

foreshore which are lit. There is no light at Point Walter, but the place is wired and there are globes on the beacon. The Mosman Park jetty is not lit, but the lights are there. Como is a blaze of lights, so it is no use saying that lights are not permissible.

All these places could be connected and the lights could be switched on and off as quickly as in the city. If the power house cut off the supply, the lights on the beacons would go out also. Como jetty and Mill Point jetty are rarely used. I have not seen the Mill Point jetty used for years but the lights have been on all the time. The Minister should give attention to this matter before there are serious accidents. There is no light at the Applecross jetty, because an Eastern States unit was stationed there with an anti-aircraft group, which cut the pole down; but the green light is still there on the beacon and the pole should be put back, because that jetty is used.

The Minister for Works: I doubt whether this is my business.

Mr. CROSS: This comes under the heading of harbours and rivers which are under the Minister's jurisdiction. There is an item on the Estimates under "Harbours and Rivers" which reads, "Maintenance work, as may be required, including maintenance of dredges and barges, mooring buoys, jetties, dock embankments and general maintenance of harbour and river works." Surely, if the Minister is responsible for mooring buoys, he should be responsible for beacons; and, if he is responsible for jetties, he should be responsible for warning lights. These lights should be put on, and there is no reason why they should not be. There is no danger of invasion at present; and, even if there were, the excuse that lights could not be extinguished is ridiculous, because the oil lamps have been removed and replaced by electricity.

The Premier: You should deal with this matter on the Harbours and Rivers Vote.

Mr. CROSS: I shall not be more than a minute now.

The Minister for Works: I think this comes under the department of the Minister for the North-West.

Mr. CROSS: There are a couple of dangerous jetties at Applecross and Como and there is one at Canning Bridge, too. Some of the decking is missing; and if anyone should go on to the jetties, particularly

those at Applecross or Canning Bridge, which are especially dangerous, there is a possibility of his being drowned. If that occurs perhaps some attention will be paid to this matter! I repeat that safety lights should be shown and they should be lit tomorrow night.

Progress reported.

*House adjourned at 10.30 p.m.*

## Legislative Council.

*Tuesday, 21st November, 1944.*

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

### QUESTION—ABATTOIRS, ROBB'S JETTY.

*As to Providing Additional Facilities.*

Hon. G. B. WOOD asked the Chief Secretary:

(i) Is the Government aware that killing facilities at Robb's Jetty are not sufficient to cope with the supply of sheep and lambs, thereby causing a shortage of supply to the Services and United Kingdom?

(ii) As this is causing considerable loss to producers, both in prices obtained and the necessity of holding stock on farms, will the Government endeavour to arrange for an extra chain killing gang to cope with the position?

The CHIEF SECRETARY replied:

(i) No. Killing facilities at Robb's Jetty have not caused a shortage of supply of sheep and lambs to the Services and United Kingdom.

(ii) Prices for sheep and lambs of export quality at recent sales have not been below export parity. The meat export works at Robb's Jetty could have handled more sheep and lambs than were available from recent sales. The present killing capacity will be maintained as long as possible, and efforts to increase this will be made if such action becomes necessary.

### ELECTORAL REFORM SELECT COMMITTEE.

#### *Extension of Time.*

On motion by Hon. C. F. Baxter, the time for bringing up the report was extended for two weeks.

### BILL—NATIVES (CITIZENSHIP RIGHTS).

#### *Third Reading.*

**THE CHIEF SECRETARY** [4.36]: I move—

That the Bill be now read a third time.

**HON. H. TUCKEY** (South-West): I merely wish to draw attention to Section 15 of the Constitution Acts Amendment Act, which disqualifies an aboriginal from voting unless he was registered before 1933. That means that this Bill, although it is intended to confer citizenship rights on natives, will, of course, not have authority to do so unless the Constitution is amended. That is my view of it. I do not know whether the Minister has looked into that aspect of the matter.

**THE CHIEF SECRETARY** (in reply): I do not think there is anything in the contention submitted by Mr. Tuckey. So far as I am aware there is no difficulty as suggested by him.

Question put.

The **PRESIDENT**: There must be a division in connection with the third reading of this Bill.

Division resulted as follows:—

Ayes	..	..	..	..	23
Noes	..	..	..	..	0
					—
Majority for	..	..	..	..	23
					—

#### AYES.

Hon. C. F. Baxter  
Hon. L. B. Belton  
Hon. Sir Hal Colebatch  
Hon. J. Cornell  
Hon. J. A. Dimmitt  
Hon. J. M. Drew  
Hon. G. Fraser  
Hon. F. E. Gibson  
Hon. E. H. Gray  
Hon. E. H. H. Hall  
Hon. W. R. Hall  
Hon. V. Hamersley

Hon. J. G. Hialop  
Hon. W. H. Kitson  
Hon. W. J. Mann  
Hon. G. W. Miles  
Hon. T. Moore  
Hon. H. S. W. Parker  
Hon. A. Thomson  
Hon. H. Tuckey  
Hon. C. B. Williams  
Hon. G. B. Wood  
Hon. L. Craig  
(Teller.)

#### NOES.

#### NQ.

The **PRESIDENT**: There being more than an absolute majority of the members of the Council voting in the affirmative, I declare the question passed.

Question thus passed.

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

### BILL—TRANSFER OF LAND ACT AMENDMENT.

Received from the Assembly and read a first time.

### BILLS (2)—THIRD READING.

1, Busselton Cemetery.

2, Stamp Act Amendment.

*Passed.*

### BILL—MEMBERS OF PARLIAMENT FUND ACT AMENDMENT.

#### *Second Reading.*

Debate resumed from the 16th November.

**HON. SIR HAL COLEBATCH** (Metropolitan) [4.47]: When this matter first came before Parliament, I expressed the opinion that the Bill was unduly favourable to the older members and I still have my opinion on that point. However, as the trustees seem satisfied and as this Bill meets with their approval, I do not wish to offer any opposition to its passage.

Question put and passed.

Bill read a second time.

#### *In Committee.*

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

## BILL—COLLIE RECREATION AND PARK LANDS ACT AMENDMENT.

### *Second Reading.*

Debate resumed from the 16th November.

**HON. W. J. MANN** (South-West) [4.50]: I have made inquiries from the sources interested in this Bill and I understand it meets with their approval in every way. For that reason I do not wish to take up the time of the House. I support the second reading.

Question put and passed.

Bill read a second time.

### *In Committee.*

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

## BILL—CONSTITUTION ACTS AMENDMENT (No. 2).

### *Second Reading.*

**THE CHIEF SECRETARY** [4.53] in moving the second reading said: This measure is described in its long title as a Bill to further amend the Constitution Act, 1889, and it is designed to overcome deadlocks which occur from time to time between the Legislative Council and the Legislative Assembly. It will be agreed, I think, that in this regard there is a serious defect in our Constitution and that the time has arrived when some action should be taken to remedy a situation which is far from satisfactory. The great majority of Government Bills are introduced in the Legislative Assembly. They are passed by that Chamber, in many instances with the support of members of the Legislative Assembly opposed to the Government. This Chamber, however, often takes an entirely different view from that of the Legislative Assembly on legislation presented to Parliament, and members can no doubt recall many occasions on which this Chamber has been at variance with another place to an extent that the divergent views could not be reconciled. In some cases Bills have been rejected completely; in others they have been amended to such a degree as not to be acceptable by the Government.

Because the Legislative Assembly is elected on the adult franchise, it is generally recognised that legislation passed by that House is an expression of the will of

the people; and that, I submit, is the very basis of parliamentary government in a democratic country. The will of the people shall prevail. Other States and countries where the bi-cameral system of government prevails have had the same experience and have adopted varying methods in an endeavour to solve the problem of deadlocks between the Houses. I propose to give members a brief outline of what has been done in other places in order to achieve the object desired by this Bill. Paraphrased, the Commonwealth Constitution Act, Section 57, sets out that—

- (1) If the House of Representatives passes any proposed law which the Senate rejects or fails to pass, or, if the Senate passes it with unacceptable amendments, and
- (2) after an interval of three months the House of Representatives in the same or the next session again passes the proposed law and the Senate deals with it as before, the Governor-General may order a double dissolution. This dissolution cannot take place within six months before the date of expiry of the House of Representatives by effluxion of time.

**Hon. J. Cornell:** It happened once in 40 years.

**The CHIEF SECRETARY:** Yes. I am explaining to the House the various provisions as they apply in other places. Subsection (3) may be summarised as follows—

- (3) If after the dissolution the House of Representatives again passes the proposed law and the Senate deals with it as before, a joint sitting of both Houses may be convened. The Bill, as last passed by the House of Representatives, is thrown into the melting pot and amendments may be made if an absolute majority of the total number of members of the two Houses carries them. The Bill, with or without amendments, may become law if affirmed by an absolute majority of the joint meeting.

That is a very brief and concise outline of the position as far as the Commonwealth is concerned. The South Australian Constitution Act, 1934-36, Section 41, in effect provides—

- (1) If any Bill is passed by the Assembly in any session, and
- (2) the same or a similar Bill is passed by the Assembly during the next ensuing Parliament, and
- (3) a general Assembly election has taken place between the two Parliaments, and

- (4) the second and third readings of the Bill were passed in the second instance by an absolute majority of the Assembly, and

- (5) both Bills have been rejected or unacceptably amended by the Council

the Governor may

- (a) within six months thereafter dissolve both Houses, or

- (b) issue writs for the election of two additional members for each Council district.

That is the method which has been adopted in South Australia in recent times in order to meet the position that we seek to rectify here by means of the present Bill. The Victorian Constitution Reform Act, 1937, amending the Constitution Act Amendment Act, 1928, Section 37, provides in summarised form that—

- (1) If the Assembly passes a Bill and the Council rejects it, and

- (2) the Assembly is dissolved by the Governor by proclamation declaring the disagreement between the two Houses, and

- (3) the Bill is passed by the Assembly in the next session and is rejected by the Council,

the Governor may dissolve the Council.

- (4) If after a dissolution of the Council the Assembly again passes the Bill in the same or the next succeeding session and the Council rejects it,

the Governor may convene a joint sitting of the members of the Council and of the Assembly. The members deliberate and vote together on the Bill and amend it by an absolute majority of the joint sitting. The Bill with amendments, if any, may be affirmed by an absolute majority and then becomes law. The New South Wales Constitution Act, No. 32 of 1902, Section 5 (a) added by Act No. 2 of 1933, provides in effect—

If the Assembly passes any Bill appropriating revenue or moneys for the ordinary services of the Government and the Council rejects it or fails to pass it or suggests any unacceptable amendment, the Assembly may direct that the Bill be presented to the Governor, and such Bill becomes law upon His Majesty's assent.

Hon. G. W. Miles: That is a money Bill?

The CHIEF SECRETARY: Yes. Section 5 (b) goes on to indicate that—

1. If the Assembly passes any Bill other than a Bill referred to above and the Council rejects or fails to pass it or wishes to insert unacceptable amendments, and

2. After an interval of three months the Assembly again passes the Bill in the same or the next session and the Council again rejects it and no agreement can be come to after a conference of managers of the two Houses,

the Governor may convene a joint sitting of both Houses. This joint meeting considers the Bill as last proposed by the Assembly and can debate any amendments proposed by the Council and unacceptable to the Assembly. No vote is taken at the joint sitting.

