

# Legislative Assembly,

Wednesday, 5th November, 1939.

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Plant Diseases (Registration Fees), 1a.	1812
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The SPEAKER took the Chair at 4.30 p.m., and read prayers.

## QUESTION—WORKERS' HOMES.

### *Insurance of Purchasers.*

Mr. SAMPSON asked the Acting Premier: As I understand it is now competent for a life assurance policy to be taken out providing for the protection of a home purchaser and, in the event of serious accident or death, the amount outstanding on the house would thereby at once be provided for, thus relieving the widow or dependants of anxiety, will he (a) give consideration to the inclusion in the agreement for the sale of a worker's home of a policy providing for the above if such is desired by the purchaser; the annual premium on the policy to be paid by the Board and recouped from the purchaser in his regular instalments? (b) Furnish a statement as to the additional charge or added weekly amount which would be necessary in order to ensure a clear and unencumbered title to the home?

The ACTING PREMIER replied: (a) This question involves an amendment to the Workers' Homes Act. (b) Information not available.

## BILL—LOAN, £2,137,000.

### *Message.*

Message from the Lieutenant-Governor received and read recommending appropriation for the purposes of the Bill.

## BILLS (2)—FIRST READING.

### 1. Plant Diseases (Registration Fees).

Introduced by the Minister for Lands.

### 2. Sunday Observance.

Introduced by the Minister for Labour.

## BILL—LOTTERIES (CONTROL) ACT AMENDMENT.

Read a third time and passed.

## MOTION—LAND SETTLEMENT, KIMBERLEY PROJECT.

### *To Inquire by Select Committee.*

Debate resumed from the 20th September on the following motion by Hon. W. D. Johnson (Guildford-Midland):—

That a select committee be appointed to examine and report upon any and all proposals submitted to the Government for special settlements in the Kimberleys or elsewhere in the North and/or North-West of Western Australia, and generally to investigate and report on the possibility of increasing settlement, and consequent population, economically in the said areas of Western Australia.

**THE MINISTER FOR LANDS** (Hon. F. J. S. Wise—Gascoyne) [4.36]: In moving this motion the member for Guildford-Midland (Hon. W. D. Johnson) gave several reasons that he considered sufficient to warrant the appointment of a select committee to inquire into any proposal for a settlement in the North-West. The particular reasons he advanced were that the Government was reported to be favourably disposed to the proposed settlement in the Kimberleys; the lesson learnt from group settlement as to the undesirable results of rushing into such a project with little knowledge; and that the fear to which he gave expression when in London should be dispelled. His fear was that too little was known of the Kimberleys to warrant any such settlement. Another statement made by the hon. member was that the Gascoyne and Ashburton districts were more suitable for a closer settlement scheme. Finally, the hon. member said, "We want data on record to show that the whole question was investigated before one particular area was selected." He contended that a select committee must be appointed to investigate and determine whether the State could wisely enter upon such a scheme with the assistance of outside money.

At the outset I desire to state that I am absolutely opposed to a select committee on those grounds. The Government is in possession of all the information necessary to enable it to give complete consideration to any proposal from any person or persons re-

garding settlement schemes in the North-West of the State. With regard to the Gascoyne and Ashburton areas being more suitable for settlement, I would point out that in 1923 the Government of this State decided to create a precedent by stationing an officer in the North-West to promote agricultural development, if possible, and to inquire into the possibilities of the introduction of new fodder plants. This officer was far-removed from headquarters—his first station, I believe, was Wyndham—and there was no possibility of his being under supervision. Consequently the department took some risk in appointing him, and he had a big responsibility to the department. Some of the work undertaken at that time included the introduction of fodder plants, grasses, top feeds and other plants likely to improve the carrying capacity of the North-West. These plants were obtained from semi-arid countries of the world, or from other regions from which they were procurable in the hope that they would add to the natural wealth of the State. Various types of fodders and grasses were introduced from all parts of the world, particularly those that had some co-relation in regard to rainfall, climate and situation with those countries that were situated in coastal regions, especially coastal regions with a low rainfall. Some of the plants have grown, and evidence of that is to be found in the North-West today. Some indeed have done remarkably well. At that time the claim was made that it was possible for one plant, if successful and able to stand up to the conditions of rainfall ranging from 6 ins. to 34 ins. at Wyndham, to add millions to the national wealth of the State. No effort was spared to secure all manner of seeds, even to the importing from abroad of cuttings packed in suitable material. One particular plant was introduced from Jamaica and showed remarkable results. Some specimens came from the province of Jahore in India, and these are also showing great possibilities in the coastal regions between Broome and Port Hedland. Extensive experiments were carried out with cotton, peanuts, and all kinds of summer-growing crops that might give some indication of the prospect of providing additional carrying capacity for stock in that region. It was about that

time that the first peanuts were introduced into the State in commercial quantities. The Agricultural Department had a responsibility there.

The desire was to create a cotton boom in the North-West, and several varieties of the plant were tried out. Finally, it was the responsibility of the officers of the Department of Agriculture to wind up the cotton settlement, which the promoters had endeavoured to establish in the vicinity of Derby. Soya beans from China and Japan and rice were introduced, and are now being grown successfully by some of the mission stations, thus supplementing the food-stuffs that are purchased from the southern parts of the State. Coffee was introduced, and many varieties of sugar cane. Some of the latter are showing promise on one of the mission stations of meeting its annual requirements of sugar. In traversing that country looking for soil types on mission stations, and elsewhere, on which to conduct experiments, officers of the department made a very complete survey in the endeavour to locate soil types representative of big areas that might offer some prospect for agricultural settlement, provided the land could be successfully settled agriculturally. There is ample evidence on the files of the department to show that much of the work connected with the introduction of crops and the results following upon that introduction were appreciated by mission stations, by station people and by pastoralists in the districts extending from Geraldton to Wyndham. All these results are recorded. In addition to trying out introduced plants, whether fodders or economic plants connected with foodstuffs and food supplies, the officers of the department made a complete botanical survey, with far-reaching results. In the botanical survey made by them one exploration extended to the top of Mt. Bruce in the Roebourne district. Upon the summit of that mount few white men had been, and some very important information was collected. I remember the records showing that the flora on the summit of Mt. Bruce is unlike any other vegetation in Western Australia. A certain plant was collected that previously was found in Western Australia only east of Laverton. Other types occur also in the Cape York Peninsula. I understand that the report made of that investigation, when submitted to

the Mines Department and correlated with the evidence of geological formation, gave a great deal of information to support what had previously been mere theories connected with the submergence of the State, for at one time this continent was under water. I understand, according to the types of plant still in existence on Mt. Bruce, that at one time that region enjoyed a heavy rainfall; but the persisting varieties of plants that were still there, although somewhat small and somewhat varied in their growth, were still the same as those which obtained in areas having 50 inches of rainfall. I believe that one member of the expedition has had a new genus of grass named after him as a tribute to his work on that occasion. In short, agriculturally and botanically, a survey has been made from Victoria River in the Northern Territory to as far south as Shark Bay in Western Australia. That survey has enabled a very complete review to be made of the agricultural possibilities and the soil types. Soil analyses were taken, water analyses were made, and generally very much is now known of the travelled parts of the north-western area of this State. Perhaps the activities of the Agricultural Department are best known from the efforts to establish the banana industry on the banks of the Gascoyne River. That proposal met with considerable local hostility, and people said definitely that bananas could not be grown there. There was hostility to the introduction by the department of the first 500 suckers, which represented the commencement of the industry. That was not until 1929. Those who pioneered the industry, settlers who are now established on the banks of the river, are deserving of the greatest praise.

Hon. C. G. Latham: Bananas were grown there before then.

The MINISTER FOR LANDS: Yes, as far back as 1918. They failed, however, because of the beetle borer, which was discovered by an officer of the department in 1923. Because of that discovery, all the plantains and bananas in the Gascoyne district were destroyed in 1924. They did not succeed, and that was the main reason for the local opposition that was manifested in 1929. That opposition was based on the belief that an endeavour to produce bananas had established that the fruit could not be

grown successfully at Carnarvon. That is a fact, and what the Leader of the Opposition stated was correct. The early attempts from 1918 to 1923 proved hopeless failures. A company was then formed in which Mr. McCorkhill of Perth was prominent, and thousands of pounds were spent in an endeavour to establish a plantation; but ultimately the project had to be abandoned. However, because of the close attention that people now occupying areas on the banks of the Gascoyne River gave to the many difficult points involved, success has been achieved. Not only have they overcome the incidence of wind and the difficulty arising from atmospheric aridity, but their successful work included the adoption of methods previously unused.

Hon. C. G. Latham: But not on the same spot.

The MINISTER FOR LANDS: Yes.

Hon. C. G. Latham: They were on the other side of the river.

The MINISTER FOR LANDS: No. The people are now growing bananas on the banks of the Gascoyne and one of the most successful plantations is on the exact spot on the south side of the river where McCorkhill failed. The bulk of the bananas come from along the southern bank. In an endeavour to assist the industry, hydraulic tests have been made of the river, and we know its salt contents week by week. We know how much the river rises or falls. We know, if a quarter of an inch of rain falls on the settlement, the extent to which pumping operations are relieved for one day. We know the capacity of the area to support a certain number of people. Members will appreciate the fact that it is now only ten years since this apparently hopeless task was commenced and since the department imported the first 500 suckers with which to initiate an endeavour that has now become a commercially possible proposition. Since the present Tropical Adviser has been operating, great progress has been made with the industry; and I think all credit is due to such men as Smith, Cornish and others who have expended much money and boundless energy and displayed tremendous enthusiasm in inspiring other people with belief in the success of the undertaking. In short, we know a lot about the capacity of the Gascoyne, even under unnatural conditions, to produce bananas. We know it is possible to do that on both sides of the river.

Investigations were made as to the possibilities of the Ashburton, Fortescue and other rivers. These extended even to Millstream, which is situated in the Hamersley Ranges in the Roebourne district. Millions of gallons water pass daily at Millstream through pools that are almost depthless. The water from the stream disappears into a mountain before reaching the Roebourne Plains. Attempts were made to ascertain what crops were suitable for cultivation with the water supply available. Much of the land is not irrigable near the side of the stream, but the plains below were investigated principally during the time of the cotton boom. Efforts were also made to utilise the water for agricultural purposes.

The engineers of the various departments have co-operated materially in endeavouring to measure the capacity of all the streams in the North-West, to ascertain the possibility of harnessing them and the scope for irrigation works if the streams can be so harnessed. The incidence of the droughts of recent years assisted in the investigations, because it served to show to what extent the natural water supply shrank in dry seasons, and also just what the capacity of the country was to absorb water in an area where the rainfall ranges from six or seven inches upwards and where the evaporation amounts to many feet per annum. Information under all these headings has been tabulated and recorded. Conclusions to be drawn from the investigations as to the possibility of further extensions along the banks of the Gascoyne and Ashburton Rivers leave no room for great confidence. As a matter of fact, there is no room for expansion beyond the limits of the possible water supply of the Gascoyne, and there is certainly no prospect on the banks of the Ashburton of duplicating what has been attempted with success along the Gascoyne. The member for Guildford-Midland (Hon. W. D. Johnson) said we know too little about the Kimberleys and that data should be made available. He suggested that the House should appoint a select committee to obtain that information.

Mr. Cross: Would not engineers be better able to get that information?

The MINISTER FOR LANDS: I admit that the member for Guildford-Midland has in more recent years concentrated his efforts on the southern parts of the State.

He has not been closely in touch with what has been transpiring in the North.

Hon. W. D. Johnson: In this House I am not alone in that regard.

The MINISTER FOR LANDS: Perhaps because of that fact, it is due to the House that a brief survey of what information we have at hand concerning the northern regions should be presented to members. That may be done in order to prove beyond all doubt that the Government did not act hastily, but moved very carefully in giving consideration to the reports and information at hand when reviewing the project for a settlement in the North advanced by Dr. Steinberg.

I will briefly narrate the reports that the Government had at their disposal when giving consideration to the proposals submitted by Dr. Steinberg. Some of the records are very old. The first deals with the exploration of the North-West Kimberleys extending from Derby to a point where the Port George Mission is now operating, right across the uninhabited parts of the Kimberleys towards Wyndham. That examination of the country was conducted in 1901 by the well-known explorer and surveyor, Mr. F. S. Brockman. In 1913 the Commissioner for Tropical Agriculture, Mr. Despeissis, wrote a very important book as a contribution towards the work of agriculture in Western Australia. His book was entitled "The North-West and Tropical North," and has been freely circulated both at the time and since. The work not only gives a review of the possibilities of the country right through to the north of Derby, but also makes a comparison of other land in similar latitudes in other parts of the world. In 1922 a report was presented as the outcome of exploratory work carried out by Surveyor Easton who was in charge of the Kimberley expedition of 1921. Mr. Easton subsequently became Commissioner for the Northern Territory and at present is farming at Nambam, just north of Moora. Mr. Easton is a qualified engineer, and he made a detailed survey of all the country lying between Derby, the Drysdale River, which is in the extreme north of the State, through to Napier Broome Bay and extending south to the Durack River, and Wyndham. Mr. Easton was for many months in that region and in addition to his comprehensive report, he compiled a map complete with details of the

area north of the Fitzroy, showing soil classifications of all the country that is at present uninhabited, apart from one or two stations such as Mount House. In fact, I think that station is more or less an out-camp at the moment. He surveyed all the region, some of which had not previously been traversed by white people. That report was made to the Hon. H. P. Colebatch, who was then Minister for the North-West. A very important inquiry was made in 1928 by a Royal Commission into the meat industry of Western Australia. The members of the Commission visited almost every accessible station in the country north of the 26th parallel of latitude. Included in the Commission's report is a copy of evidence taken from settlers who took part in the original Overland Stock Expedition of 1884, which is now quite famous. As the result of that expedition, and of the expedition of 1886, when the Duracks first came to this country, with men like Don Swan, whose name is fairly well known, very much was learnt of the country by Kilfoyle, Oakes and Durack, and others who followed them with mobs of cattle to take up the Ord River Station, which later drifted into the hands of Vestey's. The evidence contained in the 1928 Commission's report is a complete survey of the cattle industry, particularly of the East Kimberleys.

