioned, and in the case of the other local authority desirous of taking over an electric lighting plant and of raising a loan for the purpose, they would be debarred from carrying out those operations because of the limitations imposed by the parent Act. This Bill proposes to remove those limitations, and contains a proviso that the requirements of the local authority must have the approval of the Governor before it can engage in the undertaking. Local authorities are also required to get the approval of the ratepayers in conformity with the Road Districts Act for any proposal incidental to the raising of the loan for the carrying out of any works. I commend the Bill to the House and hope it will have a speedy passage.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time and *passed.*

BILL—ALBANY FREEZING WORKS AGREEMENT.

Second Reading.

Debate resumed from the previous day.

MR. WATTS (Katanning) [5.50]: Through the courtesy of the Premier some little time ago I had an opportunity to peruse the matter, or some of it, to which he referred when introducing this Bill. While from some aspects it is very regrettable that the company which created the Albany Freezing Works should, by stress of circumstances, have been obliged to petition the Government—because that is the effect, as I understand it, of the introductory remarks of the Premier—to take over its works, nevertheless I am convinced that there was little if any other course open to the Government when the request was made. It is apparent, I think, that the circumstances which gave rise to the difficulties of the company were those which were completely outside its own control, and indeed outside the control of anyone else who might have been placed in a similar situation. It had invested a considerable amount of capital which unfortunately had for the most part been obtained on loan, either through bank guarantees by the Government or through bank guarantees by one of the gentlemen mo concerned in the management of the com pany.

That the Government has been able take over this scheme at a figure far le than the capital in which the company wa involved will undoubtedly give it a bette opportunity, as manager of the scheme, tha was likely at any time to have been possesse in the circumstances by the company itsel It is obvious to me that the fat lamb indu try will require a considerable amount encouragement if it is to come back to th state it was expected to be in had the wa not intervened. If my memory serves m aright, the Premier, in introducing the Bil observed that many producers had turned the production of wool rather than to th continued production of fat lambs becaus of the reasonably attractive arrangemen made for wool prices with the Imperial Gov ernment. Every effort is being made to en able a reasonably attractive price for woo to be maintained in the future. If thes efforts are successful, as I sincerely hope the will be, I am convinced there will be jus the same or if not quite the same nearl the same, difficulty in providing an increase intake for the Albany Freezing Works as branch of Government instrumentalities.

I am convinced that there will be mor fat lambs than there have been during th war period. I assume, if there are more fa lambs, even if we do not reach the expecta tions we had in the past in that respect, th fact that the Government has a muc decreased capital expenditure to cope wit compared with that of the company, ther is every prospect of the financial side of th undertaking being successful under compe ent management. I cannot recall the Premie saying that any change had been made o was contemplated in the management of th works. I presume, therefore, that the man ager who was carrying on for the compan is also acting now in Government employ.

The Premier: That is so.

Mr. WATTS: I have no reason to believ that he is anything but efficient. That bein so, I should say there are excellent prospect for the works. I also say conclusively tha there is every warrant for having the work at Albany. It is, I think, part and parc

of that policy of decentralisation which we are all anxious to follow wherever we can possibly justify it. Albany is a long way from Perth—by rail it is 341 miles—and it serves an area of country which is capable of immense development, which is anxious to develop, which is moreover extremely anxious to make use of Albany not only as a place where its fat lambs can be slaughtered and frozen but where other items can be cool-stored, and also as a place where other products of the district which do not require that treatment may be despatched.

I look upon the action of the Government as being some contribution towards the future prospect of Albany to take its proper place as the proper port of that great southern area from which I came, and which I believe is capable of substantial development if the right methods are adopted and the right people can be induced to undertake that development. On all counts, therefore, whilst it seems unfortunate that the company could not have continued, particularly unfortunate because of the heavy loss in which it has involved the shareholders, at the same time I feel the Government was fully justified in taking over the works. The valuations were apparently carefully made by responsible people. The Government has been prepared to pay the full amount disclosed by the valuers as the worth of the works concerned, and there does not seem to me, so far as the Bill is concerned, any objection whatever to the ratification of the agreement it contains.

I hope that other similar concerns, if they are opened in Western Australia by private enterprise, will not find themselves in the same unfortunate position as this concern did. I view the position in this way. The State has not unlimited financial resources and there are many other lines of development which it will have to undertake and for which its limited resources ought to be available. If we have, from time to time, as we have in these two instances, the Fremantle works and the Albany works, to rescue private enterprise from difficulties of this character, unquestionably the State's limited financial resources for new development of another character will be still more limited. I think we must recognise, if we look at the matter fairly, that the Government did not seek this acquisition. It has not been forced upon it but has been brought to its notice as something which is necessary so that it may continue in operation works which have served a useful purpose, which are required at present and will, I believe, in the immediate future serve as good a purpose as they did before the war, and in years to come, when things have settled down to comparative normality, should be in a position to carry out a great deal more useful work in the interests of that part of the State. I heartily support the second reading of the Bill and trust it will be passed as it stands.

MR. HILL (Albany) [5.58]: I heartily support the Bill and appeal to other members to do the same. I do not consider that freezing works at the port can be regarded as a Government trading activity. They do not compete with other interests. Freezing works at the port are definitely a very necessary port facility and for that reason I contend it is a responsibility of the Government to see that such facilities are provided. If Parliament, through this Bill, ratifies the agreement between the company and the Government, it will be doing its duty not only to Albany and the southern end of the State, but to the State as a whole and to posterity. It is rather appropriate and perhaps a coincidence that I am speaking on this Bill today. If members will look at the schedule, they will notice that the agreement does not take over the assets of the butchering business of Hill & Co. That business was established by my father in 1898. It was sold by my brother to the freezing works about two years ago.

When my father started butchering at Albany, and for many years, the whole of the stock used by that firm was imported from the Eastern States. As a boy, I had my pony, and it was a constant job of mine to assist in the driving of the cattle from the boat to the slaughteryards. After school and on other days, it was my job to take out South Australian-grown hay to feed those cattle in the paddock. Now let me compare the position then with that prevailing at present. I propose to give figures of production in the area which should be served by the port of Albany. The area is 20,958 acres in extent, and the population is 25,454. The number of sheep is 1,683,520, the number of dairy cows 18,968, and of

other cattle 12,824. The total number of cattle is 31,792. There are 23,348 pigs, and the wool clip is 17,796,031 lbs. Commercial eggs produced for 1943-44 numbered 456,701 dozen. Mr. Coleman, who reported on the lamb trade in this State, recommended the extension of the Albany Works to serve the Great Southern and the lower South-West.

Those figures would be very substantially increased if we included the Manjimup, Bridgetown and Boyup Brook Road Board areas, and we could also go a little further north. Some people might say, "What! Within 150 miles of Albany there is only a population of 25,000 people!" There are ten times that number within a ten mile radius of Perth. That is a deplorable state of affairs, and I contend that the underlying cause is the fact that it has been Government policy to give every encouragement to the port of Fremantle and to discourage the development of Albany. I welcome this Bill because it is a sincere attempt on the part of the Government, not only to encourage the development of the port of Albany but, what is more important, of the country at the back of it. I have been closely associated with that work ever since it started. I went on the Kalgan in 1908. About 1912, there was an agitation for a freezing works there to deal with lambs.

The works were built but only as a cool store. They were used for the storage of fruit. A couple of years later they received a severe blow because other cool stores were erected at Mr. Barker. At that time the Government encouraged potato-growing in the Albany district. I remember talking to one Government official who went down there for the purpose; and he said, "In farming, you want to market as much stuff as possible on four legs." In 1917 we had very severe floods, and 5,000 tons of potatoes were drowned. The result was that potato-growers in the Albany district had a severe setback, and some went bankrupt. The Albany Chamber of Commerce convened meetings to see what could be done to assist producers. The result was the establishment of the Albany butter factory. I did not take an active part in the early stages of that factory, but after a year or two I was made one of the directors. I put some money into that factory.

Mr. SPEAKER: Has this anything to do with the freezing works?

Mr. HILL: Yes, I will connect up my remarks with the Bill. That butter factory failed, and I lost money and a lot of time. But I did not begrudge that, because I helped to establish the dairy industry in the Albany district. That butter factory was taken over by Westralian Farmers. Mr. Heron and his shareholders have had a similar experience to that of the butter factory. They failed, and were unable to carry on; but they did a great service to this State by starting the frozen lamb trade in the Great Southern. I feel that these works should be undertaken in conjunction with those at Fremantle. It is essential that uniform charges should be established at the two ports. For some time we must look to the Fremantle works to help make good the losses on the Albany works. Freezing works at the ports are not profitable undertakings at the beginning. It was a long while before the Fremantle works became a paying concern.

When I was in Geelong five years ago, the secretary of the Geelong Harbour Trust offered me the Geelong Freezing Works at a very reasonable figure. The Harbour Trust found that those works were not a paying concern; but we must not consider whether such works make a profit or a loss, but what effect they have on the prosperity of the whole State. The Premier has expressed confidence in the agricultural future of the southern end of Western Australia; and I can say without hesitation that that confidence is fully justified. Last weekend I went down to the South-West, and it was grand to see the luscious pastures and the fine stock throughout the district. I am confident that the Great Southern has as great a future as the South-West.

The Premier: I agree.

Mr. HILL: Looking back, I think that one of my greatest achievements since I have been a member of this House was the result of a conversation I had in St. George's-terrace with Dr. Teakle. I had known him for many years before I entered the Legislative Assembly, and I suggested he should visit the southern end of the State.

Mr. SPEAKER: I have given the member for Albany considerable latitude. I hope he will get back to the Bill.

Mr. HILL: What I am saying has to do with the Bill.

Mr. SPEAKER: The hon. member has been to Bunbury, and the south-west pastures and all around the State. I do not want to burke discussion, but I want the hon. member to keep near the Bill.

Mr. HILL: I thought I was dealing with the Bill. I am sorry if I deviated; but the prosperity of the freezing works depends on the pastures which we can produce in the southern end of the State. I feel sure that with the improvements and the discoveries of agricultural science, our Great Southern has a wonderful future. I am sure that the small losses that may be incurred in the first two years will be nothing compared with the beneficial results that will accrue to the State.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time and transmitted to the Council.

BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

Second Reading.

Debate resumed from the 4th December.

MR. WATTS (Katanning) [6.13]: This is not a very big Bill. In fact I could classify it, I think, as a mean little Bill, because a Bill which tackles the propositions which are implicit in this measure should, in my opinion not be confined to a mere amendment of the word "worker" in the Industrial Arbitration Act. It should cover the ground in a manner applicable to the conditions of the industry which it seeks to affect, particularly in the rural industries in regard to which it is quite clear—as I shall explain after the tea adjournment—there are very different considerations to be borne in mind.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. WATTS: Before the tea adjournment I had observed that it would have been a far more proper course, in my view, had a Bill been brought down, properly to amend the Industrial Arbitration Act to provide specific powers to make an award for rural industry, and prescribing ways and means for the court to take into consideration certain aspects of rural industry which I will mention and which, in my opinion, must at all times distinguish it from manufacturing and trading industries as regards the relationship between employer and employee, and conditions that exist in the industry. Of course that is not in the Bill before the House, and I therefore find myself in the position that, subject to a condition that I shall later explain, I propose to support the second reading of this measure.

I desire to make it plain that I have no objection to offer to the Arbitration Court being empowered to make awards as to domestic service. I wish to see this done; that those responsible for obtaining the award ensure that skilled persons are available for domestic service, because at present there is no means of ensuring that persons who seek employment in domestic service are in any way trained. That does not apply in the majority of other industries subject to awards of the Arbitration Court, and it is as essential in domestic service as it can be in any other employment.

Mr. Thorn: A very important point.

Mr. WATTS: We must see that by this training, and the ensuring of skill, the reasonable needs of the housewife are met. If that is done it seems to me there will be sufficient warrant to support the proposition that domestic servants are entitled to an award of the Arbitration Court, as are those engaged in other callings of a similar character. I do not at this stage propose to say any more about the portion of the Bill that refers to domestic service.

In principle I agree that the conditions of rural workers should be regulated—their wages and conditions. I submit that the employer in those industries operates under a different set of conditions from those prevailing in other industries, and I say that to prove the reasonableness of my previous remarks on the fact that this Bill is not one which deals with the matter as it should be dealt with. In the manufacturing industries the manufacturer is entitled to, or obtains in this country, a type of protection that puts him in a

favourable position. In other industries, by reason of the fact that it is possible to ask a price for the goods one has to sell that will cover the cost involved in obtaining them for sale and the actual selling of them, there is again a set of conditions that does not apply in the rural industries. I am convinced that no farmer objects to stabilised wages and conditions for his employees, provided his own wages and conditions are also stabilised. In my experience the average farmer, provided he has the means and can obtain reasonably skilled workmen, is prepared to pay well for efficient and reliable workers. There may be exceptions to that rule, and there are doubtless exceptions in other instances. Not every worker gives a fair day's work for a fair day's pay, though here again I believe that is the exception rather than the rule.