3. After the joint sitting there may be further communication with the Council to bring about agreement or there may be no such communication. In either case the Assembly may direct that the Bill as last proposed by it, with or without amendment, shall any time during the life of the Parliament or at the next general Assembly election be submitted by way of referendum to the electors qualified to vote for the election of the Assembly. If at such a referendum there is a majority in favour of the Bill it shall be presented to the Governor and become law upon the Royal assent being granted.

This section applies to any Bill. The New Zealand Legislative Council Act, 1914, Section 7, provides—

1. If the House of Representatives passes any public Bill other than a money Bill and the Bill is sent to the Council a month before the end of the session and the Council rejects or fails to pass it, or passes it with unacceptable amendments, and

2. If the Representatives in the next session again pass the Bill and the Council again rejects or fails to pass it within one month, or passes it with unacceptable amendments,

the Governor may convene a joint sitting of the two Houses during that session. This meeting deliberates and votes together on the Bill as last proposed by the Representatives. If the Bill is affirmed by a majority of the joint sitting it becomes law. If it is not so affirmed, the Governor has the right to dissolve both Houses simultaneously.

That gives a general idea of the provisions of relevant legislation dealing with deadlocks. The important difference between the English legislation and any other similar law is that, whenever the House of Commons is persistent in regard to any particular legislation, no election or referendum is called for. Although the descrip-

tion I have given to the House is very brief in each case, members will recognise that the objective in every instance is just the same, and that there is only a variation of the procedure to be adopted in most of the instances to which I have referred. There is such a thing as a joint sitting of both Houses. Mention is made in one case of a referendum, in another of the dissolution of both Houses, whilst in yet another case there is reference to the dissolution of the Legislative Council. It may be taken for granted that the difficulties we have experienced in this State have been of just as serious a character in other places, and these have, by and large, adopted a somewhat similar method of endeavouring to meet those difficulties.

The Bill I am now submitting is based on the best of all precedents, namely, the English Parliament Act of 1911. In fact, its proposals may be said to be identical with that legislation. At the time the Constitution of this State was created the English Parliament had no legislation on the lines of the 1911 Act, and that Parliament was subject to the vetoing powers of the House of Lords similar to the powers possessed by the Legislative Council in this State. Members may argue that there is a difference between the legislative position in England in 1911 and that obtaining in Western Australia today—that the House of Lords is not an elected body and that the people have no say in who shall elect that House. Actually, however, as I have often stated here, only certain qualified people in Western Australia have the right to say who shall constitute the Legislative Council, so that in effect in this State we are very much in the same position as were the people in England in 1911. Members may use the old argument about the qualification required being such that a fair percentage of the people of the State can qualify for the franchise of the Legislative Council. We cannot get away from the facts that, speaking by and large, the electors for this Chamber constitute only approximately one-third of the electors for the popular Chamber, the Legislative Assembly.

Briefly, the Bill sets out that if a money Bill, having been passed by the Legislative Assembly and sent up to the Legislative Council at least one month before the end

of the session, is not passed by the Legislative Council without amendment within one month after it is so sent up to the Legislative Council, such Bill shall, unless the Legislative Assembly directs to the contrary, thereupon be presented to the Governor and become an Act of Parliament on the Governor's assent being signified, notwithstanding that the Legislative Council has not consented to the Bill. It further sets out that if any Bill—other than a money Bill or a Bill containing any provision to extend the maximum duration of Parliament beyond three years—is passed by the Legislative Assembly in three successive sessions, whether of the same Parliament or not, and having been sent up to the Legislative Council at least one month before the end of the session is rejected by the Legislative Council in each of those sessions, that Bill shall, on its rejection for the third time by the Legislative Council, unless the Legislative Assembly direct to the contrary, be presented to the Governor and become an Act of Parliament, on the assent of the Governor being signified, notwithstanding that the Legislative Council has not consented to the Bill. In respect to this provision, however, the proposal is that it shall not take effect unless two years have elapsed between the date of the second reading of the Bill in the Legislative Assembly in the first of those sessions, and the date on which it passes the Legislative Assembly in the third of these sessions.

The Bill is submitted as a genuine attempt to solve the problem of deadlocks between the two Houses, and warrants the earnest consideration of members of this Chamber. Agreement with this measure will bring Western Australia more into line with other States.

Hon. G. W. Miles: It is getting ahead of them, is it not?

Hon. H. S. W. Parker: Including Queensland!

The CHIEF SECRETARY: It will effectively combat much of the criticism levelled against the Legislative Council.

Hon. V. Hamersley: By whom?

The CHIEF SECRETARY: And it will ensure greater confidence in our system of Parliamentary procedure. One member asked, "By whom." My reply is, by large numbers of people representative of varying sections of the community. I suggest

that members of this Chamber now have an opportunity to show that they really meant what they said.

Hon. J. Cornell: Take it or leave it!

The CHIEF SECRETARY: They have said on many occasions that in their opinion this House is the more democratic Chamber of the two. I think I have indicated that in other places it has been conceded that the powers possessed by this Council are only a relic of days gone by, and that the time has arrived when the will of the people shall prevail through their representatives in the popular House of Parliament where the bicameral system is in operation. I do not want at this stage to go into a lot of detail concerning the number of measures that have been rejected by this House, but I suggest that members will probably acknowledge that over the years much of the progressive legislation which has been sent to this Chamber from another place has not received the fair and equitable consideration by members of this House that it was entitled to.

Hon. J. Cornell: Is it any worse off for that?

The CHIEF SECRETARY: I think it is worse off. Until we are prepared to agree to proposals such as are contained in this Bill, we are likely to continue to have criticisms levelled at the Legislative Council. I think, too, there are many sections of the people of this State who will be prepared to say, with me, that if it has been necessary in the Old Country to take away from the House of Lords the prerogative that that House enjoyed for many years, surely in a young State, in a small State, such as Western Australia, there is no room for those archaic provisions which continued for so long elsewhere. It has been found not to be in accordance with the democratic ideas of our people.

Hon. H. S. W. Parker: They are the ideas which made Great Britain great.

Hon. J. Cornell: There is no analogy between the House of Lords and this Chamber.

Hon. C. F. Baxter: None whatever!

The CHIEF SECRETARY: Members will be given an opportunity to explain their respective viewpoints.

Hon. T. Moore: I am of opinion that the House of Lords is much more democratic than this Chamber.

The PRESIDENT: Order! Members will have an opportunity to speak later on.

The CHIEF SECRETARY: I do not resent these interjections by any means; but I would point out that however members may examine this question, they cannot get away from the fact that the Legislative Council of Western Australia has more actual power today than has the House of Lords in Great Britain in connection with legislation submitted to the Parliaments of the respective countries. I defy any member to advance proof to the contrary. In the circumstances I hope the House will give serious consideration to the Bill, which represents a genuine effort on the part of the Government to rectify a defect in the Constitution, a defect which I am hopeful members will agree should be solved if not exactly as suggested in the Bill, then by some other method in accordance with the principle embodied in it.

Hon. G. W. Miles: You might just as well abolish the Legislative Council altogether!

The CHIEF SECRETARY: I have much pleasure in moving—

That the Bill be now read a second time.

On motion by Hon. Sir Hal Colebatch, debate adjourned.

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

### *Second Reading.*

THE CHIEF SECRETARY [5.17] in moving the second reading said: This is one of two Bills necessary to ensure that members of the Fighting Forces shall continue to have the right to record their votes during the period of the war. It will be recalled that during last session Parliament passed the Legislative Council (War Time) Electoral Act, by which authority was given for the exercise of the franchise by qualified members of the Forces and others in connection with the recent Legislative Council election. Under the Act as it stands qualified members of the Forces can vote for any election or by-election while the Act is still in existence. It is limited in its life, however, to the 31st December, 1944. A by-election is always possible, and in order to provide for such a contingency it is proposed by this Bill to continue the operations of the Act for the duration of the present war and for 12 months thereafter.

The amendment I shall move will be to delete the words "for the duration of the present war and 12 months thereafter" in Clause 2 with a view to inserting the following words in lieu:—

For 12 months after Australia ceases to be engaged in hostilities in the present war and no longer.

For the purposes of this section Australia shall be deemed to cease to be engaged in hostilities on the day on which, by reason of a general armistice or other arrangement, all war-like operations against Germany, Italy and Japan in the present war shall have ceased.

Hon. J. Cornell: That conflicts with Standing Orders.

The CHIEF SECRETARY: If it does, I hope the hon. member will point it out.

Hon. J. Cornell: The Standing Orders require the provision of a precise date.

The CHIEF SECRETARY: It is regrettable that there is no sign of the war ending in the very near future. In the circumstances I feel sure that the House will be prepared to extend to members of the Forces the right to record their votes in the event of there being another election before hostilities cease. I move—

That the Bill be now read a second time.

HON. J. CORNELL (South): I see no necessity for the amendment included in the Bill, nor yet for that outlined by the Chief Secretary. The amendment embodied in the Bill is vague, and that suggested by the Chief Secretary is more vague and even less precise. Why not merely pass a Bill to extend the Act for another year? That would meet the position.

Hon. C. F. Baxter: Quite so.

Hon. J. CORNELL: I cannot appreciate any reason why that would not meet the position. If there is an election towards the end of 1945 members will realise that there must in accordance with the Constitution be a session of Parliament every year, and should an election take place the provisions of this Bill would apply. If the war is not concluded before Parliament ends its session in 1945 the Act could be extended for another year. In past years provisions have crept into measures of a temporary nature that are contrary to Standing Orders. Members will probably be aware that Standing Order 175 definitely sets out that where a Bill is intended to be a temporary measure a precise duration clause to that effect must be inserted at the end of the measure. I

admit that when dealing with the war we are considering something that is not very precise from the standpoint of its determination. However, I see no necessity whatever for going beyond the extension of the Act for one year.

On motion by Hon. H. S. W. Parker debate adjourned.

## BILL—ELECTORAL (WAR TIME) ACT AMENDMENT.

### *Second Reading.*

THE CHIEF SECRETARY [5.23] in moving the second reading said: This is the second Bill to which I referred just now and this deals with the franchise for the Legislative Assembly. The arguments in favour of the Bill are the same as those advanced in support of the one I have just placed before the House. The Act that was passed last session expires on the 31st December of this year. Again there is no guarantee that there will be no by-election before the next general election, and consequently the Government is desirous of ensuring that members of the Fighting Forces shall have the right to record their votes in the event of any such election taking place. I understand that during the last general election we received the utmost co-operation from the Commonwealth Electoral Officer and the divisional returning officers in the various States, with the result that practically every Western Australian serviceman had an opportunity to record his vote.

With regard to this Bill, I propose to move an amendment along lines similar to that which I indicated in connection with the Bill affecting the Legislative Council. I desire to point out to Mr. Cornell that the Government is merely anxious to ensure that these measures shall apply during the war period. While this Bill was being debated in another place objection was taken to the original term for the legislation on the ground that the wording of the provision was not sufficiently definite. The Leader of the Opposition suggested that similar phraseology should be used to that which was included in the Commonwealth Powers Bill. The Minister concerned in another place agreed that if the Lower House preferred it that way he would arrange that when the measure was dealt with in Committee in this Chamber the

necessary amendment would be made.

Hon. J. Cornell: The Minister must have overlooked the fact that while Britain is at war, Australia is at war.