Hon. W. D. Johnson: Who were the Royal Commissioners?

The MINISTER FOR LANDS: Michael Patrick Durack, McKenzie Grant and Aubrey J. McGlew, all men qualified to make an examination. They submitted a report to the Collier Government in April, 1928. There are several engineering reports, of which I have two, both by Geoffrey Drake-Brockman. One of them was made the subject of a pamphlet by the Institution of Engineers of Australia. It deals not only with problems of sand-drift and irrigation, but also closely with the possibility of a diminishing artesian basin. In a very full summary he discusses the possibility of the North-West and its utilisation by any engineering facility.

In 1929, the year after the Royal Commission into the meat industry furnished its report, the Commonwealth Government had formulated a project which was being encouraged in this State by the late Sir Charles Nathan. It involved the possibility of bringing into Western Australia

£28,000,000 of English money, to be applied specifically to settlement in North-Western Australia. In connection with that project, a very complete report from a pastoral point of view—particularly from the angle of whether sheep could be successfully carried north of the Fitzroy River—was made by Messrs. Langlois Lefroy and Hubert Evans. They made a long journey, extending as far as Wave Hill in Central Australia. Their report more or less confirms the opinions expressed by cattlemen who gave evidence before the Royal Commission of the previous year. Messrs. Lefroy and Evans made a detailed report of local flocks which station-owners had on their properties and generally expressed opinions which I consider to be important and valuable in considering the possibility of establishing sheep on the Antrim Plateau and also in the region of Rosewood and Argyle, extending towards the Victoria River nearer the border of this State. At that time a complete survey was made of the areas from Victoria River across to Wyndham. Much of the travelling was done by packhorse and mules. The area investigated was between the station known as Leguna in the Northern Territory, across the country which now belongs to Bovril Estates, that is Ningbing, down to and including the areas fronting the Forrest and Ord Rivers. The journey occupied a long time. Soil samples were taken. A survey was made of the region known as Elephant Hill, about 60 miles from Wyndham where roads, and what might be termed possible roads, were traversed, to the arms of the Cambridge Gulf, which were explored, sites being selected for launch landings. The country between Elephant Hill and Wyndham covers most of the territory in which Dr. Steinberg showed some interest. Of that region we have a very detailed account, including not only details of soil types, but of actual crop trials which followed the investigation of 1929. Every possible station garden was used to try out every manner of crop that might be likely to suit that region.

In addition to those reports, we have a general report on the rivers between Carnarvon and Port Hedland, extending from the coast 40 miles inland. We know the nature of the soil and the possibility of

agriculture on the banks of those rivers. We have a special report on the possibility of cotton production. In the files belonging to the old North-West Department will be found reports of officers who were considered to be competent, with maps showing complete classifications, including water analyses and details of the rainfall in that region since the year 1886. A rainfall table is attached to the file showing the rainfall month by month on three stations from 1886 to 1923.

Hon. W. D. Johnson: Were those rainfalls recorded by the residents?

The MINISTER FOR LANDS: By residents of the Argyle Station, the Carlton Station and the Ivanhoe Station. This country, if we described a circle taking in those properties, would include Wyndham and an area 120 miles south, extending over the border and including Avergne, a property which is still held by the Duracks and is situated in the Northern Territory. Perhaps the most important report of all on this country is that now known and frequently spoken of as the Payne report. The report is that of a board of inquiry appointed by the Commonwealth Government to investigate all the occupied and unoccupied lands of the Northern Territory and the regions adjacent thereto. As an outcome of this report, a recommendation was made to this Government to construct a railway 200 miles south of Wyndham. Undoubtedly, the chairman of that board, who was an officer of the Land Administration Board of Queensland, and his associate Fletcher, who also was a Queenslander, made a complete survey of the land and land industries in the Kimberleys and the Northern Territory. That almost brings us to the point of the information at hand when Dr. Steinberg arrived in Western Australia. The Government's advice to Dr. Steinberg was to visit the area, and after he had inspected the property in which he was interested and which had been offered to him, to make a report of his impressions and submit it, with a specific request, to the Government. I think Dr. Steinberg at first was disinclined to hasten to that part of the State. He desired to create an impression of the justice of his case and his claims for settlement of refugees in this State. However, Dr. Steinberg visited the

Kimberleys and spent four weeks there. He was accompanied by an agricultural student associated with the University. They travelled over considerable areas in that region and the report submitted to the Government—a copy of which I have—shows that the persons who reported 16 years previously on the same region were not far astray in their conclusions.

Hon. W. D. Johnson: Did Dr. Steinberg have assistants to help him?

The MINISTER FOR LANDS: Yes. According to his report, he was conveyed over about 600 miles of country and over every kind of track. He termed those roads the worst roads in the world. He said he did not know that people lived under such conditions with regard to transport. He was taken to every part of the country which was accessible and which he had some desire to acquire for the settlement of refugees. Dr. Steinberg submitted his request to the Government, which was fully aware of the possibilities of the country in question and knew how far Dr. Steinberg was astray in his expectations, or just how nearly they could be realised. The Government sent a reply to Dr. Steinberg. To show members how careful the Government was in this matter, I will read that letter, which is dated the 25th August, 1939—

Dear Dr. Steinberg,

The report and memorandum dealing with your investigations in the East Kimberley district of Western Australia, and which to some extent set out the proposals in connection with the settlement of this area by Jewish refugees, have had the consideration of my Government.

On your part, you set out that, following a visit to this area, the development of it is only possible on the basis of a large-scale colonisation involving—

- (a) The introduction of a number of energetic and virile settlers.
- (b) The investment of a considerable sum of money.
- (c) The implanting of a deep and inspired determination among the settlers to create new life in those areas, and
- (d) Careful planning designed to ensure that the economic progress of the region would fit in with the Australian economy as a whole.

To an extent the Government agrees with those points of view.

In your elaboration of the requirements to be fulfilled in the carrying out of your proposed scheme, you mention part of the process by which means you would endeavour to attain these ends.

We have considered these details, and, without any suggestion of detracting from your very ambitious project, submit that the first method of approach for successful settlement is by an extensive and effective pastoral occupation.

We believe that agricultural activities and development would follow as a natural sequence of events following an increased population and their consequent domestic demands.

It may be that not any of the ambitions set out in your memorandum, which include forms of secondary industry development, are outside reasonable possibilities for this area, but we are firmly of the view that successful occupation of this country will depend on its approach being through the already proven successful pastoral industry in the raising of sheep and cattle.

We would be reluctant to agree to altering any existing laws dealing with land settlement or pastoral occupation, but details in this connection may be discussed later.

We do not desire to detract from the very laudable ambitions of your League towards colonisation or from the possibilities of this land, which are really your anticipations following inspection.

Further, we do not deprecate the possibilities which have been set out by you, following your personal investigation, and which to some extent are based on actual results and on local opinions.

Your next step appears to make possible your desire to approach the Commonwealth Government and ascertain their attitude to the project and to the introduction of refugees for the purpose of forming a settlement.

To this end, therefore, we desire to advise that we have no objection to your making the necessary approach to the Commonwealth Government in Canberra. Should your approaches in that connection be met with success, this Government would desire its representatives to confer with you and to reach agreement regarding many conditions, among which the following are tentatively suggested:—

1. The Government should be directly represented by one of its own officers at the centre where the refugees are to be recruited for the proposed scheme.
2. The officer in question to have an overriding authority regarding the refugees chosen to come to Western Australia under the proposed scheme.
3. One or more Government officers to thoroughly investigate the proposed settlement scheme before any settlement is attempted in order that the soundness of the proposed settlement scheme might be ascertained.
4. In the event of the proposed scheme being regarded as reasonably sound, one or

more Government officers to be permanently stationed on the proposed settlement for the purpose of supervising development and giving advice regarding the number of refugees to be brought to the settlement from time to time.

5. All officers employed by the Government in connection with the proposed scheme to have their salaries and other reasonable expenses paid by those in charge of the proposed scheme.
6. The Government should not take any financial or other liability regarding the provision of roads, schools, hospitals, or any other public facilities during the first three years of the settlement.
7. A body of reputable and financially substantial Jewish citizens to be formed in Perth to undertake the financial responsibility of supervising the welfare of the refugees in the event of the scheme being approved.
8. In regard to education, any schools established should comply with the standard of "efficient school" as set out by the Education Department and the teachers to be approved by the Education Department.

Yours faithfully,

(Sgd.) J. C. Willcock,  
Premier.

When that letter was sent to Dr. Steinberg, members will agree, I think, that we appreciated our great responsibility to the State in making a decision that would give any encouragement at all to the project of which he was in charge. We based our conclusions on the information available. In addition to the reports I have mentioned, I recall another report made by a Mr. Dalton to the Bruce Government immediately prior to the Sir Charles Nathan scheme. The late Mr. McCallum was particularly interested in that report, copies of which were available to the Government. In that report Mr. Dalton dealt with the possibility of establishing settlements of central and southern Europeans, and even mentioned Jews. When this letter was framed, therefore, the Government had all the information that the member for Guildford-Midland desires a select committee to investigate. The Government is armed with facts that are authoritative and will bear scrutiny. We have officers stationed in that country and regularly passing through it who, if the scheme were developed, would be directly associated with any endeavour made by Jewish or other people to establish themselves there. Parliament need not be worried about the avail-

ability of the required information. Many men I could name could remain in Perth—without proceeding to the Kimberleys—and quickly examine any suggested scheme involving settlement, pastorally or agriculturally, in that area.

The hon. member stated at the conclusion of his remarks—

If I thought Parliament or the Government had the information I am endeavouring to obtain, I would rest content.

I have endeavoured to deal briefly but fairly completely with the information in the possession of the Government. I know that the member for Guildford-Midland desires that the House should have this information. When discussing the submission of his motion with me recently—

Hon. W. D. Johnson: Quite recently, too.

The MINISTER FOR LANDS: Yes; I told him I was armed with this information and invited him to examine it, but although his impression was that the motion should be withdrawn because the likelihood of settlement taking place had passed, I present these facts to the House in the hope that members will be satisfied not only that the Government has acted in the best possible way, but also that it has acted when in possession of all the facts.

**HON. W. D. JOHNSON** (Guildford-Midland—in reply) [5.25]: One would imagine from the Minister's remarks that I had been in close touch with the Government regarding this matter before I launched my motion, but I assure the House and the country that that was not so. I was influenced in tabling my motion by the activity with which I came into contact when in London. I was fearful that we might be stampeded—if I may use the term—into a settlement that might do more harm than good. I am extremely pleased with the information the Minister has supplied. It demonstrates that the Government did investigate this matter closely before expressing an opinion, and, in the letter written to Dr. Steinberg, there is evidence of very great care in setting forth what the State is prepared to do in certain eventualities.

In the circumstances, I am quite prepared to leave the matter in the hands of the Government and allow it to drift, feeling that the necessary information has been obtained and that the professional officers of the Department of Agriculture and of other

departments have the knowledge that will protect the best interests of the State, and at the same time do justice to any band of settlers that might attempt to occupy that part of our territory. As I said at the conclusion of my remarks in moving for the appointment of a select committee, if I thought the Government had this information, I would be satisfied. In the circumstances I am quite content, and I ask leave to withdraw the motion if members are prepared to accept the Government's assurance that the information that would be collected by a select committee is already in the hands of the Government and its professional officers.

Motion, by leave, withdrawn.

### **BILLS (3)—RETURNED.**

1, Financial Emergency Tax.

With requested amendments.

2, Land Tax and Income Tax.

With a requested amendment.

3, Death Duties (Taxing), Act Amendment.

Without amendment.

### **MOTION—FEDERAL TAX ON GOLD.**

Debate resumed from the 20th September on the following motion by Mr. Cross (Canning):—

That, in the opinion of this House, the strongest possible protest should be made against the Federal Government's action in imposing an unjust gold tax, which will operate very seriously against the mining industry of this State and will cause considerable loss and increased unemployment. This House further considers that the Government should send a special mission to Canberra with a view to securing at least—(1) exemption from the gold tax for prospectors who earn in any one year not more than £400; and (2) exemption from the gold tax for all mines in the developmental stage of production that have not yet earned sufficient profits to cover their capital outlay.

to which Mr. W. Hegney (Pilbarra) had moved an amendment as follows:—

That all the words after the word "unemployment" be struck out.

Amendment put and passed.