The manufacturer makes the goods he has to sell in such quantities only as are required to comply with his orders. The price of his goods is determined by the cost of manufacture, plus a reasonable margin of profit. Assuming, of course, that reasonable efficiency is employed by both the employer and his workmen, that is a position in which the manufacturer is able successfully to carry on. In the majority of cases he is protected from competition from the outside world by a tariff policy. That tariff policy has imposed untold burdens on the primary producer and, as far as one can gather from the statistics, it has imposed great burdens, without very much return, on the wage earner himself, because until a year before the war, in the whole history of Federation, which as far as this State is concerned can be said to be the history of high tariffs, we find that the cost of living had risen by 120 per cent., while the increase in wages up to that time had been only 117 per cent., so that approximately 35 years of the policies that have been indulged in had merely caused the purchasing powers of the wage earner to be reduced by approximately three per cent.

Today we must take things as we find them, and we find the tariff policy firmly entrenched and of such a nature that, while I do not by any means advocate free trade, I think it is far too high. The wholesaler and retailer pay the manufacturer his price and distribute their goods at that price plus margins of profit, and no-one can require them to sell their goods at a figure below cost. Those engaged in rural industry are unable to control either price or output. If the producer's goods are such that they can be consumed in Australia, it is possible, by a home consumption price or other means, to give the producer a price that will show him a profit. That has been done in some cases and not in others. Where such a scheme operates, and as long as it continues to function, there can be no justification for refusing the worker the right to participate in the profits of that industry in return for a fair labour effort. Where it has not been done—here I am referring for the moment only to those industries, the production of which can be consumed locally—it is essential that it should be done before the same wages and conditions are imposed on the employers as apply in other industries.

So far as the production of wealth is concerned, there is a large section of rural industry whose production cannot be regulated and cannot, when produced in quantity as it is in the cases I have in mind, be used locally. This section includes those industries upon which the economy of this State substantially depends. I refer to the wheat, wool and fruitgrowing industries, and to butter production. They are the four major primary export industries of this State. I have previously given figures in this House to indicate that the production per head of such industries in Western Australia is 50 per cent. higher than the production per head in some of the other States, and at least 12½ per cent. higher than the production per head in any other State of the Commonwealth. The position those industries hold in the economic life of this State is relatively more important than the position they hold in any other State of the Commonwealth.

In addressing himself to questions relating to the wheat industry the Premier, when Minister for Agriculture, pointed out the relatively high position that the wheat industry holds in the economy of this State, with which conclusion I cannot disagree. If we were suddenly to restrict the output of these industries to the maximum local consumption only, it would mean that even in a poor season there would have to be a reduction of at least 75 per cent. in wheat production, and it would mean an

almost total extinction of the wool industry, because we consume only a very small portion of the one-quarter million bales of wool produced in this State in a normal year. We produce in the vicinity of 1½ million bushels of fruit per annum and, notwithstanding the greatly increased local consumption in recent years, we still have to dispose elsewhere of approximately 60 per cent. of our production. I have no figures on butter production, but it is well-known that a large proportion of the butter produced in this State must be disposed of elsewhere.

If we tried to place those industries on a home consumption basis, so that we could, without qualification, justify the application of this measure to them, we would immediately have virtually to close them down. The effect on the State's economy and on the economy of the Commonwealth and our capacity to meet oversea obligations,—not only for loan indebtedness for which there might be some remedy found, but also for the purchase of those goods that are necessary to be got from oversea—would be disastrous. The effect on the internal economy, on the public transport system and on revenue generally would be equally great. Were the vast quantities of wool and other products not available for transport, for the provision of employment in the very many sidelines of industry that come out of them, the effect on our people and on our ability to provide employment for our people and for more people if the opportunity to get them arises would indeed be a serious handicap. Our country towns would, broadly speaking, cease to exist as centres of population and, at the present time and indeed for some time to come, there would be nothing to replace them. Neither by efficiency nor by cost of production can any secondary industry successfully take the place of those primary industries, because the secondary industries cannot, except in rare cases, and do not attempt to, compete with the markets of the world.

But not only is the farmer subject to the fluctuations in price dependent upon the figure at which oversea markets will absorb the bulk of his products; he is also dependent for the quantity he produces upon circumstances entirely outside his own control. He may plant his wheat crop in April, and, if rains are sufficiently good and properly placed over the right season, he will probably have a return, and the State will have a return three times greater than if the rains are deficient or ill-spaced or arrive in great quantity at the wrong time, as so frequently happens. By the nature of his calling I am prepared to admit that the farmer is compelled to take the risks of the vagaries in weather, but I submit he should not at the same time be asked to accept the vagaries of price occasioned by having to cope with the world parity prices and also be bound down to a schedule of award rates that are calculated on the mere assumption that the price of his product may be profitable. That is what will happen unless some qualification is inserted in the arbitration law as to the right of rural workers to obtain an award on a parity with workers engaged in other industries. The award would be made on the mere assumption that the price of the product would be sufficient to enable the employer in that industry to pay the award rate. In no other section of industry are we obliged to accept a mere assumption. There are means of ensuring to other industries that they receive the cost of production plus a reasonable margin of profit.

Mr. Triat: They do not get it in the goldmining industry if they obtain no gold.

Mr. WATTS: Even in the goldmining industry, if I remember aright, there is a scintilla of the matter I have in mind which enables the worker to receive more if the price of the industry's product is greater.

Mr. Triat: If you are producing nothing, you still get it.

Mr. WATTS: In those circumstances the opportunity to close down is the same as in other industries. I have already referred to the prospects of the State if the major industries were to close down. The principle I had in mind has already been applied with a measure of success in the shearing industry. There we have the price of wool distinctly taken into consideration in that award. If the price of wool rises, the cost per hundred for shearing sheep rises also. If my memory serves me rightly, the fluctuations have been from approximately 29s. per 100 to 41s. per 100 for this reason alone over a considerable period of years.

To put it shortly I hold the view that, if the wages of employees are to be standardised, the employer in the rural in-

dustry is entitled to assume that his remuneration also will be standardised. As this stabilisation or standardisation has not yet been accomplished for any set period, it seems to me that the discretion of the Arbitration Court should be exercised as to whether the circumstances of the industry are such as to warrant the workers therein being included in awards of the Arbitration Court, or whether special provision should be made therein for differing rates in differing circumstances in the industry, to which I have made some reference as being included in the award that governs the shearing industry. The unfortunate part is that this Bill contains nothing that would enable the court, in connection with the Industrial Arbitration Act itself, to take that course, and that is why I started by saying that I thought this a mean little Bill in that it did not take those various aspects into consideration or give the court the power to take them into consideration.

It is just as well to indicate what type of fluctuations there have been and over what periods in the prices of our primary products. We have seen wheat at 5s. a bushel and a year after at 1s. 8d. We have seen wool at 2s. a lb. and a year after at 8d. We have seen the price of butter-fat vary between 1s. 6d. and 8d. a lb. and we have seen the markets of the fruitgrowers oversea disturbed by the incidents of war so that their returns, notwithstanding some intervention by beneficent Governments—and here I refer to the Apple and Pear Board—were reduced by at least 50 per cent. There is, however, no corresponding reduction in the overheads of their business; there has been no corresponding reduction in the costs of production. It is well known to members, or it should be, what has been the effect financially on large sections of the industry as a consequence of those happenings. One recalls the types of legislation that have been introduced and passed by Governments in this State and by Governments at Canberra, and the funds that have been expended by both Governments in order to provide some measure of salvation from the pickle in which we have found ourselves. I have only to refer to some of the many Bills that have come before this Chamber—the Farmers' Debts Adjustment Bill and the Rural Relief Fund Bill—which were substantially based upon the arguments I have used.

We all hope that some means will be four to prevent a recurrence of that state affairs, to prevent a recurrence of the quas bankrupt conditions of the farming industr I have no hesitation in saying that su means must be found if the industries are continue. If they are found, then the pr visions of this Bill will be unobjectionab to me, but I feel that I, as representing area, one-half of the population of which concerned in nothing but rural industry, a entitled to ensure, before I hand over a bla cheque to the Arbitration Court, that t people who rely upon me to see that justi is done equally for both sides themselv receive at the same time a similar type protection.

I therefore say that before going to t Arbitration Court to regulate wages a conditions in those industries, it would reasonable to place the onus upon the cou to certify that a stabilised condition exis in the industry. I think, moreover, th we should place upon the court t onus of withdrawing that certificate f the stabilised state of affairs at so future date if it ceases to exist. that were done, if stabilisation of the fa mers' returns and the workers' wages r together, they will be allies in the effort obtain good wages and good conditions f all. If, on the contrary, this is not done submit that there can be nothing else th that they will be at arms' length and th endless friction will prevail, a state affairs which is to be avoided at all costs.

I think the outlook as I have put it l fore the House is a very reasonable one a I shall support the second reading of t Bill in the hope that I may be able to i corporate in it in the Committee stage few words that will enable the court to gi consideration to those aspects if an app cation is made by rural workers. If th amendment is not passed, my attitude the third reading, I am afraid, will have be a different one, because I do not belie that the farmers want to do other than pay good wages and give good conditio in return for good work, at the same ti ensuring that they receive those things the selves. Unless both parts of the sche can be satisfactorily fulfilled, I do not thi that justice will be done, and for those r sons I take up the attitude I have explain to the House.

MR. W. HEGNEY (Pilbara) [7.57]: I support the second reading, and am pleased to note that provision has again been made for domestics under the definition of "worker" in the Act. Over a period of years various attempts have been made to include domestic workers and bring them under the jurisdiction of the court, but without success. To my mind the domestic worker is as much an employee as is a worker in any other industry, although of course the particular occupation that such a person follows is not associated with an industry according to the provisions of the Industrial Arbitration Act. But the relationship of employer and employee or of master and servant exists just as certainly between the domestic worker and the employer as between the Commissioner of Railways and one of his employees. Consequently, I fail to see how any valid argument can be advanced against the continued exclusion of such a class of person from receiving the protection of the Industrial Arbitration Act.

The Act contains a provision for the inclusion of domestic workers where more than six are employed by a particular boarding-house-keeper, but I consider that the principle should be extended and, irrespective of whether the domestic is employed in private home or in a business establishment, the same protection should be extended. It has been advanced previously that if these employees are included in the definition of "worker," any particular industrial organisation might forthwith proceed in the Arbitration Court and, before the employer knew where he or she was, a union secretary might enter a private home. That argument has been advanced before, but it will be recognised, upon reflection, that it falls to the ground when we realise that the court has complete power to provide in any award made by it what the relationship of the employer and the employee shall be one to another. It would so decide whether the representative of the appropriate industrial union could enter upon certain premises.

The main principle I desire to establish is that, without exception, wherever the relationship of master and servant exists, the workers should be registered under the Industrial Arbitration Act and the Arbitration Court should decide the details and conditions of their employment after hearing evidence from both sides. During the war domestic servants could more or less stand on their own feet, I mean they could act individually. By comparison with pre-war years they could demand reasonable, and in some cases lucrative, remuneration. However, I am speaking now of normal times and I suggest that, if we are to assure to those engaged in domestic service reasonable rates of pay and conditions of employment, they must have access to the Arbitration Court. In that way, people would be attracted to the calling. The more the Government and the State organisations foster the study of domestic science, the more it is taught in the schools, and the higher the status that Parliament gives to the worker, the better it will be for the domestic servants and those who employ them.

I shall not go into further details, as these will probably be discussed fully in Committee; but I do not think that anyone at this stage will seriously oppose an attempt to establish reasonable conditions of labour and adequate pay for workers at present unprotected. I come now to the second provision in the Bill, dealing with the inclusion of rural workers in the Industrial Arbitration Act. Rural workers, as such, are not definitely excluded. Section 94 of the Industrial Arbitration Act empowers the court, among other things, to limit the hours of piece-workers in any industry, except the hours of workers in agricultural and pastoral industries. The court is therefore limited in its jurisdiction. The definition of "worker" in the Act is silent on the point.

Mr. Abbott: But the court can only do so in respect of piecework.

Mr. W. HEGNEY: That is the point. The court recently refused to make an award, as the Minister for Labour mentioned when introducing the Bill. As a matter of fact, it was the Australian Workers' Union that approached the Arbitration Court for an award, but the court held that it had not the power to comply with that request. Everyone engaged in industry desires industrial peace, and I propose to approach this question for the moment from an angle which has not been touched upon so far. Section 61 of the Act provides—

> The Court shall have jurisdiction on its own motion to deal with and determine all industrial matters, and to prevent, settle, and

determine all industrial disputes, pursuant to this Act, irrespective of whether the parties to any dispute are registered industrial unions or not, if the dispute has caused a cessation of work.