The CHIEF SECRETARY: Because of the undertaking given in the Lower House, I have notified members of my intention to move the amendment I have indicated when the Bill reaches the Committee stage. I am sure the House will raise no objection to continuing the privilege accorded members of the Fighting Forces of having the right to vote should an election take place. At the same time it is hoped that there will be no necessity for a by-election which would thereby enable effect to be given to the measure now submitted. I move—

That the Bill be now read a second time.

On motion by Hon. H. S. W. Parker, debate adjourned.

### **BILL—LOTTERIES (CONTROL) ACT AMENDMENT.**

#### *Second Reading.*

Debate resumed from the 16th November.

HON. SIR HAL COLEBATCH (Metropolitan) [5.27]: When Bills have been introduced year by year to continue for a further twelve-monthly period the operations of the Lotteries (Control) Act, I have always opposed them. I am still more strongly opposed to the Bill now before the House which seeks to give the lotteries permanency. When the Act was introduced in the first instance, I was not here, but I understand the argument was that the holding of State lotteries would do away with the necessity for weekly street appeals. They have done nothing of the kind. I am very glad they have not done so, because I believe these weekly street appeals enable the public to respond generously and by so doing provide for charities a great deal more money than is forthcoming from the lotteries.

The Chief Secretary: I do not think that argument was used at all.

Hon. SIR HAL COLEBATCH: The money so raised by means of street appeals is made available in a spirit of true charity because it is subscribed freely and anonymously, without the expectation of any reward. I get very tired of hearing it said that people cannot be made moral by Act of Parliament. How else are people made, or kept, moral except by Acts of Parlia-

ment? It is the province of Parliament to ensure a high moral standard amongst the people. If we cannot do that, we shall not achieve any good at all. I would like again to direct the Minister's attention to a matter I mentioned some time ago, and that is the Government's failure to put into effect any of the major recommendations made by the Select Committee on juvenile depravity. I am not at all sure that there is not a close association between the growth of juvenile depravity and the encouragement to gamble that is offered to all sections of the community.

We are not trying to make people moral by Act of Parliament, but are trying to make them immoral by Act of Parliament. That is what it really amounts to. We passed legislation finally adopted in another place in regard to starting price betting. We were told that certain powers were needed in order to put down starting price bookmakers. We gave these additional powers, and what has been the result? Merely that the Government has secured from the starting price bookmakers less by way of weekly fines! The total of fines has decreased considerably, but I do not believe there has been the slightest reduction in the volume of starting price betting. The Government neglects to administer Acts which should enable the Government to carry out its proper function of guarding the morals of the people. But what becomes of the money that is put into these sweeps? First of all, investors ought to understand that sweep tickets are about the stupidest investment they can make, that only about 1s. 4d. out of the half-crown runs for them. It is a ridiculous proposition. I oppose these things even more from the economic standpoint than from the moral standpoint. What becomes of the other 1s. 2d.? I am not speaking of the expenses of the administrative office; I believe they are no more than they ought to be. I have no reason to believe that the business is not well conducted.

I know most of the Commissioners; they are men for whom I have the greatest respect. But 10 per cent. of the sales goes to the people who sell the tickets. It has been stated publicly, and not contradicted, that that percentage is so high that it puts a big value on the premises where the tickets are sold; sets up a big goodwill. Surely that is entirely wrong. The reason for this



state of things, if there is one—I am not prepared to admit that there is—arises from the large number of people who are authorised to sell tickets. I know that in my little morning walks doing my daily shopping I often pass half-a-dozen of these places where tickets are sold. And we are told that there is a frightful shortage of manpower and of womanpower! And yet, in order to keep four or five of these ticket sellers in their job doing the work one could do, we pay them this excessive amount of 10 per cent. commission. When that has been paid and 1s. 4d. has been given to investors by way of prizes, what is there left of the halfcrown? More than half of it is taken by the Government in relief of revenue, and is consequently in the nature of a tax, and the amount actually going to charity is only 3d. or 4d. If we are to continue these things, for goodness' sake, let us strike out the word "charity"! There is no reason for calling them charity sweeps whatever.

The Chief Secretary: You are drawing the long bow there.

Hon. Sir HAL COLEBATCH: A very small tax would yield more money than is obtained by this means, and would prevent all the evils that go on. I know there are certain people who think that so long as a job provides wages it ought to be kept going, but that is a fallacious idea altogether. The sweeps produce nothing of value to the community. Every penny spent in expenses on them is waste, just as much as if the money was spent on an unemployment dole. The present time is most inopportune to make any alteration in the existing state of affairs. There is a big demand for the lotteries now, but why? Is it a reasonable demand, a permanent demand? I should think our American visitors have contributed very largely towards the success, if one likes to call it a success, of the lotteries. There is a fact that our own people have a great deal more money in their pockets now than usual, and are restricted in the spending of it. They cannot spend their money in the way they like to do. For that matter, I do not suppose there is one of us who would not like to spend a few shillings more on buying a few additional pairs of socks or something of the kind. These people are naturally driven into things like lotteries.

Before making these lotteries permanent, we should wait until the war is over and things come down to normal. Let us wait until people not only have the normal amount of money in their pockets, but have also the normal and unrestricted right of spending it on things really useful, and then see whether there is this demand for lotteries. It is a very old and very true saying that whilst during a long war it is difficult to maintain a standard of living, it is practically impossible to maintain a standard of thinking. While we have got down to the deplorable level in regard to these lotteries, we are asked to embark during a long war on something that is wasteful and demoralising from every aspect, demoralising particularly to the rising generation. If members think that the time is not now opportune for stopping the thing altogether, I still hope they will vote against the Bill. I take it that if the Bill is thrown out and the Government wants to continue the lotteries for another year, it will bring down another Bill for that purpose. I do hope that we shall not in wartime, the time when it is suggested we should keep as far as possible from controversial matters, find the House agreeing to make these lotteries permanent. I oppose the second reading.

HON. H. S. W. PARKER (Metropolitan-Suburban): I oppose the second reading of the Bill. I remember that when the lotteries were first started, a considerable amount of money was being sent to other States and to foreign countries; and it was thought that we might keep that money here. Further, the desire of the people was that we should eliminate all these lotteries that were springing up like mushrooms all over the State. It was also desired to prevent a lot of gambling. The idea was to harness gambling and prevent abuses. But now what do we find? We find the abuses becoming worse than they were. There is no doubt that the more decadent a country is, the more lotteries it has. One need only go to Spain and Portugal to find countries where the people desire to get something for nothing. There is nothing worse for a community than to have people advertising that money can be got for nothing. It is a very common thing for Australians to want something for nothing. I was absolutely dis-

gusted a fortnight ago when I went to the inter-school sports where there were thousands of young people, in their teens, and to my disgust I had a little book handed to me upon the back of which was a half-page advertisement proclaiming "Two thousand pounds for half-a-crown." Above that sentence appeared in small letters the word "Charities."

Until the Lotteries Commissioners change their policy, I shall certainly oppose their continuation. I will not oppose a Bill for their continuation for a year. One cannot walk through any portion of the city without encountering lottery booths galore, almost inciting one to buy tickets. That was not the object for which the lotteries were established. Their object was to try to prevent gambling. Of course it is impossible to prevent gambling, which is a human failing, but we should prevent the Government going out of its way to do what is being done now—imploping people to come and get £2,000 for half-a-crown. Is not that disgusting? Lotteries a Government institution! Of course, if a man wants a ticket, let him get it. Make the facilities reasonable, but do not make them blatant. The unfortunate part is that when we instituted a Commission, and that Commission thought it was its duty to make the lotteries a commercial success.

The Commissioners should not make the lotteries a commercial success. They have no right to make the lotteries a commercial success. Their ideal should be, and their proper duty would be, to run the lotteries to give facilities for gambling to those people who will under all circumstances gamble, and to prevent the money from going outside Western Australia. Another thing I strongly object to, though I am sorry to have to put the blame directly on to the Government! Some years ago a Bill was brought down with the object of making the lotteries permanent so that the funds therefrom would meet the cost of building the Perth Hospital. This Chamber objected to that, and turned down the Bill. But what do we find? The lotteries are building the hospital, irrespective of the expression of opinion from Parliament. The lotteries are building the hospital in their own way. Presumably the Lotteries Commission is being pushed to find that £20,000 a year for the Perth Hospital. I hope I am wrong, but I can-

not help feeling that the Government is most anxious to make these lotteries a commercial success in order to assist the Treasury. With Sir Hal Colebatch, I think that one of the lowest things that any decent country can do is to permit its Government to make the people become more decadent and push, as it is doing and for all it is worth, children attending school sports into an attempt to win £2,000 for 2s. 6d.

**HON. G. FRASER (West):** Up to now the flow has been all one way. I intend to stem the flow, at all events temporarily. It seems to me perfectly ridiculous to have a measure of this kind coming up here every year. The only object achieved, in my opinion is to afford opportunities for some members to voice their opposition to gambling. As the Chief Secretary interjected, those members draw the long bow. To class a halfcrown ticket in a charity sweep as gambling is simply absurd. Not only members here, but many outside organisations take up Press space, and waste money and postage on letters to members of Parliament, in opposition to gambling, while right under their noses they see things much worse than the halfcrown lottery ticket. We hear no protest from them in connection with those things.

**Hon. J. A. Dimmitt:** About gambling?

**Hon. G. FRASER:** Yes, and many other things. I cannot for the life of me see why there should be such opposition to these lotteries! Charitable institutions have much for which to thank the Lotteries Commission.

**Hon. J. Cornell:** A lot of the organisations are not charitable, either.

**Hon. G. FRASER:** A lot of organisations would probably have gone out of existence or would have been unable to give the service they have rendered, if they had not received assistance from the Lotteries Commission. The only regret I have is that the charities consultations were so long delayed before being introduced. Quite a lot has been said about the 10 per cent. commission paid to agents. I can remember various lotteries that were conducted prior to the establishment of the Commission, and no agent then would sell tickets for a commission under 10 per cent.

**Hon. T. Moore:** Some of them got 40 per cent. commission.

Hon. G. FRASER: Yes.

Hon. H. S. W. Parker: They took a risk.

Hon. G. FRASER: Eighty per cent. of the people who sell tickets today do not think the game is worth the candle. Only one or two are getting very much out of it. The rest find it hardly worth while selling the tickets for 10 per cent. commission. I am not fussy about the amount paid out in commission, but I am anxious that the Lotteries Act should remain in existence and that it should be made a permanent measure on our statute-book. What is the use of bringing the measure up every year? We always agree to an extension of 12 months. Why not make the Commission permanent and enable it to carry out a long range policy? It is because of the delay in establishing the Lotteries Commission that our hospitals are in such a backward condition. As Mr. Parker admitted, we allowed quite a lot of money to go out of the State, because people will gamble. However, I do not class the State lotteries as a gamble but rather as an easy way of obtaining voluntary contributions for charitable organisations. Sir Hal Colebatch stated that more money was contributed by weekly street collections. That may have been the case during the war period, but it was quite a different tale in peacetime. If we listen to those people who are opposed to making the Lotteries Commission permanent, we shall find our charitable institutions in a very deplorable condition. In what sort of condition were they prior to the establishment of the Lotteries Commission? Those who have objected to this proposal have not made any alternative suggestions as to how charitable organisations could be financed. No scheme has been advanced for providing buildings and extra comforts granted to charitable institutions such as have been made available through moneys subscribed to the Lotteries Commission. Opponents of the measure have not made any constructive suggestions.