**THE MINISTER FOR MINES** (Hon. A. H. Panton—Leederville) [5.32]: The position has altered considerably since the mo-



tion of the member for Canning (Mr. Cross) was moved. At that time a Federal tax of 75 per cent. on the price of gold in excess of £9 per fine ounce was proposed. That proposal has been altered to an excise of 50 per cent. on the same basis. I do not know that much can result from our discussing the question now. Much water has run under the bridges since the motion was submitted. We do not even know whether the proposed excise legislation will be approved by the Federal Parliament when it meets. Upon the suggestion of a tax on gold production, an emphatic protest was made by the State Government to the Federal Government. A Federal excise is, in my opinion, much the better of the two proposals. The gain to our mining industry amounts to at least 5s. per ounce. Moreover, some of the factors operating had not received much consideration when the tax was proposed. For example, the Arbitration Court had declared that when the price of gold was over £8 10s. per ounce, for every rise of 10s. the men shall receive an additional 2s. per week in wages. Even now it is not certain whether the companies have to pay the 2s. on the rise from £9 to £11 10s. per ounce, or whether the excise would relieve them only up to £9. In Australian currency the price of gold to-day is £10 11s. per fine ounce, and 50 per cent. of the excess above £9 to-day would mean an impost of 15s. 6d. per ounce.

During September—the October figures are not yet available—Western Australia recorded a production of 136,286 fine ounces of gold. From this production the excise would total £105,621. The average yield per ton is interesting, in view of the fact that many people are convinced that Western Australian gold mining companies operate on very rich ore bodies. That average yield per ton last year was 6.24 dwts. In 1930 it was 13 dwts. So that while the price of gold has more than doubled, the grade of ore has been reduced in value by more than one-half—proving that the high price of gold has been the means of utilising large bodies of low-grade ore in this State. It is interesting also to note the grades being treated by our largest mines—

	dwts.
Mount Magnet Gold Mines ..	2.56 per ton.
Ingliston Consols Extended ..	2.94 do.
Big Bell G.Ms. ..	3.52 do.
Wiluna Gold Mines, Ltd. ..	3.54 do.
Emu Gold Mines, Ltd. ..	4.94 do.

	dwts.
Central Norseman G.M., Ltd. ..	4.98 per ton.
Lake View and Star, Ltd. ..	6.09 do.
Sons of Gwalia, Ltd. ..	6.61 do.

Moreover, many of these ores require special and costly treatment. Notwithstanding that fact, however, all the mines will be taxed as if they were mines with free milling ore. In 1938 Western Australia's gold production represented 62.8 per cent. of the total production of the Commonwealth, including New Guinea and Papua. Therefore the bulk of the excise collected will be borne by Western Australia. Accompanying the increase in the price of gold there is, as I have pointed out, a considerable increase in wages. That increase must be paid under awards of the Arbitration Court; and that is a factor which, so far as I am aware, does not operate in any other State. I do not think it was taken into account by the Federal Government. Yet another factor which I fear has been overlooked is ordinary equipment and stores, which have already risen considerably, and no doubt will continue to increase, in price. Much of the material required by the mines is imported, and therefore subject to war risk insurance, and hon. members have some idea of the substantial increase in rates that has already occurred. The increase in the price of gold will therefore be largely offset by high cost of commodities and also of wages, which latter factor in my opinion will also increase during the war. Quicksilver has already risen from £23 per ton to over £50—an increase of 100 per cent. Fortunately the State batteries have about six months' supply of quicksilver.

A further effect of the excise would be this: The Government has already been approached regarding two very large low-grade propositions, which have certainly been tested but require capital for their development. Plant is to be installed. Both shows had good prospects of obtaining the necessary capital in London; but even with the price of gold at £10 11s.—this being the only reason why the propositions were given serious consideration—they could not show large profits. In the circumstances, with the prospect of an excise being placed on gold, we heard not much more about the proposals. Naturally I am not prepared to say that that was the only reason. It can be logically argued that great difficulty must be experienced in obtaining London capital

for mining propositions in Western Australia while a war is in progress.

Mr. Patrick: And the permission of the British Government would have to be obtained.

The MINISTER FOR MINES: That is a big factor. Indeed, though some of our low-grade propositions keep going, it will not need much of a reduction to stop them. State taxation on mining companies is based solely on dividends and profits. We allow special deductions on account of development work and so forth. It has been our constant endeavour to encourage the expansion of the industry, which I think we all agree owes much to British and American capital. What appeals to me principally in connection with excise is the fact that just as it is essential for Australia to produce all the commodities it possibly can for the purpose of carrying the war to a successful issue, gold is an essential commodity in view of the need for supplying Great Britain with necessary commodities in general. If we are to be led by what appears in the Press, some of the countries which are about to produce a large proportion of the commodities required by Britain, especially munitions, aeroplanes and various other necessities for the conduct of a big war, apparently will require Britain not only to pay cash for them but also to transport them. For that purpose a sufficiency of gold is essential. Seeing that Western Australia produces 68 per cent. of the gold of the Commonwealth, one would have thought the Federal Government would be anxious to encourage to the utmost the production of gold. One of the best means to that end, I should say, would be to obtain as high a price as possible for gold. Just as representatives of the farmers here believe that a great deal more wheat would have been produced had the price been good enough, so I believe that there would have been a greater production of gold had the price remained at £10 11s. The excise must have a great effect on our prospectors. At present we have some 730 prospectors in the field. Of course they are not producing gold-bearing ore at all times. For considerable periods they work at searching for gold. Having obtained what he believes to be something like a reasonable proposition, the prospector has a long wait for a crushing. Then having obtained the crushing which probably took him six months to get to the

battery and having got it to the battery after six months of hard work, he finds an amount of 15s. 6d. per ounce deducted from his receipts. So whichever way we look at it, Western Australia will be the loser. The Commonwealth Government will, I estimate, obtain from this excise approximately a little over £1,000,000 per annum. Who is going to receive the benefit of that is problematical. Then we in Australia must suffer by virtue of the fact that from the 14,000 men employed in the industry to-day, there must follow a reduction in the number and so we shall have more unemployment on our hands. It is well known that every man employed in a mine carries three or 3½ dependants in and around the town in which the mine is situated. Estimating that there would be about 400 in the town, there must then be taken into consideration the transport of goods to the locality and the commodities to be grown. Consequently, it is difficult to estimate really what the 14,000 men actually employed in mining in Western Australia mean to the State. It is regrettable that this excise has been imposed with little thought. What surprises me is the fact that although Western Australia is producing over 68 per cent. of the total gold yield of Australia, not one word was said to the Mines Department or to anyone connected with it and not one piece of advice or information was sought by the Commonwealth authorities as to what the effect of the imposition of the excise was likely to be. It was rather interesting to find, however, that one of our Senators—I am not blaming him in any way for making himself busy on the subject—for some unknown reason, did try to get some information. In view of the fact that we are producing so much gold, and the Government is encouraging in every possible way the production of that commodity, we would at least have expected somebody connected with the Commonwealth to ask the department to supply some information as to what the excise was likely to mean, and what effect it would have on the State and the production of gold generally. However, the Commonwealth did not see its way to do that. I am not suggesting that the mines will close down, but I do suggest that if the cost of commodities increases, I am afraid some of the mining propositions will not be able to carry on except at a loss, and our experience is—I am not speaking from the departmental point of view—that mining

companies are not engaged in gold production for fun or even for patriotic purposes; they are operating for profit. I do not know that we can do any good even if we do carry the motion. We have made our protest; the matter was discussed by the Premier with the Prime Minister on the occasion of his last visit to Canberra. Evidently, however, his representations did not carry much weight. We must now wait and see whether the Federal Parliament will confirm what has been done by the Federal Government or whether the Parliament itself will determine to grant some relief to prospectors and companies that might be compelled to close down if the excise remains.

**HON. W. D. JOHNSON** (Guildford-Midland) [5.50]: I intend to oppose the motion on principle. This is a tax on unearned increment. The increased value has been created by the people, not by the miners or the mining companies. It is just a windfall arising from special circumstances. When gold is taken out of the ground the State is so much the poorer. With regard to agriculture, however, the soil is improved every time it is tilled, but every time we extract an ounce of gold from the earth we reduce the asset. I will admit that labour must be employed and the ingenuity of man must be resorted to to enable us to extract the metal. But it belongs to the people and the people have a right to expect from the commodity, which is the greatest in value of all commodities, the utmost they can possibly get from it. The exploitation of the commodity and its sale represents something more to the State than the mere wages paid to those engaged in the industry. I opposed the original gold tax when it was first suggested, because that was not sufficient. I went to some trouble to explain the matter of equitable taxation when the gold premium was first mooted, and pointed out that other countries and other British Dominions in some instances have taken the whole of the premium because it was unearned increment and belonged to the people. It was paid into general revenue. Mining in those parts had been carried on, as it had been conducted here under the former price, and it was argued at the time that the increased price would bring into work a number of low-grade propositions. In other parts of the world Governments had some regard for the rights of the people and so

they took for the people that which belonged to them. The premium was not created by those who wanted to acquire it to the exclusion of the community. When recently the price again advanced I expected that the Labour Government in this State would take steps without delay to secure from that advance additional revenue for the State. In that way it would have followed the example set by other countries. A tax could have been imposed upon the commodity, to absorb the increase, and the amount of the tax would have been in proportion to the increased value. I thought that at least we would have got a quarter of a million out of the original premium, and we would have been justified in taking that amount. But we neglected to impose the full tax and the result is that to-day men have been made millionaires and others have waxed rich through their getting a premium that the State should have had from the increased value. This is an increase in value created by the people for the people, and the people should have a right to it. I am therefore sorry that the State did not step in immediately and take from the industry a proportion of the increase in value. Had the State done that speedily, then in my opinion the Commonwealth Government would have kept out of the field. We have not taken from the industry for the people of the State the percentage to which the State is entitled. We neglected to do so and the Commonwealth promptly, and in my opinion justly stepped in. As one who is strongly of the opinion that unearned increment should go to the community, and always tried to advance that principle—it is a Labour doctrine for which we on this side of the House should have regard—I therefore will vote against the motion.

**HON. P. COLLIER** (Boulder) [5.57]: I am intervening in this discussion only for the purpose of expressing my views regarding the manner in which the tax on gold has been imposed. The hon. member who has just resumed his seat has asserted that the gold in the earth belongs to the people and the people have a right to say what they should do about taxing it. But the point I wish to make is that the people—the hon. member used that word frequently—have not decided in favour of this act, and I want to voice my protest against the action of any Government in Australia, Federal or State, involving an unconstitu-

tional attitude, more particularly with regard to this tax. The proposal was put forward to the Federal Parliament by way of a Bill. The Bill failed to receive the approval of that Parliament, having been rejected by the Senate. Now, if we are in a position at all to judge of what the people require or desire, a protest can only be made through those members who will voice the opinion of the people in a constitutional way, either in the State or in the Federal Parliament. But notwithstanding the fact that the Parliament of the Commonwealth rejected the proposal for a tax, the Federal Government, under a war regulation, imposed it in defiance of the decision of its own Parliament. Anyone in this House or anyone at all who stands for constitutional Government, cannot support an action which imposes taxation upon the people, particularly taxation which the recognised constitutional representatives of the people themselves declared should not be imposed. Is that what the member for Guildford-Midland says?

Hon. W. D. Johnson: That is different.

Hon. P. COLLIER: It is not ridiculous at all.

Hon. W. D. Johnson: I did not say it was ridiculous; I said it is a different question.

Hon. P. COLLIER: It is not a different question. If we have reached the stage when any Government is in a position to defy the decision of Parliament and impose some particular form of taxation on the people against the wishes of Parliament, then we are living under a dictatorship; that is Hitlerism.

Hon. W. D. Johnson: Hear, hear!

Hon. P. COLLIER: That is what the Commonwealth Government has done.

Hon. W. D. Johnson: That is not the motion, though.

Hon. P. COLLIER: Never mind the motion. That is only side-stepping the question. This is what has happened: The Federal Government introduced a Bill to provide for the imposition of a tax. The Commonwealth Parliament rejected the Bill, but immediately afterwards the Commonwealth Government, under a war regulation, defied and set aside the decision of Parliament—which is supposed to be representative of the people of the country—and imposed the

tax. Is that constitutional government as we know it?

Mr. Doney: It is much the same as Mr. Willecock did with the railway freight.

Hon. P. COLLIER: We are fast reaching the stage, and have been approaching it for years, when Governments and Parliaments will be the ruling factors in States.

Hon. C. G. Latham: That is perfectly true.

Hon. P. COLLIER: Of course it is true; and there is not much difference between a Government without the authority of Parliament ruling a State and an individual doing so. No war conditions justify the Federal Government's imposition of a tax on a section of the people, a tax which has already been rejected by Parliament. Such an action is not justified under any war conditions or war regulations. What has happened only indicates how careful we must be not to give Governments—either State or Federal—excessive powers by regulation. The Parliament of the Commonwealth rejected the proposal to impose this tax, but the Commonwealth Government said, "That does not matter. We eight or twelve members are going to impose the tax." That is defying the decision of the representatives of the people of Australia as expressed in Parliament.

Mr. North: Parliament should be supreme.

Hon. P. COLLIER: Are we not drifting rapidly towards Hitlerism? Has there been in Australia, since the war started, a greater exhibition of a defiance of constitutional government, a greater exhibition of Hitlerism than has been shown by the Federal Government in imposing this tax in defiance of the decision of the Parliament of Australia? Are we to continue putting up with that kind of thing? The people have no say in this matter. We do not know what the people think, but we do know that the Federal Government said in effect, "It does not matter what the Parliament of the Commonwealth thinks or says." Parliament rejected the proposal to impose a tax, but 10 or 11 members of the Government, representing a minority in the Parliament and a minority of the electors of the Commonwealth snapped their fingers and said, "We are going to impose the tax, nevertheless." Where

are we drifting to? I will not prolong the discussion. I rose only to express my indignation at this unjustifiable action on the part of what is supposed to be a democratic Government. The fact that we are at war does not warrant government by regulation. It does not justify any Government setting aside the deliberate decision of the Parliament of the country. I agree that in times like these the Federal Government is justified in doing many things; in issuing regulations entitling it to do what is essential, and in coercing or forcing the people to agree to certain things; but I will never agree, and I do not think anyone who values constitutional government and the rights of the people will ever agree, to any Government having the power under regulations to defy decisions of a Parliament representing the people. If the proposal for this tax had not been before the Federal Parliament I would not have said anything about the matter. But the Government defied Parliament and imposed the tax by regulation, or under the lap, as it were. That was an action unworthy of the Government of any country, and particularly of a country fighting for democracy. What does democracy mean? That is another question. Perhaps I will speak on it later. Very often in countries that are supposed to be democratically governed, democracy simply means government according to the will and wish of a clique, of a small section, and not of the people at all. We should be wanting in our duty to real democracy and the things that count if we agreed that any Government—Federal or State—should be entitled to set aside—by regulation, mark you, a decision embodying the matured thought of a Parliament that represents the people.

