Mr. Sampson: How could you connect it?

The MINISTER FOR WATER SUPPLIES: It could be connected economically. We are drawing water for the Guildford-Midland district from Mundaring, and it means coupling Canning with that line. It will be used only in case of emergency, but that coupling offers the necessary security. The decision to go ahead with the construction of the Canning dam was made with that object in view. Regarding the Great Southern, we must remember that the only decision so far has been for the survey. If in time it becomes the policy of the country to put in that supply and money can be found for the work, the survey, plans and all necessary data will be available. A decision must be made respecting the site of the dam and also the route of the pipe line and the requirements to supply the various towns.

Mr. Doney: Are the engineers acting on the assumption that the water will come from the Wellington dam?

The MINISTER FOR WATER SUPPLIES: So far I have not received a report. There may be alternative sites for the dam. I am withholding nothing, but members will realise that I can give no further information until the report is made.

Mr. Doney: I thought you were referring to the service dam on the Great Southern.

The MINISTER FOR WATER SUPPLIES: The engineers must fix upon a site for the dam. So far that has not been determined. As to roofing the Wadderin dam, I am not sure whether that is on the programme.

Mr. Mann: It has been recommended by the engineers for quite a while.

The MINISTER FOR WATER SUPPLIES: It is our policy to roof the dams. One that is being roofed is Gutha. I believe the recommendation has gone forward, but I do not think authority has been given. The proposal, however, is being seriously considered.

Hon. C. G. Latham: If you do not do it while the dam is empty this summer, you will not have a chance.

The MINISTER FOR WATER SUPPLIES: We recognise the seriousness of the position. From memory I cannot say whether it has been definitely decided to go ahead with it. As regards the provision of a bitumen surface for the watershed, an experiment was made and found to be very expensive. I think the engineers decided that to put in a bitumen watershed was not an economic proposition. It would be effective, but so far the reports are not encouraging, on the score of expense.

Mr. Doney: Could you undertake to make inquiries in the Eastern States regarding that aspect?

The MINISTER FOR WATER SUPPLIES: Yes.

Vote put and passed.

House adjourned at 11.11 p.m.

Legislative Council,

Wednesday, 1st December, 1937.

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

QUESTION—BOULDER ELECTRICITY SUPPLY.

Payment of Fee.

Hon. J. CORNELL asked the Chief Secretary: 1, Is it a fact that Mr. W. H. Taylor, General Manager of the Tramways, Gas and Electricity Department, was paid a fee of one hundred and twenty guineas by the Boulder Municipal Council for recommending it to do what it should have done 30 years ago, viz., purchase supplies of electricity in bulk from the Kalgoorlie Power

Corporation? 2, If so, is not this an evasion of the Government's policy of one man one job?

The CHIEF SECRETARY replied: 1, Mr. Taylor was given permission to report at the request of the Boulder Municipal Council, and received the fee quoted. 2, No.

MOTION—STANDING ORDERS SUSPENSION.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [4.34]: I move—

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

My reason for submitting this motion to-day is that I am anxious to avoid as far as possible that congestion which frequently occurs at the end of the session. I feel that if the House will agree to this motion it will make things a little easier for all of us before this session closes.

HON. G. W. MILES (North) [4.35]: I do not object to the motion, but think the Chief Secretary might give us an assurance that he will not bring down too much new business after 10 o'clock. I prefer to sit on Fridays to having late sittings. Members cannot do justice to legislation if they have to deliberate upon it until midnight. If we sit on Fridays possibly we shall not require to sit too late on the other nights of the week.

Question put and passed.

MOTION—ADDITIONAL SITTING DAY.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [4.36]: I move—

That, unless otherwise ordered, the House meet for the despatch of business on Fridays, at 4.30 p.m., in addition to the ordinary sitting days.

I cannot give any guarantee that no new business will be introduced after 10 p.m. So much depends upon the progress the Chamber makes with the Bills that are received here. I can, however, give an earnest assurance that I am just as keen to avoid very late sittings as is Mr. Miles, and will do all I can to assist in the direction suggested by him.

Question put and passed.

BILL—INCOME TAX ASSESSMENT.

Recommittal.

On motion by Hon. H. Seddon, Bill recommitted for the purpose of further considering Clauses 104 and 122.

In Committee.

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

Clause 104—Definitions:

Hon. H. SEDDON: I have been asked to bring before the Committee a position that arises with the Bank of Adelaide, which apparently thinks it will have a hardship inflicted upon it by portion of this clause. The Bank is in a peculiar position. It is more particularly concerned with assisting primary industries in South Australia and this State. It has established a reserve fund which comprises chiefly Commonwealth bonds and Treasury bills. The South Australian Act allows the Bank to benefit by any transactions that take place in connection with that fund. By this Bill all profit will be included under the heading of gross income. The Bank asks, in view of its peculiar position, and so that the fund may be protected, that it should be allowed the benefit of any dealings it makes with the reserve fund. I, therefore, move an amendment—

That in Subclause 1 in the definition of gross income from all sources" the words "including the profit, if any, derived from the sale, conversion, or redemption of Government or other securities" be struck out.

So far as I know this amendment has not been included in any other Assessment Act except that of South Australia.

The CHIEF SECRETARY: I do not look upon this as a reasonable request. Only in South Australia has such an amendment been passed. It is not found in any of the Acts of the other States. If there is any point in the argument that the Bank of Adelaide is particularly interested in primary industries in South Australia, I would point out that this constitutes a very small proportion of its business in this State. There are banks interested to a far greater extent in that direction than this particular one. I see nothing unfair in the definition

as it is. If the bank is going to invest the fund in these particular securities, and on the sale of such securities makes a profit, that profit should be taxed. If there is a loss the bank will be entitled to a reduction. I see no justification for the amendment, which would have a far-reaching effect in respect to all banks. I would again point out that we desire to reach uniformity in taxation throughout the Commonwealth.

Amendment put and negatived.

Clause 122—Capital expenditure of companies:

Hon. H. SEDDON: I move an amendment—

That in the provisos to Subclause 2 all words after "twenty-four" in line 6 be struck out.

The amendment will provide for the deletion of the concluding part of the first proviso and the whole of the second proviso. When I first read the clause, it appeared to me that there was provision for the double deduction allowed to mining companies as compared with other commercial enterprises. The circumstances surrounding gold mining are such that their position is one of great difficulty and it becomes not so much a question of a double deduction as of a special concession to that particular industry. In the old Dividend Duties Act, which the Bill will repeal, arrangements were made whereby gold mining companies might claim two deductions. The first related to money spent in development and that included tests carried out in geological exploratory work in endeavours to locate and open up further lodes. Then the second deduction applied to depreciation of plant. That was the law since 1918, but in 1924 the Act was amended so that the companies were allowed to deduct new money that was invested in gold mining propositions. The companies were allowed a deduction from their profits of amounts until they had recouped themselves to the extent of the investment of capital. That was additional to the two other deductions. The reason for the later concession was on account of the Commonwealth Royal Commission that investigated the position of gold mining. In the course of the Commission's report mention was made of the hazardous nature of gold mining even under the best of conditions. In order to induce the investment of money in the industry, the Commission advocated that further consideration and concessions should be given to gold mining companies as compared with those engaged in ordinary commercial enterprises. As a result of that additional concession, money was immediately forthcoming that made possible the reconstruction of the Lake View and Star mine. At that particular time, gold mining was in the doldrums, but yet money was found to enable that particular mine to be reconditioned. The effect of that concession was also seen in the money available for the Wiluna mines. The third reason that impelled the Government to adopt that line of action was to safeguard, because of the hazardous nature of gold mining, the interests of the people who had invested their money in that direction. If the Government's present proposals are agreed to, the result will be that the mining companies will be placed on much the same basis as ordinary commercial enterprises. The Government complains that the additional concession to which I have drawn attention was merely a double allowance to the industry, but I claim it was on account of the hazardous nature of the industry. That phase is of importance. When a shaft is sunk and other similar developmental work is carried out, such operations are considered as assets and the amount is written off from year to year until the cost has been wiped out. Similarly, the cost of plant that may have run into hundreds of thousands of pounds to instal, is written off. No one knows what is ahead of the pick in a mine. People may say that a certain mine will have a long life, but experience shows that often, when further driving and sinking are undertaken values diminish, or may even disappear, so that the company cannot afford to carry on. Under such conditions developmental assets become worth really nothing at all. In support of that contention I would draw attention to the position that exists in connection with one or two of the important mines in Western Australia. I have in mind one in particular in connection with which about £1,500,000 has been sunk. That mine to-day is struggling along spending an enormous amount of money in an endeavour to locate high values in order to enable operations to be continued. Values have diminished to such an extent that the company has almost reached the point of scarcely being able to more than meet expenses. Although all that capital has been

expended in developing the mine, it may have to close down if values do not improve.

Hon. G. W. Miles: Which mine is that?

Hon. H. SEDDON: That is the Wiluna mine. Members know what that will mean to Western Australia. Further imposts have been imposed upon gold mining. I refer to the gold mining profits tax, while a second impost was the surcharge of 12s. on account of the high price of gold. The latter charge is levied on the companies irrespective of whether they are paying dividends or not. It is purely an extra charge imposed upon them on account of the high price of gold. The continued prosperity of gold mining is absolutely locked up in the possibility of working low-grade ore at a profit. This particular allowance has been made to the industry since 1924 and now the Bill proposes to place still another impost on mining. That will merely increase the cost to the mining companies which to-day are striving to keep alive by the treatment of low-grade ore. If we continue to increase costs the difficulties of the companies will be made considerably greater. It will be known to members that should a mine close down, plant that may have been installed at a cost of £200,000 is valued at a little more than scrap iron. Plants that have cost tens of thousands of pounds have been sold, after mines have closed down, for less than £100. That costly machinery was smashed up for scrap iron. It is for that reason among others that I ask the Committee to agree to my amendment in order to restore the position of mining companies to that which existed under the Dividend Duties Act. No further concessions are asked beyond that. In support of my request I advance the hazardous nature of gold mining, in addition to which it must be realised that the Government itself is involved to a certain extent. It is contended that the Government is departing from its old policy of endeavouring to assist investors who advance money with which mining operations are fostered, and also of conserving the capital that is so invested. Because of the nature of gold mining and its hazards, it was considered that mining companies should enjoy conditions somewhat better than those allowed to ordinary commercial enterprises. The latter type of enterprise has a chance of carrying on because it must continue so long as it can compete successfully with its rivals. In mining the position is quite different and, in addition, it is of such a hazardous nature. I have received a list of 58 gold mines that have closed down as the result of the conditions obtaining in Western Australia. All were profitable concerns at one stage, employing many men. All those mines have gone out of existence and the majority of the shareholders did not have returned to them the money they invested in the ventures. Regarding the present position, I have received a letter explaining the conditions that apply to gold mining and also a statement showing a comparison of assessable profits under the Dividend Duties Act and under the proposed amendment in the Bill. In the course of the letter the following appears:—

Section 6, Subsection 8, of the Dividend Duties Act, 1902, as amended to date, provides that in the case of a mining company profits shall be assessed after allowing as a deduction the cost actually incurred during the year by a company for labour and materials employed in the development work as prescribed. Following on this, Subsection 9 provides that a mining company, other than a coal mining company, shall not be liable to pay duty on profits until such profits shall have equalled so much of the share capital of the company as may be paid in cash. It will, therefore, be seen that Subsection 8 provides for the method of arriving at the assessable profits for the year, while Subsection 9, which was inserted in the Act in 1924, then grants the company the right to deduct capital paid up in cash before being liable for duty. In 1924 the gold-mining industry was at a low ebb and it is evident that the provisions of Subsection 9 were inserted in the Act for the purpose of encouraging mining investors to provide fresh capital for the equipment and development of promising mining properties. In the explanatory memorandum in connection with the Income Tax Assessment Bill, 1937, Division 10, it is claimed by the Commissioner of Taxation that this provision has operated in such a way as to allow a double deduction in respect of development expenditure and for the depreciation of plant . . . .