Hon. W. J. Mann: Are not those Government functions?

Hon. G. FRASER: How would we get on if the Government abolished the Lotteries Commission and submitted a taxation Bill to make up the leeway? With what sort of response would such a proposal meet in this Chamber?

Hon. J. G. Hislop: A very welcome one!

Hon. G. FRASER: I would be surprised to see such a measure pass through this House. We have heard a lot from different people who oppose the Lotteries Commission, but I have vivid recollections of what happened when various bodies challenged the Premier of New South Wales to do away with lotteries, and they would ensure that voluntary contributions equalled what had been raised by way of lotteries. I think members will recall the incident. It occurred, I believe, when Mr. Lang was Premier and he took up the challenge. What was the result? The organisations concerned fell down on their job; they did not secure one-hundredth part of the amount that had been subscribed through lotteries and made available to charitable organisations. What happened in New South Wales is what would happen anywhere else in Australia. Direct giving has gone by the board; it is impossible to get anything worth while by that means.

Hon. W. J. Mann: That is a reflection on the people.

Hon. G. FRASER: Whether it is a reflection on the people or not, it is a fact; and the hon. member knows it. He knows it is impossible to obtain from direct giving the amount of money required for various charitable activities for which it is impossible to ask the Government to provide.

Hon. F. E. Gibson: We find that is the position with regard to war loans.

Hon. G. FRASER: Yes, and with regard to anything at all. Before members who are opposing this measure cast their vote against it, I ask them to submit some concrete scheme by means of which money can be provided for charitable organisations in this State. I support the second reading of the Bill.

HON. J. CORNELL (South): I intend to run true to form. I opposed this measure when it was initiated. So also did my old friend, the member for Boulder, Hon. P. Collier, and it was at his instigation that the measure was made temporary. The Lotteries (Control) Bill was introduced by the late Mr. Scaddan, mainly for the purpose of getting rid of an orgy of crossword puzzles. At the election following the passing of the measure, Mr. Scaddan and Mr. Harry Mann lost their seats in Parliament. Much has been said of what might be done for hospitals through charities consultations.

But how are Victoria and South Australia getting on? They have no lotteries, but I think that Dr. Hislop will bear me out when I say that Victoria has the finest hospitalisation scheme in Australia. Queensland has its Golden Casket lottery, but the entire proceeds have always been devoted to hospitalisation in that State. I have said previously that, if our lotteries were conducted for that purpose alone, I would support a measure to make the Act permanent. Originally the Lotteries (Control) Act was intended to do away with crossword puzzles and to extend a measure of financial assistance to charities. It was also intended to do away, to a certain extent, with street collections. It is now said that without the existence of the Lotteries Commission our charitable organisations would become moribund and would go out of existence. There is one organisation in this State which, in my estimation, stands pre-eminent in dealing with the needs of people who require assistance; and that organisation has never taken one penny of lotteries money. I refer to the Salvation Army.

Hon. H. L. Roche: Hear, hear!

Hon. J. CORNELL: I believe—I speak subject to correction—

Hon. C. B. Williams: You can be corrected all right!

Hon. J. CORNELL: —that the Presbyterians also do not accept money from the Lotteries Commission.

Hon. C. B. Williams: The Salvation Army took money from White City in Boulder, don't forget!

Hon. J. CORNELL: The Salvation Army has taken no money from the Lotteries Commission.

Hon. C. B. Williams: They took it from White City, which was much worse.

Hon. J. CORNELL: The hon. member helped to run that.

Hon. C. B. Williams: Don't say that! You are wrong, and you know it.

Hon. J. CORNELL: All right, I will withdraw.

Hon. C. B. Williams: Yes, stick to the truth!

Hon. J. CORNELL: I am prepared to allow the Lotteries Commission to remain in existence but I am not prepared to agree to an extension beyond one year. What harm has been done to the Commission through the yearly limitation of the Act? Where has the Commission been ham-

strung? It may not be able to build palatial premises. I do not know whether the members of the Commission could not do even that, if they took the bit in their teeth. It may be possible under the present short-term Act for them to build such premises to carry on the business of the Commission. If that were done and the Lotteries Commission then went up in smoke, I suppose the premises would be an asset to the State. But I see no necessity whatsoever to make this legislation permanent.

Hon. G. W. Miles: Did I not hear you interject that we could limit the term to 12 months without having to bring in another measure?

Hon. J. CORNELL: I think it is a case of Tweedledum and Tweedledee. This is not the first attempt to have this measure made permanent. Every time another place has asked the Council to agree to that, the Council has refused but has agreed to a 12 months' extension. It has never gone beyond one year, and I hope it will not do so on this occasion. I am given to understand that, this Bill being for a specific purpose and confined practically to one clause—the repeal of the temporary provision—we must vote on the question of permanency or otherwise. I therefore suggest that the Bill be rejected; and, if the Government wants the lotteries to continue, let it bring down another Bill, as has been done before, to continue the measure for another 12 months. There is a lot I could say about the commission being too high and about what agents make out of it; but that is not the question at issue. The point is whether the measure should be temporary or permanent.

Hon. G. Fraser: You know that charity consultations are here for good, don't you?

Hon. J. CORNELL: I do not think they are like "Charley's Aunt." I hope the new appointment given to the chairman of the Lotteries Commission will not have the effect of removing him from the Commission. I have known Mr. Kenneally for a long time and he certainly does a good job. One thing I condemn is the habit certain members of Parliament have of approaching the Lotteries Commission to obtain certain assistance and, when they get that assistance, of going through their electorate, or province, saying, "I got it." That was never intended, and the chairman of the

Commission is dead against it. The more members of Parliament are prevented from getting money from the Lotteries Commission for charitable or other purposes, the better. I rarely approach the Lotteries Commission in that regard. No member of Parliament should be able to make political capital out of the grants made by the Lotteries Commission.

**HON. C. B. WILLIAMS** (South): I support this measure. I have always supported the lotteries legislation. I look upon it as rank hypocrisy for a member of Parliament not to support it. It is one of the best measures ever brought before the State Parliament. I have always felt sorry that John Scaddan was defeated because he did his duty when he introduced this legislation. His name will live for ever on account of his introducing the original Bill. I am not concerned about the member for Boulder opposing it. I take Mr. Cornell's word that he did. This is one of the best pieces of legislation so far as members of Parliament are concerned. We never get a letter from some hospital or other asking for a donation. We do not get letters from Harry Gray's pet scheme dealing with child welfare which used to be a bugbear. After rearing five or six children, one would receive letters from the child welfare organisation asking for a guinea to help someone else's children.

Members: We still get such letters.

**Hon. C. B. WILLIAMS**: Do as I do, and refer them to Mr. Kenneally! If members get letters from hospitals or from other such institutions, they should pass them on to Mr. Kenneally. The taxation we are now paying reduces our actual parliamentary salary to £8 10s. a week.

**Hon. J. A. Dimmitt**: Put that up to Mr. Kenneally, too.

**Hon. C. B. WILLIAMS**: I was looking for a job there, but could not get one because it was an office of profit under the Crown. In ordinary times, members would refer such letters as I have mentioned to the Lotteries Commission, and the writers would receive £25 or £100, or whatever it might be. We see in the Press letters written by Methodist parsons, and I am one of their flock. But where do the blankets come from for old age pensioners? Do they come from the Methodist kirk? Of course not! They come from the Lot-

teries Commission and are distributed per medium of the road boards or any charitable person who takes an interest in the poor on the Goldfields. Mr. Cornell said that members of Parliament had used their influence in connection with the Lotteries Commission. I had a row with Mr. Kenneally, the present chairman of the Commission. He was distributing blankets through various charitable organisations on the Goldfields and at Kurrawang in particular. Eventually the Commission decided to distribute the blankets through the road boards or councils, and that was quite right. But I pointed out to Mr. Kenneally that Kurrawang was ten miles from Kalgoorlie and 14 miles from Coolgardie, where the road boards were, so how was an old age pensioner to get a blanket from the secretary of the road board at Coolgardie? Of course, there is no Kurrawang now. Mr. Kenneally stood up to me all right. He said the blankets were not going to be given away indiscriminately to any member of Parliament, but sent to the local authority. I think it was "The Sunday Times" that wanted to know how much the people who had been objecting for ten years to this immoral thing, this lottery, had raised for a hospital.

**Hon. L. B. Bolton**: Lots!

**Hon. C. B. WILLIAMS**: They have raised nothing. Mr. Cornell spoke about Victoria. I was born there, and I know what they do for their hospitals. In Bendigo—and Mr. Moore vouches for this, and I think Mr. Fraser, too—the people run an agricultural show and an Easter demonstration for three days. Each year they raise thousands and thousands of pounds. The wood merchants outside Bendigo contribute wood free to the hospital. But that is not to say that because Victoria is a wolver-State, and South Australia worse, we, who left Victoria because of those tendencies, should have them follow us to Western Australia, where we have reared our families. Mr. Cornell admitted that one State was "made"—I will be corrected if I am wrong—because no other State wanted the Adams Consultation, or "Tattersall's," as it is known. Mr. Cornell knows of the lotteries and gambling that were current in Kalgoorlie and Boulder when he was a young fellow, but it seems that the older we get the more concerned we get. I gambled, and the hon.

member gambled, but now he is opposing this Bill.

What harm does this lottery do? The only hope for me that I can see is to win the sweep. The secretary of the Commission has asked me to draw it but I refused because some day I might win it. It does no harm. The 2s. 6d. I put into it might perhaps have gone to the kirk some day, although I admit it is over 30 years since I have attended it. The lottery gives me a chance to get out of this eight and a-half pound job that I am in! I believe in the socialisation of industry. Let us be honest and give permanence to this legislation. Why bring it forward every year so as to hear from all the little old busybodies who never give 2s.? There is no Easter demonstration here, as there is in Victoria, to raise several thousand pounds a year. The Chief Secretary can tell us how much those people who write to the papers have contributed towards the building of the Perth Hospital, or any other hospital. Further, Mr. Cornell and Mr. Roche said, "Hear, hear!" and that the Salvation Army had never taken money from the Lotteries Commission.

Hon. H. L. Roche: I did not.

Hon. C. B. WILLIAMS: It seems to me that the Salvation Army does what it likes. It is the lowest crowd among the Protestant Christians. It takes from gamblers.

Members: No!

Hon. L. B. Bolton: It does a wonderful job.

Hon. C. B. WILLIAMS: It is all according to the viewpoint. Its collectors go into hotels and on to the racecourses where they stick up the bookmaker or punter who is paying out, and the Salvation Army runs down gambling! Its collectors go into the pubs and anywhere else to take money from gamblers. It is mere hypocrisy when they won't take money from the Lotteries Commission. They took money from White City in Kalgoorlie and Boulder. Mr. Cornell said I had something to do with White City, but I had not! I can produce evidence now to show where the Salvation Army took money from White City, and also where it got up a round robin from the minister's fraternal in Kalgoorlie against White City after taking money from it. I do not care what good work that organisation does, but when members get up and say that the Salvation Army

does not take money from gambling, it is rot!

Hon. J. Cornell: I did not say that.

Hon. C. B. WILLIAMS: The hon. member said the Salvation Army did not take it from the Lotteries Commission.

Hon. J. Cornell: Yes.

Hon. C. B. WILLIAMS: Well, why do its collectors stick the boxes under the nose of the bookmaker or the punter who may be "doing" his last shilling.