**MR. MARSHALL** (Murchison) [6.10]: I find myself in accord with the motion. The contribution that was made to the discussion by the member for Guildford-Midland (Hon. W. D. Johnson) conforms materially to the mental status of the Federal Government which imposed this embargo upon the goldmining industry of Western Australia. I mean to say that the Federal Government acted in that way without mature thought, without due consideration—in fact without any consideration—either for the people about whom my friend is so much concerned, for the industry or for the welfare of this State. The member for

Guildford-Midland spoke as though the goldmining industry had produced for all concerned in it wealth in unlimited quantities. To use his own words he said it has made millionaires.

Hon. W. D. Johnson: So it has.

Hon. P. Collier: Where are they?

Mr. MARSHALL: Maybe it has. Not out of the production of gold, however, but out of the promotion of goldmining propositions—an entirely different thing. Will my friend sitting on my right joyfully impose a tax on those unfortunate wretches who have pioneered and are still pioneering this industry? Has he the welfare of those unfortunate men under consideration? Hundreds of them have lived in a state of—I cannot find words strong enough to use. They have lived practically on damper and kangaroo and in flannels and dungarees all their lives. Yet the hon. gentleman is delighted that the Federal Government has imposed a poll tax on their product; he is quite delighted. He is satisfied that that should be done. Then, when he is attacked, he jumps up and leaves his seat. Upon these people a poll tax is to be imposed and 50 per cent. of the value of their product above a given amount is to be taken from them. And the hon. member is delighted; he is enthusiastic about it. He spoke about unearned increment. How many prospectors does he know who get anything by way of unearned increment? What individual does he know who has been prospecting and pioneering the goldmining industry and has got something for nothing, as he implies? He is quite enthusiastic that the Federal Government proposes to deny them the privilege of securing what little return they have the prospect of obtaining. Many members seem to have no knowledge at all of the goldmining industry. To hear them speak one would think that because some particular goldmining proposition is showing a big profit, all those engaged in the industry are securing an undue reward for their services. I have mentioned the position of the prospectors. They are not exempted under this proposal. I know one party that has been together for 30 years. The members of that party have lived in a primitive state in the outer goldfields of this country for the whole of that period, and all they have been able to do is to eke out an existence. Theirs might be said to be the lowest form of existence that any white

man could be obliged to endure. There is no class of men living a harder life than that of the prospectors.

Mr. Rodoreda: What about the kangarooer?

Mr. MARSHALL: I will agree that he might live as hard a life as the prospector, but he has the good fortune to be able to go more frequently into the towns. The prospectors are out from the towns for many months on end, and are hard pressed to obtain any return for their labour. They work for years and have no reward.

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

Mr. MARSHALL: One could stress the injustice of this imposition so far as our prospectors are concerned. The Government has spent huge sums annually in assisting those people. When we realise the cost incurred by the State in this direction, one can only protest bitterly against the imposition in question. It prevents the Government from getting any return from its investment, and penalises the individual who has made great sacrifices in his efforts to pioneer the goldmining industry. The only other point about the speech of the member for Guildford-Midland is his statement regarding unearned increment derived from goldmining. He answered the statement himself when he went on to say that every ounce of gold taken out of the ground reduced its value as an asset. There is no such thing as unearned increment in connection with that industry.

Investments made by individuals, and the money spent by the State in assisting prospectors, have to a large extent created a market for those people who have put their money into primary production. Those are the people who have been able to obtain unearned increment from their investments. The hon. member is a farmer, and he and his like have been able, as the result of the development of the goldmining industry, to gain an enhanced value for their properties and for the commodities they produce. That is the only unearned increment he can really talk about. Only to land can the expression "unearned increment" properly apply. The hon. member's argument, therefore, does not hold water. Had the Federal Government imposed the tax on the profits made by the goldmining industry, one would have hesitated bitterly to criticise its action. If any

Government has a right to impose a tax upon the industry, it is the State Government, because of the large sums of money it has advanced to prospectors and the extent to which it has assisted companies to develop their properties. I understand the Federal Government is likely to obtain at least a million of money out of this unjust imposition, without any regard whatever for the money invested in the industry and the return that comes to those who have put money into it. Many members make the obvious mistake of assuming that the actual cost of producing an ounce of gold can be ascertained by looking up the records of producing propositions. If they read the report of the Mines Department, they can see that companies operating are showing a profit only here and there. By no means can that be said to be relevant unless we take into consideration the actual cost of producing our gold. Many hundreds of thousands of pounds are spent in the search for that commodity, and in the efforts to produce it from certain mines from which little or no return is eventually received.

Mr. Patrick: The gold won has probably cost more than £10 10s. per ounce.

Mr. MARSHALL: If we could arrive at figures to show the amount of money that has been spent in the effort to produce gold, we would find that every ounce obtained had cost more than £10 10s. The goldmining industry is unlike any other. In the case of other industries it is possible to ascertain the actual cost of erecting buildings and machinery and, by making the necessary calculations, one can ascertain the actual profit that has been and is being made. We cannot do that with the goldmining industry. Hundreds of thousands of pounds are spent that are never reckoned in the actual cost of production. The argument applies to many investors who have received dividends.

Members may be under the impression that because a man has received dividends from the goldmining industry, as a shareholder in one or other proposition, he has obtained that much money from his investment. He may, however, have other investments of a similar kind. I suggest there are thousands of investors in mining who have put their dividends back in an endeavour to find more gold from some other source. This imposition will interfere with those people and restrict their operations.

The returns they would otherwise have received from the goldmining industry will be taken by the Federal Government. The old saying that "all is not gold that glitters" applies in a material way to this case. True, certain individuals have made fortunes out of our goldmining industry, but no one can say that some people have not put back a large proportion of their winnings into the industry, and lost it all. What I fear is that the goldminer himself will be the one to pay. In order to adjust matters, goldmining companies will certainly appeal to the Arbitration Court for a reduction in miners' wages. They will endeavour to show that because of the tax they are called upon to pay they should be allowed to give the miners less money for their work. The miners, therefore, will ultimately pay for this imposition.

The State Government cannot protest too strongly against the action of the Federal Government. Had a tax been imposed on profits, one might not have been so bitter about the matter. The Prime Minister said that portion of the increased value of gold was brought about because of the war, and that but for the war the goldmining industry might not have derived so much benefit from the production of gold. There would be something logical in that view. Does the Prime Minister, however, propose to take up a similar attitude in connection with the Broken Hill Proprietary Co.? That company must of necessity obtain an increased price for the commodities it produces. The whole of its output will, because of the war, be sold at higher prices. Will the Prime Minister impose upon the company in question and upon others conducting activities of a similar nature the same tax he has imposed upon the gold-mining industry? I tell the member for Guildford-Midland that during the last war the price of wheat rose to an exorbitant price. He did not suggest that the Federal Government should commandeer 50 per cent. of that which was in excess of a reasonable price for that commodity.

Mr. Patrick: I think the Australian crop was sold for 4s. a bushel.

Mr. MARSHALL: Most of the profit was made on the wheat when it was dealt in abroad. If Australia got 7s. a bushel, people in Europe got a great deal more than that out of it.

Mr. SPEAKER: Order! The hon. member is getting away from the subject before the Chamber.

Mr. MARSHALL: The member for Guildford-Midland is willing to have defeated a motion referring to the goldmining industry, but he did not take up a similar attitude when wheat was being sold at a high price, due to the last war. I suggest he did not attempt to do such a thing.

Hon. W. D. Johnson: I earned my increment.

Mr. MARSHALL: I repeat that the hon. member's own statement showed the fallacy of his arguments, when he said that every ounce of gold taken out of the industry reduced its value. Has anyone heard of unearned increment except in connection with land? It is a community-created value.

Hon. W. D. Johnson: Unearned increment has extended to gold now.

Mr. MARSHALL: It could not be extended to gold.

Mr. Patrick: It is a disappearing asset.

Mr. MARSHALL: Unearned increment has led to an enhancement in the value of land in goldmining towns and the neighbourhood thereof, and has been the means of improving the value of farming properties, and providing a market for their products. The hon. member did not sacrifice any of his unearned increment, nor suggest the imposition of any tax upon the increased value attached to his wheat.

Hon. W. D. Johnson: The same principles have applied in South Africa as well as in this State.

Mr. MARSHALL: It is almost impossible to reply to such an argument. Conditions in the goldmining industry of South Africa are entirely different from those appertaining to Western Australia.

Hon. W. D. Johnson: But the principle is the same.

Mr. MARSHALL: The conditions are dissimilar. In South Africa labour can be obtained for 2s. 6d. or 3s. a day, whereas in this State it costs £1 a day.

Hon. W. D. Johnson: That is the unearned increment.

Mr. MARSHALL: I will let the argument go by the board. The only member who has put up the argument that it is possible to have an unearned increment other than in connection with land is the member for Guildford-Midland. He can quote no authority for his statement. He would never have adopted the attitude he has, had he been the representative of Kalgoorlie, and not that of Guildford-Midland. We can

accept that as certain. If the Federal Government were to impose a like embargo upon the Broken Hill Proprietary Co. and other concerns, the prices of whose commodities will be enhanced because of war conditions, well and good, but I venture to assert that the Prime Minister will not adopt that course. The Broken Hill Proprietary Co. is much too powerful and influential, and the Federal Government will not dare to place a similar embargo upon its products. There are plenty of other industries that will enjoy enhanced prices due to war conditions, but no embargo will be placed upon them.

Mr. Fox: Shipping, for instance.

Mr. MARSHALL: Yes, and others.

The Minister for Lands: Some people will make 15s. profit on 5s. shares.

Mr. MARSHALL: Members will agree upon the unfairness of assessing the cost of producing gold on the basis of production costs of mines already operating. We should take into consideration all the money that the Government, individuals, syndicates and companies have invested in the industry, for which not an ounce of gold has been secured as a return on the investments. All that expenditure should be calculated when considering the cost of producing gold, and on that basis I should say it has easily cost £10 10s. for every ounce of gold produced. The State Government has fostered the gold mining industry and has spent huge sums of the taxpayers' money with that end in view. If that Government were to reap the benefit, and if the tax were imposed on profits made by companies, I would not be so inclined bitterly to criticise the action of the Federal Government. On the other hand, to impose a tax of this description without any regard for the interests of prospectors who have pioneered the industry and have never received a return for their labour is decidedly wrong. I understood that the member for Guildford-Midland posed as a champion of that type of labour. He has fought for the right of the worker to decent conditions and a reasonable remuneration. Here we know that the Government has assisted hundreds of men to go out prospecting; more hundreds have been helped by individuals, and many have assisted themselves. Those prospectors have lived under the worst conditions and now, if they secure an ounce of gold, the Federal Government proposes to take the suggested levy from their returns in excess of £9. An ounce of gold

may be the only return a prospector has had for years, but the member for Guildford-Midland says that is quite all right. It does not matter what a prospector's living conditions have been, or how he has sacrificed all the amenities of life for many months. The member for Guildford-Midland says "Tax him."

Hon. W. D. Johnson: What about the man that gets 1,000 ounces of gold?

Mr. MARSHALL: If the hon. member had advocated a tax on the profits made, he would have been on sound ground, but he does not want to do that. He desires to impose the tax on the unfortunate man who has been out in the bush chasing propositions in the hope that he will secure a return for his labour.

Hon. W. D. Johnson: If he does not get the return, he does not pay.

Mr. MARSHALL: The man may have been out prospecting for years and if he gets an ounce of gold he will have to pay. The member for Guildford-Midland says that is right. The Government cannot protest too bitterly. I believe a doubt has been raised regarding the constitutional aspect of the imposition. I hope the court proves the Federal Government to be entirely wrong in its action. I shall not stress the point. To do so would be *infra dig* after the member for Boulder (Hon. P. Collier) has dealt with that phase so eloquently. I most willingly support the motion in opposition to the Federal Government's form of taxation. If the tax had been imposed on profits, it would have been different. The tax should not be imposed in the manner adopted.

**MR. McDONALD** (West Perth) [7.50]: With the motion as originally moved by the member for Canning (Mr. Cross), I, and I think most members, would have certain sympathy. As the member for Murchison (Mr. Marshall) pointed out, the form in which the tax has been imposed operates hardly upon prospectors and mining shows still in the developmental stage.

Mr. Marshall: What about the unsuccessful investor?