Hon. G. W. Miles: Is that working capital?

Hon. H. SEDDON: Yes, that is what it would mean. The letter continues—

. . . . and in this Bill it is provided that the recoupment of capital shall not be allowed on money for which deduction has been allowed for development expenditure, and that depreciation shall not be allowed on plant, the cost of which has been allowed as a deduction.

The adoption of the Commissioner's contention will practically mean the elimination of the concession contained in Subsection 9 of Section 6 of the Dividend Duties Act, and this, the Chamber considers, is a distinct breach of faith towards those companies

which have been formed on the distinct understanding that they would be able to recoup capital before they would be liable for dividend duty. Seeing that the section has been in operation for about 14 years, it is hardly conceivable that the mining companies have availed themselves for so long a period of a privilege to which they were not entitled according to the intention of the Legislature.

At the present time there are instances of companies which have expended all of the capital originally raised in development and plant construction and are now endeavouring to raise further capital for the purpose of completing their programme, and the amendment proposed in the new Bill must have a very serious effect on the attitude of investors towards the provision of additional funds for this purpose.

Attached hereto is an illustration showing the incidence of the tax under the present Act and the proposed amendment, taking as an example a company which has a capital of £400,000 paid up in cash, and assuming an expenditure on plant of £200,000 and on development work £40,000 per year, and further assuming that profits amounting to £100,000 per year are made prior to charging development and depreciation. Under the present Act it will be seen that at the end of the sixth year the assessable profits would amount to about £250,000 which would still leave capital to the amount of £150,000 to be recouped before dividend duty is payable. Under the proposed amendment it will be seen that in the first four years' operations no tax will be payable, but thereafter the company would be taxable on a sum of £60,000 per year.

I have here other examples, if members would care to read them.

The CHIEF SECRETARY: There can be no doubt that under the existing Act some companies have been obtaining a double deduction for one item of expenditure. Therefore the remarks of the Premier in his memorandum are perfectly correct.

Hon. H. Seddon: It all depends on the point of view.

The CHIEF SECRETARY: Prior to 1924, mining companies were entitled to a deduction for depreciation of plant. From 1924 onwards it was decided that mining companies should be allowed to deduct any new capital that was introduced. When they have received a deduction on capital spent since that date, it does not seem fair that they should be able to claim depreciation on the plant purchased by that capital and then claim a further deduction for that depreciation. That is the position. They are still entitled to depreciation, but not on plant introduced prior to 1924. However, since 1924 there have been double deductions in those cases where companies have claimed for capital expenditure and claimed also for depreciation on plant that has been put in since that date. I do not know how much money will be involved in this proposed amendment, but I should think it would be a fairly considerable sum. I can quite understand that companies that have been availing themselves of this concession would object to the concession being taken away. We must recognise that in some instances they have been enjoying a very profitable period, and I do not think that those engaged in the mining industry should be entitled to claim a double deduction where it can be shown that they have been making substantial profits.

Hon. H. Seddon: But others have been making losses.

The CHIEF SECRETARY: The point is that, in the desire to reach uniformity in this measure, we have wished to withdraw certain deductions while allowing others to remain. On balance it is slightly in favour of the companies. Whatever amount of money may be involved in the amendment, it would almost certainly be large enough to have some effect on the question of how far the Government would be prepared to go in regard to other concessions in the Bill. As the amendment has only now been placed before the Committee, I have not had time to look into it. The principle contained in the Bill is perfectly fair. It was never intended that double deductions should be allowed.

Hon. H. S. W. PARKER: I do not think there can be any suggestion that the Premier intended to mislead anyone by his memorandum. Briefly, I do not think there has been a double deduction; it is all a question of bookkeeping. Mining companies as trading concerns are in an extraordinary position. All the geological information may point to the necessity for putting an expensive drive into a given mine. The drive is put in and actually it may be an asset or it may be a dead loss, but almost invariably it appears in the books as an asset. There is no comparison between a mine and a merchant or a manufacturer. Every ounce of gold taken out of a mine represents a depreciation of that mine. We do know that mines become worked out. I am not suggesting that the Government should allow depreciation on every ounce of gold taken from a mine,

but I do suggest that in some instances development may not be an asset, although it appears as an asset in the company's books. The object of all goldmining companies is to lengthen the life of their mines, but, on the other hand, other forces come in which prevent the lengthening of the life of a mine. There is, for instance, the gold tax, which after all is only reasonable compared with similar taxes in other mining countries. But we advertise that those who invest in our mines will get all their money back in dividends before we tax those dividends. However, the gold tax is on the amount of profit, and must be paid without any consideration of the investors first getting their money back. It has worked considerable hardship. I know of a mine that was started on the basis that there would be no taxation of dividends until the shareholders got their money back. This mine is working on a 3½ dwt. proposition. To open up low-grade propositions it is necessary to give an investor encouragement in every possible way. People do not seem to realise that when a man invests his money in a gold mine, he puts in, say, £100, and by the time he gets that back in dividends, as likely as not the mine is worked out. One may be inclined to say that he has not lost anything, but having had his £100 returned, and the mine having been worked out, he has lost the interest that £100 would have earned over perhaps a number of years. Then the asset has gone, because the mine has been worked out. By good fortune perhaps the amount of money invested was returned by way of dividends, but that is all. The interest has been lost. All the amendment asks is that the law shall remain in future as it is to-day. I am only supporting this on the basis that the Bill will be so amended as to leave the present incidence of the Dividend Duties Act as it is to-day. Although the Minister said he could not see that it would make any difference in the amount that would be received, I understood from him that the purpose of the Bill was not to increase the revenue, although it might incidentally increase it in a minor way. So the amendment is not intended to lessen the amount that will be received under the Dividend Duties Act. Only to-day I was discussing the position with a mining engineer interested in London capital. As we all know, a great deal of English money is invested in Western Australia, and the people that mining engineer represents are interested in low-grade propositions. He informed me that if the Bill should go through, the London people who are concerned in mining in Western Australia will be displeased, and the result might be a serious effect on mining in this State. The people he represents are of very high repute and he did not hesitate to say that the effect on the State would be disastrous. Even if by accepting the amendment the State loses some revenue, it will get it back by maintaining the confidence of the mining world in London, and that will mean keeping our mines at work.

Hon. L. CRAIG: I want to vote with some knowledge of the subject. As I understand the position now, it is that mining companies before being subjected to dividend duty are allowed to deduct the full amount of capital invested in the mine. If that be so, all machinery, plant and so on from an accountancy point of view is eliminated from taxation and for taxation purposes the companies will have no assets. Mining companies are claiming that the machinery they have on hand, although being on the books, is written out.

Hon. H. S. W. Parker: They are allowed 12½ per cent. per annum on the balance; it is never all wiped out.

Hon. L. CRAIG: I understand that before companies are subjected to dividend duty, they are allowed to deduct the whole of their capital, and so the whole of the money they put in they are permitted to deduct

Hon. H. Seddon: That has been so since 1924.

Hon. L. CRAIG: All the money put into a mine since 1924, from an accountancy point of view, has gone, from the taxation standpoint. The Taxation Department has said, "Before we tax you, we will allow you to earn all you have put into the mine." The mining companies are asking that their machinery shall be valued, and depreciation allowed on it, and further depreciation shall come out of the profits of the company. Is that so? Therefore it is a double allowance. We are giving something to the mining companies that no other companies are permitted to have. Although the plant has been written off in the books, they want to revalue it and claim depreciation on the value.

I have never heard of such a thing before, but if there is any logical reason for doing it, I shall support it.

Hon. H. SEDDON: There are gold mines that have invested capital in their properties and have not yet had that capital back. We know that every ounce of gold taken out of a mine means an ounce less in the property, and that there must be a lot of exploratory and dead work carried out to keep ahead of the mill. Let me give an illustration. A big mine has carried on up to the present time, and although it has paid dividends I will guarantee that if investigations were made it would be found that although it had paid back the capital it had not paid any interest on the money invested. When that mine came to sink its shaft another 100 feet, having been led to believe that the ore body would continue, it was found that it had broken up. Thus the mine did not have the lode to work on that it was expected the property would have. Thus in the future the mine will have to undertake further exploratory work and try to discover another ore body. Scores of mines have been floated since 1931; I am not referring to wild cats, but to mines floated and carried on as legitimate enterprises, and the shareholders have not had their capital returned. The plant has been written down, and although it should be an asset on which the mining company could realise, it has become simply scrap because of the fact that the mine is out in the distant backblocks; so that if the mine closed down, the plant would only be valued as so much scrap iron. The experience of the Mines Department confirms this statement. It is for the ordinary mining enterprises that this particular concession is sought to be retained in the Act, to enable the investor who puts his money into the industry to have a chance of getting it back.

Hon. G. W. Miles: Would you call him an investor or a speculator?

Hon. H. SEDDON: The endeavour has been to place mining enterprises on a similar footing to others, and so that that might be made possible, tremendous allowances have to be made, allowances that are not required in connection with any other industry. For the reasons I have given it is important that the existing conditions should be maintained. This concession was deliberately granted by the Government in 1924, and has continued since as a matter of Government policy, because the Government realised that in order to assist the mining industry it was necessary to do everything possible to attract capital. All this was pointed out in emphatic terms, and as a result the Government of the day granted the concession. It was continued because it was recognised that it was necessary to the goldmining industry. Those are the grounds on which the Committee is now asked to continue the concession.