Hon. J. Cornell: Are they the only ones who do that?

Hon. C. B. WILLIAMS: Yes. I know of no other religious denomination which does it, or which goes into a club or a pub at all hours of the day or night to shove a box under the nose of some unfortunate individual who is probably enjoying himself away from his home. I hope members will give this Bill their full measure of support.

Hon. J. Cornell: We shall do that.

Hon. C. B. WILLIAMS: There is not one member of this Parliament who can gainsay the good it does in his district, apart from his private purse. I support the measure.

**HON. L. B. BOLTON** (Metropolitan): I desire to say at the outset that I am not opposed to the continuance of the Lotteries Commission, but I am definitely opposed to making it permanent, as suggested by the measure before the House. We have, session after session, had a Bill for the continuance of the Commission for the term of one year and, while I have no objection to a continuance, I am opposed to the present Bill, because I understand a ruling will be given against any amendment. For that reason I must vote against the second reading. I intend to suggest to the Government that in bringing down another Bill—I am anticipating that this measure will not meet with the approval of the House—a three-year term would be more acceptable to this Chamber. I am suggesting that because it would give each successive Parliament an opportunity to review the Act or the work of the Commission. I agree with other members. I doubt whether there is a member of Parliament, or a member of the public, who has any objection to the manner in which the work of the Commission is being performed.

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

Hon. L. B. BOLTON: Members will agree that one thing the Lotteries Commission has done has been to relieve the Government of a tremendous responsibility in relation to the financing of hospitals and charities. Last year's profit was approximately £130,000 and, with the amount carried forward, the sum available for distribution was about £165,000. That shows what a large sum the Government is saved the worry of collecting—by way of taxation or otherwise—in order to maintain the various hospitals and charities. The Minister in another place, in moving the second reading, pointed out that something like £200,000 had already been contributed towards the cost of building the new hospital in Perth. That is a magnificent sum. I agree with members who say that the Commission has done a big job. I understood Sir Hal Colebatch to say that only 3d. per ticket went to charities. I might have misunderstood him, but I think the amount is roughly 9d. per ticket.

Hon. Sir Hal Colebatch: If you count the Perth Hospital as a charity, yes.

Hon. L. B. BOLTON: I think 9d. would be the correct amount. The Chief Secretary told us that something like £30,000 was lost to the charities of the State through the Act not being made permanent. I interjected that that sum seemed out of all proportion. While I do not question the Chief Secretary's statement, I think the amount is out of proportion to the total sum collected and distributed. I point out to members that a three years' term would enable the Commission to save a large portion of that sum. We have to bear in mind that there are many influential bodies and many people not associated with such bodies who are totally opposed to lotteries in any shape or form. They are entitled to their opinion, as we are entitled to ours, but I say those people are entitled to some consideration, and I am confident that they would be more pleased if they felt that Parliament would have an opportunity to review the operations of the Commission at least once in three years. I wish to emphasise that I have no objection to the manner in which the business has been conducted by the Commission, although perhaps I can concur to some extent in the opinion expressed by Mr. Parker that a little more care might be given to the channels through which the Commission's operations are advertised. I

think it is wrong that such an advertisement as was mentioned should have appeared.

Hon. G. Fraser: Perhaps the fault lay with the canvassers for the programme.

Hon. L. B. BOLTON: Possibly so, but I would be sorry to see anything of the sort occur again. No encouragement is needed to induce young Australians to gamble. The desire to gamble seems to be born in them and to be part of them. I am inclined to think that we are almost as bad for gambling proclivities as the natives we recently discussed. I agree with previous speakers that the amount of the commission paid to agents is much too high. The lotteries are well established, and with the advertising that is undertaken, the tickets would practically sell themselves. I understand that in New South Wales it is possible to buy a ticket for the local lotteries at only a few agencies outside the main office in Sydney, and some system along the same lines should be adopted here.

Hon. G. Fraser: You do not want to see here the long queues they have in Sydney.

Hon. L. B. BOLTON: No; but I should like to see fewer agents handling the tickets because the work of distributing, collecting and checking all those tickets must entail a certain amount of expense that could and should be saved.

Hon. A. Thomson: It is not worth bothering about.

Hon. L. B. BOLTON: I am not sure that it would not be worth bothering about. One does not want a lottery ticket poked under one's nose whenever one goes in the city. There must be some cost attached to distributing, collecting and checking those tickets, and that expense should be saved. Mention has been made of the great assistance the lotteries have given to various charities, and it was suggested that most institutions rely entirely upon the lotteries for their finance. I do not agree with that suggestion. While many of our institutions rely entirely upon the help they receive from the Lotteries Commission, there are several that still depend upon direct giving.

The establishment of the lotteries and the imposition of high rates of taxation have gone a long way towards killing direct giving, but there still remain a number of charitable institutions that depend upon direct giving. I think it was Mr. Williams who mentioned that the Honorary Minister

could confirm this in regard to some of the institutions with which he is connected. A few days ago I had a personal application from the Honorary Minister for support for one of his many "babies." Long may that continue. I would be very sorry to see the spirit of direct giving amongst our people entirely killed. One other point strikes me. I do not wish to criticise the Commission or its chairman unduly, but much has been made of the fact that large sums of money are retained in the State that might have been invested in lotteries outside the State. I agree that that is so, but some time ago I noticed a statement to the effect that it is impossible to purchase here a ticket for a lottery conducted outside the State. If that is so, I wonder how the chairman of the Commission squares it with his visit to the Eastern States some time ago, a visit that was made, I understand, to arrange for the sale of tickets in our lotteries; and on more than one occasion the first prize has gone to a ticketholder in one of the Eastern States.

Hon. G. Fraser: He is getting some of his own back.

Hon. L. B. BOLTON: However, I support that action on his part, because it is a continuance of the policy laid down by him when he was a Minister of the Crown. He was a great advocate of the need for patronising local products, and I conclude that he is continuing that policy as chairman of the Lotteries Commission.

Hon. C. B. Williams: You know it is not much trouble to get a ticket in Tatts.

Hon. L. B. BOLTON: In conclusion, I commend the suggestion that if the Government is defeated on this Bill—and I hope it will be, because I do not wish to see this legislation made permanent—it should introduce another Bill to provide for a term of three years for the Commission. In the circumstances, I must vote against the second reading.

HON. W. J. MANN (South-West): I have always supported the Lotteries Commission as well as the idea of giving it a life of one year only. Much has been said about the value of the lotteries, but under no circumstances can I visualise them as being a function of government. The Government has certain functions to discharge, and I do not think that the running of lot-

teries is one of them. If we are honest with ourselves, we must recollect that the establishment of lotteries was almost forced upon the Government and the people of this State because such a large amount of money was being sent out of the State. I daresay a large proportion of such money is now retained here. For years one of my activities had an agency for the Golden Casket, of Queensland, and I can recall the lists that came in for tickets from some of the timber mills. We had quite a large turnover with Queensland, and a similar turnover with other people who patronised George Adams, Tasmania. Money was also sent to New South Wales for lottery tickets. The consultations were introduced here to stop that sort of thing, and their establishment has been justified.

One of the chief virtues of our lotteries is that they cause many people to contribute towards objects supported by the Commission who otherwise would not contribute anything. Those who have had anything to do with the running of hospitals on the committee system know how difficult it was to get money out of certain people. They would send in £8 or £10 to be remitted to another State for lottery tickets; but if one endeavoured to collect £5 from them in straight-out giving for the hospital which served them, one would be met with all kinds of excuses and probably be fobbed off with 2s., or some very small donation that was given merely in order to get their names on a list to show that they had given something. To that extent the lotteries are justified. The people who buy lottery tickets are forced to contribute something to charities.

A suggestion was made by Mr. Bolton that the members following him might comment on a three-year term for the Lotteries Commission. At the moment the suggestion appeals to me, because the popular House—as the Chief Secretary termed it today—is elected for three years, and if the Commission was appointed for that term, Parliament would have the right to say whether or not it was justified. I certainly would not vote to make the Commission permanent. In my opinion, the lotteries are outside the functions of the Government and I consider that this House has always been wise in providing that the working of the Lotteries Commission should be made the subject of review. The dis-



cussion is quite worth while. While I do not propose to support the Bill as it is drafted, I hope the Government will bring in another measure; and if that provides for a three-year term for the Commission on the lines I have suggested, I would be prepared to support it.

**HON. H. L. ROCHE** (South-East): Whilst I am not prepared to support the measure for the reason that it proposes to make the Lotteries Commission permanent, I shall vote for the second reading in the hope that the Bill can be amended. If it cannot be amended, as some members fear, then I shall certainly vote against the third reading, if the measure goes so far. There is a good case, in my opinion, for the extension of the term of the Lotteries Commission beyond one year; but I do not think it in the best interests either of the charities or of the people of the State for the Commission to be made permanent. When all is said and done, this is a lotteries control measure; and, so long as the work of the Lotteries Commission is subject to review every two or three years, Parliament is enabled to exercise some control and supervision. If the Commission were appointed permanently, I am afraid the only control would rest with the Ministry and not with Parliament. I rather fancy there are other concerns that might have been more successful had control rested with Parliament rather than putting them on a permanent basis.

Quite frankly, I am not greatly impressed by the protests of people who complain that lotteries stimulate gambling. The Lotteries Commission has done an outstanding piece of work; and, although it is easy enough to talk about taxation supplying the needs of our hospitals and various other charities, I am afraid that the people who argue that way would be the first to resent the imposition of taxation that would be necessary to fill the gap were the lotteries not in existence. The expenditure of 2s. 6d. on a lottery ticket hardly seems to me to rank among the cardinal sins. I wonder sometimes whether the people who complain so loudly in that regard have never played a game of cards or a game of chance with a little interest in the game, or have never attended a race meeting and had a small sum on a horse. I might even suggest that some of those people might try

their luck at farming. That, I think, is as big a gamble as taking a ticket in the lotteries. It might cost more than 2s. 6d.; it might cost a life's work if one gambles the wrong way.

Hon. L. B. Bolton: What are the odds?

Hon. H. L. ROCHE: Mostly against. Complaints have been made as to the manner in which the lotteries have been advertised. The Commission, however, has a duty to perform, and it might as well keep its business before the public. Doubtless, it was unfortunate that an advertisement for the lotteries appeared in the programme for the interschool sports. However, I hardly think the Commission is to blame for that. The people who took the advertisement were presumably interested in the interschool sports and should be held responsible for any ill-effects that followed the advertisement.

Hon. H. S. W. Parker: They did not know what the programme contained.

Hon. H. L. ROCHE: They should have controlled the people who ran the programme.

Hon. H. S. W. Parker: But they had no control over it.

Hon. H. L. ROCHE: That is unfortunate for them. They should have had some control over the advertisements that appeared in the programme.

Hon. G. Fraser: There was a contract, I suppose.

Hon. H. S. W. Parker: A man issued the programme and it cost so much.

Hon. G. Fraser: There was an agreement between them.

Hon. H. L. ROCHE: Who is next? Now that other members have finished their speeches, I will continue. I am quite prepared to support a continuance of the Lotteries Commission, but I am not in agreement with the proposal to make the Commission permanent. If the Bill is defeated—and I presume it will be defeated only because it is not capable of amendment—I hope the Government will introduce another Bill somewhat on the lines suggested by Mr. Bolton for a two- or three-year period. If the Government does so, I feel sure the measure will meet with sufficient support in this House for it to become law.