Mr. McDONALD: I shall come to that phase. The tax operates harshly upon shows at the experimental stage and where progress has not been made to a degree enabling developmental expenses to be recouped and profits to be earned. We are asked to condemn the imposition as an unjust tax, and I



wish to inquire whether it can be aptly described as such. It may be, and I think it is, an imperfect tax for the reasons mentioned by the member for Murchison, and therefore there should be some variations agreed upon to protect the prospectors and the small shows not yet at the profit-making stage. But a tax may be, on the whole, substantially just although it may, in some of its operations, be unfair in its incidence. I recall that this is a tax introduced by the Federal Government as a war, or emergency, imposition. The war is exactly two months and four days old and, to my mind, it became desirable at the outset of the war that the Federal Government should intimate its intention regarding the very substantial increase in the price of gold due entirely to war conditions. It is apparent that the price of gold rose to the extent of the premium, as we know it to-day, within two months and four days of the commencement of the war, and in those circumstances the Federal Government, or any other Government, could not have sufficient time at this stage to put the tax into a form that would meet all the conditions involved. I have been told, not authoritatively, not from an official source, that a variation in this taxation in favour of the prospector and shows that have not yet reached the profit-making stage, has been before the Federal Government for some time and the hope has been expressed that during the forthcoming session, which commences in a few days' time, an alteration will be effected in the measure that will make the imposition more equitable along the lines mentioned by the member for Murchison.

Mr. Marshall: The Federal Government refused to effect any variation when the proposition was first put to them.

Mr. McDONALD: We must remember that the Federal Government acted in a time of emergency. We must bear in mind that for six years in this State the financial emergency tax has operated, yet that impost has been repeatedly attacked by members of this House, including those on the Government side, as being inequitable in its application. It has required seven years to take steps to secure the abolition of that tax, which had its origin in a period of great stress and emergency. From that standpoint it was, on the whole, substantially a just tax, rendered necessary because of the need for funds with which to carry on the affairs of State.

Mr. Withers: But that tax was agreed to by Parliament.

Mr. McDONALD: I will deal with that phase, too. In the course of seven years the financial emergency tax has been gradually amended so as to operate more equitably upon all sections of the community. The motion under discussion challenges the gold tax on account of its unfair application in some respects. As the Federal Government, with all the stress of war, has had only two months and four days in which to overhaul, observe and study the operation of the different sections of the gold mining industry—

Mr. Cross: The Government made a perfect blunder from the start.

Mr. McDONALD: I will deal with that in a moment. If in peace times we take six years to modify an admittedly unjustly operating tax in this State, we should allow the Federal Government, confronted with all the difficulties of war conditions, at least two or three months to study and vary the operations of the tax under discussion. I think it will be found that before very long that Government will agree to a variation to meet the conditions referred to by the member for Murchison. In those circumstances I am not prepared to declare by my vote that the tax is unjust. I agree it is imperfect, but I believe that, substantially, it is a just tax. In reply to the point raised by the member for Canning (Mr. Cross), if there is one aspect upon which the people of Australia and members of this House are determined, it is that no person shall grow rich because of conditions arising out of the war. I am just as agreeable as is the member for Murchison that profits earned by the Broken Hill Proprietary Co. or any other concern or individual, due to war conditions, when those profits are abnormal and above those usually made, should become the property of the people.

Hon. W. D. Johnson: That is hardly the same proposition as this.

Mr. McDONALD: It is not, but the same principle is involved. Excess earnings due to war conditions should, in my opinion, and I am sure in the opinion of the House generally, be the property of the people.

Mr. Thorn: Did you say "excess earnings" or "excess profits?"

Mr. McDONALD: The better form might be a profits tax, which might be the fairest, or it might take the form of ex-

aise. If the impost approximates a profit tax, it does not matter what form is adopted.

Mr. Thorn: The primary producers might gain a little from this, seeing that they have been producing at a loss.

Mr. McDONALD: I should think that the policy of any Government would be to regard the conditions of the primary industries as exceptional, whereas the gold mining industry has for many years enjoyed an abnormal degree of benefit due to greatly enhanced world prices. Exactly the opposite has been the experience of the primary industries, and if excess profits due to war conditions were considered in relation to those industries, the past experience should be borne in mind as the basis of any action taken. I do not particularly care if we tax the excess amount obtained by the gold mining industry or any other industry by way of excise or by a profits tax, but what I do care about is that we shall recognise and support the principle so promptly initiated by the Federal Government, which I hope will be extended in due course in other directions. The principle involved is that where extra money is earned on account of war conditions, that excess should belong to the people. I have no reason to speak with extra knowledge beyond that possessed by every other member of this Chamber, but I certainly hope that during the forthcoming session of the Federal Parliament, legislation will be passed that will embody that principle. Now, if we tell the Federal Government that this is an unjust tax, if we imply to the people of Australia, including our own State, that we do not want it, and if it were abolished, then the day we abolished it we would write a cheque for half a million pounds which would be put into the pockets of the people who are shareholders in the mines.

The Minister for Mines: More like a million.

Mr. McDONALD: The Minister says that the amount would be a million; but I am taking into account what he said to-day, that the mines have to face increased expenditure. Therefore, to be on the conservative side, I say that if this tax were abolished at least half a million pounds would be put into the pockets of the shareholders. Share-

holders who put their money into mines in the past and unfortunately lost it cannot be regarded any more than people who in the past put their money into business concerns and lost it. The great majority are out of the mining speculation business. We are concerned with the people who are in the business, just as we are concerned with other people who are earning, or who may earn large incomes to-day. We cannot consider the people who lost in the past, or who may have gone into business and failed; we must deal with things as they are. To my mind, we would create an erroneous impression if by this motion we said we were not fully behind the action of the Federal Government in stepping in and preserving for the people any additional amounts which are earned through war causes, in this or in any other industry.

Mr. Cross interjected.

Mr. SPEAKER: The member for Canning will have the right of reply.

Mr. Cross: Time would be saved if I could speak now.

Mr. McDONALD: There is a good deal to be said for the fact that the industry has been built up and maintained to a large extent by State Government expenditure. On the point of the income to be derived from the excess profits of the gold mining industry due to war causes, it may be a proper matter of representation to the Federal Government that the State should share in that excess return. The point, however, is that so far the State has refused or declined to take any part of the increased value of gold, for reasons which I think are quite valid. I myself have been opposed to taxation of the mining industry beyond a reasonable extent. In my opinion, the State should extend the volume of the mining industry, rather than have a small industry with high profits and take a certain share of those profits by taxation. Still, the State did not step into this field and therefore the Commonwealth Government was entitled to do so. In the circumstances, it was justified in doing so. It would have lost much of the confidence of the people of Australia if it had stood by and allowed the holders of mining shares to put half a million pounds into their pockets each year and had not done a single thing about it. I think the Commonwealth Government acted promptly and wisely, and it should receive the support of the community. The

member for Boulder (Hon. P. Collier) said that it was unconstitutional to flout the decision of the second Chamber. I may apply the same remark to the decision of the Government in flouting the decision of the second Chamber with regard to railway rates.

Mr. Cross: There is no comparison at all.

Mr. McDONALD: The two cases are parallel, except that the Federal Government was actuated by war conditions. Apart from that fact, the cases are precisely parallel.

Hon. W. D. Johnson: It depends on how they affect our constituencies.

Mr. McDONALD: Exactly. As the member for Murchison (Mr. Marshall) said, if he were in a different constituency he might speak in a different strain. May I recall what happened? The House of Representatives passed the proposal of the Federal Government to place this tax on the mining industry. It was perfectly well known to everyone that the Federal Parliament was agreeable to the principle that excess profits earned from gold should belong to the people. There is no doubt about that. All the Federal Government did was to accept the principle of an excise of 75 per cent. of the increase in the premium, but without affording some protection to or making some qualifications in favour of the prospectors and of shows which have not reached the profit-earning stage. Both Houses knew and everybody agreed to the theory that excess earnings from gold should be the subject of taxation on behalf of the people. When the Senate declined to pass the Excise Bill, because provision had not been made for the cases mentioned by the member for Murchison, the Commonwealth Government imposed the excise of 50 per cent., saying that in the case of most shows the extra 50 per cent. which they were to be allowed to retain ought to be sufficient to assist them if they had not reached the stage of development of the older mines. When it comes to a consideration of the action taken by the Commonwealth Government and its constitutionality, we know that in imposing some taxation on excess profits the Commonwealth Government had the support of the opinion of both Houses of the Federal Legislature.

Mr. Patrick: This regulation has still to be approved by the Federal Parliament.

Mr. McDONALD: Yes, the measure is an emergency measure. Within two or three days it will be the subject of debate in both Houses of the Federal Parliament. For these reasons I refuse to agree that this is an unjust tax. I refuse to be a party to any discouragement of the general principle that—with fair application to particular cases of the kind mentioned by the member for Murchison—the people should in this emergency take excess profits, which are really due to all. I propose to vote against the motion. I agree that the Commonwealth measure may be amended; but, in principle, it is a sound measure on behalf of the Commonwealth.

**THE MINISTER FOR WORKS** (Hon. H. Millington—Mt. Hawthorn) [8.9]: It seems to me that this motion, which is aimed at the Commonwealth Government, is being used as a vehicle of attack against the State Government. Because we refrained from imposing a similar tax on the mining industry, it is said the Commonwealth Government is quite justified in stepping in. The fact is that in past years—independently of the Government in power—the policy of Western Australia was to foster the mining industry. Even to-day, since the imposition of this excise on gold, scarcely a day passes without my receiving applications for concessions in water charges. I think I have had five or six applications during the last fortnight by the mines in Kalgoorlie, Norseman, the Southern Cross area, Bulfinch and Marvel Loch. The reason given for the request is that the mines may be enabled to carry on. Side by side with the imposition of this excise by the Commonwealth Government, which has been defended in this House, I am convinced that it is necessary in many instances to grant concessions to mining companies so that they may continue their operations.

Mr. Marshall: At the taxpayers' expense.

**THE MINISTER FOR WORKS:** What we object to is that the Commonwealth Government imposed this excise without first obtaining information from reliable sources in this State. We have a Mines Department, expert advisers and a competent staff who know the history of our mining industry and the difficulties under which it has struggled over a period of years. They were not consulted. The Commonwealth Government landed in with big feet and imposed a

tax which the very reasonable member for West Perth (Mr. McDonald) said was not an unjust tax, although he qualified that by remarking that it might be inequitable. Can he say that a tax is equitable which applies to a well established mine, with a perfectly organised plant and a reasonable grade of ore, showing profit, as well as to struggling mines, such as those instanced by the member for Murchison (Mr. Marshall)? That is what we object to. No attempt was made to ascertain the condition of the mining industry.

Mr. Marshall: The Commonwealth Government did not worry about it.

The MINISTER FOR WORKS: People speak of the enormous expansion of the industry due to the increase in the price of gold. That is what happened. It is not so much that enormous profits have been made, or that existing mines have since extended enormously, but the increase in the price of gold has made it possible to extend the activities of the industry throughout the State. Hence we have an increased yield. The Commonwealth Government may not know, but I am positive the officials of the Department of Mines know, that in every mine—without exception—a variation exists in the grade of ore mined. I assure members that the mining people of this State know their business. Before ore is broken it is carefully sampled and assayed. It depends upon the grade whether or not it is broken.

Mr. Marshall: That is the point.

The MINISTER FOR WORKS: I know that in every mine under proper management the ore is very carefully graded. The manager knows the grade of ore that can be successfully treated. The grade is the determining factor in any decision to break ore.

Mr. Marshall: And in the life of the mine.

The MINISTER FOR WORKS: The increase in the price of gold enables a lower grade of ore to be treated. Every mine manager is anxious to lengthen the life of his mine. We have heard much talk about every ounce of gold won reducing the value of the industry; but competent managers do their utmost to treat the lowest possible grade of ore that will pay. Some of our mines to-day are experiencing the utmost difficulty in continuing operations and in finding ore to keep a hungry mill fed. In the electorate of the member for Murchison

there is a mine which treats 1,000 tons of ore per day—365,000 tons a year, or more. I think the Lake View and Star Mine treats up to 40,000 tons a month. Members can quite understand that there is the utmost difficulty in finding 40,000 tons of ore of a payable grade, and I am positive that the war would have the effect not only of increasing the profits but also of increasing the body of ore that could be treated in any given mine. That is what the Commonwealth Government has to be made to understand, and that is one of the handicaps that will be imposed upon the mining industry if the flat rate of tax is insisted upon. Not only is such a tax an injustice to the industry and to the State, but undeniably less ore will be treated if this excise is continued on the present basis. It means that less gold will be won. Ore that should be treated and would be treated will be left in the mines.

That phase I mention out of my own experience. Many other members have had practical experience not only in the mining of the ore but also in the treatment of the ore. When the Commonwealth Government imposes an excise duty of this kind, the effect must be a shrinkage in the body of ore treated in all the mines, even the best of them. That point should receive consideration. The State is still expected to give concessions of all kinds to the mining industry.

Mr. Marshall: To keep it alive.

The MINISTER FOR WORKS: Seemingly we have spent all these years in bringing the crop to fruition, and now the Commonwealth Government steps in and reaps the profits. Some members might ask, "Why did not the State Government impose a tax of this kind?" The reasons I have already stated. We consider that the industry has been of immeasurable value to Western Australia, and therefore our duty was to foster it in every possible way. On that score I have no regrets, except when I recall that, struggling as we are to secure sufficient revenue to meet our expenditure commitments, we find the Commonwealth Government stepping in and imposing this tax and to an extent crippling the one payable primary industry in this State.

One member suggested that the imposition by the Commonwealth Government of this excise on gold, in spite of the refusal of the Senate to pass the necessary enab-

ling Bill, is similar to the action taken by this Government in respect to railway freight increases.

Mr. Cross: There is no similarity at all.