Hon. E. H. H. HALL: Mr. Seddon has explained the position lucidly. When the Minister made his equally lucid explanation, it seemed to me that the amendment was a most important one. The Minister has given us to understand that he has had no previous notice of the amendment. To force a division this afternoon would therefore be somewhat unreasonable. Consideration of the matter should be postponed to enable the Chief Secretary to consult Cabinet. Personally I do not know which way to vote. The present Government has been genuinely desirous of attracting capital to the goldmining industry, which represents a hazardous investment.

Hon. J. J. HOLMES: What the Government promised the mining industry is something that should be cleared up, but from an equitable standpoint. I do not think the amendment should be carried. A mine making a profit of £100,000 annually for six years can, by writing off depreciation, bring the total profit down to £250,000 and then contend that £15,000 is still needed to recoup the capital. According to the schedule, £111,000 has been written off for depreciation out of a profit of £150,000. Mining companies cannot have it both ways. Having written off depreciation every year, a company cannot say, "We want our full capital back."

Hon. H. Seddon: That is the law at present.

Hon. J. J. HOLMES: If there has been a promise by the Government that certain things shall be done to encourage mining, that is another matter. Mining may be a precarious business, but it is not more precarious than the agricultural or the pastoral industry. There is, of course, the consideration that every ounce of gold taken out of a mining show means one ounce less to come. From the aspect of equity a mining company is entitled to get back its capital, but not its capital plus depreciation.

Hon. H. S. W. PARKER: Mines have been opened up and developed here on the basis that the taxation law as it has existed here during the last few years will not be altered. The clause does alter the law, and thereby really commits a breach of the contract with the London investor.

Hon. J. J. Holmes: Then every taxation proposal amounts to a breach of contract.

Hon. H. S. W. PARKER: The taxation law as it existed said to the London investor, "If you invest here, we will give you this concession." If the concession is now wholly or partly annulled, we are going back on the contract we made. The Taxation Department is always looking out for loopholes, and thinks that a loophole exists in this instance. However, there is no loophole; the concession is simply the result of generosity on the part of a former Parliament. I am not blaming the Taxation Department, but I do not think the department explained the matter fully to the Premier.

Hon. E. M. HEENAN: I agree with Mr. Seddon so far, that the present time is not appropriate for asking the mining industry to carry any additional tax burden. Already there are indications of a decline. Unfortunately there have been two or three glaring instances of mines which were counted on with great confidence, but concerning which rumours based on unpleasant facts have been circulated, with the result that the future of those mines is not a happy one. There seems no good reason for allowing the double deduction. The concession applies only to companies formed since 1924. I do not think the passing of the clause will have such a frightening effect on investors as Mr. Seddon suggests.

Hon. H. SEDDON: If the clause goes through in its present form, mining costs will be increased. A slight increase will suffice to turn a paying proposition into a losing one. The capital invested in, for instance, the Big Bell mine will be the forerunner of other investments provided the Big Bell Company feels that it is getting a fair deal. The concession was given for the purpose of affording relief. It followed immediately upon the report of the Commonwealth Mining Royal Commission, which made so close an investigation of the Kalgoorlie field. It was granted as an earnest of the Government's good intentions towards the industry. I plead for companies which are on the verge of making profits. In the case of the Big Bell, Wiluna, Lancefield and other mines that are large employers, a slight increase in mining costs or a small decline in the value of gold would make operations unprofitable. The concession has existed since 1924 unquestioned. I trust the Committee will carry the amendment and so give the Government an opportunity to consider the position further.

The CHIEF SECRETARY: While I can well understand the reasoning of Mr. Seddon and of those who have asked him to take the matter up, particularly as regards mines which are well established and showing profits, I feel I cannot follow that reasoning in respect of mines which the hon. member says require a chance to get their capital back. Until they do get their capital back, there is no question of taxing them. Companies whose capital has been provided since 1924 are not subject to taxation until they have recouped their capital. Suppose, for the sake of argument, a company formed since 1924 with a capital of £200,000. Suppose further that the company has expended a sum of £150,000 on plant, development, and acquiring of leases. The company would be entitled to recoup the £200,000 of capital before being called upon to pay any taxation whatever. But it is desired that, after that, the company shall be recouped the £150,000 spent on development, plant, and acquiring of leases; of course, not all in one year, but by way of annual percentage to be granted until depreciation has wiped out the whole of the assets. In those circumstances numerous companies would never pay any tax at all, although making profits. The more successful mining companies would not be materially affected by the provision. Under the clause the companies are asked to apportion the expenditure of their capital to the particular assets, whether it be plant or development or anything else. So these companies will not be able to get a recoup of the capital which has been spent on acquiring those assets as well as a deduction for depreciation, but for all other expenditure on development, on the acquisition of plant and so on, they are still entitled to their deduction for depreciation. All we are asking in this clause is that where money raised since 1924 is used for development of a mine or for creating certain assets in the gold mining industry, that money shall be apportioned to those particular things, and that for anything else the deduction for depreciation shall be allowed. I realise the importance of an amendment of this kind par-

ticularly in relation to the effect it may have on the investment of money. One has to be careful because investors are apt to be shy if they think something is going to happen to affect their opportunity of receiving a return from their investments. I am therefore going to act on the suggestion of one hon. member and report progress until after tea. I would, however, stress the necessity for this Bill being passed without delay.

Progress reported.

BILL—FREMANTLE MUNICIPAL TRAMWAYS AND ELECTRIC LIGHTING ACT AMENDMENT.

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to the amendment made by the Council.

BILL—FINANCIAL EMERGENCY TAX ASSESSMENT ACT AMENDMENT.

Assembly's Message.

Message from the Assembly notifying that it had agreed to amendment No. 4 made by the Council and had disagreed to amendments Nos. 1, 2, 3 and 5, now considered.

In Committee.

Hon. V. Hamersley in the Chair; the Chief Secretary in charge of the Bill.

No. 1. Clause 2:—Delete.

The CHAIRMAN: The Assembly's reason for disagreeing reads—

No. 1. This clause is necessary for the exemption from the Financial Emergency Tax of the basic wage and basic income, as provided in the next clause of the Bill.

The CHIEF SECRETARY: I move—

That the amendment be not insisted upon.

Hon. C. F. BAXTER: I trust the House will insist upon the amendment. All taxing measures should be stated in figures, especially exemptions. The amount at present exempted is £3 15s. To put in the words "basic wage," is wrong in principle and the House should not create a precedent.

The CHIEF SECRETARY: The desire of the Government is to treat all those persons in the State receiving the basic wage or less in their respective districts in the same manner. It is not fair that we should exempt the basic wage earner in the metropolitan area and not exempt the basic wage earner in the goldfields area. The only fair way to bring about uniformity is to use the term "basic wage" because one figure will not cover the whole State satisfactorily.

Hon. E. H. H. HALL: I support the Chief Secretary's contention. If the basic wage were uniform throughout the State, Mr. Baxter's contention might be reasonable but there is not uniformity. It has been said there is considerable difficulty in knowing what the rate of the basic wage is in the various districts. I cannot agree with that. It is easy enough to ascertain, but it is difficult for the Government to deal even-handed justice to the workers when the rate of exemption is fixed at £3 15s. or £4, and the only way satisfactorily to overcome the difficulty is to use the words "basic wage."

Hon. G. FRASER: I hope the House will not insist on the amendment. There is a different basic wage in different districts and it is desired that all shall be on the same plane with regard to exemption. I cannot understand the attitude of members who insist that the figures must be inserted. The only other way of dealing with the difficulty would be to set out the different figures which constituted the basis of exemption in the different districts.

Hon. G. W. MILES: I hope the House will insist on the amendment and revert to the old assessment of £3 15s. The argument put up that we must have the words "basic wage" inserted is not logical, and to talk about dividing the State up into different areas is ridiculous. The Commonwealth has not a "basic wage" deduction in respect of income tax and the Commonwealth Income Tax Act applies to the whole of Australia. Years ago we fixed the exemption at £3 or £3 10s. and that applied over the whole State.

Hon. L. Craig: Why make it £3 15s. now?

Hon. G. W. MILES: Because the House has agreed to £3 15s. The amount is now fixed the same as it is fixed by the Commonwealth. Up to now the House has insisted on having a figure inserted and this is the first time we have heard it said that the Government has a mandate from the people to insert the words "basic wage." What mandate has the Government from the people with a majority of one and a minority of the electors voting for it at the last election? There has been a lot of talk about being logical. Where is the

logic of the Labour Party which says that a man cannot get work and must starve unless he pays 25s. to a union? There is dictation from the Trades Hall. That is exemplified in the conference which was held at Beaufort-street the other day. The whole Ministry went there and the Trades Hall told them what they must do; but the Government of the country is here and not at the Trades Hall in Beaufort-street. Are we to be dominated by the Trades Hall? The House should insist on the amendment.

Question put and negatived; the Council's amendment insisted on.

No. 2. Clause 3—Delete.

The CHAIRMAN: The Assembly's reason for disagreeing reads—

The basic wage as fixed by the statutorily constituted Arbitration Court makes no allowance for the payment of this tax. If it is levied it therefore reduces wages below what the court considers to be the standard of living.

The CHIEF SECRETARY: I move—

That the amendment be not insisted on.

Question put and negatived; the Council's amendment insisted on.

No. 3. Clause 4—Delete.

The CHAIRMAN: The Assembly's reason for disagreeing is that where the State loses revenue through wilful neglect, it is considered that those responsible should make good the loss.

The CHIEF SECRETARY: I move—

That the amendment be not insisted on.

On the previous occasion I pointed out that, if the employer did not carry out his duty and the tax was not received from the wage-earner, the department had no chance to collect the money. We desire to make the employer and the employee jointly responsible for the payment of the tax.

Hon. H. SEDDON: I am inclined to agree with the Minister, provided a further amendment is approved. The object of the clause is to penalise persons who wilfully defraud the Government of just revenue. A foreman in charge of men actually received money for stamping the receipts and withheld the money. I suggest that the clause be retained, but that after "wages" in line 4 the word "wilfully" be inserted. At present the employer is liable, and the clause seeks to place the responsibility on the person paying the wages.

Hon. G. W. MILES: I agree with the remarks of the Minister and Mr. Seddon. The person responsible for the payment of the wages should be liable. I believe that the clause was deleted under a misapprehension.