**HON. F. E. GIBSON** (Metropolitan-Suburban): It is my intention to support the second reading of the Bill. I certainly do

not regard it as an ideal measure or the best way in which to raise funds for charitable purposes. Members will no doubt recall, however, the conditions that existed before the parent Act was passed. It was then stated that lotteries and crossword puzzle contests were run under questionable methods and that the Government was forced to take a hand in controlling them.

Hon. L. B. Bolton: You do not suggest we should go back to those conditions?

Hon. F. E. GIBSON: No. Members will no doubt recollect one or two newspapers that conducted crossword puzzle contests. The puzzles were not for the purpose of improving the intelligence of those who paid 4d. or 6d. or whatever was the amount, for the right to submit a solution. In my opinion, the papers were mainly actuated by the desire to improve their circulation. I remember that the late Hon. J. Scaddan brought down the legislation to establish the Lotteries Commission, and that two newspapers concerned subsequently waged a campaign against him that cost him his seat in Parliament. The Lotteries Commission has done a remarkably good job, notwithstanding the adverse criticism that has been levelled against it by some people. Not only did the first Commission that was appointed do excellent work, but the Commission, as at present constituted, is perfectly suited to distribute the profits that are made. I understand that last year the profits amounted to £129,000, and that during the year the Commission distributed £157,000. I do not think any committee that might be appointed to distribute the profits could distribute them in a more equitable way than the gentlemen comprising the present Commission have done.

Before I was a member of Parliament, I frequently went to the Lotteries Commission for financial assistance for charitable efforts in need of money. It has been suggested that the Lotteries Commission was also established to prevent money being sent out of the State for investment in lotteries elsewhere; but I think members will realise that it is impossible to prevent Australian people from gambling. I am not suggesting for a moment that a person who buys a ticket in a lottery buys it for the purpose of making a contribution to a charity. As a matter of fact, he spends his halferown in the hope that he will win £2,000 or some lesser sum. Mention has also been made as

to the 10 per cent. commission on sale of tickets, but that does not seem to me to be a high commission to pay for the sale of tickets. Members will probably be surprised to know that the average number of books of tickets sold by agents in the country districts does not exceed eight.

Hon. L. Craig: Is that the average?

Hon. F. E. GIBSON: Yes. Of course, during the years some firms have built up enormous businesses for the sale of tickets. Some members were concerned because they thought that if the Lotteries Commission were not made permanent, it would not have a chance to secure premises from which it could sell tickets itself and so increase the profits of the Commission. If the term of the Commission is to be limited to 12 months, it will not only not be able to secure premises, but will experience difficulty in obtaining a lease of premises for any extended term, with the result that the Commission will be hamstrung in its efforts to improve conditions for its employees and to reduce costs.

Hon. L. B. Bolton: There would be one more State trading concern.

Hon. F. E. GIBSON: That may be. The administrative costs are under 4 per cent. As I said, the Commission is carrying on a particularly good job and I hope that it will be appointed permanently. I have had some experience of the operations of the Commission and know the work which it is doing for charitable purposes. If it is good enough during the past 12 years to appoint it annually for a further period of 12 months, surely, in view of its fine work, it should be appointed permanently, as the Government is requesting by this Bill.

*Point of Order.*

The President: There seems to be some doubt regarding the question of whether or not this Bill can be amended. I have consulted several authorities and it is my opinion that it is not competent to amend the Bill, the sole purpose of which is to make permanent an Act that is temporary in its application. However, it is competent to amend a continuance measure to extend the length of the period for which the Act is to be continued. For example, if a Bill were introduced to continue the life of a temporary Act for one year, it would be competent to amend it by altering the period of extension to two or three or any number of years.

*Debate Resumed.*

**HON. J. A. DIMMITT** (Metropolitan-Suburban): It is very interesting to have your decision, Mr. President, regarding the impossibility of amending the Bill under discussion. In view of that ruling it is now my intention to oppose the second reading of the Bill because it will be in the best interests of the public generally and particularly of the charities throughout the State, that there should be frequent reviews of the Lotteries Commission's activities. I do not suggest for one moment that the present administration is partisan or lopsided in its methods of distribution, but without the control automatically exercised by parliamentary permission for the continuance of the lotteries, it would be a very simple matter, after a period, for a development to occur by which certain charities might receive preferential treatment. I hasten to say that that is not the position today, but it would be quite possible unless we had the review which is frequently carried out by Parliament because of the periodical introduction of continuance Bills.

I want to support the continuance of the lotteries, and I would support a measure that would continue them for a period of three years. Unless some alternative scheme is introduced I must support a Bill to continue the Lotteries (Control) Act. I accept Mr. Fraser's challenge to members to suggest an alternative. My alternative would be to go back to the days of the hospital tax. During a debate in another place it was revealed that over the past 11 years our charitable institutions had benefited to the extent of £943,638 from the proceeds of the State consultations. That represents an average of £85,785 a year. If Mr. Fraser will take his memory back to the days when a hospital tax of 2d. in the £ was levied on all wages and salaries, he will remember that the annual income derived therefrom was about £200,000.

**Hon. G. Fraser:** But that was a tax for a sick Treasury!

**Hon. J. A. DIMMITT:** It was a hospital tax.

**Hon. C. B. Williams:** It was the most iniquitous tax that was ever introduced.

**Hon. J. A. DIMMITT:** At any rate, the tax produced a greater revenue than has been obtained from the operations of the Lotteries Commission.

**Hon. G. Fraser:** What was the position of the hospitals when that tax was levied?

**Hon. J. A. DIMMITT:** The Government of the day was responsible for that position. The hon. member suggested that opposition to the Bill was destructive and he asked for an alternative suggestion. I have given mine. I oppose the second reading of the Bill but will support a Bill for a continuance of the Lotteries (Control) Act along the lines I have indicated, if the Government feels disposed to adopt that course.

**Hon. C. B. Williams:** That is all right so long as you do not oppose the principle.

**HON. W. R. HALL** (North-East): I support the Bill. Although I see much in the argument that has been advanced in favour of an extension of the life of the Lotteries Commission by three years, I do not think that period long enough. In my opinion an extension for five years at a time would be more satisfactory. I realise it is in the best interests of the Lotteries Commission itself to have a tenure of office longer than 12 months at a time for the present method does not give the Commission much scope for planning for the future. Personally I do not gamble to any extent but I feel convinced that when a person takes a ticket in a consultation he does so with the chance of winning a sum of money. I also think that he has at the back of his mind, as I have when I take a ticket, that some portion of the proceeds will be devoted to charities.

No doubt the Lotteries Commission has done a wonderful job in connection with the charitable institutions of the State and the hospitals as well. I think members will agree that if they have submitted a genuine application to the Commission for assistance, that assistance has been forthcoming. Then again I realise that the Lotteries Commission is the means of providing a livelihood for many people, directly or indirectly. If the people generally are satisfied—I take it that they are—why should not more stability be provided with regard to that form of employment? As the result of this method of investing 2s. 6d. at a time in connection with the State lotteries, we have done away with the small sweeps, raffles and so forth that in the past proved so undesirable. As for members of the Lotteries Commission, I do not think there is any room for adverse criticism regarding the manner in which they

have controlled the conduct of the consultations.

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

## **BILL—HEALTH ACT AMENDMENT.**

### *Assembly's Message.*

Message from the Assembly received and read notifying that it had agreed to the Council's amendments.

## **BILL—RURAL AND INDUSTRIES BANK.**

### *Second Reading.*

Debate resumed from the 15th November.

**HON. L. CRAIG** (South-West) [8.10]: When he introduced the Bill, the Chief Secretary gave a brief resume of the history of the Agricultural Bank which, as members know, is 50 years old. If the Bill is passed we may as well write the epitaph: "The Bank is dead; long live the Bank." The institution was established in 1894 with a capital of £100,000. At that time the maximum advance to a settler was £400 per settler and it could not represent more than 70 per cent. of the security or improvements against which the advance was made. In those days advances were made to men who had practical experience, to men who were already established on the land. The manager of the Agricultural Bank at that time and for many years afterwards was Mr. William Paterson whom I remember very well.

Hon. H. L. Roche: You must have been very young then!

Hon. L. CRAIG: And I still am! I remember quite well the physical characteristics of Mr. Paterson—a tall man, with a long beard. He made a very fine job of the Agricultural Bank, and had the system and the methods of control he exercised been carried on in after years, there would be a very different story to tell today.

Hon. G. B. Wood: Do not forget the trustees.

Hon. L. CRAIG: They came later.

Hon. T. Moore: And some good men came later on.

Hon. L. CRAIG: That is so. Under his guidance the bank rendered very fine service to the State. The system of assisting farmers was very different from that which obtained later. Loans were made available

to men already on the land who required some small assistance for the purpose of purchasing machinery to enable them further to develop their holdings. Those were the days when if a man borrowed money he recognised the obligation to pay the money back and to pay it back as quickly as he could. Consequently the man took care that the money so borrowed was used for such a purpose as would enable him to repay it. In those days men did not borrow wantonly or unwisely.

In 1906 the management of the bank was placed in the hands of three trustees who were given discretionary power regarding the advances to be made. The men in charge in those days were good men and they carried out the programme laid down by Mr. Paterson. The work carried out by the bank was on sound lines and advances were made to men who had every intention of honouring their obligations. The advances were restricted to 70 per cent. of the improvements effected or on stock, and the good work still continued. In 1912, the powers of the trustees were increased and the advances allowable were increased to £2,000 per settler. The worst feature of the new regime was the political pressure that was inflicted upon the trustees in the management of the Bank. The day politics entered into the doings of the Agricultural Bank, saw the commencement of the tendency which led to the debacle which finally developed.

Hon. T. Moore: When did that commence?

Hon. L. CRAIG: In about 1912, when the limit of advances was extended to £2,000 per settler. It was then that assistance was extended to areas in the outer wheatbelt. It was then that the policy of the bank was altered to make advances up to 100 per cent. on improvements effected.

Hon. G. B. Wood: Regardless of the personal equation.

Hon. L. CRAIG: That is so. There was tremendous land development in progress. All and sundry could participate. Clerks and dentists, and in fact, anyone who was inefficient or who, through bad luck or some other cause, could not get a job, was able to apply to the Agricultural Bank for assistance, although the individual might not have had a penny-piece to his name, and the bank made advances to the individual to cover everything.

A man boasted, not long ago, either, that in his early years he had made a profit of 3s. per acre on his clearing. He had no money, but had been advanced 9s. an acre for the clearing. He got someone to do it for 6s., and he said, "I made a profit of 3s.," forgetting that he had been debited with the 9s. The man honestly thought he had made a profit of 3s., oblivious of the fact that although he got the clearing done for 6s., he was debited with 9s. and was expected to pay back that rate. It shows the attitude at the time: "Take a bit of land and take a contract." And the Government paid. A machinery traveller would come along and say to the settler, "You ought to have a harvester." The harvester was got and the bank paid. Then he would be told, "You need horses." The horses were obtained and the bank paid.