The MINISTER FOR WORKS: I would expect the member for West Perth to advance a better argument than that. His must be a desperate case when he has recourse to such an argument. He knows perfectly well, in comparing the two Houses, that one is elected on an adult franchise and the other on a restricted franchise. I do not know how another place has the nerve to attempt to interfere with the revenue of the State when Parliament itself has imposed upon Governments the obligation of appointing a Commissioner of Railways. That is the law of the land. The Commissioner of Railways is supposed to be independent, even of Governments, in his control of the railways. I agree that the policy of the State has been imposed upon the Railway Department, and that certain concessions are made that would not be made by a man managing the system on business lines. I need not remind members opposite what those concessions are, but they meet with their entire approval.

Mr. SPEAKER: I think the Minister is now getting away from the motion.

The MINISTER FOR WORKS: I am sorry that you, Sir, allowed that phase to be introduced, but we have been challenged on the point and I should like your permission to reply.

Mr. SPEAKER: I think the Minister has been able to reply to the member for West Perth. I cannot permit a long debate on the railways.

The MINISTER FOR WORKS: I am simply saying that in one case the law was obeyed. The hon. member knows that the Government Railways Act contains the necessary power for the Commissioner to impose increased freights. The by-laws need not be tabled in Parliament and Parliament cannot legally interfere with them.

Since this motion was moved some weeks ago and as the time was appropriate—at that stage the Commonwealth Government was proposing to impose the tax—as the Minister for Mines stated, a good deal of water has run under the bridge.

Mr. Raphael: A bit muddy, too.

The MINISTER FOR WORKS: Still the same objectionable tax that was fore-

cast then has been imposed. I should not like members of the Federal Parliament to gain the idea that we in this State consider the tax of no consequence and are prepared to submit to it. The suggestion has been made that, since we have discussed the matter, the motion should be withdrawn. My idea is that the debate should be adjourned so that a suitable motion might be framed, setting out the views of this House respecting the manner in which the excise has been imposed and the effect it will have of crippling, to an extent, the mining industry on which we depend. We could point out that this is the State that suffers disabilities under Federation. Yet, in gold production, this State is responsible for nearly 70 per cent. of the output of the Commonwealth, and so it seems that a special tax is being imposed not only upon the mining industry, but also upon the State of Western Australia, the State least able to bear it.

Where will all the profits be made about which we hear so much? They will certainly not be made in this State. The industries that will expand as a result of the war are not in Western Australia, and the Commonwealth Government, in looking for additional taxation, should cast its eye on the industries that will benefit. Those industries are situated in the Eastern States and in most countries of the world, but they are certainly not in Western Australia. Therefore I suggest framing a motion expressing our views. Some of our representatives in the Federal Parliament have been very active, and when the question comes before that Parliament and is dealt with not only by the Government, with its lack of knowledge of the whole question, but by Parliament which numbers amongst its members men who understand Western Australian conditions and what the industry has suffered, they will be buoyed up by us and have the backing of this Parliament and of the people of this State in entering a protest and urging that the tax be imposed on an equitable basis. Where profits result from mining, no one can object to taxation of the profits, but this is a most unjust and inequitable form of taxation on the industry. Out of our actual experience we could frame a motion setting forth our views, and that could be placed before the House in the form of

an amendment. If the debate is adjourned, the amendment could be framed in suitable terms. Goldfields members and others particularly interested in the industry would have an opportunity to express their views and get them embodied in the proposal.

For my part I am determined that the impression shall not be given to the Federal Government or the Federal Parliament that we consider this matter of no consequence. I think the member for Nedlands (Hon. N. Keenan) knows that at one time, had an unjust measure of this kind been imposed upon the goldminers, they would have been quite prepared to go to Fremantle, if necessary, for defending their rights. Those were the good old days.

Hon. N. Keenan: In 1914 the Commonwealth took over all the gold of Western Australia and not a single voice was raised in protest.

The MINISTER FOR WORKS: Was there not?

Hon. N. Keenan: Not by this Parliament.

The MINISTER FOR WORKS: I remember that the mining companies raised much objection to it.

Hon. N. Keenan: I am speaking of Parliament.

Mr. SPEAKER: Order!

The MINISTER FOR WORKS: We were in office in 1914 and passed through desperate times. Governments had much to worry them in those years. Now we are dealing with the matter in 1939, and I say we should show the Commonwealth Government that if it does not understand the position of the goldmining industry, the people of Western Australia do. We have to show them that we know what we are after, we have to voice our objections in a manner both defensible and forcible. I am prepared at all times to listen to reason, but this is an unjust tax, and a more equitable tax could be devised. This is an ill-judged imposition. The only excuse for it is that the Commonwealth Government requires money, but the Commonwealth has now had time to consider matters, and I think that when we voice our opinions, the Federal Government will come to heel.

Mr. Patrick: The Commonwealth Government will never get a million a year out of excess profits.

The MINISTER FOR WORKS: A tax on profits is the only just tax. This imposition on gold is not just. If we took time

to adjust our views and frame a suitable protest that would adequately voice the feeling of the House, I am satisfied that the Commonwealth Government would have to heed our protest. That is what I should like the House to do. The motion in its present form is not suitable in view of what has happened in the interim, but as I have said, a motion can be framed to meet the position. I support the principle of the motion, but I hope it will be recast in order to express adequately the views of this House.

On motion by Mr. Styants, debate adjourned.

## BILL—BUILDERS' REGISTRATION.

### *In Committee.*

Resumed from the 27th September; Mr. Marshall in the Chair, Mr. Needham in charge of the Bill.

The CHAIRMAN: Progress was reported on Clause 3, to which Mr. Watts had moved an amendment as follows:—

That the words "and the areas comprised in the Schedule to this Act" be struck out.

Mr. WATTS: I desire to remind the Committee of the circumstances in which the amendment was moved when the measure was last considered. I explained then that I wished the townships in the Schedule, apart from the metropolitan area, to be deleted, but that on further consideration I did not desire to move an amendment empowering the Government to add other areas. The town site of Katanning, for instance, does not contain by any means the whole residential area of the town. If the Bill is passed in its present form, the position at Katanning will be ridiculous, for the measure will apply on one side of a thoroughfare and not on the other side. Residences of equal value are to be found on either side, and similar residences will be built on either side in the near future. Thus on one side registered builders will be required, but not on the other side. I shall not move for the deletion of the proviso.

Mr. NEEDHAM: I cannot accept this amendment. A further amendment proposes to delete the Schedule. This would certainly impair the measure, permitting jerry-builders to proceed to various country towns and build as they chose. A builder not permitted to register in the metropolitan area

because of incompetency could proceed to Bunbury, Albany, Katanning or Geraldton and operate there as a builder. The member for Katanning now proposes to do by one amendment what originally he intended to do by two. When the measure was before this Chamber in 1934, an attempt was made to prevent the inclusion of the towns mentioned in the Schedule. No division was taken, the amendment being negatived on the voices. If the amendment of the member for Katanning is accepted, the operation of the Bill will be limited to the metropolitan area, and the towns mentioned in the Schedule will be left to the mercy of the incompetent or unscrupulous builder. On the second reading the question was asked, why confine the operation of the measure to the metropolitan area and the towns mentioned? Now the opposite stand is taken. The object of the measure being to protect the public against the incompetent builder, I want that protection to extend to the towns mentioned in the Schedule.

Mr. DONEY: The member for Perth has submitted no good reason, perhaps because he has no good reason, why the amendment should be defeated, merely asserting that the proposed alteration would impair the Bill. Has there been any call for the measure from country towns? I think not. The Master Builders' Association is entirely a city organisation, and concerned for the interests of big firms. Rarely do the interests of members of that organisation travel beyond the metropolitan area. Yet they, I believe, are responsible for the main provisions of the Bill. Even in suburbs building laws differ greatly from those obtaining in the city. I do not think the Master Builders' Association would care if country towns were excluded.

Mr. WATTS: I have assured the member for Perth that I do not propose to move for the striking-out of the proviso to Clause 3. I am not prepared, however, to allow the Schedule to stand as printed. The hon. member says the object of the Bill is to preserve the public from the activities of jerry-builders. If the Bill is passed as printed, jerry-builders will be able to operate in a large portion of the town of Katanning, because that part is not built on the townsite of Katanning. Again, additions to the Katanning Hospital could be erected by a jerry-builder because that institution is not on the Katanning townsite. City builders

now tender for country jobs, and under the Bill as it stands they would be able to come to country towns and there jerry-build to their hearts' content. I have no doubt that the same remarks apply to towns other than those mentioned in the schedule. I am at a loss to know why some of the larger towns have been omitted. As the Bill stands now, it is so much nonsense.

Hon. W. D. JOHNSON: We all know what little chance there is of a Bill going through another place if it contains a provision that it shall be extended by proclamation to any part of the State. It is necessary that the principal towns in the State should be specified, that is if they are to receive the same protection as the larger towns. The member for Katanning stated that what was proposed was not a practical proposition because one side of the street would be inside and the other would be on the outside of the boundary; but it does not matter what we do, there will be bound to be anomalies of that description. The member for Perth, when framing the Bill, followed the only possible course, by defining it to apply to town sites, and it is inside the town sites that the main buildings are erected. An hon. member remarked that a hospital might be outside the town site. It is desirable, however, that that should be so. But because such a building would be excluded, we do not want to say that we must alter the Bill. It does not matter what boundaries we define, buildings will be erected outside the boundaries. Every townsite has a road around it, one side of which is within the townsite and the other on the outside. That cannot be avoided.

Mr. WITHERS: I am not greatly concerned as to whether the schedule remains or is deleted. There are other important towns in the State that could have been mentioned and they are just as entitled to a good structure as are the towns of Bunbury, Northam, Kalgoorlie, or any other place that has been referred to. There are towns like Harvey, Manjimup and Bridgetown, all of which are progressive, and where there are substantial public buildings, places where people congregate.

Mr. Doney: The Bill will not affect the type of the buildings in any way.

Mr. WITHERS: We should not start to single out certain towns and say we will protect the people living in Bunbury, Kalgoor-

lie and Northam, and not show consideration for those who live in some of the other towns. Why not make the Bill State-wide, so that all will come under its provisions? Just outside Bunbury there are houses that cost perhaps £1200 or £1500. Possibly small contractors can build such places that are just outside Bunbury, but those men would not be permitted to build within the boundary. The position as it is is anomalous.

Amendment put and division taken with the following result:—

Ayes .. .. .	15
Noes .. .. .	18
Majority against .. ..	3

AYES.	
Mr. Boyle	Mr. Seward
Mrs. Cardell-Oliver	Mr. Thorn
Mr. Hill	Mr. Warner
Mr. Keenan	Mr. Watts
Mr. McLarty	Mr. Willmott
Mr. North	Mr. Withers
Mr. Patrick	Mr. Doney
Mr. Sampson	

(Teller.)

NOES.	
Mr. Berry	Mr. Nulsen
Mr. Coverley	Mr. Panton
Mr. Cross	Mr. Shearn
Mr. W. Hegney	Mr. F. C. L. Smith
Mr. Johnson	Mr. Styanis
Mr. Lambert	Mr. Tonkin
Mr. Leahy	Mr. Triat
Mr. Millington	Mr. Wise
Mr. Needham	Mr. Wilson

(Teller.)

PAIRS.	
AYES.	NOES.
Mr. Latham	Mr. Willcock
Mr. McDonald	Mr. Hawke
Mr. Stubbs	Mr. Holman

Amendment thus negatived.

Mr. NEEDHAM: I move an amendment—

That at the commencement of Subclause (1) a new paragraph to stand as paragraph (a) be inserted as follows:—“(a) construct either for himself or any other person any building for the purpose of the immediate sale thereof.”

The object of that amendment is to prevent a person erecting a building for himself and then immediately afterwards selling it. If that were permitted, the object of the Bill could easily be defeated. For instance, a land agent or a speculative builder might find it easy to evade the provisions of the Bill as it is now worded, and to prevent that the amendment is required.

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

Ayes .. .. .	16
Noes .. .. .	16
A tie .. .. .	0

AYES.	
Mr. Coverley	Mr. Panton
Mr. Cross	Mr. F. C. L. Smith
Mr. W. Hegney	Mr. Styanis
Mr. Johnson	Mr. Tonkin
Mr. Lambert	Mr. Triat
Mr. Leahy	Mr. Wise
Mr. Millington	Mr. Withers
Mr. Needham	Mr. Wilson

(Teller.)

NOES.	
Mr. Berry	Mr. Sampson
Mr. Boyle	Mr. Seward
Mrs. Cardell-Oliver	Mr. Shearn
Mr. Collier	Mr. Thorn
Mr. Keenan	Mr. Warner
Mr. McLarty	Mr. Watts
Mr. North	Mr. Willmott
Mr. Patrick	Mr. Doney

(Teller.)

PAIRS.	
AYES.	NOES.
Mr. Willcock	Mr. Latham
Mr. Hawke	Mr. McDonald
Mr. Holman	Mr. Stubbs

The CHAIRMAN: The voting being equal, I give my casting vote with the ayes.

Amendment thus passed.

The CHAIRMAN: Paragraphs (a), (b), and (c) will be consequentially re-lettered as paragraphs (b), (c) and (d).

Mr. NEEDHAM: I move an amendment—

That in line 2 of paragraph (i) of Subclause (1) the word “three” be struck out with a view to inserting the word “four.” I think this amendment can be made without impairing the efficiency of the measure. One of the principal objects of the Bill is to protect the home buyer from incompetent and unscrupulous builders. I understand the cheapest house costs at least £400 and the limit of £300 should be altered to £400.