The CHIEF SECRETARY: The clause is essential if it is not intended to defraud the Government of money every year. To insert "wilfully," however, would place the department in an awkward position because of the difficulty of proving that the act was wilful. The clause would apply not only to a man who deducted the amount of the tax from the wages of employees and omitted to stamp the pay sheet, but also to cases where no deduction at all was made and the Act was simply ignored. The department takes a reasonable view in matters of this kind. If an employer can show that he acted inadvertently or that an offence was committed without his knowledge, the department settles it without trouble.

Hon. H. Seddon: I will give an instance to the contrary.

The CHIEF SECRETARY: Only where there is deliberate attempt at evasion and no reasonable excuse exists does the department inflict a penalty.

Hon. H. SEDDON: Unless the word "wilfully" is inserted we should insist upon the amendment. I know of two instances of honourable men who have honestly endeavoured to fulfil requirements, but because of departmental regulations they have been accused of not carrying out their duties and have been assessed for the amount of unstamping. Though no penalty was inflicted, one of those men was informed that any further discrepancy of the kind would be seriously regarded by the department. I move an alternative amendment—

That after "wages," in line 4 of Clause 4, the word "wilfully" be inserted.

Hon. C. F. BAXTER: There is a tendency to make matters more and more difficult for taxpayers. Sufficient power is already provided in Section 9 of the Act, which declares that every person paying salary or wages to any other person should be responsible for the payment of the tax on each occasion that any payment of salary or wages is made. Why adopt a dragnet clause on top of that?

Hon. J. CORNELL: Where the default is attributable to the employer and not the

employee, the employer alone should be held responsible.

Hon. J. J. Holmes: But the employee would have had the money.

Hon. G. W. Miles: A lot of employees will not carry out instructions.

Hon. J. CORNELL: The employee should be protected.

Sitting suspended from 6.15 to 7.30 p.m.

The CHIEF SECRETARY: I hope the amendment will be defeated. The inclusion of the word "wilfully" would render the clause unworkable.

Alternative amendment put and negatived.

Question (that the Council's amendment be not insisted on), put, and a division taken with the following result:—

Ayes	9
Noes	16
Majority against ..	7

Ayes.	
Hon. A. M. Clydesdale	Hon. E. M. Heenan
Hon. J. Cornell	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. T. Moore
Hon. G. Fraser	Hon. G. W. Miles (*Teller.*)
Hon. E. H. Gray	

Noes.	
Hon. C. F. Baxter	Hon. J. Nicholson
Hon. L. B. Bolton	Hon. H. S. W. Parker
Hon. L. Craig	Hon. H. V. Piesse
Hon. C. G. Elliott	Hon. H. Seddon
Hon. E. H. H. Hall	Hon. H. Tuckey
Hon. J. J. Holmes	Hon. C. H. Wittenoom
Hon. J. M. Macfarlane	Hon. G. B. Wood
Hon. W. J. Mann	Hon. E. H. Angelo (*Teller.*)

Question thus negatived; the Council's amendment insisted on.

No. 5—Title: Delete the words "two, four, nine and":

The CHAIRMAN: The Assembly's reason for disagreeing to the Council's amendment is "That it is necessary to have the numbers of the clauses if the clauses are agreed to."

The CHIEF SECRETARY: I move—

That the Council's amendment be not insisted on.

Question put and negatived; the Council's amendment insisted on.

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

BILL—TIMBER INDUSTRY REGULATION ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. W. J. MANN (South-West) [7.40]: The necessity for this Bill may be said to be one of the results of the revival of our timber industry. With a strong demand for hardwoods and good prices, men have during the last year or 18 months returned to the forest country, and much of the timber land that has hitherto been looked upon as hardly worth while working is being cut over again. In pursuit of supplies, people have erected quite a number of milling plants, mostly small plants that are portable and easily moved from one part of the bush to another. In some cases, small mills are operating on private lands. In many instances these have not been subject to any inspection, or if so to very little. The object of the Bill, as I understand it, is to compel the registration of existing mills, and of any to be established in the future. There can be no real objection to registration, no more objection to the registration of sawmills than in the case of the ordinary shop. Sawmilling is one of the industries which might easily be dangerous. On the other hand, with ordinary precautions and proper safeguards, as well as care on the part of both employees and employer, sawmilling is not out of the ordinary in that direction. It is quite a safe occupation as long as ordinary precautions are observed. I am informed that at present something like 3,000 men are back in the timber industry and between 80 and 90 mills, large and small, are operating. That discloses a wonderful revival, particularly when one looks back over the past few years and recollects that at one period almost every mill in the State was idle, for at any rate a large portion of the year. Many of the men back in the industry are experienced timber workers, and where they operate the danger of accidents is usually reduced to a minimum. In the smaller mills there are frequently hardly any experienced men, apart from the owner and perhaps the foreman. Many of the employees are young and without much experience. Unwittingly they are likely to take unnecessary risks. It is for the benefit of men of that description that the Bill has been introduced, and it is with some justification. If the Bill

be passed, plans and specifications will have to accompany the application for registration in respect of any new mill. That is necessary in order to ensure that reasonably decent working conditions shall prevail. The Bill will compel the reporting of accidents that entail the absence of men from work for any period in excess of 24 hours. It will also ensure the provision of efficient guards in connection with dangerous machinery. That is an important provision, and I am sure every member would wish to see it observed. I note, too, that the Bill provides authority for the promulgation of regulations. I do not know what further regulations are desired in addition to those already operating, but I hope any additional ones will not handicap the small man or in any way embarrass the individual who is trying to find employment for himself and a few others. It is quite within the bounds of possibility that regulations may be forced upon the small mill owners that would be quite easy of observance by the bigger concerns but might possibly either put the smaller men out of business or seriously handicap them. I trust that the new regulations will be framed with due regard for that type of employer. The small mills are really a passing phase in the timber industry. They cannot continue indefinitely, and certainly cannot be looked upon in any way as permanent. There may be room for additional regulations in connection with the permanent mills that may be erected, but I trust that the Forests Department, which I understand will have charge of this phase of the industry, will be as lenient as possible where the smaller mills are concerned, particularly seeing that some of them will have a very short life indeed, perhaps not much more than a year or so. These small mills have proved a great boon to the unemployed during the past year. It is wonderful to contemplate the number of men who have returned to the timber industry, and we may all hope that present conditions, both as regards the demand for timber and prices, will continue for a long time in order that men may find congenial and profitable work. I support the second reading of the Bill.

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

BILL—FACTORIES AND SHOPS ACT AMENDMENT.

In Committee.

Resumed from the previous day; Hon. J. Cornell in the Chair, the Chief Secretary in charge of the Bill.

Clause 48—Repeal of Section 117 of the principal Act and insertion of new section: Shops to be closed on holidays.

The CHAIRMAN: Progress was reported on this clause.

Hon. J. NICHOLSON: The select committee reported that the evidence submitted showed that the proposal to include Easter Saturday would be detrimental to the interests of many people and the convenience of the public; that it had also been shown that awards made in various industries specified holidays, and it was considered that the fixing of holidays, apart from those provided for by the existing Act, should be left to the Arbitration Court. The committee accordingly recommended that the clause should be deleted. The closing of shops on Easter Saturday will cause much inconvenience, particularly at seaside resorts and at various country centres. It is considered that the provision in the Act is quite adequate.

The CHIEF SECRETARY: I shall not spend much time over this clause because I realise that members have expressed themselves very definitely. Some of the extra holidays included in the clause are the subject of proclamation each year. As to Easter Saturday, notwithstanding what Mr. Nicholson has said, we have received requests that that day should be proclaimed a public holiday. This year, for instance, proclamations to that end were published in regard to nine country districts, so that would indicate that the people there are not opposed to the provision.

Hon. L. B. Bolton: Was Moora included in the list you have before you?

The CHIEF SECRETARY: Yes.

Hon. J. J. Holmes: But no seaside resorts.

The CHIEF SECRETARY: Apart from that, Subclause 3 is highly desirable because the Act does not contain any provision whereby the Government can declare a half-holiday on any day. Subclause 3 will enable that to be done. That provision was inserted for the convenience of country dis-

tricts where it may be desired to declare a half-holiday on some special occasion. That portion of the clause should be retained.

Hon. J. J. HOLMES: The only point about the Minister's suggestion regarding Subclause 3 is that the Government is very keen on a Saturday half-holiday. If we were to pass Subclause 3, I do not know what there is to prevent the Minister, if he so desires, from declaring a half-holiday in respect of every Saturday. That would not be considered desirable.

The CHIEF SECRETARY: In reply to Mr. Holmes, I can only say that any argument appears to be good enough.

Hon. J. NICHOLSON: I would draw the attention of members to Question 1123 of the evidence tendered to the select committee. Mr. Stanley Gordon Snell, of Moora, was asked if he had any views to express with regard to the other provisions of the Bill, and the witness's reply was as follows:

Under the existing Act Easter Saturday is not a compulsory holiday and the business people of Moora do not think it should be made a compulsory holiday. It would make the Easter recess too long. Shops would remain closed for more than half a week and the public would be seriously inconvenienced. In a farming community a number of holidays cause inconvenience, and the farmers do not know where they are. Traders are there to meet the convenience of the farmers and they wish to do so. Some of the holidays prove irritating; for instance, Labour Day has no great significance in the country or to the farming community, and it causes annoyance to people when they come into town and find the shops closed. I do not know that there is any need to compel such holidays to be observed in the country.

That is in keeping with the evidence of various other witnesses.

Hon. E. M. HEENAN: It was pointed out that Easter furnishes the only long week-end in the year when shop assistants and other employees have opportunity to get away. The feeling on the goldfields is, generally, strongly in favour of this full Easter holiday, for it enables employees to get away to Esperance or other seaside places for the week-end. A big section of the community are precluded from enjoying that holiday because they have to return to work for a few hours on the Saturday morning. From their point of view it is only reasonable that the long week-end holiday should be put into operation. The benefits that would accrue would far outweigh the slight inconvenience caused.

Hon. L. Craig: But those taking advantage of the holiday would not be able to make any purchases at Esperance when they got there.

Hon. E. M. HEENAN: That was strongly pointed out to the select committee by the secretary of the Shop Assistants' Union. Such a holiday is unanimously favoured on the goldfields.

Hon. J. M. MACFARLANE: When we come to look at the number of holidays mentioned in the clause, to say nothing of those holidays prescribed by the Arbitration Court, we see that really an employer is paying 12 months wages for 11 months' services. The shopkeeper cannot close his shop on a Thursday and say that most of the lines he deals in can be conveniently supplied to householders to carry on with until the following Tuesday. These numerous holidays are creating a burden, not only on the individual, but on the industry. I will not support the Easter Saturday holiday, and I say that Labour Day could well be cut out. Now, in a fervour of patriotism, some people desire to make King's Birthday a statutory holiday. It is not so observed even in England.

