

# Legislative Council,

Tuesday, 6th December, 1932.

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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 undermentioned Bills—

- 1, Dairy Cattle Improvement Act Amendment.
- 2, Pearling Act Amendment.
- 3, Special License (Waroona Irrigation District).

## BILL—CONSTITUTION ACTS AMENDMENT ACT (1931) CONTINUANCE.

Read a third time and *passed*.

## BILL—HEALTH ACT AMENDMENT.

### *Assembly's Amendments.*

Resumed from the 1st December. Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

The CHAIRMAN: Progress was reported on amendment No. 5 made by the Legislative Assembly as follows—

Insert a new clause, to stand as Clause 28, as follows:—

28. A section is inserted in the principal Act, after Section 153 as follows:—

158A. (1) Where any trade process, whether an offensive trade or not, has been established in any district, and is of such a nature that the carrying on thereof will unavoidably result in fumes, dust, vapour, gas, or other chemical elements which, in the opinion of the Commissioner, are likely to be injurious to health, escaping into the air, the Governor

may, on the recommendation of the Commissioner, by proclamation—

- (a) define any area surrounding the place where such trade process is carried on, within which, after the issue of the proclamation and whilst the same remains unrevoked, no dwelling-house shall be erected or used for habitation; and
- (b) define any area surrounding the place where such trade process is carried on, within which, after the issue of the proclamation and whilst the same remains unrevoked, no rainwater tanks shall be erected or used, and no rainwater shall be collected or stored for human consumption:

Provided that, where any dwelling-house has, prior to the issue of a proclamation under this subsection, been erected within the area defined by such proclamation as an area within which dwelling-houses shall not be erected or used, the Commissioner may, notwithstanding the proclamation, grant a permit in writing signed by him to any person to use such dwelling-house for purposes of habitation, upon and subject to such conditions as the Commissioner may deem fit to impose and which are specified in the permit so granted.

The Chief Secretary had moved that the Assembly's amendment be agreed to.

Hon. H. SEDDON: Last week we were discussing the extension of the Assembly's amendment to cover the case of the parties actually responsible for the noxious and dangerous fumes arising from arsenic. I suggested that the provisions of the English Act should be embodied in the Bill. I find, after consultation with the Crown Law authorities, that it would be necessary to bring down an entirely new Bill. I have, however, managed to get drafted an amendment which will provide that where the fumes are being created, the Commissioner may himself take such steps as he thinks necessary to deal with the fumes. Accordingly, I move—

That the Assembly's amendment be amended by the addition of the following subclauses:—

“(2.) In every case where fumes which, in the opinion of the Commissioner are noxious and dangerous to persons, are likely to escape from any furnace or other plant used in connection with any metallurgical process in quantities or under conditions which in the opinion of the Commissioner are likely to endanger the health and life of persons engaged in, on or about the premises in which such metallurgical process is carried on, such furnace or other plant shall, for the purpose of preventing such escape, be equipped with a suitable fume precipitator approved by the Commissioner.

(3.) Such fume precipitator shall be constructed and operated at all times to the satisfaction of the Commissioner."

The CHAIRMAN: In the fourth line of the Assembly's amendment appear the words "will unavoidably result." It occurs to me that those words may destroy the value of what follows in Mr. Seddon's proposed amendment.

The CHIEF SECRETARY: There are four interested parties in this matter, namely the management of the Wiluna Gold Mine, Leggo & Co., who handle the products and are extracting the arsenic, the Commissioner of Public Health, and the inspector under the Factories and Shops Act. The position is gradually becoming more safe, and the Assembly's amendment will tend to safeguard the position until such time as the requisite extraction of arsenic has been obtained. I telegraphed to Messrs. Leggo & Co., and received information from them to the effect that they are getting a 90 to 92 per cent. extraction of arsenic with their Bendigo plant, and about 75 per cent. in the Wiluna plant. They also state that a technical research staff in Bendigo and in England is experimenting with a view to speeding up the extraction. In fact, they are doing all they can to overcome the difficulty. They have already spent about £60,000, and are going to spend another £10,000 in the purchase of a plant which is guaranteed to give a 95 per cent. extraction. As for the Factories and Shops Act, the inspectors are pushing the delinquents very hard, and in the "Government Gazette" of the 28th October last there were published some very stringent regulations for overcoming the difficulty. Mr. Seddon's amendment means putting into the Health Act something which the Commissioner of Health and his officials would know very little about, namely, this proposed plant and machinery. That amendment is almost word for word with a regulation published on the 28th October last and laid on the Table on the 8th November; so it may be said that Mr. Seddon's amendment is to be found in the Mining Act, where it properly belongs. It would be unnecessary, and quite wrong, to place it in the Health Act also. I suggest the hon. member withdraws his amendment, since the position is amply protected and everything possible is being done to combat the evil. When the new plant arrives, guaranteeing a 95 per cent. extraction of the arsenic, the difficulty will entirely disappear.