Amendment put and passed.

Mr. NEEDHAM: I move an amendment—

That the word “four” be inserted in lieu of the word struck out.

Mr. SAMPSON: If there is any virtue in the proposed amendment, it should surely have in view the protection of the cheaper type of house. If there is any class of building in connection with which there is a danger of shoddy work being done, it is a building the cost of which has been reduced to such an extent that it is impossible for the best class of material and first-class workmanship to be put into it. The amendment will further invalidate an already useless Bill. I hope the Committee will not agree to it. If the amount were made reasonable, say £800, thereby enabling a fairly comfortable type of house to be



erected, there would be some sense of consistency and the Bill might receive a more respectful reception.

Hon. C. G. LATHAM: I hope the Committee will not agree to the amendment. Workers' homes cost somewhere about £750 except on the goldfields, and the goldfields are entitled to homes just as good as those erected anywhere else.

Mr. Styants: I do not think brick houses would be suitable on the goldfields.

Hon. C. G. LATHAM: Well, the people could have far nicer wooden homes than they have at present. I want to see £600 inserted instead of £400. We should not encourage the erection of a cheaper class of home. If a man is going to erect a house, let him put up a decent one if he can.

The Minister for Mines: If he can!

Hon. C. G. LATHAM: Many men can.

Member: And many cannot.

Hon. C. G. LATHAM: I protested against this legislation at the second reading and I propose to protest against it at the third reading. This type of legislation is the poorest of which I know. A certain section of people have got together for their own special benefit. They want to keep the worker always a worker. I should like to quote what the Premier of the day said when a measure of this kind was introduced into the Chamber previously. I hope the Committee will vote out the amendment with a view to "six" being subsequently inserted in lieu of the word struck out.

Mr. SAMPSON: That is a sound proposition, because if we are to encourage the erection of cheap buildings by those who are not registered, inferentially—in fact definitely—we state that the unregistered builder can produce a house for a lower price than the registered builder. Surely there is no justification for that. Is the person having a cheap house erected by an unregistered builder to have no protection? Protection is more necessary in connection with a low-priced house than for a more substantial home built at a higher cost. I hope the member for Perth will see that the clause is hopeless, whatever he does with it, and will take the wise course of jettisoning the whole measure.

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

Ayes	..	..	..	20
Noes	..	..	..	13

Majority for .. 7

AYES.		NOES.	
Mrs. Cardell-Oliver	Mr. Panton	Mr. Berry	Mr. Seward
Mr. Coverley	Mr. Raphael	Mr. Boyle	Mr. Thorn
Mr. Cross	Mr. Shearn	Mr. Collier	Mr. Warner
Mr. W. Hegney	Mr. F. C. L. Smith	Mr. Keenan	Mr. Watts
Mr. Lambert	Mr. Styants	Mr. McLarty	Mr. Willmott
Mr. Leahy	Mr. Tonkin	Mr. Patrick	Mr. Doney
Mr. Millington	Mr. Triat	Mr. Sampson	
Mr. Needham	Mr. Wise		
Mr. North	Mr. Withers		
Mr. Nulsen	Mr. Wilson		

(Teller.)

(Teller.)

AYES.		NOES.	
Mr. Wilcock	Mr. Latham	Mr. Wilcock	Mr. Latham
Mr. Hawka	Mr. McDonald	Mr. Hawka	Mr. McDonald
Mr. Johnson	Mr. North	Mr. Johnson	Mr. North
Mr. Holman	Mr. Stubbs	Mr. Holman	Mr. Stubbs

Amendment thus passed.

The CHAIRMAN: Subclause (2) will be consequently amended by striking out the word and letter "and (c)" in line 2 and inserting the word and letters "(e) and (d)" in lieu.

Mr. NEEDHAM: I move an amendment—

That the words "the Institution of Surveyors, Western Australia, Incorporated" in paragraph (i) of Subclause (2) be struck out.

I do not think there is any need to allow the Institution of Surveyors to remain amongst the exempted bodies. The members of that organisation have not a great deal of knowledge of building and we may include them while at the same time excluding others with a greater knowledge of the industry.

Amendment put and passed.

Mr. NEEDHAM: I move an amendment—

That paragraph (iii) of Subclause (2) be struck out and the following words inserted in lieu:—"any incorporated body, company or partnership in which there is not more than one member or shareholder as the case may be who is not registered under this Act."

As the clause now reads, one person can enter into partnership with a number of tradesmen and carry out work without being subject to the industrial laws. That is happening to-day. The Master Builders' As-

sociation and the unions concerned have, therefore, considerable difficulty in policing these laws. To prevent evasions of this kind I submit the amendment.

Amendment put and passed.

Mr. NEEDHAM: I move an amendment—

That in paragraph (iii) the word "three" be struck out and the word "four" inserted in lieu.

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

Clause 5—Constitution of the Builders' Registration Board of Western Australia:

Mr. SHEARN: I move an amendment—

That in paragraph (c) the word "three" be struck out, with a view to inserting another word.

The object of this amendment is to permit of a person appointed by the Western Australian Builders' Guild (Incorporated) becoming a member of the board. The guild comprises upwards of 40 members, whose organisation was not contemplated when legislation dealing with this subject was last before Parliament. Its constitution provides that the executive council has a right to inspect all credentials such as the financial ability and competence of its present or future members. It claims to have the right to representation on the board inasmuch as it is responsible for the bulk of suburban building operations, whether carried out by contract or private treaty. It feels that it can hardly be adequately represented by a body such as the Master Builders' Association, which is concerned particularly in city building. I understand there is no objection to this amendment from the association concerned.

Hon. C. G. LATHAM: That is a blessing.

Mr. SHEARN: I also understand that there is no objection to the guild being represented on the board.

Mr. Sampson: Is this a rival body?

Mr. NEEDHAM: I have considered the amendment and can see no objection to it.

Mr. Sampson: Glory be!

Mr. NEEDHAM: What is the matter with the hon. member? I am always willing to accept reasonable and sensible amendments. This clause deals with the constitution of the board, the numbers comprising which the amendment suggests should be increased from three to four. The inclusion of a representative of the guild will not in any

way render the board top heavy, but will cause it to be more representative.

Mr. Sampson: To add a nice tone to it.

Hon. C. G. LATHAM: What does the guild represent, and who are its members? The hon. member has moved his amendment, but does not tell us anything about the organisation.

Mr. Withers: Have you not received a letter?

Hon. C. G. LATHAM: I have been inundated with letters protesting against this class of legislation. It is time we awakened to this sort of thing.

The CHAIRMAN: The hon. member must confine himself to the amendment.

Hon. C. G. LATHAM: One cannot help losing one's temper sometimes. Who are these people and where do they come from?

The Minister for Mines: And what do they do?

Hon. C. G. LATHAM: Whom do they represent? We know nothing about the guild. I am not content to say "yes" to everything that is put up to me. If we do not understand amendments that are brought down, how can we expect the public to do so?

Mr. SHEARN: I am sorry the Leader of the Opposition does not realise from the correspondence he has received that the guild is a responsible body, which has not disguised its identity in any way.

Hon. C. G. Latham: Who are these people?

Mr. SHEARN: The Leader of the Opposition has had a lot to say, and must now wait until I finish my remarks. This body is actuated by the same principle as that which guides the Wheatgrowers' Union, namely, to serve the public who are interested in a particular industry, in this case that relating to building. The members of the guild are reputable builders and are spread throughout the metropolitan area. Hardly a member of this Chamber who represents metropolitan constituents can fail to have some member of the guild residing or working in his electorate. Anyone who has eyes upon other than the wheat-grower must know something about the guild. I have enough sense of responsibility not to bring down an amendment unless I am satisfied of my grounds and in this case would not do so until I was satisfied about the responsibilities attached to the body in

question. Members of the guild are well known builders, whose advertisements in the Press could be seen by any man who had even half the normal eyesight.

The Minister for Mines: What relation are they to the members of the Master Builders' Association?

Hon. C. G. Latham: They are a pup.

Mr. SHEARN: The guild is a body identical with the Master Builders' Association, with a difference that I thought I had made clear even to the Leader of the Opposition, namely, that its activities are confined solely to suburban dwellings. Some of the members of the guild have built a hundred houses in a year, and I doubt whether that can be said of any member of the Master Builders' Association. The guild has a right to representation on this board. I have satisfied myself that it is a properly constituted organisation.

Hon. C. G. LATHAM: The hon. member has convinced me that we are merely about to duplicate that which we already have. I will tell him something he does not know, namely, that master builders do work in the suburban areas, and will take all jobs of that nature they can get provided there is enough profit in them. I cannot agree to the amendment. The workers, too, should be represented on the board; the Government might insist upon that. What about appointing a representative of the Carpenters' Union also.

The CHAIRMAN: The hon. member had better state that case when the amendment is disposed of.

Hon. C. G. LATHAM: Then let us strike out the word "three."

Amendment put and passed.

Mr. SHEARN: I move an amendment—

That the word "four" be inserted in lieu of the word struck out.

Amendment put and passed.

Mr. SHEARN: I move an amendment—

That in line 4 of paragraph (c), the word "and" be struck out.

Amendment put and passed.

Mr. SHEARN: I move an amendment—

That in line 5 of paragraph (c), after the word "Australia" the words "and a representative appointed by the Western Australian Builders' Guild (Incorporated)" be inserted.

Hon. C. G. LATHAM: I hope the Committee will not agree to duplication on the

board by having two representatives of master builders. The workers should have a representative who would be able to assist in the necessary examinations that will enable those that pass the test to be registered as qualified builders.

The Minister for Mines: The Building Trades Council is representative of all sections of the building trade unions.

Hon. C. G. LATHAM: I hope the Committee will reject the amendment and agree to the workers having a representative on the board.

Hon. N. KEENAN: I regret that the Leader of the Opposition has fallen foul of the member for Maylands, and is trying to convert the Bill into a farce. If members look at the clause dealing with the duties of the board, they will see how impossible it would be for a representative of the building trades unions to sit on the board and carry on the duties outlined, which will involve the granting of certificates for master builders. The reason why the amendment is moved is that there are two distinct groups of master builders, one of which engages in the construction of large buildings in the city and the other section, not so ambitious, deals with the erection of houses in the suburbs. Each section has its separate organisation, and I understand from the member for Maylands that 80 per cent. of the buildings in the suburbs is constructed by members of the guild. The member for Perth says the amendment will not make the Bill lopsided, nor defeat the objects of the measure. I cannot see why the Leader of the Opposition should get so snake-headed about the matter.

Mr. Cross: It is time we had a new Leader of the Opposition.

The CHAIRMAN: The member for Nedlands must not reflect upon the Leader of the Opposition.

Hon. N. KEENAN: If it is a reflection upon the Leader of the Opposition to say he is snake-headed, then I must withdraw.

The MINISTER FOR MINES: I entirely disagree with the remarks of the member for Nedlands for I consider that the workers should be entitled to representation on the board. I shall be consistent and agree with the Leader of the Opposition. I cannot understand the argument advanced by the member for Nedlands

when he said that a representative of the building trades unions would not be competent to carry out the duties outlined in the Bill. If there is to be a practical examination, surely those who handle the tools are best able to deal with the practical side of the task. The Building Trades Council is constituted of delegates from all sections of the building trades and a most suitable representative could be appointed to the board.

Hon. C. G. LATHAM: I move—

That the amendment be amended by striking out the words "Western Australian Builders' Guild (Incorporated)" and the words "Building Trades Council of the Australian Labour Party, W.A. Branch" inserted in lieu.

Mr. Cross: Come over here!

Hon. C. G. LATHAM: We must look after the workers.

Mr. Sampson: That is holding a candle to the devil all right!

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

Ayes	..	..	..	..	14
Noes	..	..	..	..	15
<hr/>					
Majority against	..	..	..	..	1
<hr/>					

AYES.	
Mr. Doney	Mr. Thorn
Mr. W. Hegney	Mr. Tonkin
Mr. Lambert	Mr. Triat
Mr. Leahy	Mr. Watts
Mr. Panton	Mr. Wise
Mr. Patrick	Mr. Withers
Mr. Seward	Mr. Wilson

(Teller.)

NOES.	
Mr. Berry	Mr. Nulsen
Mrs. Cardell-Oliver	Mr. Shearn
Mr. Coverley	Mr. F. C. L. Smith
Mr. Fox	Mr. Styants
Mr. Keenan	Mr. Watts
Mr. McLarty	Mr. Willmott
Mr. Millington	Mr. Sampson
Mr. Needham	

(Teller.)

Amendment on amendment thus negatived.

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

Clauses 6 to 8—agreed to.

Clause 9—Builders' register:

Mr. THORN: I move—

That the Chairman do now leave the Chair.

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

Ayes	..	..	..	..	7
Noes	..	..	..	..	23
<hr/>					
Majority against	..	..	..	..	16
<hr/>					

AYES.	
Mr. Patrick	Mr. Warner
Mr. Sampson	Mr. Watts
Mr. Seward	Mr. Doney
Mr. Thorn	
<hr/>	
NOES.	
Mr. Berry	Mr. Nulsen
Mrs. Cardell-Oliver	Mr. Panton
Mr. Coverley	Mr. Shearn
Mr. Cross	Mr. F. C. L. Smith
Mr. Fox	Mr. Styants
Mr. W. Hegney	Mr. Tonkin
Mr. Keenan	Mr. Triat
Mr. Lambert	Mr. Willmott
Mr. Leahy	Mr. Wise
Mr. McLarty	Mr. Withers
Mr. Millington	Mr. Wilson
Mr. Needham	

(Teller.)