The position is that the Australian Workers' Union endeavoured to obtain an award of the Arbitration Court by perfectly legal and lawful means. Up to date, such an award has been refused. The union's attempt has not been successful. In order to bring rural workers before the Arbitration Court, it would actually be necessary to bring about a cessation of work in some part of the industry; and then the court would be obliged, of its own motion, or at the request of the parties interested, to call the disputants together and make a determination, otherwise there would be industrial turmoil. On account of the nature of the rural industry it would not be possible to have a general stoppage of work. The union to which I referred brought before the court the men employed by a manufacturing concern within three miles of Perth—the cement works. The men were members of the Australian Workers' Union and consequently were not able to approach the Arbitration Court in a legal way. Therefore, a dispute had to be created. It was; and the employer and each individual worker was cited to appear before the court. The court then made an award as against the union and each individual member of the union.

I impress upon members the fact that the Australian Workers' Union is trying to use the constitutional machinery provided for the purpose of obtaining an award or agreement for rural workers. The Leader of the Opposition said that the products of that industry were subject to outside influences. That is true, but I maintain that the Arbitration Court is the correct body to determine the wages and conditions of workers in the rural industry; and if these workers could appear before the court it would fix the conditions to apply to the industry. The only limitation to the power of the court at present is that it may not prescribe a rate of pay for an adult worker which is less than the basic wage. The court can fix other conditions, such as working hours and holiday pay. The definition of "industrial matter" is fairly wide, and these points are left to the absolute discretion of the court. Incidentally, the court itself must have regard to the interests of any particular industry.

The member for Mt. Magnet, by interjection, referred to the mining industry when the Leader of the Opposition was speaking to the Bill. An award for that industry was made some years ago, before the considerable increase in the price of gold occurred. The award certainly did not provide adequate remuneration for the miners at that time; but the court had regard to the conditions then prevailing and to the precarious position of the goldmining industry. The union subsequently brought a case before the court—it was ably conducted by the member for Mt. Magnet—and then, owing to the prosperous nature of the industry, 10 or 11 years ago, the court decided to introduce what was known as the prosperity allowance. That leads me to the point made by the Leader of the Opposition when he referred to the shearing industry. It is true that the union approached the Federal Arbitration Court for a prosperity allowance. Both the Federal Arbitration Court and the State Arbitration Court can award such an allowance if the state of the industry concerned warrants it.

In connection with the pastoral award, the basic wage is the base on which the piecework rates are calculated. There are margins for skill, allowance for lost time, and the season was regarded as being a period of 20 weeks. Any additional amount awarded to the shearer by way of increased rate per 100 sheep was over and above the amount of the basic wage. Workers in any calling should be entitled, on principle, to approach the Arbitration Court for an award governing their rates of pay and conditions of labour. I do not think anyone will seriously contest that principle. It was held by one of the most eminent judges of the Federal Arbitration Court—Judge Higgins—that an industry which could not pay a reasonable living wage should go out of existence.

Mr. Thorn: What a wonderful expression! Every primary producer in the country would be out!

Mr. W. HEGNEY: I have no doubt the rural industry would continue in existence if the basic wage were paid to every worker engaged in it tomorrow. The fact that the rural industry is subject to out-

side control should not be advanced as a reason why the basic wage should not be paid to farm hands. We should approach the question the other way round. It is a national responsibility to ensure that every worker in every industry shall receive a rate of pay determined by a competent tribunal. In order to encourage men to follow rural pursuits, provision must be made for them to receive proper remuneration and reasonable conditions of labour. I have had a fair amount of experience of rural industries. I cannot speak generally, but quite a few farmers at the time who were members of the P.P.A., and who looked to their organisation to do everything possible for them, vigorously and enthusiastically discouraged their workers from joining the Australian Workers' Union, which was the opposite number to the P.P.A. One worker went so far as to tell me, to use his own words, that he would join the union if his boss would let him. I am not saying that that was general but it was an indication of the view taken at the time by the producers' organisation when we were trying to establish rates and conditions.

Mr. Perkins: Not the organisation.

Mr. Seward: That is an untruth.

Mr. W. HEGNEY: The untimely interjection of the member for York prompts me to mention that of the two organisations the Wheat and Wool Growers' Union and the P.P.A., in the recent proceedings in the industrial court, the former represented a big section of the primary producers of Western Australia, and I should say was quite prepared for the court to make some determination provided that it would not in any way clash with any Federal determination in existence. That is quite reasonable. We consider that the court should be given an opportunity to set down rates and conditions for the particular industry. The Australian Workers' Union, which is the organisation concerned in this matter, sincerely desires to have provision made so that it may approach the court for an award.

The Australian Workers' Union is registered under the Commonwealth Arbitration Act, and it has approached the Commonwealth court in regard to the viticultural industry, the apple-growing industry and other branches of agriculture. But in the Commonwealth court each employer must be cited because the award has regard only to those cited. That brings about, in great measure, unfair competition because some employers are bound by the award and others go scot free. The award also has regard only to financial members of the organisation, and let me say that some few years ago, when labour was plentiful, we found that some stations that were in the grip of financial institutions got their employees to sign a statement that they were not financial members of the Australian Workers' Union or any other organisation connected with the particular award. No fair-thinking man believes in such actions. I hope the House will adopt this measure and also that another place will treat it as it should be treated, and allow the Arbitration Court to make a determination in this matter. It is an absolutely independent body and if Parliament gives the right to any worker to use the machinery of the law, through his organisation, to obtain better rates and conditions, the matter should be left to the Arbitration Court.

It was, I think, in 1822—over 120 years ago—when a domestic servant in Liverpool, New South Wales, was convicted and given a month on bread and water, together with 500 lashes, and deprived of other rights and privileges, because he tried to organise the employees of his master's household to get them better rates and conditions. That, as far as I know, was the first attempt made in Australia to organise workers into a body to seek better conditions. Practically all of us know of the Tolpuddle Martyrs incident, which took place about 114 years ago. On that occasion, the agricultural labourers there were reduced from 10s. to 7s. a week and they decided to form a branch of a union. Because they did that, an Act, passed in 1797, was raked up against them, and some of the leaders were thrown into gaol and then sent to Botany Bay because they organised against injustice.

Mr. Abbott: Give us something dealing with the future.

Mr. W. HEGNEY: A little industrial history will do the interjector good. After a few years, owing to some agitation in England, they were allowed to return to their native land. It has taken over 120 years for rural workers to get anywhere. They are still outside the ambit of the In-

dustrial Arbitration Act. Members opposite, and rightly so, use every opportunity—and their leader, Mr. Menzies, has recently used the same argument—to say that arbitration should be the accepted policy of the workers of Australia. I say definitely and emphatically that arbitration is the accepted policy—

Mr. Seward: It looks like it in New South Wales!

Mr. W. HEGNEY: It is the accepted policy of the Australian Labour movement, and here is an opportunity for the House to bestow upon a section of the community the right to approach a legal tribunal of this State for the purpose of having their terms of employment regulated. I hope the Bill will be passed here and that another place will likewise give to these workers the protection to which they are entitled.

MR. ABBOTT (North Perth) [8.21]: The member for Pilbara was quite correct in saying that it is the accepted principle that every worker should have the right to approach the court. With that I am in full accord. What I cannot understand is why the Government should bring down such a Bill as this—and it is a scanty Bill—right at the end of the session.

Mr. Cross: Then it should not take you all night to make up your mind about it.

The Minister for Labour: The only excuse left!

The Minister for Works: Are you going to vote for the Bill?

Mr. ABBOTT: I am going to vote for the second reading. I for one want domestic servants to have the right to approach the court, and I want them to have the advantages of arbitration so that they may have conditions, prescribed by the court, equal to the standards that operate in Western Australia and the rest of Australia today.

Mr. Cross: They are pretty low now, in some instances.

Mr. ABBOTT: I would like to have had a reasonable opportunity to frame suitable provisions so that the court would do that. I submit that where a Bill such as this is confined to the mere matter of one definition section it is not reasonable or just of the Government—

The Minister for Labour: The definitio am dealing with specially precludes th from getting here. All we are doing is take that out.

Mr. ABBOTT: Yes, but the Minister not allowed proper provision to be made these workers when they do get there.

The Minister for Labour: That is court's job. At any other time you wo say we were interfering with the Arbitrati Court.

Mr. ABBOTT: Does the Government thi it reasonable that a Government inspect should go to the woman of the house—a some of these inspectors are very rude a rough—

Mr. Cross: Why do you not complain?

Mr. SPEAKER: Order! I ask the me ber for Canning to keep order.

Mr. ABBOTT: That would be appreciat Does the Government believe that these i spectors should be able, as the Act pr scribes, to demand of the woman of t house that she should produce for his e amination any wages books, overtime boo and other books that he deems necessar and be able to put any questions to h and exercise all the powers of ent and examination as are conferred upon hi by the Act? That condition is entirely a propriate to an industrial concern, but I not think the Government would argue th it is suitable in regard to a man's hom Therefore, although I am whole-heartedly sympathy with the principle, I do not pr pose to support this clause when the Bill in Committee. I hope the Government w take the opportunity to introduce, early ne session, a Bill to deal with this importa matter so that justice may be done.

The Minister for Labour: This is onl about the fifth time that we have had suc a Bill here.

Mr. ABBOTT: The Minister has n heard me oppose it.

The Minister for Labour: We have—

Mr. SPEAKER: Order! The Minister h the right of reply.

Mr. ABBOTT: If this provision is di allowed in another place, I hope the Gover ment will give proper opportunity for thes provisions to be made for such worke by—

Mr. J. Hegney: What do you say is a proper opportunity?

Mr. ABBOTT: A Bill should be introduced so that we can deal with the whole Act and not merely with the definition clause.

Mr. J. Hegney: This is not the first time that we have introduced this.

Mr. ABBOTT: It is the first time it has been introduced while I have been in the House. I am in accord, so far as the second clause is concerned, with the principles laid down by the Leader of the Opposition. Here again I think that rural workers, as the member for Pilbara said, should have a legal right to go to the court to have their wages and working conditions decided. But I do think that the agricultural producer is entitled to some protection. I therefore propose to support an amendment on the lines suggested by the Leader of the Opposition. I would like the Government to introduce a Bill dealing with the Industrial Arbitration Act as a whole to enable domestic workers to get the justice that is their due. I regret that on this occasion I cannot support that clause. Subject to these reservations, I shall vote for the second reading.

MR. PERKINS (York) [8.38]: I support the second reading. Subject to proper safeguards for industry, I do not think it is the desire of many people to prevent any section of workers from having their case determined by a properly constituted court. Personally I believe that the greatest desire of those in rural industry is to have as good a class of employee as possible. Anyone with experience of running a rural industry will agree that, if the employees are capable, the prosperity of a particular farm can be increased manyfold and the worries of the employer materially reduced. If a poor type of employee is engaged in the industry, not only is the prosperity of that industry reduced but the worries of the employer are materially increased. Fortunately there have been very many fine employees engaged in the industry and, as a general rule, the conditions provided by the employers have been as good as they have been able to make them for their employees. I am aware that there are exceptions to that rule, but I think that most farmers when they have capable and satisfactory employees are most reluctant to lose them and do whatever is possible to retain their services. If there are employers that are inclined to sweat their workers, the effect is not only to give the industry a bad name but to drive out of it first-class men who find jobs in other avenues. I regard such losses as a real catastrophe for the agricultural industry as a whole.

Men who are engaged on the farms for a long period become highly skilled and efficient, and certainly should be retained on the land as long as possible. Some determination regarding wages and conditions, if arrived at by the Arbitration Court, might be the means of preventing abuses in the industry. I am afraid the speech of the member for Pilbara did not tend to help the case submitted by the Minister. He made one statement that was definitely not correct, and what is more he made no attempt to provide evidence in support of his statement. He mentioned in the course of his speech that one particular employee he knew—he did not mention more than one—stated that his boss not only refused to allow him to join the appropriate union but the member for Pilbara deduced from that that the Primary Producers' Association, which he did not even attempt to prove that this particular employer belonged to, was also against it.

Mr. W. Hegney: Why, I have been ordered off a dozen farms in your district because men wanted to join the union!

Mr. PERKINS: I defy the member for Pilbara to prove that the P.P.A. opposed employees joining the unions.

Mr. W. Hegney: I have been ordered off farms in your district.

Mr. PERKINS: The hon. member cannot prove his statement. It is definitely not the policy of the Primary Producers' Association.

Mr. W. Hegney: I was talking about individual farmers.

Mr. Seward: You did not! You spoke about the Primary Producers' Association. Don't try to crawfish out of it.

Mr. W. Hegney: I am not crawfishing out of anything.