The CHAIRMAN: But that is only by proclamation.

Hon. C. G. ELLIOTT: From Kalgoorlie, Menzies, Laverton, Leonora and other gold mining centres I have received letters from Chambers of Commerce and other organisations protesting against Easter Saturday closing. The proclamation of last Easter Saturday as a holiday nearly brought about a revolt in Kalgoorlie. The traders there were seriously considering whether they would bow to the proclamation.

Hon. E. M. Heenan: That was only because they had not been given due notice.

Hon. C. G. ELLIOTT: It may be so, but the people of Kalgoorlie are definitely against the Easter Saturday holiday, and that applies to all the northern centres in my electorate.

Hon. L. CRAIG: I realise that having to come back to work on Easter Saturday spoils the Easter for the shop assistants and other employees. Still, the proclamation of such a holiday would tremendously inconvenience traders at seaside resorts. In all things the majority must rule and the minority bow to that ruling.

Hon. E. H. ANGELO: I cannot support the clause, but there is a good deal in what

the Chief Secretary said about the power to proclaim a half-holiday when required. That would be very useful in some of the northern towns, where they have race meetings starting at 2 p.m. People from the surrounding districts come into the town and if it was a half-holiday instead of a whole holiday that was proclaimed, those visitors would be able to do their shopping during the forenoon.

Clause put and negatived.

Clause 49—Amendment of Section 119 of the principal Act:

Hon. J. NICHOLSON: The select committee's recommendation as to this clause reads as follows:—

> The amendment proposed would prevent a shopkeeper from getting assistance necessary during, say, stocktaking. It is considered that the provisions of the existing Act provide the requisite protection and that the clause should be deleted.

The CHIEF SECRETARY: I could understand the hon. member opposing this clause, but hardly on the ground that he has stated. The clause will not have the effect of preventing shop assistants from working overtime during stocktaking periods; all that it would do would be to prevent overtime being worked on more than two consecutive days. Overtime could be worked for the first two days and, after a day off, it could be worked on two more consecutive days if necessary. That should be sufficient.

Hon. J. NICHOLSON: Section 19 sets out:—

> Except as in this section provided, no shop assistant shall be employed in any shop . . . . after the expiry of one half hour from the time fixed or determined by or under this Act for the closing of such shop, and the time so fixed or determined for the next opening of such shop; provided that . . . . the shopkeeper may employ any shop assistant on each of any number of days . . . . not exceeding 12 in any half year for an additional period not exceeding 2½ hours after the expiry of such half hour.

Hon. T. Moore: Surely that is enough.

Hon. J. NICHOLSON: The provision in the Act at the present time is adequate. No one is desirous of imposing a burden on those engaged in shops, but the clause in the Bill would undoubtedly have the effect stated.

Hon. J. J. HOLMES: I understand that the registered agreement made within the last 12 months between the employers and employees is an equitable agreement, and if the Bill we are now discussing becomes an Act it will no doubt in due course override the agreement.

The CHIEF SECRETARY: I thought the time had passed when it was necessary for me to contradict the hon. member. I repeat that this Bill will not override any award or agreement.

Hon. J. J. Holmes: I said in due course.

The CHIEF SECRETARY: How can the hon. member use that argument? He knows well that the measure will not apply where an Arbitration Court award or an agreement prevails.

Hon. J. J. Holmes: That is all moonshine.

The CHIEF SECRETARY: It is waste of time trying to convince the hon. member.

Clause put and negatived.

Clause 50—Amendment of Section 120:

Hon. J. NICHOLSON: This clause must consequentially be deleted.

Clause put and negatived.

Clause 51—Amendment of Section 121:

Hon. J. NICHOLSON: The select committee's recommendation is that the clause be deleted. It is considered that the rates provided for should be fixed by reference to the Arbitration Court.

The CHIEF SECRETARY: Again I point out the inconsistency of the select committee. In Clause 17 there is a similar provision increasing the meal allowance from 1s. to 1s. 6d. I understood that the select committee was quite satisfied that 1s. 6d. was a reasonable amount for a meal. Now we find on another clause the select committee takes a different view altogether and declares that the matter should be left to the court. To be consistent we should agree that the allowance for a meal should be not less than 1s. 6d. when overtime has to be worked.

Clause put and a division called for.

The CHAIRMAN: Before the tellers are appointed, I will give my vote with the ayes.

Division resulted as follows:—

Ayes	10
Noes	13
Majority against	3

AYES.

Hon. L. B. Bolton	Hon. E. H. Gray
Hon. A. M. Clydesdale	Hon. E. M. Heenan
Hon. J. Cornell	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. T. Moore
Hon. G. Fraser	Hon. E. H. H. Hall (*Teller.*)

NOES.

Hon. E. H. Angelo	Hon. H. S. W. Parker
Hon. V. Hamersley	Hon. H. Seddon
Hon. J. J. Holmes	Hon. H. Tuckey
Hon. J. M. Macfarlane	Hon. C. H. Wittenoom
Hon. W. J. Mann	Hon. G. B. Wood
Hon. G. W. Miles	Hon. H. V. Piesse (*Teller.*)
Hon. J. Nicholson	

Clause thus negatived.

Clause 52—Amendment of Section 123:

Hon. J. NICHOLSON: The select committee recommends the deletion of this clause. The amendment proposed it is considered should be decided by the Arbitration Court.

The CHIEF SECRETARY: Once more I point out that the Arbitration Court has no jurisdiction over these places. I have no wish to waste the time of the Committee any further.

Clause put and negatived.

Clause 53—Amendment of Section 124:

Hon. J. NICHOLSON: The amendment proposed it is considered should be decided by the Arbitration Court and the select committee recommends the deletion of this clause also.

Clause put and negatived.

Clause 54—Amendment of Section 125:

Hon. J. NICHOLSON: The select committee agreed to paragraphs (b) and (c) but suggested the deletion of paragraph (a). I move an amendment—

That paragraph (a) be struck out.

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

Ayes	16
Noes	7
Majority for	9

AYES.

Hon. L. B. Bolton	Hon. J. Nicholson
Hon. L. Craig	Hon. H. S. W. Parker
Hon. E. H. H. Hall	Hon. H. V. Piesse
Hon. V. Hamersley	Hon. H. Seddon
Hon. J. J. Holmes	Hon. H. Tuckey
Hon. J. M. Macfarlane	Hon. C. H. Wittenoom
Hon. W. J. Mann	Hon. G. B. Wood
Hon. G. W. Miles	Hon. C. G. Elliott (*Teller.*)

NOES.

Hon. A. M. Clydesdale	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. T. Moore
Hon. E. H. Gray	Hon. G. Fraser
Hon. E. M. Heenan	(*Teller.*)

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

Clauses 55, 56—agreed to.

Clause 57—New section; Hairdressing schools:

Hon. J. NICHOLSON: I move an amendment—

That in the last paragraph of proposed Section 128A the following be struck out:—"to the trade in accordance with any award or industrial agreement made under the provisions of the Industrial Arbitration Act, 1912-1935, and its amendments operating in regard to the particular trade, or is duly bound."

This is in accordance with the recommendations of the select committee.

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

Death of Traffic Inspector Lewis.

The CHIEF SECRETARY: I very deeply regret to say that I have just received information that Inspector Lewis of the Traffic Department has been killed in a motor accident. I am aware that the deceased officer was well and favourably known to all members of the Chamber, and I consider it my duty to convey the sad news as soon as I can.

Committee Resumed.

Clause 58—Amendment of Section 129 of the principal Act:

Hon. J. NICHOLSON: In accordance with the recommendation of the select committee I move an amendment—

That paragraph (a) (i) be struck out.

The CHIEF SECRETARY: This is a matter which will be consequential on the decision in regard to Clause 60. I see no reason to oppose the amendment at this stage.

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

Clause 59—Amendment of Section 130 of the principal Act:

Hon. J. NICHOLSON: The select committee recommends the deletion of the clause.

The CHIEF SECRETARY: Here again the select committee has decided the question on another clause. It is practically impossible to prove that a person has "knowingly" made a false entry. However, we should be prepared to give the department power to have the measure policed adequately, and while the word "knowingly" remains there is practically no possibility of securing a conviction.

Clause put, and a division called for.

The CHAIRMAN: I give my vote with the ayes, as the question has already been decided once.

Hon. J. J. Holmes: But it was decided the other way on Clause 5.

Result of division:

Ayes	13
Noes	10
Majority for	3

Ayes.	
Hon. L. B. Bolton	Hon. E. H. Gray
Hon. A. M. Clydesdale	Hon. E. M. Heenan
Hon. J. Cornell	Hon. W. H. Kitson
Hon. L. Craig	Hon. T. Moore
Hon. J. M. Drew	Hon. H. S. W. Parker
Hon. C. G. Elliott	Hon. H. Seddon
Hon. G. Fraser	(*Teller.*)

Noes.	
Hon. E. H. H. Hall	Hon. H. V. Piesse
Hon. V. Hamersley	Hon. H. Tuckey
Hon. J. J. Holmes	Hon. C. H. Wittenoom
Hon. W. J. Mann	Hon. G. B. Wood
Hon. J. Nicholson	Hon. J. M. Macfarlane
	(*Teller.*)

Clause thus passed.

Clause 60—Repeal of Section 131 of principal Act and insertion of new section; Records to be kept in Fourth Schedule shops:

Hon. J. NICHOLSON: The deletion of the clause is recommended. This is the clause to which the Chief Secretary referred in connection with Clause 58.

The CHIEF SECRETARY: The clause could well be agreed to. Trading hours of shops, hotels and restaurants spread from early in the morning until 11 o'clock at night, and occasionally until midnight and even later. The working hours of assistants are limited to a certain number per day, and an assistant may not recommence work until ten hours have elapsed since his ceasing work on the preceding day. It is quite a common practice for shopkeepers under this system to have what is known as a mechanical record, which indicates the hours assistants are supposed to have worked on any particular day. In many cases, however, it is not a correct record of the hours actually worked. Assistants sign these records frequently because they are afraid that unless they do so they are likely to lose their employment. The clause is suggested by the Chief Inspector of Factories, and is inserted as the result of numerous complaints which he and the department have received from time to time. The clause is fair. It deals with the provision of a record of the time that is actually worked by the employee, and there should be no objection to that. Only this week there have been two complaints made to the department in regard to this particular matter.