(Teller.)

Motion thus negatived.

Clause put and passed.

Clause 10—agreed to.

Clause 11—Course of training and examinations to be prescribed by the Chief Inspector of Technical Schools:

Mr. NEEDHAM: I move—

That the marginal note to Clause 11 be struck out with a view to substituting a marginal note in lieu.

The CHAIRMAN: I point out to the member for Perth that the marginal note is not part of the Bill.

Clause put and passed.

Clause 12—Cancellation of registration for fraud or other grounds:

Mr. NEEDHAM: I move—

That the words "either before or" in line 1 of paragraph (b) of Subclause (1) be struck out.

A man who has committed some breach of the law or offended against society and who has purged his offence should be eligible for registration. Should he again stray from the path of rectitude, he must pay the penalty.

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

Clauses 13 to 22—agreed to.

Schedule:

Hon. C. G. LATHAM: I move—

That the words "and York" be struck out.

The people of York do not want this Bill. Why the member for Perth should interest himself in the welfare of York I cannot understand. I hope he will agree to the amendment.

Mr. NEEDHAM: I oppose the amendment, which I think is out of order. The Committee has already decided that the schedule shall stand. If the amendment is

in order I certainly oppose it. I have as much regard for York as I have for any other part of Western Australia.

Hon. C. G. LATHAM: Does the member for Perth suggest that York has suffered in the past? Anyone [who knows York knows that it has some of the most substantial buildings in the State. The people of York do not desire this class of legislation. If the member for Perth is not of my opinion, I hope the Committee will vote for the amendment.

[Mr. Withers took the Chair.]

Mr. Sampson: Why not add Carnarvon to the schedule?

The CHAIRMAN: Order! We are dealing with the amendment.

Amendment put and declared passed.

Mr. NEEDHAM: Mr. Chairman, I called for a division. I said, "The Noes have it."

Mr. Sampson: How can you say "the Noes have it"?

The CHAIRMAN: I can give my decision only according to what I hear. If one voice calls out "no" in a low tone and several others call out "aye" in a loud tone, I must give my decision accordingly.

The Minister for Mines: Several members called "no."

The CHAIRMAN: I declared that the "Ayes" had it.

The MINISTER FOR MINES: You were quite justified, Mr. Chairman, in declaring the amendment passed because of the noise made by the "Ayes." The member for Perth said, "The Noes have it." In doing so, he was asking for a division. That is not the usual custom here, but it is a common practice in the House of Commons and in the Federal Parliament. Having asked for a division in that way the member for Perth is entitled to one.

Hon. C. G. Latham: I have no objection to a division.

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

Ayes	..	..	..	..	11
Noes	..	..	..	..	21

Majority against	..	..	10
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Mr. Boyle  
Mr. Keenan  
Mr. McLarty  
Mr. Patrick  
Mr. Sampson  
Mr. Seward

AYES.

Mr. Thorn  
Mr. Warner  
Mr. Watts  
Mr. Willmott  
Mr. Doney

(Teller.)

NOES.

Mr. Berry	Mr. Nulsen
Mrs. Cardell-Oliver	Mr. Pantou
Mr. Coverley	Mr. Rodoreda
Mr. Cross	Mr. Shearn
Mr. Fox	Mr. F. C. L. Smith
Mr. W. Hegney	Mr. Styants
Mr. Lambert	Mr. Tonkin
Mr. Leahy	Mr. Triant
Mr. Marshall	Mr. Wise
Mr. Millington	Mr. Wilson
Mr. Needham	

(Teller.)

Amendment thus negatived.

Schedule put and passed.

Title—agreed to.

Bill reported with amendments.

## BILL—AGRICULTURAL BANK ACT AMENDMENT (No. 1)

### Second Reading.

MR. PATRICK (Greenough) [10.3] in moving the second reading said: This is another attempt to make some amendments to the Agricultural Bank Acts. Members will recall that previous attempts have been made along those lines. The first amendment I endeavoured to secure was to the effect that a living allowance should be the first charge on the earnings of the farmer. I thought members opposite might agree to that because of remarks made by the Deputy Leader of the Federal Opposition as follows:—

The Labour Party has always held that in a country which has adopted a protectionist policy and in which arbitration courts fix wages and conditions of labour, dairy farmers and other primary producers are as much entitled to enjoy an Australian standard of living as are other sections of the community.

I thought I would get fairly substantial support for an amendment of that description. Unfortunately on that occasion—and I presume the objection still holds—I was not permitted to move such an amendment, being ruled out of order.

Later on I attempted to secure some minor amendments to the same section. The object of these was to confine the operation of Section 51 to one year's interest, to exempt produce where the production was of small account in farming operations, and to give freedom to deal with livestock, provided the charges under Section 51 had been met. There was also provision at the time for an appeal against re-possession, which is now the subject of a separate measure. The House at the time rejected my proposals. Incidentally, I was accused of having intro-

duced those amendments from purely dishonest motives. The then Minister for Lands said I was introducing them for the purpose of allowing certain unscrupulous clients to defraud the Bank. That did not worry me very much. I am introducing these amendments purely in the interests of the industry I represent. The attempts to amend Section 51 were made to neutralise the harshness of its provisions, but I thought then, as I think now, that the whole principle of the section was wrong, and that the security of a mortgagee should rest, as in other countries, on the land and improvements, and no attempt should be made to drag in everything produced on the property. I also said that the present policy stifled all initiative.

We know that the thing that killed the groups was the appointment of supervisors who attempted to teach the farmers how to farm their properties down to the minutest detail. One of the results was the enormous losses suffered in the South-West. No farm can be properly conducted under those conditions. I gave instances of the endless delays that were caused, particularly in the matter of stock transactions. Members must understand that if a farmer wants to deal in stock, he has to act immediately. If he has an opportunity to buy a certain line of stock, it is useless to ask him to go to the Bank and submit to the usual red-tape methods of obtaining permission before he can make the purchase. In one instance a farmer was offered a line of sheep at 5s. to 6s. a head, and by the time he had obtained the permission of the Bank, the price had gone up to 15s. or 16s. The same argument applies to the selling of stock. If a farmer gets an opportunity to sell stock at a particular time, that opportunity might be lost if it is not availed of immediately. There are plenty of fine men amongst the Bank officials, but they are not as competent to decide these matters as is the farmer himself.

Mr. Withers: That would depend upon the farmer.

Mr. PATRICK: I have had a fairly long experience of farming, and I do not think I would remain on a farm if I did not have a free hand to deal with the produce of my farm. To get economical farming is impossible under such conditions. I must concede that there has been some improvement in Bank methods since I last spoke, but still I say the farmer must have restored to him

the management of his own affairs. On this occasion I propose the repeal of Section 51. I propose also to amend Section 65, which deals with the power to write-down securities. I propose to delete the words providing for problematical future prospects. The section states, in effect, that if there is a prospect of the values increasing at some future time, the writing-down shall not be done. This merely prevents any finality, and to obtain finality I suggest the deletion of those words. I also provide that the period over which the adjustment shall be made shall be not less than 20 years. A new section is proposed, to be known as Section 66A., the first portion of which reads as follows:—

(1) For the purposes of sections sixty-five and sixty-six the value of a security shall be calculated on the basis of the productive capacity of the property the subject of the security as ascertained in manner provided by this section.

(2) The productive capacity of any property shall be deemed to be an amount equal to the net annual income that can be derived from the property by the average efficient farmer capitalised at a rate to be fixed for the purpose pursuant to the provisions in that behalf of subsection (5) hereof.

(3) In order to ascertain the net annual income referred to in the last preceding subsection there shall be deducted from the gross income that can be derived from the property as aforesaid all expenses other than capital expenditure required to be incurred in the production of such income. The amount of the gross income aforesaid shall be determined on the basis of the average prices for farm products in the State over a period of eight years immediately preceding the thirtieth day of June, one thousand nine hundred and thirty-nine, as determined and certified by the Government Statistician.

In the amendments previously attempted, the basis taken was that laid down by the Federal Commission on wheat. At the time, the then Minister for Lands ridiculed the idea of attempting to write down on fixed prices. On this occasion, instead of taking the basis of the Royal Commission on wheat, I am taking the basis of the average price over the last eight years. There is nothing new in this provision. In Victoria, the average price has been taken over a much longer period. A commission there, I believe, has taken 20 years, and the average price worked on is wool 1s. a lb., wheat 3s. 8d. a bushel at the terminal—that would be equal to about 3s. at the siding—and butter 1s. 2d. a lb.

It is interesting to note the experiences in other countries in the matter of writing-down. The other night a quotation was made by the Leader of the Opposition. The member for West Perth (Mr. McDonald) referred to it, and thought it an excellent proposal from the viewpoint of the mortgagee. I think it was an excellent proposal also from the viewpoint of the mortgagor, because under the proposal all interest arrears, except for two years, were to be entirely wiped out. We know that a great deal of the indebtedness on the farms in this State consists of arrears of interest. When the remainder was being adjusted, provision was made that it should not exceed 80 per cent. of the appraised value of the property concerned, and the rate of interest was reduced to  $5\frac{1}{2}$  per cent. We would be quite satisfied if we could get all arrears of interest, excepting for the last two years, written-off, and then the two years' interest, with the whole value, capitalised and written-down to 80 per cent. of the then value.

When listening over the air a few nights ago, I heard a reference in the news of the Sydney "Sun" to the tremendous writing-down of land values in Western Australia. The speaker said that loan money to the extent of £5,000,000 in Western Australia had been written down as lost. Do members realise the enormous sums that had been written off in other States that are much older in agriculture than is Western Australia? Victoria is a very small State, but a rich agricultural one. In a public lecture delivered recently by Mr. Clive McPherson, Chairman of the Closer Settlement Commission of Victoria, he reviewed the work of that body and said—

More than six hundred thousand acres had been eliminated by leasing it, because it was unsuitable. There remained under the Commission 5,500,000 acres. When the Commission took over in 1933 £12,000,000 had already been written off. The ultimate loss of capital would be £33,000,000.

That deals only with one aspect of settlement in Victoria. On the irrigation settlements a tremendous lot of money has also been written off.

Settlers' payments to the State had been scaled down by an average of about 50 per cent., and in the last five years the total due had been £8,716,000.

That is at the rate of  $1\frac{3}{4}$  millions a year.—

This had been reduced by readjustment to £4,475,000.

That is, over a period of four years, equal to about £800,000 a year. Members will see that tremendous reductions have been made in that State.—

The mallee had been treated separately. About 770 settlers had been moved, and 1,300 had remained.

Members can see what an enormous writing down has taken place in an old State such as is Victoria. There was a reference only the other day in South Australia to the same sort of thing. The extract I have is as follows:—

Nearly £1,000,000 will be required to correct the disability caused by holdings in South Australia which are too small to compensate for the unsuitability of the land or the inadequacy of the rainfall.

That is on top of the many millions already written off in South Australia. Considering that ours is a new country in agriculture, was developed rapidly, and that settlers have been pushed out so far, we have had nothing like the writing down that has been done in the older States. The same thing has occurred in the United States of America, where the Federal Government purchased something like 20,000,000 acres of land and put it out of cultivation because it was considered unsuitable for the purpose. The plight of the farmers is due, not to their fault, but entirely to the collapse of prices. The level of export prices even to-day is 65 per cent. of the average of what it was in 1928. That figure has been given by the Commonwealth Statistician. As we know, other commodity prices are well over the hundred mark. Costs in turn have been going up all the time. We know, when prices were high before the slump, that all agricultural finance was based on the high prices then appertaining, namely,—wheat at 5s. a bushel, and wool at 2s. a lb. The Federal Taxation Department doubled and even trebled all land values in Western Australia, following on the basis of those prices. Both Federal and State Governments operated freely on the basis of those exceptional prices as if they would continue for all time. Associated Banks and other financial institutions lent money to farmers on the same assumption. The banks literally poured out money. In my district, managers were going about touting for business, and encouraging farmers to increase their liabilities on the assumption that those prices would continue. The collapse of

prices left the farmers with an impossible burden of debt. Many men had given up in despair, and so it is we have abandoned farms in all districts rapidly reverting to nature. The population in the last few years has been drifting rapidly away from the rural areas. As has previously been said the men and women concerned have passed through years of either disastrous prices, or crop failures. To-day the settlers are deserving of special consideration. Instead of receiving such consideration they have been brought under a form of bureaucratic control, which is sapping their independence and destroying their morale. To-day we should reverse the policy of despair, and endeavour to restore to the farmers confidence in their ability to run their own business.

The Minister for Lands: I agree with that.

Mr. PATRICK: Such is the main object of the measure. I move—

That the Bill be now read a second time.

On motion by the Minister of Lands debate adjourned.

*House adjourned at 10.23 p.m.*

## Legislative Council,

Thursday, 9th November, 1939.

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

### ASSENT TO BILLS.

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

- 1, Financial Emergency Act Amendment.
- 2, Contraceptives.
- 3, Mortgagees' Rights Restriction Act Continuance.
- 4, Supply (No. 2), £1,200,000.

### QUESTION—STATE IMPLEMENT WORKS.

*As to Discontinuance.*

Hon. C. F. BAXTER asked the Chief Secretary: 1, Assent having been given on the 7th November, 1932, to an Act to discontinue the State Implement and Engineering Works as a concern under the State Trading Concerns Act, has this Act been proclaimed? 2, If so, on what date? 3, If the Act has not been proclaimed, why has it not?

The CHIEF SECRETARY replied: 1, No. 2, Answered by 1. 3, Inquiries are being made.