Mr. PERKINS: I trust that if an award is made in the agricultural industry the court will make sure that it takes notice of the ability of the industry to pay. I

am afraid I do not know enough about the Arbitration Court procedure to say whether or not it is bound to take cognisance of the industry's ability to pay before issuing its award.

Mr. Cross: If the farmers cannot pay decent wages they should not employ the men.

Mr. PERKINS: In any event I regard it as most desirable that the court should take cognisance of the ability of the industry to pay. No service will be rendered to the employees engaged in the industry if an award is made that those engaged in the industry cannot afford to pay. Obviously the result of issuing an award containing rates of pay and conditions that the industry could not stand, would be loss of employment and the necessity for rural workers to seek jobs in other directions. Whether we look at the matter from the point of view of the employer or of the employee, it is most desirable that the court should take cognisance of the ability of the industry to pay. It is quite conceivable that a union could put up a case for increased wages and improved conditions that would be regarded as highly desirable by the rural workers, who would naturally wish to get the best wages and conditions that they could obtain.

Nevertheless, it might mean that if the claims of the union were adopted by the court the employers in that branch of rural industry would be unable to carry out the terms of the award, and, to the surprise of the union and the men themselves, employment in the industry would not be available to the workers. I do not say that at present any section of rural industry is so situated, but it is essential to safeguard the position so that the prosperity of the industry shall not be destroyed. As the matter stands now, it might easily mean that because of a provision in the Arbitration Act, the men might be forced to turn to the Federal Arbitration Court rather than to the State tribunal.

The Minister for Labour: They have no alternative at the moment.

Mr. PERKINS: I regard it as most desirable that the men should approach the State court rather than the Federal tribunal.

The Minister for Labour: Hear, hear!

Mr. PERKINS: I could advance many reasons in support of that view. Conditions in the rural industry vary from State to State and it would certainly be difficult for the Commonwealth Arbitration Court to issue an award that would give proper consideration to widely varying conditions. Recently there was a proposal to secure an award for rural workers not covered by any other Federal award. I have that log with me, and I do not know whether members have had an opportunity to peruse it. It contains many conditions that might be possible of application in other States, but if made operative here would cause much inconvenience and hardship. It would make it impossible for some classes of labour to be employed on farms in Western Australia.

On the other hand, it might be possible, in a general way, to secure reasonable and good working conditions and wages through the State Arbitration Court, without unduly hamstringing the industry. Certainly such conditions are more likely to be obtained from the State Arbitration Court than from the Federal court, in addition to which the cost to both employers and employees alike of approaching the Federal Arbitration Court would be much greater than the expense involved in an approach to the State court. We know how difficult it is to induce the Federal Arbitration Court to visit Western Australia in order that the employers here could submit their case to the court. I am afraid that there are many members of the House who do not fully realise the complexities attached to the securing of a satisfactory rural award. The capabilities of workers employed in the rural industry vary widely. There are many men who, for one reason or another, are somewhat inefficient—perhaps due to old age or physical disabilities.

Mr. W. Hegney: The Act contains provision for such men to be paid a lower rate of wages.

Mr. PERKINS: I was not aware of that.

Mr. Abbott: Only on account of old age.

The Minister for Labour: And of infirmity too.

Mr. SPEAKER: Order!

Mr. PERKINS: I intend to support the second reading of the Bill and have no desire whatever to prevent any section of

rural employees from going before the Arbitration Court. Nevertheless, I would like to see the interests of the industry safeguarded because I regard it as necessary for the welfare of employers and employees alike that that should be done. If the industry cannot continue, employment will not be available for the workers. From the State's point of view it is absolutely essential that our primary industries shall continue operating to the maximum productive capacity possible. If that objective is not achieved, there will not only be no employment for the rural workers but almost every other section of workers in Western Australia will go by the board. That has been exemplified many times recently when it has been demonstrated that the prosperity of the State is absolutely dependent upon the rural industry, in which I include the mining industry which produces primary wealth. I make that clear to members because I am afraid there are some people in Western Australia who lose sight of that very essential point.

MR. McDONALD (West Perth) [8.45]: The position covered in this Bill has been fully and adequately traversed by the Leader of the Opposition and I do not propose to take up much time in dealing further with it. The reason domestic workers and rural workers have not been subject to Arbitration Court awards is not any invidious attitude towards the workers in those industries, but the fact that peculiar difficulties arise in the application of arbitration to them.

The Minister for Works: And it is due to a large extent to shortsightedness also.

Mr. McDONALD: That is true, but we need not attribute any malign influence as the sole reason for the exclusion of these types of workers from the Industrial Arbitration Act. Turning to the domestic workers, I had occasion, when a Bill dealing with them was before this House eight or nine years ago, to express my views; and I have had no reason to change them. Arbitration has been the policy of this country and certainly the policy of myself and those associated with me. We are still sufficiently old-fashioned to retain our belief in industrial arbitration, whatever some people may think about it. When speaking eight or nine years ago, I had occasion to say that once we accept the principle of arbitration, there should be no logical reason for debarring any section of people from the opportunity to resort to the Arbitration Court to secure adequate wages and proper conditions for their work. In my opinion, that applies to domestic and rural workers.

Regarding domestic workers, one of the reasons for the difficulty involved is that the class of domestic workers in the home is really outside the Industrial Arbitration Act. It may be, and I think in the absence of any other legislation will be, convenient to bring them under the provisions of that Act. But there is a lot in what the member for North Perth said to the effect that the Industrial Arbitration Act is not designed to deal with cases of people working in the intimate circumstances of the home and the variable conditions of the home. That does not mean for one moment that those workers should not receive the protection of the law as to their industrial conditions. Another reason why there has been some hesitation is that it may be that the bringing of domestic workers under awards would operate disadvantageously against those most in need of domestic assistance. I refer to the mother with a young family of perhaps three or four or five children and by no means in good circumstances, who, if the conditions were too exacting, would be quite unable to secure assistance at a time when she most needed it in the home.

When speaking in this House eight or nine years ago, I suggested that in conjunction with the provision of prescribed conditions for domestic workers, which I believe they should have like any other section of the community, there should be some means by which the State would be able to help those people not able to pay for domestic service in the ordinary way. In England there is no Arbitration Court, but there is a system of wages by agreement. There, quite a number of years ago, well before the war, the British Board of Trade endeavoured to meet the situation by suggesting and promulgating a standard form of agreement for domestic workers in the home. It was not compulsory and it may not have been entirely successful. I do not know its history, but that was an attempt made to meet the situation. Even though hardship may be occasioned to a class particularly in need of protection—

I refer to the women I mentioned who have the care of young children and may not be able to afford to meet the conditions of the Industrial Arbitration Act—I would not regard that as a reason for denying domestic workers protection of the law. But I would say it is a reason for the Government considering, in conjunction with this legislation, some means to help those who are not the affluent class of the community.

The affluent class would be able to afford to pay wages and keep time books and wages books and would be occasioned no very great difficulty thereby. But the less affluent class I refer to might not be in the same position. Rural workers also can justly protest against being in an underprivileged position as against workers in the city areas and in secondary industries. I am in complete agreement with the Leader of the Opposition, however, that in their case again there should be some safeguards, not only to avoid hardship to the employer, but also damage to the industry as a whole; because it is an economic platitude that whereas costs can be passed on in secondary industries and in commerce, they all come back ultimately—or a very large percentage of them—on to the producer who, when he sells in external markets, cannot pass them on. So the producer is in quite a different position from the people to whom the arbitration system has applied so long and so successfully; and that is one of the reasons for the difficulty felt by responsible people in arbitrarily applying our industrial regulations to primary industries.

We know of the attempt that was made in the late twenties by Mr. Lang in New South Wales to introduce a rural workers' award. That was found to be so difficult to apply that it had to be abandoned. I do not know to what extent it may have been revived; but at that time it created such difficulties and was likely to react so adversely to the interests of that State, that it had to be recalled. That is only an indication of the difficulty involved. So I support some direction to the Arbitration Court that, if it makes an award to cover rural employees, it should have in mind certain principles in relation to the economic capacity of the industry to pay and certain principles in relation to the effect it may have on the whole industry if the conditions are too severe, and production of commodities which are material to the economic life of the State is consequently reduced.

I want to refer to another aspect. The Minister spoke of a decision of the Arbitration Court in which there had been a difficulty in relation to rural workers and the Industrial Arbitration Act provisions. Time has been far too short for me to obtain and read the judgment of the court but I would like the Minister to inquire further as to that particular matter; because, as far as I can see, rural workers would at present be included in the definition of workers in the Industrial Arbitration Act. I see nothing in the definition which would not cover them. I have not read the reasons and the argument before the court, and I am not therefore in a position to make any firm expression of opinion I should say that in Section 94 of the Act which was referred to by the member for Pilbara, there is further confirmation that rural workers are at present within the purview of our State Arbitration Act.

The Minister for Labour: The President ruled that he could not deal with their hours.

Mr. McDONALD: What happens is that under Section 94 of the Act, while the court in an award can limit the hours of pieceworkers in secondary industries, the court has no power to limit the hours of pieceworkers in rural industries.

The Minister for Labour: It does not say piecework.

Mr. McDONALD: No, but my interpretation would be that the limitation refers to piecework in both industries. If the Minister succeeds in altering this definition in the way he proposes, I think that the limitation would still remain under Section 94. I invite the Minister to seek the advice of his Crown Law officers on that point. The last point I would mention in relation to both classes of workers—and here again I do not profess to have had time or opportunity to give this matter any careful consideration—is this: If this Bill becomes law, would it not cover the children working on a farm or in a home? Would it not cover a son working on his father's farm and paid perhaps £1 a week? Would he not come under the Industrial Arbitration Act

or an Arbitration Court award and would not the father be liable to penalties if he did not pay the full award rate of from £3 to £6 or whatever it may happen to be? I see no reason why sons or daughters, while working for their father, should not be as much workers within the meaning of the Act as any person having no relation to the employer. Suppose a farmer falls on bad times. He says, "I am sorry but I cannot employ the labour I had"; and he says to his sons, "I am afraid you will have to go, because I cannot afford to pay you the award rate. If I do not pay, I can be prosecuted and you will be letting down your comrades who are getting the full amount." The lads might say, "We do not want to go; we know you are having a bad time and we want to see the farm through." Will the Minister inquire what is the position?

The Minister for Labour: In my experience I have found that sons have never had to come under the Arbitration Court in any other industry.

Mr. McDONALD: I do not speak dogmatically, but for the moment I cannot see what there would be to exclude them. In the case of secondary industry there is no difficulty. If a boy works in his father's business, he is paid and should be paid the ordinary rate. I do not raise this point captiously. I would like the Minister to be certain about it. If in a home a daughter is a domestic worker and is paid £1 a week pocket money and her keep or perhaps 15s. a week, if she is over 14 years of age and therefore can be a worker within the meaning of the Act, what would be her position? It may be difficult for her to leave home, or she may not want to.

I do not suggest that either farm workers or domestic workers should be excluded from the Act, but I ask the Minister to consider the matter, so that if this Bill is passed he will not find many homes placed in a difficult position with sons or daughters who work on the farm and whose parents may not be able to pay full Arbitration Court rates or provide the Arbitration Court conditions. I think it is necessary to have some elasticity in order to make some concessions in exceptional and deserving circumstances, where the people concerned cannot do otherwise than they are doing. I have had no time to consider the matter and I ask the Minister to give it attention. Arbitration is our policy—it is certainly my policy—and wherever possible no section of the community should be underprivileged as to fair conditions and rates of wages. In accepting that, I think we must pay regard to industries or vocations where exceptional conditions may demand special provisions.

MR. THORN (Toodyay) [9.3]: I support the second reading of this Bill. I wish to point out how different the rural industries are from other industries. I was glad to hear the member for Pilbara say he believed in arbitration and industrial peace, and that he believed that if we took certain action we would have industrial peace. I agree it is a pity that some workers will not obey the awards of the Arbitration Court instead of flouting them as they do.

The Minister for Labour: You cannot say too much about Western Australia in that regard.

Mr. THORN: No, I am speaking generally.

Mr. J. Hegney: It applies the other way also, only more so.

Mr. THORN: That is the hon. member's one-track mind, as usual. We all know the difficulties through which the rural industries in this State have passed. I am glad the member for Pilbara mentioned the opinion expressed by Mr. Justice Higgins, because I think that one of the most illogical statements I have ever heard—

Mr. Cross: Have not prices been higher in recent years than ever before in our history?

Mr. THORN: — because at the time when the judge heard that case the rural industries were struggling, in a parlous condition. If that opinion had been given effect to there would be no rural industries in existence today. That is why I say it was illogical. Those industries have struggled and built up, and I agree they are in a better condition today than they have been for a long time. That applies also to other industries that have struggled, and if that opinion had been applied to them they would have been out of business today. We must remember how the rural industries, as well as others I have mentioned, have had to

rest on the support of the banks. We know that a tremendous amount has been written off in rural and other industries. I do not think those remarks were at all fair. Some of the logs brought forward for rural industries have been out of all proportion. If reasonable logs had been brought forward I think some of the rural industries would have been organised today.