This wasteful and lavish expenditure had its results. Much of it was due to political interference by Ministers and by members of Parliament. Under the control of the trustees and the general manager, money was poured out lavishly to the competent and the incompetent, the honourable and the dishonourable, in sufficient rainfall areas and in insufficient rainfall areas—with the result that millions of taxpayers' money was wasted and the hearts of hundreds of people were nearly broken. Most of this stupidity could have been avoided had there been no political influence. The same story can be told of group settlement in the South-West. The conception of that scheme was sound. Sir James Mitchell conceived the idea of group schemes. The conception, I repeat, was sound; but that is the only part of the undertaking that was sound. The administration was something appalling. People quite unfitted for rural life were dumped on to virgin land. In many cases they were supervised by men as incompetent as themselves.

Hon. A. Thomson: Most of the supervisors had proved failures on the land.

Hon. L. CRAIG: The fault was not that of the settlers. The settlers were honest, decent people; but it was a mere matter of bringing a man from Iceland into the tropics. I knew such a man. One day he was found crouched down beside a huge blackboy, with a blow-lamp blowing full blast on to the base of the gigantic blackboy. He thought that was the way to

clear. And there are many similar stories. Inferior stock was purchased, quite a lot of it. I myself was asked if I would buy cattle so that the purchaser for the groups could buy them in mobs. I was to go down and collect them on my place by twos and threes. I said I would not do that. I saw some of the many things done in connection with the purchase of cattle. One instance was a large number of beef heifers from the Murchison, as wild as dingoes. They were bought, by a man I know well, at the Midland Junction saleyards. He brought them home, and within a week he had put them into a yard, jammed them in tight, and sold them to the group settlements as dairy heifers at nearly three times the price he paid for them at Midland Junction. These heifers would be quite useless as dairy cows, and would need a cowboy with a lasso to get anywhere near them. They were bought by a Government officer.

So the sad story went on. Machinery was got for people who had no knowledge of the care of it and had no place to put it in. Many machines were put out in the open and delivered there to farmers, and were never either used or housed. They rotted and rusted. Later on they were sold as scrap—I might almost say, by the hundred. All this was due to shocking administration. Of course there was a day of reckoning. The old bank tightened up, and many people just walked off. Their hearts were broken. They had learnt nothing, and they had been debited with all this extravagance. Such is the sorry story of a State enterprise. It is rightly said that if the State had not undertaken these land settlement schemes, private enterprise would not have undertaken them. That is perfectly true. I quite agree with it. I do not think private enterprise would have spent the money in the outer wheat areas or the heavily timbered, uninviting South-Western land. But if the State had financed land settlement and given the controllers a free hand without any political interference, better results would have been achieved and millions of pounds would have been saved.

Then in 1934—to clear up this sorry mess—three Commissioners were appointed and given control of the activities of the bank. Since their appointment they have, with the approval of Parliament, written off as bad debts no less a sum than £7,659,161;

and there is still much more to be written off. Advances for improvements, stock, plant, etc., have been reduced to a minimum. The Minister gave the figures up to the 30th June, 1944. The total advances for that year amounted to £2,948. So, in effect, the advances of the Agricultural Bank ceased altogether, except for essential little sums for special purposes. The bank became in effect a liquidation bank. The Commissioners seem to have done their liquidation job pretty well. The bank did the work of amalgamating properties and removing settlers from unsuitable places to places that were suitable, and so on. The number of occupied blocks had dropped from 10,974 in 1938 to 7,862 in 1943, showing a shrinkage of 3,112 holdings. That is a pretty good effort. It really means that these places had been paid off—not abandoned. "Occupied holdings" I take to mean holdings still under the control of the bank. The figure does not mean that 3,112 people had walked off. Unoccupied holdings, abandoned places, have increased only from 2,324 in 1938 to 2,494 in 1943, representing an increase of 170. So the actual abandonment has been only 170 holdings plus amalgamated properties.

In the outer areas, the dangerous rainfall areas, two and three and even four properties were put into one; the debts were written down, and the new settler was told, "Now, you run sheep; grow a little wheat and other things if you like, but turn this into a stock proposition." That is sound. The disparity of the figures has been apparently caused by amalgamation of holdings. One pleasing feature of the sad story is that since 1934 there have been 1,832 accounts discharged. It is pleasing to know that. The Government deplors the fact that 1,832 people paid off their accounts. The Government is sorry about it. I see nothing to be sorry about. True, the bank has lost the accounts.

Hon. T. Moore: The accounts have gone over to the sharks now!

Hon. L. CRAIG: The development of early Western Australia was due almost entirely to the so-called sharks. The sharks, as the hon. member calls them, do not tout for accounts.

Hon. T. Moore: They did.

Hon. L. CRAIG: I am talking about accounts taken over since 1938. As a rule, settlers are only too pleased to get out of

the control of the Agricultural Bank and avoid Section 51.

Hon. G. B. Wood: The banks used to tout for the settlers' accounts.

Hon. L. CRAIG: The hon. member is talking about the days when money was spent by Associated Banks, stock agents, and even insurance companies, and many millions of pounds were lost not only by the Government institution but by other institutions as well. The banks, and one in particular, did adopt American methods by going out chasing accounts; and it cost them a sorry penny! I would hate to state just what one bank lost through its method of asking people did they want to borrow money. However, 1,832 accounts were paid off. Mr. Moore said those accounts were taken over by the sharks. Last year £95,204 was paid off to the Agricultural Bank. Not a bad sum! Of this amount £65,204 was paid by settlers themselves and only £30,000 by the "sharks."

Hon. H. L. Roche: Apparently they would sooner owe to the "sharks" than to the Agricultural Bank.

Hon. L. CRAIG: That appears to be the explanation, and I am sure that will continue in the future.

The Chief Secretary: There is no alternative.

Hon. L. CRAIG: Not now. That was so; except that they need not entirely take their accounts from the Agricultural Bank. They are not prevented from opening accounts with an Associated Bank if they want to. If their security has become considerably greater than their debt they can go to a bank and say: "Will you take over my account? This is the position: I have so many acres, so many sheep and cattle, so much plant. My debt is £800." And the Associated Bank would say: "Yes." That is the common story of people going from the Agricultural Bank to one of the Associated Banks. They want freedom and a cheque book and the facilities that the Associated Banks provide.

The Chief Secretary: The point is that they could not use the Agricultural Bank as a trading bank.

Hon. L. CRAIG: No; but they could still remain clients of the Agricultural Bank and use another bank as a trading bank if they so wished, and if their accounts were sound. There is nothing to fear from any bank if one's account is sound. The Gov-

ernment deplores that so many sound accounts are being transferred to the Associated Banks. Mr. Moore would call them private banks; but they are not private banks. He, or I, or anybody else could buy shares in them.

The Chief Secretary: If you were lucky!

Hon. L. CRAIG: No; though I admit that today sellers are not willing to accept the ceiling which has been placed on them. But the Stock Exchange quotes all bank shares and before the war sales took place every week.

The Chief Secretary: You must have money before you can buy the shares.

Hon. L. CRAIG: It is necessary to have money before one can buy a loaf of bread; and there is not much difference between buying a loaf of bread and buying shares. Of course, the Chief Secretary's credit may be good! He may be able to buy bread without money, but I have to pay cash. The fact that these so-called safe accounts are going from the Agricultural Bank to the trading banks is one of the main reasons advanced for the introduction of this Bill. The Government feels it wishes to offer such facilities to settlers who become soundly based that they will wish to continue with the new rural bank. That is all right; but I would point out that everything this rural bank pretends to offer is already provided by the Associated Banks and by the Commonwealth Bank. The Bill proposes that this bank shall launch out as a full trading bank. That sounds easy; but to launch out into a full trading bank requires, first of all, a lot of money.

People cannot be asked to become clients of a bank unless the bank has facilities. This is to be a rural bank, to provide facilities for people living in country districts. People will want those facilities in the country districts where they reside; that is only natural. They will want to be able to draw cheques on their own or neighbouring town accounts, and so on. They will want to be able to effect exchanges between the Eastern States and to enjoy all the ramifications of banking. To provide those facilities will require a great deal of money and, above all, it will require men highly skilled in technical banking.

Hon. H. L. Roche: And a lot of branches.

Hon. L. CRAIG: Yes; otherwise, the bank will not have clients. Something better must be offered than is being provided today.

People do not change from one bank to another without sound reason, unless something better is offered by the new bank than they have been obtaining from the old bank. It is the same with stock firms. People who are soundly based do not change from one firm to another; nor will people change from the Associated Banks to the proposed rural bank without some sound reason. Nor, under the same reasoning, will rural bank clients who become sound or free stay with the rural bank unless the bank can offer them some facilities equal to or greater than those that can be obtained from the Commonwealth Bank or the Associated Banks.

It is proposed that the new bank will accept money on fixed deposit or current account. It will make advances on ordinary overdraft terms and on fixed-term loans, that is, it will be a mortgage bank in direct competition with the Commonwealth Bank. It has been claimed by some people that the Commonwealth Mortgage Bank is not functioning. But that is not so. The Commonwealth Bank has quite a number of mortgage accounts. The bank will also make amortisation loans; that is, loans reducible over a fixed period at a fixed annual payment. Principal and interest will be capitalised and a fixed sum will be paid half-yearly. That is a very good form of loan to a man who feels he can do it. The bank will make advances against livestock and plant, coming again into direct competition with stock firms. I do not anticipate that farmers will use this bank very much for advances against plant and livestock.

Hon. H. L. Roche: They may be forced to.

Hon. L. CRAIG: I am talking about the safe ones. A stock firm has something to offer. It has a number of trained stock people who can buy for clients and it provides other facilities that make farming a decent occupation. The new bank will not be able to provide those facilities. It will be able to provide money; but that is really a very small item to many farmers in the purchase of stock. Very often a man goes to a sale and does not know whether he is going to buy stock or not. I went to a sale on Monday. I did not intend to buy anything, but I ended by spending a lot of money! One can go to one's stock agent and be told that the market is fairly low and as a result might, on the spur of the moment, spend pounds on the advice given by the stock agent.

The proposed rural bank will not provide those facilities, and I do not think it will make much progress in regard to its advances against stock and plant. The nominal capital is to be £12,000,000. The bank is safeguarded against advances. If it makes an advance of 70 per cent. and over a period of years the advance grows to 80 per cent. and the security is only 70 per cent.—that is, the value of the property plus stock and plant—the Government will take over the 10 per cent. Anything in excess of 70 per cent. will be transferred to the agency account. In effect, all losses will be borne, not by the bank but by the Government agency branch.

Hon. H. S. W. Parker: That is to give it a good appearance.

Hon. L. CRAIG: It will be impossible for the bank to show a loss on its actual trading. The balance sheet will show how much has been transferred to the Government agency and so on; it will get results that way. On the whole the bank proposes to follow very closely the practices of the much criticised trading banks. That will interest Mr. Moore, I am sure.

Hon. T. Moore: If we compete with them we must follow their lines fairly closely.

Hon. L. CRAIG: The hon. member would wriggle out of anything! The bank is empowered to make advances up to five times as much as the total of its credit balances including current account credits—in other words, to inflate or create credit to the extent of 80 per cent. Of course, it is done by the Associated Banks; but I have not seen a balance sheet that has shown advances of as much as 80 per cent. in excess of its cash. The bank will be empowered to inflate on its current account, which may be here today and gone tomorrow, plus its deposits, to five times the amount of its credit balances. Would Mr. Moore call that decent trading, if it were done by the Associated Banks? If he reads the Bill he will find that is the position. The bank will adopt ordinary banking principles, plus a little more. I am glad to see that Section 51 of the Agricultural Bank Act is not to apply to new accounts. At the time it was passed I agreed to it, and I think it was necessary then because I know what went on in some of the settlements. The security of the bank was never there and Section 51 was necessary at the time it was applied. It may have been administered harshly; in fact, it has been administered very harshly; and, even today,

in some cases, it is being harshly administered.