Hon. J. NICHOLSON: Witnesses drew attention to the number and nature of the details required by this clause. Amongst other things it is provided that the wages paid to shop assistants shall be posted up, and it was felt not desirable that such details should be made public.

Hon. L. B. Bolton: Some might be ashamed of what they pay.

Hon. J. NICHOLSON: They are all bound to pay award rates. The Committee felt that the Act as it stood provided all that was required.

The CHIEF SECRETARY: I am satisfied that the Chairman of the Select Committee has not given the clause the consideration it deserves. I am not in a position to say what evidence was submitted, but I feel sure the Chief Inspector of Factories would have given ample evidence to justify every word in the amending clause. With regard to wages, the position is not as suggested by Mr. Nicholson. The clause provides that a shopkeeper of every shop of a description mentioned in the Fourth Schedule shall keep in the prescribed manner a correct record of the wages paid. The prescribed manner is by means of a wages book which is not open to the public but is there for inspection by an officer if he desires to look at it. It is meant to prevent the payment of lower wages than should be paid. I do not know of any self-respecting concern which does not keep a wages book. In the Arbitration Court awards there is usually a clause providing for the keeping of such a book, and this clause is meant to apply to places not governed by award. A special clerk would not be required to keep the book unless there were a very big staff.

Hon. L. B. BOLTON: I support the Minister. This is a clause which provides protection for the decent shopkeeper. I see nothing severe in the regulations. It is mostly foreign storekeepers in the small shops who get behind the Act that the respectable and decent storekeeper has to abide by. There are many unscrupulous shopkeepers in this State who work their employees nearly every night in the week and who never pay a threepenny piece overtime. I have had the matter brought under my notice week after week.

Hon. J. J. Holmes: By your foremen?

Hon. L. B. BOLTON: No, by the people concerned. There is one young man who completed his apprenticeship nearly two years ago, and is to-day receiving a fourth year's pay. He is threatened with the sack if he discloses the fact. I told him that he should go to the union, because I believe in giving men a fair deal. Better service is obtained from them if they are given a fair deal. The man told me that if he went to the union he would lose his job and the union would not help him get another. Other hon. members know that there are many employees in this town working under those conditions. This clause will protect decent storekeepers who have to compete against foreigners that employ bits of girls all hours of the night and pay them low wages.

Clause put and passed.

Clause 61—agreed to.

Clause 62—postponed.

Clause 63—New Section:

Hon. J. NICHOLSON: This clause is consequential on Clause 2.

Clause put and negatived.

Clauses 64 and 65—agreed to.

Clause 66—Repeal of Section 144 and insertion of new section:

Hon. J. NICHOLSON: This clause deals with fines to be imposed upon conviction. The committee suggested that the amounts should be 10s. for a first conviction and £3 for a third conviction. I move an amendment—

That in line 9 "£1" be struck out and "10s." inserted in lieu.

The CHIEF SECRETARY: The object is to provide a statutory minimum penalty for a third offence. The Act provides a minimum for a first offence and £2 for a subsequent conviction. Sometimes more than three convictions for a similar offence have been recorded against one employer, showing that he was prepared to take the risk and that the penalty was not a deterrent. Some employers are good, some are very good and some are very bad. We should be prepared to support the department by making the penalty for a third offence substantial enough to compel the employer to take notice. A fine of 10s. is nothing for a first offence, and frequently it would pay the employer to incur the fine because it would be worth more than that sum to him.

Hon. L. Craig: Would there also be costs?

The CHIEF SECRETARY: Very small costs, as a rule about 1s.

Hon. J. J. HOLMES: A magistrate may impose any fine he likes. The clause provides for an irreducible minimum penalty. We generally fix a maximum penalty, but this is a reversal of the usual practice.

Amendment put and passed.

Hon. J. NICHOLSON: I move an amendment—

That in the third line of the penalties "5" be struck out and the figure "3" inserted in lieu.

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

Clause 67—agreed to.

Clause 68—Amendment of Section 153:

Hon. J. NICHOLSON: The select committee recommended that the Act is sufficient to meet requirements and that this clause should be deleted.

The CHIEF SECRETARY: The Act requires that female shop assistants shall be provided with a suitable change and rest room for their exclusive use if required by the inspector. The object of the clause is to make the provision mandatory, which is highly desirable.

Hon. J. Nicholson: Some of the small shops could not provide such rooms.

Hon. E. H. H. HALL: A retiring room should be provided where there is any number of female employees, but before such conditions are imposed on private employers the Government should set the example. In the Geraldton school there are 16 or 17 female teachers but no such room is provided.

The CHAIRMAN: That has nothing to do with this Bill.

Clause put and negatived.

Clause 69—Amendment of Fourth Schedule:

Hon. J. NICHOLSON: This should be deleted as *consequential* to Clause 42, which has been struck out.

The CHIEF SECRETARY: Again I consider the select committee made a mistake. This has nothing to do with Clauses 41 or 42. The proposal is intended to rectify an error in the Act. Several classes of shops are grouped in the two parts of the Fourth Schedule, and hours and working conditions

are referred to in Parts VIII and IX. There are differences between the Fourth Schedule shops and the non-schedule shops. Hairdressers and chemists' shops are dealt with particularly in regard to trading hours in Sections 107 and 109 and should be removed from the Fourth Schedule. Some few years ago a proclamation was gazetted under Section 117 declaring that on a certain day other than a Monday all the shops except those mentioned in the Fourth Schedule and registered under Section 104 should be closed. A hairdresser in one of the main country centres was in doubt as to whether he could open. He interviewed the Inspector of Police who referred to Section 117 and advised the hairdresser that he could open the whole day. An inspector of factories happened to be in the district and he said the hairdresser had to close. The hairdresser referred to the information given by the police and the inspector of factories advised the police of the provision in Section 109. Similar confusion has arisen on other occasions, and a similar experience might arise in connection with chemists' shops. The department claims that the amendment in Clause 69 would have the effect of preventing confusion.

Clause put and passed.

Clause 70—Consequentially negatived.

Clause 71—Citation of principal Act as amended:

Hon. J. NICHOLSON: Some amendment may be necessary to this clause.

The CHAIRMAN: That is a matter for the Clerk of Parliaments. It is a duty that has recently been foisted upon him.

Clause put and passed.

Postponed Clause 2—Amendment of Section 4:

The CHAIRMAN: The question is that paragraph (a) be struck out.

Hon. J. NICHOLSON: I thank the Chief Secretary for handing me a copy of the suggested amendments which have been prepared by the Crown Law Department. I have not yet had an opportunity to discuss them with other members of the select committee.

The CHAIRMAN: The postponed clauses were Nos. 2, 22, 23, 25, 35, 43, 45 and 62.

Hon. J. NICHOLSON: It was understood that some of these clauses, and others, might be recommitted. Perhaps the Chief Secretary would report progress at this stage. I should like to know if he has arranged for amendments to the other clauses.

The CHIEF SECRETARY: This is rather a remarkable position. The select committee sat for many weeks, and brought down recommendations with which we have been dealing for some time. Many of the clauses were not given the consideration by the select committee to which they were entitled.

Hon. J. Nicholson: That is not fair.

The CHAIRMAN: It is only a matter of opinion.

The CHIEF SECRETARY: The debate on these clauses has shown conclusively that that was so. Members of the select committee have agreed that there are some points in certain clauses that should be retained, and that the Act should be amended to meet them. I have said I would assist in that direction, and have caused suggestions to be made whereby the Solicitor General has spent a good deal of time in drafting amendments to meet the views of Mr. Nicholson. I supplied the hon. member last night with a copy of the drafted amendments, and I am now asked to report progress so that he may confer with his colleagues of the select committee. We have taken altogether too much time over this Bill. Complaints have been made year after year that Bills come up to this House late from another place.

The CHAIRMAN: Order!

The CHIEF SECRETARY: I do not want to elaborate upon that. We have not been treated fairly in this matter. Mr. Nicholson should be prepared to move his amendments. If progress is reported, another day will be lost to the Assembly in which to deal with the measure. I certainly do not think I should do Mr. Nicholson's work on the work of the select committee.

Hon. J. NICHOLSON: I am surprised at the remarks of the Chief Secretary. When the Committee agreed to the deletion of certain clauses, the Chief Secretary put forward certain views expressive of the desire of the department that parts of these clauses should be retained. Because of their nature, the select committee could not recommend the adoption of these clauses and that is why their deletion was recommended. The Chief Secretary now suggests that too much time has now been spent on the Bill. That is not justified so far as the select committee is concerned. Mr. Heenan can say whether the

clauses of the Bill were considered by that committee or not. It is a poor reward for the select committee to have a comment like that directed upon it. It is most unjustifiable. I hope the Chief Secretary will not again advance such criticism with respect to a select committee which has endeavoured to do its best on behalf of the House. Some of the clauses were so extreme in character that the select committee could make no recommendations concerning them. We brought before the Chief Secretary the desirability of having some amendments prepared by the Crown Law Department, by the officer who had prepared the Bill, so that the amendments would be in harmony with the measure. We have endeavoured in every way to assist the Chief Secretary, and have not tried to block the Bill.

The CHAIRMAN: Throughout the debate the Chief Secretary took the line that this was his Bill but that the Council had referred it to a select committee. Certain recommendations have been made by the select committee. When the Minister was opposing amendments, he did say that the select committee had gone too far. He said it was now not in his province as the Bill had been taken out of his hands, but agreed to consult with the Crown Law Department with a view to getting some modifications to the select committee's recommendations. I would point out that several of those recommendations were not adopted. The Chief Secretary has now presented his modifications to Mr. Nicholson, and has thus fulfilled his promise. It is now Mr. Nicholson's job or that of some other member to put forward those modifications.

Hon. J. NICHOLSON: Those modifications or amendments were suggested by the Chief Secretary, not by the select committee. I have gone through them, but have not discussed them with my colleagues, as I am in duty bound to do.

The CHAIRMAN: We will get nowhere if we go on as we are doing. The Chief Secretary can either report progress or we can go on with the postponed clauses, and then report the Bill.

Hon. J. J. HOLMES: I take it the select committee ceased to exist when it reported to the House. It is for this Committee to say whether the recommendations shall be accepted or not. I suggest we should proceed along these lines.