Mr. Cross: The employer always sends back a reply.

Mr. THORN: I remember that log, and it was out of all proportion. It was to give rural workers higher wages and margins than were received by men in the workshops. It takes many years to teach a man a trade, but I will teach any one to prune in 24 hours.

The Minister for Labour: I will come up for lessons.

Mr. THORN: There was a tremendous margin between the ordinary vineyard worker and the pruner or ploughman.

Mr. Rodoreda: I do not think every farmer would agree with you.

Mr. THORN: The time has arrived when, with the necessary precautions, we should have some organisation in the rural industries. In manufacturing, all costs are got out and a margin of profit is allowed and a price fixed for the commodity, the market for which is in Australia, but the rural industries are subject to world parity and must export from 60 to 80 per cent. of their products. If those world markets fail the Arbitration Court must be prepared to give some relief. If those provisions are made I see no reason for opposing the Bill. If domestic servants can be organised on a proper basis, suitable to their occupation, very well, but I think they should be trained. The position of a domestic servant in the home is important and when domestic servants cannot carry out their work properly they often cause more damage and loss in the home than people can afford.

The Minister for Labour: There is nothing to train them for.

Mr. THORN: When they break plates or drop the dinner on the floor it is expensive. It is just as necessary for domestic servants to be properly trained as it is for other employees. If they are adequately trained the employers will be able to treat them properly and pay them a decent award rate.

Mr. Abbott: Do you not think all women should be paid?

Mr. THORN: My wife is properly trained in the home.

The Minister for Works: I will bet you are, too.

Mr. THORN: I hope other members' wives are properly trained, also.

Mr. Cross: The member for North Perth said, "paid," not "trained".

Mr. THORN: I do not wish to refer to other members' wives, but my wife gets her pay and often something more, because every time I bring her to Perth I have to put my hand in my pocket. Let us hope none of us underpay our wives.

Mr. J. Hegney: They should get the union rate.

Mr. THORN: My wife gets above the union rate. I hope that in giving this matter serious thought the Minister will accept amendments from this side of the House to provide that safeguard. Under present conditions we have fairly well organised marketing, brought about by war circumstances. If we can continue the present conditions I think the industry will be able to pay its way.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Rodoreda in the Chair; the Minister for Labour in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 6. Definition of "Worker":

Mr. ABBOTT: I move an amendment—

That in lines 1 to 8 the words "'deleting from the definition of "Worker" the words "but shall not include any person engaged in domestic service in a private home, provided that no home in which more than six boarders and/or lodgers are received for pay or reward shall be deemed to be a private home" in lines five to ten (both inclusive) of the said definition, and'" be struck out.

The provision would then apply to rural workers but not to domestic workers.

Amendment put and negatived.

Mr. WATTS: I move an amendment—

That the following words be added to paragraph (b):—"If the court declares (and so long as such declaration is not revoked by the court) that in consequence of the stabilisation of the prices of the major

products of the industries mentioned in this paragraph the general economic conditions existing and likely to exist in those industries are such as to warrant the making of an award and will permit the employers engaged in such industries to comply with the same without hardship."

This follows the argument raised on the second reading. I am prepared to agree with the viewpoint that the declaration could wisely be made at present, but I am not prepared to allow the Bill to pass without seeking some protection to ensure that the declaration can be reconsidered by the court if the circumstances in those industries entirely change. They have changed radically on many occasions and there is every prospect of their changing in future, because they are extremely difficult of management when it comes to price stabilisation. In all probability evidence could be adduced to justify a declaration now in all or some of the industries, but the prospects of the court's being able or not able to make a declaration in future are hidden in the mists of obscurity. I am willing to leave the question to the judgment of the court, but I am not prepared to support the Bill unless the court has jurisdiction to take these matters into consideration.

The MINISTER FOR LABOUR: This is a surprising amendment that cannot possibly be entertained. It would simply hobble the court and there would be continual inquiry to determine whether it could operate or not. If members read the Act carefully, they will find that the court has discretion to consider all such facts. The advocates for the employers have often contended that industries could not afford to pay, but I have not heard of any industry in this State having been ruined in consequence of an award of the court. If the rural workers became organised, they would be able to put up their case and the employers could do the same. The speech made by the Leader of the Opposition would have been a very fine one in the court and that is where it should have been made. All we are proposing is to give these people an opportunity to be heard in the court.

Mr. Watts: Where in the Act is the court authorised to take cognisance of these matters?

The MINISTER FOR LABOUR: The Act gives the court unlimited discretion to inquire into anything and everything. The court would probably prosecute its inquiries in the country.

Mr. Perkins: The Commonwealth court does not.

The MINISTER FOR LABOUR: I am trying to get away from the Commonwealth court. I want our workers to have the right to go to the State court. I believe that our Act and court are the best in Australia for both sides.

Mr. Seward: Despite the Legislative Council.

The MINISTER FOR LABOUR: It took a long time to get them. If we can get these classes of workers into the court, I think that will be the lot. I am prepared to trust the court. The Leader of the Opposition need have no fear that the court will not inquire into those matters, if asked, and I cannot imagine any advocate for the farmers not putting forward those points.

Mr. WATTS: If the court has the power to do those things, then the placing of them in the Act in set order will not hamstring the court. If the conditions in the industry are such that it is able to pay the same rate of wages and accept similar conditions of employment to those in other prosperous industries, and the court can satisfy itself that this is so in the terms of my amendment, there is no reason why the court should not make an award for the industry. I wish to ensure that the court will inform itself on these matters and make an award in the full light of the circumstances thus disclosed. I know of nothing in the Act to direct the court on these matters and I prefer to see the provision made as I have suggested.

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

Ayes	13
Noes	21
Majority against	8

AYES.

Mr. Abbott	Mr. Perkins
Mr. Doney	Mr. Seward
Mr. Hill	Mr. Thorn
Mr. Mann	Mr. Watts
Mr. McDonald	Mr. Willmott
Mr. North	Mr. McLarty
Mr. Owen	*(Teller.)*

NOES.	
Mr. Crose	Mr. Panton
Mr. Fox	Mr. Smith
Mr. Graham	Mr. Styants
Mr. Hawke	Mr. Telfer
Mr. J. Hegney	Mr. Tonkin
Mr. W. Hegney	Mr. Triat
Mr. Holman	Mr. Willcock
Mr. Leahy	Mr. Wise
Mr. Marshall	Mr. Withers
Mr. Needham	Mr. Wilson
Mr. Nulsen	(*Teller.*)

PAIRS.	
AYES.	NOES.
Mrs. Cardell-Oliver	Mr. Coverley
Mr. Leslie	Mr. Hoar
Mr. Stubbs	Mr. Collier

Amendment thus negatived.

Clause put and passed.

Clause 3, Title—agreed to.

Bill reported without amendment and the report adopted.

Third Reading.

Bill read a third time and transmitted to the Council.

BILL—ELECTORAL (WAR TIME) ACT AMENDMENT.

Second Reading.

THE MINISTER FOR JUSTICE (Hon. E. Nulsen—Kanowna) [9.33] in moving the second reading said: This small measure simply continues the parent Act to 1946. The parent Act was passed in order to give members of the Forces a vote during wartime. The Legislative Council has passed a similar Bill. I move—

That the Bill be now read a second time.

On motion by Mr. Seward, debate adjourned.

BILL—LEGISLATIVE COUNCIL (WAR TIME) ELECTORAL ACT AMENDMENT.

Second Reading.

THE MINISTER FOR JUSTICE (Hon. E. Nulsen—Kanowna) [9.34] in moving the second reading said: This Bill is similar to that of which I have just moved the second reading. It has been sent down from the Legislative Council. I move—

That the Bill be now read a second time.

On motion by Mr. North, debate adjourned.

BILL—WORKERS' HOMES ACT AMENDMENT.

Second Reading.

THE PREMIER (Hon. F. J. S. Wise—Gascoyne) [9.35] in moving the second reading said: This Bill is to provide for two new members of the Workers' Homes Board. The Workers' Homes Act, 1912, provides that the board called the Workers' Homes Board shall consist of three members, to be appointed from time to time by the Governor from the officers employed in the public service of the State. The Act further provides that the members of the board shall hold office during the Governor's pleasure. In the early stages of the Workers' Homes Board provision was made for additions to homes and the construction of workers' homes of various types. The board has grown to be a most important instrumentality and has achieved much. It now has a very much wider responsibility and therefore it is considered that the time is opportune to add to the personnel of the board from outside the public service, although it has functioned, and is functioning, most satisfactorily.

The Bill will enable two persons to be appointed. One of them will represent the industrial unions of workers registered in connection with the various building trades within the State. He will be a suitable person who is actively engaged in the trade. The other person shall be one with a wide knowledge of and experience in the building industry. It may be that he will be drawn from the membership of the Master Builders' Association or from the members of the Building Industry Congress. He certainly will be a person who is engaged in building as a vocation and one who has had, as I said, a wide experience in the building industry. The only other provision in the Bill is to enable the new appointees—not those who are public servants—to be paid and to receive such fees and allowances in respect of their services as may be prescribed by regulation; that is to say, those persons whom it is necessary to draw away from their occupations to the sittings of the board shall be compensated for their services when they attend such meetings. That is all there is in the Bill.

I said, when introducing the Building Operations and Building Materials Control Bill, I had assured the Building Trades Congress that consideration was being given to this addition to the personnel of the board in a manner which would meet with the approval of the congress. On that account, and because of the requirements of the board itself, it is considered that these ap-

pointments will make the board better balanced and perhaps better able to cope with the difficulties likely to be associated with its activities in the future.

Mr. Watts: You have no intention of altering the Civil Service appointees?

The PREMIER: Not at all. There is nothing in the Bill to suggest it and that is not the intention of the Government. We have an excellent board, but it is considered that the problems of the future in the building trade will be better met if this alteration is made. The present members are the Under Treasurer, the Principal Architect and the Assistant Manager of the Meat Works, who is the business man. They will remain and continue to constitute the three Public Service members of the board. I move—

That the Bill be now read a second time.

On motion by Mr. Watts, debate adjourned.

BILL—COMMONWEALTH AND STATE HOUSING AGREEMENT.

Second Reading.

THE PREMIER (Hon. F. J. S. Wise—Gascoyne) [9.41] in moving the second reading said: This Bill is to authorise the execution of an agreement between the Commonwealth and this State, as well as the other States of the Commonwealth, in relation to housing and the construction of homes for rental purposes. When introducing the Estimates relating to the Workers' Homes Board, I intimated that the shortage of houses in Australia amounted to tens of thousands. An acute shortage existed before the war and it was intensified by the subsequent shortage of labour and building materials during the war, both of which had to be diverted to war purposes. I indicated also that preparation was being made for a substantial increase in homes construction. The target for Australia is 24,000 new homes for next year, 50,000 for the following year, and 80,000 for the third year. Although our housing position in Australia is acute, we are indeed fortunate when compared to Great Britain. Great Britain hopes to have 220,000 homes completed in two years.

I have recently had furnished to me from England an extremely valuable White Paper dealing with the circumstances of that country, also extracts from speeches made in the House of Commons. These clearly show how tremendous, indeed formidable, is the housing problem in England. In its endeavour to cope with the circumstances and to provide any shelter at all for the coming winter, England is faced with a colossal problem. In dealing with the question of temporary housing, England has made some unusual decisions in order to provide accommodation for her people. Prefabricated houses are being erected, also houses of composite materials of all kinds, even aluminium. England is importing 50,000 prefabricated homes from America. All of these houses are regarded merely as an expedient, as they will only take one-third of the manpower time per home; and it is necessary to provide houses for hundreds of thousands of homeless people. That is a very interesting comment made in the many contributions in the House of Commons dealing with prefabricated homes; England regards these purely as an expedient to meet the existing situation.

The purpose of this Bill is to ratify an agreement, entered into between the Prime Minister of the Commonwealth and the Premiers of the various States of Australia, dealing with the provision of houses for letting purposes. A copy of the agreement is attached to the Bill and I propose to explain in some detail the agreement, and the history that led up to it being reached by the Premiers of the various States. Early in 1942, soon after the entry of Japan into the war, the need for the people of Australia to convert as great a proportion as possible of their energies to the war effort necessitated a severe curtailment of the activities affecting their civil needs, and it was decided, as a matter of policy, that house-building should cease. The Commonwealth Government gave effect to that policy by issuing an order prohibiting house building.

Though that order did not bind the States, the Premiers of the States were asked to accede to the Commonwealth Government's request that house building by State building authorities should cease until such time as the Commonwealth felt that it could be resumed. My predecessor gave the undertaking that this would be done, and as a result the Workers' Homes Board, which is the housing authority in this State, ceased operations in home building from early in 1942. After that

time, until early in 1944, the only houses built were those built under the authority of the Commonwealth War Workers' Housing Trust, and were such as were required for essential workers in war industries.