Hon. H. L. Roche: Foolishly.

Hon. L. CRAIG: Foolishly, if you like. Section 51, giving the bank a full security over all machinery, stock, crops, and plant on the farm will still apply to the old clients taken over by the rural bank from the Agricultural Bank, but it will apply only to the extent of one year's interest. That is an improvement on the old scheme. If a man is not in arrear in his interest payments, Section 51 will not apply and it will have no application to new accounts. I know why that is. It would not have any new accounts; that is, accounts that are not already in the Agricultural Bank. They will be voluntary accounts. They are the accounts of people who are willing to stay on with the Rural and Industries Bank and members can imagine how many would remain if the much-discussed Section 51 still existed. A peculiar provision of the Bill is that which states that no money can be made available to any person who is not, or who is not likely to become, a regular depositor of money in the bank. In other words no advances can be made except to a trading client of the bank. The bank can make advances to a client whose income must return to the bank. That is all right, except for the mortgage side of this institution.

As a rule a long or short-term mortgage is made purely as a straight-out debt, and interest only is collected for the set term. Apparently the bank has decided that it will make advances only to people who are, or who intend to become, regular depositors of money. This means that a fixed mortgage cannot be granted on the security of land unless the borrower is a good client of the bank. Another peculiar provision is that if the commissioners consider that the money lent for a specific purpose has not been economically spent they may at once call up the principal and, of course, enter upon and take possession. The Bill provides for the compounding of interest. It makes no provision for simple interest, and simple interest today is charged by many, or by some institutions. If a man gets in default through no fault of his own, or even through his own fault, some institutions do away with the compounding of interest.

Hon. T. Moore: Can you lead me to one?

Hon. L. CRAIG: Yes.



Hon. G. B. Wood: Are you against that principle in the Bill of interest on interest?

Hon. L. CRAIG: No. The compounding of interest in many cases is necessary. If there is no compounding of interest, we will have people who will never pay. If a man owes £100 interest on a debt and does not pay it and it is not compounded, he is getting a loan of £100 free of interest for all time. It cannot be made a principle that interest shall not be compounded in all circumstances. By doing that we would, in effect, be giving a free loan to a man very often not worthy of it. But where a man has had bad luck, the Bill makes provision that the commissioners may, if they deem the man worthy of it, request or advise the Minister to write off the interest, and the Minister may do that through the Government. But the practice of compounding interest has been severely criticised in Parliament as a horrible practice, but this State bank also proposes to adopt that system of banking. The Bill provides that the bank, when taking possession of a property through default, shall be liable for the rates existing up to one year, and all future current rates. I think that is a generous concession. Government instrumentalities are not subject to rates. The Commonwealth Bank is not subject to rates, but it makes a voluntary contribution.

Hon. A. Thomson: Private institutions are liable.

Hon. H. S. W. Parker: The Commonwealth Bank only makes a voluntary contribution in regard to its own properties, but the hon. member is talking of when it forecloses on a mortgage.

Hon. L. CRAIG: When it becomes the property of the bank.

Hon. G. B. Wood: That is when it enters into possession. But that is not done; the properties are left abandoned.

Hon. L. CRAIG: The bank, or the Government, could have avoided that obligation. I believe that was put in the Bill by an amendment in another place. However, the Government has accepted the responsibility of one year's rates in arrear, for which it was not responsible, and accepted the responsibility of paying current rates.

Hon. A. Thomson: But the private banks have to accept that responsibility.

Hon. L. CRAIG: The point is that the private banks have to accept it, but the Government does not have to accept it; yet

it has done so. Anything we get that we do not expect we express thanks for. Provision is made for the commissioners to write off certain debts and at the same time to require secured and unsecured creditors to do likewise. There is nothing much wrong with that. If the commissioners in their wisdom decide that the security is not there in a bad time—in a drought year and so forth—they may decide to write off some of the debts, but they must naturally see that the other creditors, secured and unsecured, come into the scheme.

Hon. A. Thomson: Where does the poor old storekeeper come in?

Hon. L. CRAIG: Never mind about the storekeeper! In another place the Leader of the Opposition criticised this and said he did not mind the secured creditor being compelled to write down, but he objected to the unsecured creditor having to write down. All I would say is that that is loose, foolish talk. What is the value of secured debts and mortgages in the future if a responsible man like the Leader of the Opposition talks unwisely and foolishly like this. He agrees that secured creditors should be compelled to write down, but not unsecured creditors.

Hon. A. Thomson: He had in mind the many unsecured storekeepers.

Hon. L. CRAIG: Never mind what he had in mind.

Hon. G. B. Wood: He is the best judge of his own mind.

The PRESIDENT: Order!

Hon. L. CRAIG: It is a foolish thing for a man in a responsible position to try to upset accepted principles of decent dealing by saying that secured people should write down their debts, but not unsecured.

Hon. A. Thomson: The Leader of the Opposition is not here to defend himself. It is not fair to make this charge against him.

Hon. L. CRAIG: I would say that of any person—

Hon. C. F. Baxter: He does not have to be a director of a financial concern.

Hon. L. B. Bolton: If he were, he would not make the statement he has made.

Hon. L. CRAIG: I personally see no great need for this bank. I think it creates a duplication of facilities already amply provided throughout the State. There is nothing that the bank proposes to provide which is not already made available by the

Associated Banks. They are not chartered banks, except the Bank of New South Wales. They are public companies. In addition there is the people's bank, the Commonwealth Bank. Today the Commonwealth Bank is extending its activities right throughout the State, and is going to turn itself also into an ordinary trading bank. I have this to say about the Commonwealth Bank and perhaps also about the rural bank. Two or three years ago, under National Security Regulations, certain banks were compelled to close their premises in country districts. The Government said, "We cannot afford to have all these men in the country." Where there were two or three banks in one town, one or two had to go. They were compelled to close their premises. What is happening today? The Commonwealth Bank is purchasing these premises in order to extend its business. I know that it has already purchased one. That is not good business. I do not blame the Commonwealth Bank, which is acting under instructions, but it is not good business for the Commonwealth Government to acquire premises that were compulsorily closed under National Security Regulations. It would be deplored if private people did these things.

Hon. A. Thomson: In fact, it savours of dishonesty!

Hon. L. CRAIG: It is very bad ethics. The rural bank is starting out at a time when the staffs of the other banks are terribly depleted. In effect it is saying, "You are weak and we are going to go into your business." I do not think any of the banks fear the rural bank. There are some features of it that will allow good work to be done. I think the agency side of the rural bank is a good idea. It will take over all the activities of the various departments such as the industries assistance, the wire netting and others. It is also proposed that the rural bank shall administer finance and manage any other schemes that may be undertaken. The rural bank will finance and manage and control irrigation schemes and development of water schemes and so on. If it functions properly it has, on the Government agency side, scope for good activity. But, my word, it will need to be handled by first-class men, and it will need to be left free from political control of all sorts!

Hon. W. J. Mann: We will have the group settlement experience over again otherwise.

Hon. L. CRAIG: If we have political control and interference we shall have the group settlement trouble all over again. The bank will have to be developed very slowly and first-class men on high salaries will have to be employed to do the job properly. I hope that it will expand slowly as the result of experience. I hope that a first-class banking man will be appointed. The finances of this show will run away if they are not closely guarded. I know a good deal of the difficulties of financing rural activities. The security offered is a minor phase in advancing on rural security. The main security is the man himself.

Hon. E. H. H. Hall: The personal equation.

Hon. L. CRAIG: The personal covenant that has been condemned so much; the man who says, "If I borrow I shall pay back." That is what we advance against today.

Hon. J. A. Dimmitt: Not today only, but always.

Hon. L. CRAIG: The man who can be relied upon to repay the money he borrows is the one. I hope the agency side of the bank will develop. At the beginning I felt bitterly critical of this proposed extension of the bank's activities, but on further consideration, I can see that it has some good points. My only criticism against it now is that it is proposing to provide facilities that are already adequately catered for and will involve a considerable sum of the taxpayers' money.

Hon. E. H. H. Hall: Is not the Commonwealth going to do that sort of work?

Hon. L. CRAIG: I understand that the Commonwealth will act as agents for the rural bank and that the rural bank will act as agents for the Commonwealth Bank. The Commonwealth Bank has really very few branches of its own in the country; its savings banks agencies are mostly conducted through the post offices.

Hon. E. H. H. Hall: I meant the Commonwealth Rural Bank.

Hon. L. CRAIG: The Commonwealth Mortgage Bank, of course, will be operating in direct opposition to the rural bank; both will be out to get the same class of business. I can imagine a prospective client going to a branch of the Common-

wealth Bank seeking to borrow, say, £2,000 on fixed deposit for five years, and the bank manager saying, "Through the Commonwealth Bank or the rural bank? I represent the Commonwealth Bank, which will be able to do the best for you." Of course if the Commonwealth Bank did not care about the business, it might then be available for the rural bank. To undertake this service as it should be done is going to cost a tremendous amount of money. We must have trained bankers to administer such legislation. I wish the Government luck, and hope that in the years to come we shall not have the sorry tale to tell of the administration of the rural bank that characterised the latter years of the Agricultural Bank. I support the second reading of the Bill.

On motion by Hon. V. Hamersley, debate adjourned.

*House adjourned at 9.3 p.m.*

## Legislative Assembly.

*Tuesday, 21st November, 1944.*

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

### QUESTIONS (6).

#### EDUCATION.

(a) *As to Lord-street Primary School.*

Mr. ABBOTT asked the Minister for Education:

In view of the serious concern of the parents and citizens of the area serviced by the Mt. Lawley Lord-street primary school at the proposal to close the school, will he

give an assurance that the closure of the school will be deferred until the matter is further examined?

The MINISTER replied:

It is not proposed to close the Lord-street, Mount Lawley school. It is intended as from February next year to use the existing buildings with the addition of trade and science rooms to accommodate post-primary children. This will necessitate the dispersal of the primary pupils to the neighbouring primary schools.

(b) *As to Perth Boys' School Students.*

Mr. NEEDHAM asked the Minister for Education:

(1) Will the fourth year students remain at the Perth Boys' School for their fifth year?

(2) If so, will the headmaster be informed without delay so that he will be in a position to make the necessary preparations for them including arrangements in the Technical College in regard to science courses, and thus prevent a repetition of last year when from five to seven weeks were missed in science studies?

(3) Is it intended to remove these students to Leederville? If so, under what title are they to be known? What is the name of the school and what facilities available commensurate with high school course?

(4) If they are not to remain at Perth Boys' School will the parents be informed where they are going to and what arrangements are made in regard to teaching staff, science courses, laboratories, etc.?

The MINISTER replied:

(1) No.

(2) Answered by No. (1).

(3) No.

(4) Yes.

#### RAILWAYS.

*As to Co-ordination of Transport Facilities.*

Mr. TELFER asked the Minister for Railways:

(1) Has the Railway Department formulated any policy to co-ordinate rail, road and air passenger transport?

(2) Has the department made any decision as to giving the wheat belt area a passenger road motor transport service?

(3) Has the department given any consideration to the advisability of sending expert transport officers overseas to secure all