The CHIEF SECRETARY: I agree that we shall not get anywhere as we are now going. I am particularly anxious to make rapid progress with the Bill, and have evidenced that even to the extent of keeping it before members at the expense of other rather important measures. I am still desirous of getting a Bill. If it is much longer delayed in this House, there will be no hope of getting it through. I think I have done all that I should be expected to do. I have supplied Mr. Nicholson with alternative amendments which I consider, in view of the opinions expressed by him and other members of the select committee, will probably meet the position regarding the particular clauses affected. One or two of the alternative amendments have not yet been supplied, but arrangements have been made for them to be furnished. As Mr. Nicholson has had no opportunity of considering those proposals, I intend to move to report progress with a view to consideration of the Bill being finalised to-morrow evening. Apart from the postponed clauses, there are those which it was understood would be recommitted, and those clauses I believe to be essential for the proper working of the Act. It will be necessary at the next sitting to go right through and complete consideration of the Bill. I move—

That progress be reported.

The CHAIRMAN: Before putting the motion, I desire to emphasise the point that I am always desirous of extending help to members. I do urge that when the Bill is again before members to-morrow, they do not take time over infinitesimal points, and so delay progress. It certainly appears that the Committee will have ample opportunity further to deal with the Bill when it is returned to us from another place, which is extremely likely.

Motion put and passed.

Progress reported.

BILL—INCOME TAX ASSESSMENT.

In Committee.

Resumed from an earlier stage of the sitting.

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

Clause 122—Capital expenditure of companies:

The CHAIRMAN: Progress was reported after Mr. Seddon had moved an amendment to strike out all words after "twenty-four" in line 6 of the first proviso, and the whole of the second proviso.

The CHIEF SECRETARY: Since we last discussed the amendment to this clause, I have been able to make inquiries as to its effect. It would appear that the effect will not be great at the present time, but in years to come the importance of its effect will increase. It will be important only when mines that are in the producing stage are able to pay dividends. It is only when mines begin to make profits that it will operate. I shall not raise any strong objection to the amendment, but from the Treasurer's point of view, it is highly desirable that the clause shall remain in the Bill. The Treasurer cannot possibly give any estimate of the amount involved because it is so problematical. In the course of time, a fairly considerable sum of money will be involved.

Hon. H. SEDDON: I thank the Minister for his explanation. The position will clarify itself in the course of time. The Bill already contains provision that a full statement of income and expenditure, showing every item, must be furnished to the department. The departmental officials will be in a position to appreciate how the companies are progressing, and if they reach a position at which the effect of the clause will confer an unfair advantage on them, the Government can amend the Act and their proposal will receive favourable consideration by Parliament. In the meantime, I ask members to agree to the amendment, so that it will be given a trial for a few years.

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

Ayes	17
Noes	8
Majority for	9

Ayes	
Hon. E. H. Angelo	Hon. W. J. Mann
Hon. C. F. Baxter	Hon. J. Nicholson
Hon. L. B. Bolton	Hon. H. S. W. Parker
Hon. L. Craig	Hon. H. V. Piesse
Hon. J. M. Drew	Hon. H. Tuckey
Hon. C. G. Elliott	Hon. C. H. Wittenoom
Hon. E. H. H. Hall	Hon. G. B. Wood
Hon. V. Hamersley	Hon. H. Seddon
Hon. J. M. Macfarlane	*(Teller.)*

Noes.	
Hon. A. M. Clydesdale	Hon. W. H. Kitson
Hon. G. Fraser	Hon. G. W. Miles
Hon. E. H. Gray	Hon. T. Moore
Hon. J. J. Holmes	Hon. E. M. Heenan
	(Teller.)

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

Bill again reported with a further amendment, and the report adopted.

Third Reading.

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

BILL—HIRE PURCHASE AGREEMENTS ACT AMENDMENT.

Second Reading.

THE HONORARY MINISTER (Hon. E. H. Gray—West) [9.44] in moving the second reading said: The Bill is a short one, and should not take much time to dispose of. It has been introduced following upon the report of the Royal Commissioner, Mr. Moseley, who made certain recommendations. The Bill provides for two small amendments to Section 5 of the principal Act, which prescribes certain proceedings on a vendor repossessing a chattel. The Act at present stipulates that after a chattel has been seized by a vendor on default by the purchaser, the latter may within 21 days thereafter demand an account. It is further provided that the vendor shall, within 21 days of receipt of that demand, deliver the required account to the purchaser. I understand Mr. Parker proposes to move an amendment to the clause concerned as the result of requests he has received from many firms, and the effect of the amendment will be that the account will be delivered when the chattel is repossessed. I am prepared to accept that amendment. Subsection 3 of Section 5 prescribes the form of the account. The vendor must credit the purchaser with the value of the chattel where and when it was repossessed.

Hon. L. Craig: Who determines the value?

The HONORARY MINISTER: That is provided in the Bill. The purchaser, however, may be debited with any instalments of rent overdue and unpaid, with interest at 8 per cent.; with 90 per cent. of the instalments of rent not yet due and with any other sum as may be necessary under the agreement to complete the purchase. The amount of any

damages suffered by the vendor as a result of any breach of agreement on the part of the purchase may also be debited against the latter. The balance shown on the account is then a debt due to the vendor or the purchaser, as the case may be. Where the parties cannot agree on the account rendered, provision is made to have the matter decided by the local court. In his report on the hire purchase system the Royal Commissioner, Mr. Moseley, stated that he considered the present period of 21 days allowed to the purchaser to demand an account was insufficient. Provision has therefore been made in this measure to increase the period to two months. There is only one other amendment in the Bill, and this, too, has been brought forward as a result of Mr. Moseley's report. Many people who purchase goods under hire-purchase agreement are not aware of their rights under Section 5 of the Act. The Royal Commissioner recommended that the Act should be so amended as to ensure that all purchasers will be acquainted with those rights. To that end the Bill now provides that whenever a seizure is made, the vendor must serve on the purchaser a copy of Section 5 of the principal Act, which sets out the purchaser's rights on seizure. I move—

That the Bill be now read a second time.

HON. H. S. W. PARKER (Metropolitan-Suburban) [9.47]: I have no objection to the Bill, subject to the amendment I propose to move.

HON. G. B. WOOD (East) [9.48]: I have followed closely the debate on this Bill in another place. The Bill was desirably amended in another place, and so I will support the second reading.

Question put and passed.

Bill read a second time.

In Committee.

Hon. V. Hamersley in the Chair; the Honorary Minister in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 5 of the principal Act:

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

That paragraph (a) be struck out and the following substituted:—"(a) by repealing Subsection 1 of Section 5 and inserting in lieu thereof (1) Whenever the vendor except by the request or at the instance of the purchaser shall take possession of any chattel the subject of a hire-purchase agreement the vendor shall within 21 days thereafter prepare and serve on the purchaser an account as between the vendor and the purchaser."

The only alteration in the law would be that it is incumbent on the vendor when he repossesses an article to give an account within 21 days. An account cannot be given at the moment of seizure, because the chattel has to be valued first. So the vendor has 21 days in which to present his account.

Hon. E. M. HEENAN: I understand from the proposed amendment that under the existing Act the purchaser has the right within 21 days to demand an account. The amendment will have the effect of making it obligatory upon the part of the vendor to deliver an account within 21 days.

Hon. H. S. W. Parker: That is so.

Hon. E. M. HEENAN: I do not like the inclusion of the words "except by the request or at the instance of the purchaser." Very often a purchaser finds himself in difficulties and requests the vendor to come and repossess the chattel. If that situation should arise, under the amendment there will not be an obligation on the part of the vendor to deliver an account. I think that no matter in what circumstances repossession is taken, the account should be rendered.

Hon. H. S. W. PARKER: A man hires an article and wants to get out of his agreement. The only way he can do so is to hand the article back. This was fought out on the original Bill. If for some reason a man is unable to fulfil his obligation, the law says, "We will not allow the hirer to seize the goods." Again, if a man pays £100 on an article worth £125, the law will not allow the owner to seize it, because the purchaser has an equity in it, but if he likes to hand it back to the hirer, he can do so. The owner might say, "I would rather give you time to pay." The object of the Bill is solely for the purpose of following up the law as it is at present, to make an owner give an account instead of the purchaser having to ask for it.

Hon. E. M. HEENAN: No matter in what circumstances an article is repossessed, an account should be given. That is not asking much. There are some people who pay quite a lot on an article and probably get into difficulties. They might then voluntarily hand it in. That being so, they would not get an account if Mr. Parker's amend-

ment were carried, and they might not be aware of their rights. I would like to see the words "except at the request" deleted from Mr. Parker's amendment.

The HONORARY MINISTER: The object is to make the position more effective. I suggest that we pass the amendment, and if to-morrow we find it has not been properly drafted, we can recommit the Bill.

Hon. J. CORNELL: It would be better to report progress. Even though it is only a one-clause Bill it is not possible for members to follow Mr. Parker's amendment without having a copy of it.

Hon. H. S. W. PARKER: The law at present is that when an owner seizes a chattel he does nothing, but the hirer may, if he likes, within 21 days demand a statement. The proposal is that the vendor shall give a statement within three weeks so that the man whose chattel is seized will get an account whether he wants it or not.

Hon. G. FRASER: I am satisfied that the amendment will be an improvement, but I am also inclined to the view expressed by Mr. Heenan. Unfortunately we have not had the opportunity of seeing just exactly what Mr. Parker's amendment really is. If it were on the Notice Paper, we might be able to improve it. Consequently we should report progress.

Hon. G. B. WOOD: The amendment is commendable and we cannot do better than accept it.

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

Clause 3, Title—agreed to.

Bill reported with an amendment and the report adopted.

BILL—BUSH FIRES.

In Committee.

Resumed from the 25th November; Hon. J. Cornell in the Chair, the Honorary Minister in charge of the Bill.

The CHAIRMAN: Progress was reported on Clause 20, "Special powers of bush fire control officer," an amendment having been moved by Mr. Wood to strike out paragraph (a).

The HONORARY MINISTER: As the result of inquiries I learn that the powers proposed to be granted to the bush fire control officer are necessary. If he is to be in charge, he must have those powers.

Hon. G. B. Wood: Who is to say what are the proper powers?

The HONORARY MINISTER: The powers in the clause are the only powers applicable.

Hon. G. B. WOOD: I regard paragraph (a) as altogether too drastic. It has been said that the road boards are in favour of the Bill, but I say definitely they are not. The Road Boards Conference asked for a Bill, but not for this Bill. Many road boards are perturbed about this measure as being too drastic. The York Road Board would not dare to give a bush fires control officer the powers vested in the Chief Officer of the Fire Brigades Board. Further, I have received from another road board a letter containing the following passage:—

> The fear of victimisation by a control officer in burning one man's place to save a friend's, or perhaps his own, is very real. The interest of a control officer in the country would be very different from that of the foreman of a town fire brigade.