Hon. J. C. Willcock: They were only temporary houses.

The PREMIER: That is so. The extreme pressure for building materials and builders for war purposes was such that there was a tremendous encroachment made on the national resources of this country in timber; in fact our timber wealth has been tremendously exploited, as have been all the building materials available. The combined result of the total cessation of house building and the transfer of country populations into more settled town areas—either to undertake war work or to find accommodation for wives and families while the husbands were away in the Services, and the arrival of evacuees from occupied territories—and the needs and stress caused by certain demands of the Services, intensified greatly the acute housing shortage that was apparent even before the war commenced. The problem of the house shortage became so acute, because of the cumulative causes and their effects, that while the war was still in progress the Commonwealth Government found it necessary to relax restrictions, and had to agree to a resumption of home building on a modified scale.

Early in 1944, as the result of a conference between Premiers, it was agreed that the States would enter into an agreement with the Commonwealth, whereby houses of modest type would be built in moderate numbers, and that those houses would be available for letting to suitable tenants, and that the Commonwealth would share with the States in any losses arising from this housing scheme. After many conferences, at which the details were worked out and finally agreed on as between all the States by officials of all the housing authorities of the States, the matter was submitted for the ratification and agreement of the Premiers, and the agreement drawn up and finally approved is that now being submitted to this and all the other Parliaments of Australia. The agreement in this Bill is identical with that to be signed, and which has been approved already, by the Premiers of the various States.

In brief, there are ten provisions in the agreement; the first is that the State has to nominate the housing authority that will act as agent for the State Government in implementing the agreement, and the Workers' Homes Board has been appointed for that purpose in this State. The second is that the houses erected will be for letting, initially, though subsequently they may be sold. The third provision is that rents to be charged for the houses are fixed according to a formula which provides for the amortisation of house and land over a period of 53 years, based on an interest rate of 3¼ per cent. The rent charged also includes taxes, rates, insurance, allowances for vacancies, and administrative costs. The rent works out at approximately 6½ per cent. of the cost of the property. The fourth provision is that a system of rental rebates has been provided, whereby the occupier of a house is required to pay one-fifth of the family income or the economic rental, whichever is the lower.

The family income includes not only the earnings of the tenant but a proportion of the earnings of members of the family. It will be found that the specific proportions are mentioned in the agreement, so that a fair and equitable rental shall be paid if a rental less than the economic rental is to be levied. The fifth provision is that the housing authority required under the agreement is to have power to resume land and to abolish slums. The sixth provision is that any losses on the scheme are shared in the proportions of three-fifths by the Commonwealth and two-fifths by the State. The losses are calculated on an annual cash statement of receipts and payments, which has to be certified by the State Auditor General and formally approved by the Commonwealth Government.

Capital sums for the erection of houses and purchase of land are to be found by the Commonwealth and the rate of interest charged is the interest rate on the latest long-dated Commonwealth loan floated prior to the erection of the houses, so the interest rate may vary as from one project to another, but will be the rate appropriate to the latest loan floated prior to the project being launched.

Mr. Watts: At the present moment it would be 2½ per cent.

The PREMIER: No, 3¼ per cent. Every quarter the State housing authority has to advise the Commonwealth of the various housing projects commenced in that State during that quarter and the progress of housing projects commenced before that quarter. Under the agreement the Commonwealth has undertaken to use its best endeavours to provide manpower and materials for the housing programme. When a house is sold any loss on the initial sale is borne three-fifths by the Commonwealth and two-fifths by the State, and therefore after the Commonwealth ceases to have any interest in the house any subsequent loss, on resale, or failure of the first purchaser to complete the purchase, will be borne by the State. Prior to each quarter there will have to be submitted to the Commonwealth various programmes and projects to be initiated and developed during that quarter, so as to show clearly just how much can be undertaken.

In regard to the quotas that have been approved I want to say that for the quarters up to the end of this calendar year a total of 745 homes has been agreed on. As approvals are received from the Commonwealth, the Workers' Homes Board allocates the houses between the metropolitan area and the country districts in accordance with the applications and the needs disclosed in them. Up to date the applicants number about 2,000 and most applications have disclosed conditions of hardship—some of considerable hardship. Many applications have come from people who desire to live in the metropolitan area where the housing position is most acute. So far the progress with building is that 134 houses have been completed and are occupied. Of that number 89 are in the metropolitan area and 45 in the country. Of those in the metropolitan area 83 are of brick construction and six of timber, whereas all the houses in the country are of timber and asbestos, and are of the usual type of country home built with such materials.

In addition to the houses built and occupied a further 219 are under construction and most of those are ready for occupation. Of the 219 there are 168 in the metropolitan area and 51 in the country. Of the 168 under construction in the metropolitan area, 133 are of brick and the balance are of timber. In addition to these numbers, contracts have been signed for 77 homes, some to be built in the country and some in the metropolitan area. Of those 77, four are to be built of timber in the town of Williams. Tenders are also being called for 24 timber-framed houses in the metropolitan area, so that summing up these figures the quotas approved by the Commonwealth, to the end of this year, are 745 and the houses completed, under construction or arranged for, total 454. When it is considered that it is less than 18 months—I think 16 months—since the first contract was signed, and we commenced building with practically no manpower, and there was very little material available to us because no private homebuilding had been going on during the war, the scheme has formed a substantial contribution to the housing problem and, although the progress has not been as satisfactory as one would wish, we have gone a considerable way towards dealing with the total number allocated to us.

One of our greatest difficulties has been the provision of building materials, including particularly those of local manufacture. The answer to the difficulties associated with the provision of further materials of that kind is associated with the production of coal. The Government is taking many steps to increase the supply of coal. It is hoped that in spite of the many diffidifficulties there will be, in the near future, the prospect of a substantial uplift in the production of that commodity. Briefly, the costs of building are as follows: When tenders were first called in 1944 it was found that building costs had risen very substantially from the time when building operations ceased early in 1942.

On the general average it was found that costs in connection with all processes associated with building had risen approximately 35 per cent. compared with the pre-war level, and that a house which could be erected in 1939 for approximately £800 would cost slightly over £1,000. When building was recommenced the average cost of a four-room brick house, excluding the land, administration charges, and architect's fees for supervision, was £919, and for a five-room brick house, £977. These houses were slightly smaller than the Workers' Homes Board types of 1939,

but since building recommenced that type of house has been erected, and although the price is higher than the original cost, the Workers' Home Board is satisfied that there is in these homes better value for the money than in those constructed earlier.

The four-room brick house is now costing about £958, and the five-room house about £1,090, so it is clear that prices are not merely firming but are showing a slight downward tendency. Since the initial tenders of 1944 there have been, in the more recent tenders, a firm indication of that trend. As more labour becomes available to us, and material, particularly that of local production, comes more readily to hand, it is hoped that prices may drop still further. Members will probably be interested to know the comparison of costs as between the States. In New South Wales a four-room brick house is costing £1,300, and a five-room house £1,400. These are authoritative figures supplied about the middle of this year. In Victoria a four-room house costs £995, and £1,095 for a five-room house.

Mr. Styants: Do those figures include the cost of the block?

The PREMIER: No. In South Australia semi-detached houses are built, as most members know. They are much smaller, in type of room, than the houses built in this State. A four-room house in South Australia costs £630, and a five-room house, £720. Those figures relate to the semi-detached type. In Western Australia a four-room brick house costs £919, and a five-room house £977. No figures are available to us for Queensland and Tasmania in regard to brick homes, but in Queensland a four-room timber house costs £937, and a five-room timber house costs £1,005. Queensland's wooden homes, therefore, are costing in excess of those being constructed in this State, and we are about £400 to £500 below the cost obtaining in New South Wales.

Mr. Watts: There is something seriously wrong with New South Wales.

The PREMIER: It will be seen from the figures I have quoted that our costs for any type of structure compare more than favourably with those of the other States. We cannot, in the case of the single unit homes, make a comparison of costs with South Australia. It is interesting to know that South Australia did not discontinue home building during the war, despite the requests of the Commonwealth Government. That State ignored the requirements of the Commonwealth when it made a special request and, as a result, it has been able to keep together some building teams and has also had a steady, if somewhat small, flow of the materials necessary for building. Therefore, not only through the contractors, but through the State organisation, South Australia was in a privileged position when the Commonwealth regulations were relaxed and the home-building industry was permitted again to function in all States.

Under this agreement the rentals of the homes are fixed according to the formula which is set out therein. Briefly stated, the rental is based on the annual amortisation allowance of the capital cost of the house over a period of fifty-three years, plus interest. The interest rate being charged at present is 3¼ per cent. The interest rate will vary, as I have mentioned, because as each project is developed and money required for its development, the rate to be charged will be the rate applicable to the latest long-term Commonwealth loan that has been completed. So that on houses, although those being built now will carry a charge of 3¼ per cent., the rate of interest charged may be at a lesser or higher rate according to loan raisings at the time. Roughly the rental charged will represent 6½ per cent. on the total capital charges, which will cover fees including those for supervision, architects' charges and so forth. Up to the present the rentals of those homes which have been built in the metropolitan area in this State have been in the vicinity of 25s. a week for a four-room house and 27s. 6d. for a five-room house.

Members will notice in the agreement the principle of allowing a rebate based on the difference between one-fifth of the family income and the economic rental, and this, on the assumption that the former is the lower of the two, will enable a man with a low income and a family to be properly housed without imposing upon him any unfair burden. Care will be taken in the allocation of these homes that unduly expensive dwellings are not provided, thus limiting the responsibilities and added cost

to the Commonwealth and States with regard to rental rebates. It will be noticed in the agreement that the minimum rental of 8s. a week shall be charged, no matter what the family income may be. It is necessary to be able closely to follow the provision associated with the rental charges as contained in the agreement. It will be found that the family income not only includes the income of the principal wage earner but a certain proportion of the income of the other earning units within the household.

It will be found that one clause in the agreement appears to be rather complicated in setting out the method to be adopted in assessing the rental and how it shall be calculated. However, the specific subclause of the particular clause dealing with that matter will be found, on examination, to indicate very clearly that the whole of the income of the person earning the highest income shall be taken into account. That is specifically provided for in case the husband of the household is not the major wage-earning unit. It may be that he is suffering from some disability and that his wife or some other unit of the family is earning more and is really the main breadwinner. A further subclause of that particular provision prescribes the proportion of the income of every member of the household that shall be taken and sets out that two-thirds of the income of the next highest earning unit is to be taken into account and then one-third of the general income earned by the others is included in the maximum of 30s. per week. Thus, irrespective of the low rate of income such people have coming into the home, and even if it is almost nil, the minimum that will be paid by them is 8s. per week, and gradually the proportion of one-fifth of the family income or the economic rental, whichever is the lower, will be paid.

In connection with losses, these are ascertained on an annual cash statement of receipts and must be certified, as I previously mentioned, by the Auditor General of the State. Any losses occasioned shall be borne in the proportion of three-fifths by the Commonwealth and two-fifths by the State. It is quite possible that for a while during the period the shortage is so acute and needs so great and there is, perhaps, more earning capacity and more cash within the family, there will be very few, if any, losses. There is a provision in the agreement with regard to the sale of houses at a later date. It is not provided that these houses shall be available for sale immediately. The necessity for the provision of homes is so great that it is designed that housing accommodation for the time being shall be on the rental basis only.

At the request of the Commonwealth 50 per cent. of the homes constructed are to be allocated to ex-servicemen or their dependants, and, so far as the applications that have been received here are concerned at this stage, more than 50 per cent. of the homes in Western Australia have been allotted to ex-service personnel. It is obvious that it will be many years before the leeway in the shortage of homes can be made up, and as it is proposed that this process shall continue in order to meet the requirements of people who are living in substandard houses, the building programme will have to be carried on for some time. I mentioned that there is provision in the agreement for the abolition of slums and it is intended that by observing better standards and the provision of this low rental proposition to enable people to get into a better class of house and so have an exodus from slum conditions in order to allow better circumstances to obtain in every residential district throughout the State.

The agreement that is attached to the Bill is, as I have mentioned, the one finally arrived at after much consultation, considerable endeavour and an agreement between all the State housing authorities in every part of the Commonwealth. It would therefore be very unwise to amend it in any way. It is an agreement to which each State Premier subscribes. It is an agreement that, on the best advice available to them within their respective States, is regarded by each Premier as being practicable, workable and possible of easy administration by the housing authorities of those States.

Mr. Doney: What States, if any, have accepted it so far?

The PREMIER: According to a communication sent to me over the signature of Mr. Chifley, he says that Queensland and New South Wales have already given con-

sideration to it and there is no doubt of its passing as presented to the Parliaments of those two States.