The bush fires control officer may be an excellent officer, but in his absence the lieutenant would exercise the powers, and failing the lieutenant the corporal would do so. People qualified to take on such powers would not accept them. Again, there are persons who set fire to the country by dropping lighted matches. The Bill savours of the Underwriters' Association; it is not a farmers' Bill.

Hon. E. H. ANGELO: Some years ago when I was a member of the Fire Brigades Board, the Government asked the board to prepare a bush fires Bill. A Committee was appointed to prepare a Bill, which later was handed to the Government. During the committee's deliberations we had evidence from the Conservator of Forests and from representatives of Eastern States fire brigades. Nearly every witness stressed the need for giving the controlling officer wide powers. The Fire Brigades Board controls numbers of country volunteer fire brigades, the captains of which have large powers. Never during the course of my four years on the board did I hear any complaint of the captain of a volunteer fire brigade going beyond what was right and necessary.

Hon. T. Moore: The volunteers are all trained men.

Hon. E. H. ANGELO: But they started in the same way as the bush fires control officer would start. The simpler course would be to state in the Bill the powers indicated

by the Honorary Minister. I support the clause as it stands.

Hon. G. FRASER: If a city member may dare to say something about bush fires control, I consider it ridiculous to pass the Bill without giving the requisite powers to someone. When the man in charge wants to take action necessary to check a fire, apparently others are to tell him what he may or may not do. The amendment would result in a Darktown fire brigade.

Hon. T. MOORE: Clause 26 deals absolutely with bush fires. We could cut out the present clause. Clause 26 defines the powers of the bush fires control officer, and that clause is quite clear. I support the amendment.

Hon. G. B. WOOD: The position between a fire brigade in a country town and one in the bush is entirely dissimilar. In a country town every Sunday morning the men are able to practise, and they are trained almost to the same extent as are the men in the city. In the bush there is no opportunity for any practice. We are not cutting out control by the fire control officer, because powers are given to him under paragraphs (b) and (c) and it is not proposed to take them away.

Hon. L. CRAIG: I agree with Mr. Fraser that if we are to have a control officer, he must be given the necessary powers.

The HONORARY MINISTER: It is necessary to give the bush fire control officer authority as it is given to fire officers in the city. He will be a person selected by the road board concerned. From the remarks of hon. members, it might be thought that road board members were a lot of mugwumps who would select men with no brains or ability to do this work. That would not happen. Although hon. members may not like the provisions of the Bill, it is necessary to prepare for an emergency.

Hon. H. V. PIESSE: I agree with the Honorary Minister. We must give control to some individual and power is in the hands of the local authorities. Mistakes will be made, and when they occur the men concerned will be dealt with. It is not necessary to keep the one man in control.

Hon. H. TUCKEY: Most of the boards have asked for the Bill, and if it is to be any use it must contain wide powers. If Mr. Wood desires to cut out any particular paragraphs, he should put up amendments. If the paragraph is cut out, the whole Bill will be spoilt.

Hon. W. J. MANN: The bush fire brigade would be more or less a loose organisation functioning at the most for three or four months of the year. For the greater portion of the year there would be no necessity for it. I have examined the parent Act to find out what the powers and duties of the chief officer are. I find nothing to make me apprehensive of appointing a captain for a bush fire brigade, who would operate in a different manner from the captain of an ordinary volunteer or permanent fire brigade. The latter requires to have knowledge of building construction and water pressure, and a lot of other things that would rarely be needed by the captain of a bush fire brigade. I can see no reason to delete the paragraph.

Amendment put and negatived.

Clause put and passed.

Clauses 21 to 27—agreed to.

Clause 28—Damage by bush fire to dividing fence:

Hon. H. V. PIESSE: I move an amendment—

That in line 2 of paragraph (b) of Subclause 1 after "dividing" the words "and internal" be inserted.

If any damage is caused through anyone lighting a fire, he should be responsible for the damage done to any internal fence on that property.

Hon. L. CRAIG: This is rather drastic. We are going to give a fire control officer power to take charge of a fire and if necessary light grass on someone else's property. Now it is proposed to make him responsible if a fence is burnt. No officer would dare to take on such a responsibility. Nobody would light a fire if he had to be responsible in the event of the burning of a fence.

The CHAIRMAN: What is an internal fence?

Hon. H. V. PIESSE: It is a dividing fence.

The HONORARY MINISTER: Under Clause 17, the local authority is given power to require occupiers of land to plough or clear fire breaks. Local authorities may not in all cases desire to come under this Bill, and in some cases may not have exercised their power under Clause 17. This clause, therefore, is desirable, as it gives protection to occupiers or owners of land clearing their

land along a fence and enables them to have any damage done made good by the person not clearing on his side of the fence.

Amendment put and passed.

Hon. H. V. PIESSE: I move an amendment—

That at the end of Subclause 1 the following words be added:—"No person can claim successfully unless he has taken adequate and reasonable precaution, as set out in sections nine and ten of this Act, to prevent damage, except where negligence of the person sued is proved."

Amendment put and passed.

Hon. V. HAMERSLEY: Throughout the clause reference is made to a fire break of at least ten feet. That is too wide. For the last 40 years I have ploughed break after break all over my property, and have seen breaks in other places, and none that I have ploughed or seen ploughed has been ten feet wide. A 4-ft. break is ample. Ten feet is an extravagant break to demand of people.

Hon. H. TUCKEY: I agree with Mr. Hamersley. If a man did not burn away from a break, a width of 10 feet or 20 feet would be of no use, but by burning away from a break, a width of 3 feet or 4 feet would be sufficient.

The CHAIRMAN: If Mr. Hamersley wishes to reduce the width he will have to move on recommittal.

The HONORARY MINISTER: In South Australia a 20ft. break is provided.

The CHAIRMAN: That question cannot be discussed now.

Clause, as previously amended, agreed to.

Clauses 29, 30—agreed to.

Clause 31—Appropriation of penalties:

Hon. H. TUCKEY: I move an amendment—

That in Subclause 1 the words "to the Minister who shall pay a moiety thereof, less any expenses" be struck out.

As the local authorities will have all the expense and responsibility of administering the measure they should be entitled to the fees. We should consider the question of compensation where damage is done to a farm in order to save other properties. If a local authority were able to collect fees and build up a fund, there would be money to help meet such damage.

Hon. G. B. WOOD: I support the amendment. It is not fair that a local authority should incur the expense of a prosecution and that the Minister should take half the proceeds.

The HONORARY MINISTER: In some parts of the State the local authority would not take action. The prosecution would be launched by the police or by a forest officer.

Hon. H. TUCKEY: If the Forests Department took action to secure a conviction I would not mind so much, but where the local authority took action it should receive the amount of the penalties.

Hon. C. F. BAXTER: I support the amendment. If the local authorities do not receive the fees the measure will become another taxing machine for the Government. The object of the Bill is to preserve the country from which the Government draw their revenue.

The HONORARY MINISTER: To expect the local authorities to receive the money when they had taken no action would be unreasonable. If they did take action, the proportion in the Bill would be fair.

Hon. C. F. BAXTER: When a forest officer took action it would be designed to protect a security from which the Government derive considerable revenue.

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

Ayes	12
Noes	8
Majority for	4

Ayes.	
Hon. C. F. Baxter	Hon. W. J. Mann
Hon. L. B. Bolton	Hon. G. W. Miles
Hon. L. Craig	Hon. H. V. Piesse
Hon. C. G. Elliott	Hon. H. Tuckey
Hon. E. H. H. Hall	Hon. G. B. Wood
Hon. V. Hamersley	Hon. C. H. Wittenoom (*Teller.*)

Noes.	
Hon. E. H. Angelo	Hon. E. M. Heenan
Hon. A. M. Clydesdale	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. T. Moore
Hon. E. H. Gray	Hon. G. Fraser (*Teller.*)

Amendment thus passed.

On motion by Hon. H. Tuckey, Subclause 2 consequentially struck out.

Clause, as amended, agreed to.

Clauses 32 to 34—agreed to.

Clause 35—Prosecution of offences:

Hon. G. B. WOOD: I move an amendment—

That in line 1 of Subclause 2 the words "every bush-fire control officer" be struck out.

The subclause provides that every forest officer, every bush fire control officer and every member of the police force may, by

virtue of his office, institute proceedings for offences. Even the Chief Officer of the city Fire Brigade has not the power to prosecute without the approval of the board. Yet it is proposed to give that power to all bush fire control officers in the country who will be amateurs. If the amendment is carried, I shall later move to provide that the permission of the local authority to institute proceedings must be obtained.

Progress reported.

House adjourned at 10.58 p.m.

Legislative Assembly,

Wednesday, 1st December, 1937.

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

QUESTION—SUSTENANCE AND PERMISSIBLE EARNINGS.

Mr. TONKIN asked the Minister for Employment:—1, Is he aware of the disadvantage suffered by men in receipt of rations as compared with their fellows on relief work in the matter of permissible earnings from private employment? 2, Will he liberalise the departmental conditions so as to permit men on rations to earn from private sources considerably more than is allowed at present, without suffering reduction in the quantity of rations to which their sustenance right would entitle them?

The MINISTER FOR EMPLOYMENT replied: 1, Men receiving rations are not called upon to give anything in return for assistance received. 2, The question of liberalising the departmental conditions is linked up with the question of the assistance given being used as indirect subsidies to private employers. However, the suggestions made will receive consideration following the initiation of the improved employment scheme.

QUESTION—TERMINAL GRAIN ELEVATORS LEGISLATION.

Consultation with Grain Acquirers.

Hon. W. D. JOHNSON asked the Minister for Lands: 1, Whether the special departmental committee which has been working on matters connected with the Terminal Grain Elevators Bill invited the private wheat merchants to a meeting on the 25th November, 1937? 2, If so, what were the objects of this meeting? 3, Has any of the invited wheat merchants a head office in Western Australia, or are they all simply branches of outside-controlled companies? 4, Are there other comparatively large wheat acquiring, handling and shipping concerns operating in the State? 5, Would such concerns embrace the Westralian Farmers and the Wheat Pool of Western Australia? 6, Is he aware that the two last-mentioned concerns are co-operatively controlled and owned by the farmers of the State? 7, Why were these co-operative concerns excluded from the said discussion with the said committee? 8, Did he and his committee consider that the outside-controlled private wheat merchants were more competent to assist with sound, impartial advice than the co-operative concerns mentioned? 9, If not, why was this discrimination practised?

The MINISTER FOR LANDS replied: 1, Yes. 2, To discuss certain phases of proposed Bunbury operations raised by Mr. H. E. Braine at a conference with the committee on the previous day. 3, The constitution of the merchant companies is not known to me. 4, Yes. 5, Yes. 6, I understand Westralian