Mr. Doney: Has South Australia passed it?

The PREMIER: I understand the South Australian Parliament is not in session at the moment but I have Mr. Playford's assurance that the agreement as it is presented is in the form desired by him. With that explanation, this legislation is submitted in order to meet the undoubted requirements of people who are at present living in sub-standard houses and to give them an opportunity, even at a rate under an economic rental, to enjoy appropriate and decent housing conditions. Members now have an opportunity to ensure that great advantages accrue to the State by passing the Bill. Since we are now well advanced with the initial projects we must either be in the agreement or undertake the responsibility for the transactions to date. The most important feature of all is that, for those people whose greatest need is suitable housing, the Bill is designed and the proposals have been framed to give them much better conditions than they could otherwise obtain. I am sure that the principles of the Bill and the activities that will be possible under its provisions will find commendation from all quarters of the House. I move—

That the Bill be now read a second time.

On motion by Mr Doney, debate adjourned.

ANNUAL ESTIMATES, 1945-46.

In Committee of Supply.

Resumed from the 4th December; Mr. Rodoreda in the Chair.

Vote—Mines, £124,483 (partly considered):

MR. STYANTS (Kalgoorlie) [10.17]: Fortunately for the State, the goldmining industry is in the unique position of not requiring any great assistance or coddling. It is able to fend for itself, and all that is required is fair treatment. I believe that, in the days immediately before the war, goldmining was the only industry whose product commanded a ready market and a profitable price. I wish to make a few remarks about the many very valuable minerals mined during the war period.

Mr. Smith called attention to the state of the Committee.

Bells rung and a quorum formed.

Mr. STYANTS: I was referring to the working of strategic minerals, most of them used for the purpose of hardening steel. Though it was known that many of them existed in this State, they were not exploited to any extent, and it needed a war to show us what valuable minerals we had for hardening steel. During the war most of these strategic minerals were mined under a policy of getting them out as quickly as possible rather than under a long-range policy.

The Minister for Lands: It was a matter of getting them out at any cost.

Mr. STYANTS: Yes, we had to produce them quickly and at any cost, and it will probably be difficult now to evolve a long range policy. One mineral is antimony which has a high gold content, but the extraction of the gold was found to be very difficult. To the credit of the School of Mines at Kalgoorlie, a method was evolved of successfully extracting the gold from antimony. The member for Mt. Magnet in speaking on these Estimates, mentioned tantalite. I think it is no exaggeration to say that tantalite may be regarded as the wonder metal of the world. It is interesting to note that we have the world's purest, richest and most valuable deposit of tantalite at Wodgina, about 90 miles from Pt. Hedland. Its principal use is for hardening steel. I should like to quote from the November issue of the "W.A. Mining and Commercial Review" some of the other important uses for which tantalum may be used—

> Tantalum is a steel-hardening metal and for some years has been used in electrical apparatus and as a substitute for platinum. Also owing to the great hardness which can be imparted to it, tantalum alloy has been used for surgical and dental instruments and in the manufacture of drills, files, penpoints, watch springs and various precision instruments. It is, in addition, non-rusting.
>
> Beaten into sheets and plates it can be made as thin and pliable as paper, and it is much more malleable than gold or silver. It can be drawn into almost invisible fine wire which has been used to sew wounds in wartime, leaving no scars.

It is also interesting to note that this wonderful metal can be used in plastic surgery. It is used to replace bone mat

ter, as it has been discovered that flesh, blood and sinews, which usually avoid foreign matter put near them for the purpose of replacement, will cling very closely to tantalum. There is very little difference of opinion among surgeons—although a little does exist—as to blood, flesh and sinew actually attaching themselves to tantalum when it is employed to replace bone. The unfortunate part about tantalum is that the method of extracting it is not known in Australia. The method has been known for a number of years in those countries to which it has been exported, the United States, Germany and Japan. As Germany and Japan are both now under Allied jurisdiction, we might have an excellent opportunity to secure the secret of extraction from the chemists in those countries. If we cannot get it in that way, I have sufficient faith in our English chemists to be sure that they can work out a method for this purpose.

For many years we heard that German chemists were the cleverest chemists in the world: but we found out during the periods of two wars that our English chemists were even better qualified. In my opinion, we should not export this metal at all. We now understand why we were taken at such a disadvantage during the war; it was because we had been exporting to enemy countries such an important and valuable metal as tantalite. I hope the Commonwealth Government or the State Government, or both, will immediately take up the matter of obtaining the secret of the extraction of tantalum. Then we have pyrites at Norseman. Before the war we were importing sulphur in order to manufacture sulphuric acid for fertilisers. We found that we could get high-class sulphur and other by-products from the pyrites at Norseman. The Commonwealth Government gave us a subsidy of 50s. per ton on pyrites concentrates, and 35s. a ton on crushed ore. I understand the fertiliser companies spent £120,000 upon erecting a plant for extracting sulphur. At the present time this sulphur is more costly than the imported sulphur, but we are only in the experimental stage and the companies hope to reduce the cost of extraction considerably. In addition, the pyrites provide valuable freight for our railways. It is carried at the rate for ore, I understand, which is not a concession rate.

We have a big job ahead of us in the rehabilitation of the mining industry; but if we give the companies an open go, I believe they will rehabilitate the industry themselves. A great deal of machinery was removed from the mines during the war, and one of the problems facing the industry is to replace that machinery. The companies were also deprived of stores during the war. Both the machinery and the stores should, in my opinion, be given the highest priority, because upon this industry will depend to a great extent the re-employment of large numbers of men. There is an unlimited market for gold and the buyers are eager, so every possible assistance should be given to rehabilitate the industry. An industry ancillary to goldmining is timber. It is useless trying to build up the mining industry without also building up the timber industry. We must have fuel for the mines and timber to make them safe. Both firewood and timber are secured from the bush within 100 miles of Kalgoorlie, and it is absolutely essential that the timber industry should be supplied with manpower, equipment and materials in order to assist in the rehabilitation of the mining industry.

On the Address-in-reply I dealt with the matter of assistance to prospectors. I again emphasise the need for such assistance. The prospector is the pioneer of the industry. Just recently gold was found in ground that probably had been searched over a thousand times. The discovery was made by adopting more scientific methods than the old method of using a pick and shovel. It is unreasonable to ask a prospector nowadays to search for gold under the old conditions, using a pick and shovel in order to prove a claim. To do so is equivalent to asking a man to shift mullock with a shovel and wheelbarrow, instead of using a bulldozer. I am therefore an advocate for the adoption of scientific methods to discover gold. Should a bona-fide prospector locate a claim which shows reasonable prospects of success, the Government should assist him by providing a mobile power-drilling plant, instead of the man having to sink a shaft, which takes a long time and involves very arduous labour. The plant could be lent to a prospector on

the recommendation of an inspector of mines. That method would be much quicker and much cheaper.

The only other matter I wish to deal with is coal. At the invitation of the Minister, I paid a visit to Collie and for the first time went underground in a coal mine. I was particularly shocked at the conditions I found. The impressions I had of coalmining were gained from a film which I had seen a number of times. The conditions depicted there were altogether different from those I saw at Collie. I saw the man-ways and the skipways in the film; they were lighted up. I also saw the remarkable stables provided for the pit ponies underground, but I was shocked to see the horses underground at Collie. If anyone will introduce a measure into this House to provide for the abolition of the use of horses underground, I will strongly support it.

Mr. Leahy: They come up every shift.

Mr. STYANTS: But they work under fearful conditions.

The CHAIRMAN: Order! The hon. member is not in order in interjecting when out of his seat.

Mr. STYANTS: It is most unnatural for horses to have to work under those conditions. They were intended to be on the surface in God's sunshine and fresh air.

The Minister for Lands: So were men.

Mr. STYANTS: I believe that winches should be provided for the purpose of hauling underground. I was sympathising with one of the horses somewhere about three-quarters of a mile underground, and one man said, "You are like the rest of them. You have sympathy for the horses but not so much for the men." I said, "A man goes underground more or less of his own volition; but the horse is conscripted into the job and has no say." While we were there, had it not been for the shaft and gear around it, one horse would have been squashed to death inside the path. As it was, it was badly hurt and its mouth was bleeding badly afterwards. If anyone will introduce legislation to compel mechanical devices to be employed for the haulage of coal underground, it will have my support.

I want also to support a statement made by the member for Mt. Magnet about the men's change-rooms. They are draughty and cold and the number provided is inadequate. If the same class of change-rooms were provided on the goldmines of this State, the men would not use them. They are uninviting, and I think that in winter-time they must be very unsatisfactory. I lived in Collie for two winters, and I know how bitterly cold and draughty the place can be. The change-rooms are totally unsuitable, and better ones should be provided.

We have recently heard of a dispute at Collie because an additional assistant was not provided in what is known as No. 11 dip in the Proprietary Mine. We inspected that particular spot, and I do not know of any more unsavoury place it is possible to ask men to work in. The air is bad, because it is in a dead end; and there was water dripping from the roof just as though we were in a heavy shower of rain. I was there for ten minutes and I consider that I was half wet through when I came away. The men working there were saturated to the skin. They had some corrugated iron across the top in an endeavour to prevent some of the water falling on them, but they were still wet to the skin; and they receive the magnificent sum of 1s. 9d. a shift extra for labouring in what is called a wet place! I am not surprised there has been trouble in that direction. What I had to say in connection with the goldmining industry I said on the Address-in-reply. I repeat that I think it is an industry that does not need a great deal of encouragement. All it wants is fair play and it will rehabilitate itself and it will become again, if not the principal industry producing wealth in this State, then one of the two principal industries.

MR. SMITH (Brown Hill-Ivanhoe) [10.40]: I would like to take this opportunity to congratulate the member for Murchison on his elevation to the Ministry and his appointment as Minister for Mines and Railways. It has taken a long while for the democracy on which the Minister for Mines was suckled to throw up the member for Murchison as an acknowledged leader in this House. No member in this Chamber has been more assiduous in his duties and the obligations that devolve upon a member than has the member for Murchison.

Mr. Seward: Hear, hear!

Mr. SMITH: No member ever gave more attention to the subject to which he ad-

dressed himself or gave more evidence of research or showed a greater knowledge of his subject. Although we might not always have agreed with him on the deductions he made from the evidence he produced, and in the conclusions which he reached as a result of that evidence, nevertheless he always gave us something to think about. I wish him every success in his new sphere.

I have heard it said that the Minister has a very wide knowledge of the mining industry. In consequence, he should make a success of administering the Mines Department. If a wide knowledge of the mining industry is necessary to that success, the question might arise: What knowledge has he of the Railway Department? But I think that in his new sphere his success will depend upon his administrative ability, and time alone will tell how much of that he has. Our experience of it, however, certainly indicates he is not likely to be a failure in that direction. Some of the best Ministers of Mines we have had in this State were never down a mine except by invitation; and generally the ability and capacity that a Minister in any Government has to have, or mainly has to have, is well illustrated by a story I read recently concerning Montague Norman, Governor of the Bank of England. When a friend pressed him to place on the board of directors of a big armaments and steel works a man who had been a very successful engineer, Montague Norman said, "If he has been a successful engineer, let him stick to his engineering. I want a man on this board who understands administration and finance." So I think those are the qualities that make for a successful Minister.

A very bright future is forecast for the goldmining industry. It is said that, generally speaking, the goldmining industry will be able to look after itself in the post-war period. It has been authoritatively stated—the member for Hannans in his speech seemed to confirm it—that there were no less than 9,000,000 tons of ore in reserve in the goldmining industry, valued at £25,000,000, already developed in this State. If those contentions are correct, as I have reason to believe they are, they are in marked contrast with statements, heard a year or so back, that no ore was being developed in the mines and how, when the present ore reserves were exhausted, the industry was likely to collapse. A great deal of developmental work has been done in most of the big mines during the war. It has not been as much as pre-war, but every mining report indicates that considerable developmental work has been done and that, notwithstanding disabilities suffered by the industry during the war, many mines made good profits during that period.

The goldmining industry was seriously affected by the war and many low grade producers and mines in far outback centres had to close down owing to accumulating difficulties, manpower difficulties and others arising out of higher costs and other factors. The goldmining industry generally realised it would have to make a contribution to the successful prosecution of the war. I think it can be said that the goldmining industry made that contribution. Now that the war is over the mining industry, and the goldmining industry in particular, expects some assistance from the Government that it assisted so extensively in the recent national emergency. I refer to the Commonwealth Government and, from my own experience, I think that Government has a keen sense of its responsibility, not only to the goldmining industry but to the base-metal mining industry as well.

The Commonwealth Government, in order that it might be advised in a representative way as to how it could best assist the mining industry, some 12 months ago appointed a Mining Advisory Panel which was selected from—among others—men who held high positions in the mining industry throughout the Commonwealth. The terms of reference from the Prime Minister to that mining panel can be stated briefly as follows: the identification of post-war problems in mining and advice as to action that might be taken by the Commonwealth Government to enable it to determine a post-war mining policy. When the mining panel was first appointed and the terms of reference were published they set up, in the minds of representatives of various State Mines Departments, some suspicion as to the functions and activities of the panel. Some seemed to think it was an attempt by the Commonwealth Government to encroach on State rights and prerogatives in mining.

I think the Minister for Mines in this State said that if the Commonwealth Gov-

ernment wanted to know anything about mining here it could find it out from the Mines Department of Western Australia. There may have been some justification for that suspicion, but only as to the terms of reference and not what was in the minds of either the Prime Minister or any member of the Commonwealth Government. It was the way in which the terms of reference were drafted that justified criticism. After the panel had met several times it became obvious that there was a greater need than previously existed for closer co-operation by the panel, representing the mining industry and acting on behalf of the Commonwealth, with the various State Mines Departments. After several meetings it was suggested to the Commonwealth Government that the terms of reference be altered in order to get closer co-operation with the States, which it was felt was necessary and desirable. The terms of reference were altered to read, "so that advice tendered would be in connection with action that might be taken by the Commonwealth in conjunction with the States and the post-war policy implemented by the States."

The Premier: Such terms of reference would have to be broad.

Mr. SMITH: That amendment broadened the terms of reference. I am pleased to be able to report that subsequent to the alteration in the terms of reference, representatives of all the States were present at meetings of the mining panel and the co-operation and assistance which they gave made a most important contribution to its deliberations. It was very clear that that was what was lacking in the first instance. This Mining Advisory Panel is actually a panel that is advisory to the Secondary Industries Commission. Details of matters that eventually must be the subject of submission to a Commonwealth Minister cannot very well be disclosed by me, as a member of that panel, but it can be said that the panel did recommend, and the Commonwealth agreed, that Dr. Raggatt and Mr. P. Raynor, of the Minerals Resources Survey, Canberra—the Commonwealth Geological Branch I think it is called—should go to the United States and to Canada, to make an examination of and inquire into the general set-up and activity of the Geological Branch of the Mines Departments of those two important countries, and that Mr. Raynor should go with Dr. Raggatt to make inquiries into any progress that might have been made during the last few years in connection with geophysical prospecting.

I do not know very much about that subject, but I have read that in the past geophysical methods for locating minerals were not too reliable. There were several methods, the torsional system, the electric system and the magnetic system. I understand that those who operated these various systems for locating minerals were more or less satisfied if the three different methods coincided in connection with their results, or what they took to be the general indications. Both Dr. Raggatt and Mr. Raynor have completed their investigations in the United States and Canada, and are now back in Australia. Very shortly they will be submitting a report upon these two important subjects. The panel also recommended and stressed that the Commonwealth Government should agree to and bear the expenses of sending Dr. George, a recognised authority on the industrial diseases that occur in the mining industry, to Canada, to investigate the aluminium therapy treatment for silicosis. The Commonwealth Government has agreed to that and I understand that Dr. George is on his way.

The panel has also, in a report, reviewed several other matters that I can just state broadly. They are—the mining industry and the important part it has played, and will continue to play, in the economic development of the Commonwealth; factors that have been identified and that have militated against the development of the mining industry and the maintenance of its stability, particularly the base metal mining industry; the effect of the war on the mining industry generally and its immediate rehabilitation requirements as well as its long range requirements; the incidence of taxation, mainly in the base metal mining industry, and the submission of proposals that would make for greater equity and which would tend to encourage greater investment; the need for not only an intensive survey of the Commonwealth's mineral resources but for the encouragement of prospecting and, generally speaking, a more concentrated effort to promote new discoveries; the desirability of uniformity of

mining regulations so that the best prevailing in any part of the Commonwealth shall, as far as possible, set the standard for all; a review of legislation in the various States relating to compensation for accident or industrial diseases in mining with a view to removing the incidence of the industry that now anchors mine workers to one State so as to give that same mobility to mine workers that other workers enjoy; and machinery—when I say machinery I am not talking about engineering machinery, but some kind of a board or set-up—by which the needs of the mining industry can be discovered and applications for assistance investigated and recommendations for Commonwealth assistance for mining made with appropriate supervision of expenditure of any advances.

When it comes to the question of making advances for this or that industry the Commonwealth Government, like other Governments, is influenced by the fact that it is somewhat undesirable for one Government to raise money and another to spend it. But it makes it somewhat more desirable if the other Government spends the money under the supervision of the original Government. Notwithstanding the post-war prospects of the goldmining industry, there is even in this State a very pressing and immediate need for some advance from the Commonwealth Government for rehabilitation purposes, and the urgency of this matter has been stressed to the Commonwealth with very considerable strength. Also there is the need for the return of much of the machinery and tools that the Commonwealth impressed or compelled mining companies to sell for use for war purposes, as well as expedition in the return of key-men from the Services to the industry.

On the matter of the return of key-men from the Services, I should like the Minister to make some investigation into the present manpower position in the industry. We hear rumours that men who followed the vocation of mining before the war and have been discharged from the Services are unable to get positions in the industry. One member, speaking on these Estimates, said it was reported that 150 men were out of work in the goldmining areas. On my last visit to Kalgoorlie I made inquiries at the Commonwealth Social Services Branch and that branch had no mine workers registered as being unemployed. I was informed that some sections of the Services whose duty it is to deal with rehabilitation might have the names of men out of work and seeking employment in the industry.

It has been said that the reason why mines on the Golden Mile cannot engage some of the men alleged to be available is that they cannot employ a few men; they need enough to make up a whole shift. I am told that the greatest necessity is the return of the key-men, and until they are back, it will be difficult to put on an additional shift, even if the men who would comprise the shift were available. I have also been told that at the Gwalia there are vacancies for any mine-workers who care to go there and that the managers are operating second shifts as skeletons, to which they are prepared to add any men seeking employment in the district. If that can be done at the Gwalia, I do not see why it cannot be done on the Golden Mile to absorb any surplus labour, if such is available there. This is a matter I should like the Minister to inquire into so that we may learn definitely whether the rumours about unemployed mine-workers are true or not.

Amongst representatives of the goldmining industry, I find a consensus of opinion, or rather a full appreciation of the fact that goldmining costs have increased enormously during the war years and that, to a great extent, this is due to taxation. The goldmining industry is relieved of payment of income tax under the Commonwealth uniform tax law, and that is a very big and important concession to the industry. It is difficult to estimate what the companies would have had to pay had they been subject to the same taxation as other companies or even under the taxation to which they were subject under the States laws before we had uniform taxation. Companies that had already won sufficient gold, declared sufficient dividends and made sufficient profits to return the capital invested in the undertaking were subject to a taxation by the State of 3s. 10½d. in the pound. Consequently, relief from income tax, which I think is very proper, is an important concession to the industry.

I do not think the mining companies generally regard the gold tax as very onerous and certainly it is not so onerous as the income tax would have been. Prospectors producing 25 ozs. or less are

exempt from payment of the gold tax and so are many low-grade producers of gold. They are exempt in that they receive refunds in certain circumstances of the amounts they pay. We find in the return compiled by the Mines Department recently that the Commonwealth, since 1939, has collected £3,350,326 through the gold tax and has refunded £662,641, leaving a net amount of £2,687,685. There is some justification from the point of view of the Commonwealth for the gold tax because the price of gold realised in the terms of Australian currency is, to a fairly considerable extent, dependent upon the monetary policy of the Commonwealth. So I presume the Commonwealth feels it has some justification for taking 50 per cent. of all the proceeds of gold sold at over £9 per oz.

The gold tax is not hitting the mining industry very severely, but certain other taxes are. A tax that has led to increased costs is the sales tax; an impost of 25 per cent. is made on commodities necessary for the exploitation and recovery of the contents of ore. I was disappointed, when I found that the Commonwealth Government had made certain readjustments in the sales tax, to learn that although many items were reduced from 25 per cent. to 12½ per cent., necessary commodities for the mining industry were not included in the list. Another addition to costs is the payroll tax, which is a fairly heavy impost on the industry. The number of men engaged in the industry is increasing, and consequently there will be a corresponding increase in the payroll tax. Sir Walter Massey Greene, the Acting Chairman of the Gold Mines of Kalgoorlie, at a meeting held on the 22nd August, 1945, said—

> There is no question that the gold industry would have to contend with a definite rise in the general price level, in which gold may or may not share, according to the policy here and abroad.

That statement contains a warning. It is exceedingly difficult to predict the future of gold. I have no fears about gold playing its part in our economic system, nor have I any fears that it will be dethroned from the high place it has always had in the public imagination. It is, nevertheless, possible that through and by international arrangements, the price of gold may not go up but that there will be an increase in the price of many commodities required to recover gold. What I could never understand about goldmining companies, as well as other mining companies, is their complaint about the high or unfair taxation in Australia. Their contention seems to be that full concession is not made because of the fact that a mine is a wasting asset. Many of the mining companies are registered in England and consequently are subject to taxation by the British Government. This is no new development. Those companies were always subject to taxation by the British Government.

Much publicity was given to the Great Boulder Mine on account of the excess profits tax charged against it in England. I understand that the base years for the tax are 1938 and 1939, and that the company became involved in a tax amounting to 100 per cent. I saw recently that if a mining company spent £10,000 or £15,000 on sinking a shaft it could deduct the amount from its profits in Australia, so that the amount would not be subject to taxation, but in England the expenditure would be regarded as capital expenditure, and not deductible from taxable profits. It should be regarded as capital expenditure in this State, too. Possibly some of the difficulties in which these mining companies find themselves over the excess profit tax in England are due to the fact that they determined to regard certain expenditure incurred for development and purchase of machinery as a charge against profits, thus reducing taxation which they were paying under the State income tax law. Eventually they were hoist with their own petard, when the excess profits tax became operative in England after the war broke out.

A statement was published recently in "The West Australian" by the Sons of Gwalia Mine that it had declared a first and final dividend for 1944 of 1s. sterling per share, less the United Kingdom tax of 10s. in the pound. If the company wants to keep itself registered in London and so be subjected to double taxation, then it should not complain about the tax imposed upon it in Australia. Assistance should be given to many of the smaller but promising units in the industry. A grant of money should be made immediately and the machinery that was taken away from the mines should be replaced. There is need for an appreciation not only in this State, but throughout Aus-

tralia generally, of our great dependence on both the goldmining industry and the base metal mining industry. Instead of the goldmining industry being referred to as a primary industry, it should be referred to as an ante-primary industry, because it does more than any other activity to fertilise industrial enterprise. Without the products of our base metal mining industry, the wheels of industry could not be kept turning.

During the war there was a great demand for many of our base metals. That demand made it very clear that there was a great dependence in the Commonwealth and in other parts of the world, as well as among the Allied Nations, upon the possibility of our finding and recovering base metals; and, by what amounted to almost superhuman effort and the stimulation of most unusual activity in the base metal mining industry throughout the Commonwealth, and the expenditure of a great deal of money, much of which I think could not have been expended on an economic basis, we were able to increase the production of many base metals that were most urgently required in the United States and the British Empire and also in Australia for the prosecution of the war.

So I trust the Commonwealth Government will develop or maintain that sympathy it at present appears to have for the goldmining industry; that it will not only further its desires to promote prospecting and the search for new mineral deposits; but that it will, by monetary grants, and by the setting up of proper machinery, and by the assistance of its geological and other technical officers, both in the C.S.I.R. and the Mineral Resources Survey Department, also assist the mining industry generally, so that an intensive search may be made for new discoveries. Our position throughout the Commonwealth generally is not encouraging so far as the production of minerals is concerned, because many of our biggest producers were found many years ago, and in recent years there have not been many important new discoveries. But there is no doubt that the recent war taught us that not only are our base metals urgently required for the furtherance of our general economic interests, but also that they are urgently required in the interests of our national defence.

Progress reported.

ADJOURNMENT—SPECIAL.

THE PREMIER (Hon. F. J. S. Wise—Gascoyne) [11.29]: I move—

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

Question put and passed.

House adjourned at 11.30 p.m.

Legislative Council.

Friday, 7th December, 1945.

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

QUESTION.

WOOROLOO SANATORIUM.

As to Civilian Cases of T.B.

Hon. J. A. DIMMITT (for Hon J. G. Hislop) asked the Chief Secretary:

1, How long is it since a civilian case of pulmonary tuberculosis was admitted to Wooroloo Sanatorium?

2, Are civilian cases being admitted at present?

3, If civilian cases are not being admitted, how long will it be before admission is possible?

4. How many known cases of active pulmonary tuberculosis who have made application for admission to Wooroloo Sanatorium are still remaining in their own homes?

The CHIEF SECRETARY replied:

1, An urgent case was admitted on the 11th November.

2, Generally no, but in very urgent cases endeavours are made to admit.