Hon. H. SEDDON: While the regulation may exist, a regulation has not the force of an Act of Parliament. It is true this amendment is practically on all fours with the regulation under the Mining Act, but my idea is to place the responsibility on the very person who is instructing that certain areas shall be defined as dangerous areas. Such a person should be made to carry full responsibility.

The CHIEF SECRETARY: Mr. Seddon is entirely wrong in his conception of the clause. This deals exclusively with mining. What do the health officials know about mining? The existing regulation is in order, and will remain law just as though it were an Act of Parliament. Not only Wiluna, but other mines may require controlling in this same respect very soon. The necessary provision is properly made in the Mining Act.

Hon. E. H. HARRIS: Under the regulation referred to, this is a matter for the State Mining Engineer, who has to say what may be detrimental to health. On the other hand, Mr. Seddon argues that it is a matter for the Commissioner of Health, and I submit that logically the Commissioner of Health should be the person to determine it, for the State Mining Engineer does not know any more about health matters than the Commissioner of Health knows about mining. I will support Mr. Seddon's amendment.

Amendment on the Assembly's amendment, put and a division called for.

The CHAIRMAN: Before the tellers tell, I cast my vote with the ayes.

Division resulted as follows:—

Ayes	..	..	..	..	10
Noes	..	..	..	..	15

Majority against .. .. 5

#### AYES.

Hon. J. Cornell	Hon. J. Nicholson
Hon. V. Hamersley	Hon. H. Seddon
Hon. J. J. Holmes	Hon. A. Thomson
Hon. G. W. Miles	Hon. Sir E. Wittenoom
Hon. R. G. Moore	Hon. E. H. Harris

(Teller.)

#### NOES.

Hon. C. F. Baxter	Hon. W. J. Mann
Hon. L. B. Bolton	Hon. Sir C. Nathan
Hon. J. M. Drew	Hon. H. V. Piessse
Hon. J. Ewing	Hon. E. Rose
Hon. G. Fraser	Hon. C. H. Wittenoom
Hon. E. H. Gray	Hon. H. J. Yelland
Hon. W. H. Kitson	Hon. J. T. Franklin
Hon. J. M. Macfarlane	

(Teller.)

Amendment on the Assembly's amendment, thus negatived.

Hon. E. H. HARRIS: I should like the Minister to tell us how it is proposed to put the Assembly's amendment into operation, and whether a proclamation will be of any avail. He has already told us the firm concerned are about to erect a plant that will overcome the difficulty. In this amendment we have reference to fumes that are unavoidable, but the proposal to erect a plant that will stop the nuisance proves conclusively that the nuisance is avoidable. If not, what is the use of trying to prevent the company from doing certain things, as the amendment sets out to do? In my view this will not be worth the paper it is written on. I was amazed just now to find so many members who claim to be protectors of the workers, voting against an amendment devised to protect the health of the community.

The CHIEF SECRETARY: At present there is a 75 per cent. extraction of the arsenic. The company has ordered a new plant which will raise the extraction to 95 per cent., and so do away with the evil. Until that plant comes into operation the existing position cannot be avoided. Hence the use of that term "avoidable."

Hon. H. SEDDON: I reiterate what I said on Thursday, that the regulation will not overcome the danger from the dissemination of arsenic around Wiluna, and as we know arsenic is a dangerous poison and is cumulative in its effect on the system.

The CHIEF SECRETARY: I have already said that 75 per cent. of the fumes are arrested and that the only alternative is to shut down the mine until such time as the new plant is erected.

Hon. E. H. Harris: No one but you suggested that.

The CHIEF SECRETARY: There is no alternative.

Hon. H. Seddon: What will you do if people lose their lives?

The CHIEF SECRETARY: There is not that danger. Rigid regulations have been put into force, and no more can be done than has been done. Is it the desire of members that the mine should be closed down?

The CHAIRMAN: I hope members will confine their remarks to the question of water tanks and discuss nothing else.

Hon. E. H. HARRIS: The clause will have no force whatever; the proclamation will be of no avail. It will not be possible to prevent a person from having a rain-water tank. If anyone were taken to court for disobeying the proclamation, the action would fail.

Amendment put and passed.

A committee consisting of the Chief Secretary, Hon. J. Nicholson and Hon. H. V. Piesse drew up reasons for not agreeing to amendments Nos. 2 and 4 made by the Assembly.

Reasons adopted and a message accordingly returned to the Assembly.

## **BILL—ROCKINGHAM ROAD DISTRICT (LOAN RATE EXEMPTION.)**

### *First Reading.*

Received from the Assembly and read a first time.

### *Second Reading.*

**THE CHIEF SECRETARY** (Hon. C. F. Baxter—East) [5.43] in moving the second reading said: The purpose of the Bill is to exempt certain settlers in the Rockingham district from the payment of loan rates on loans floated on the 1st July, 1929. A number of persons within the Peel Estate area, including some soldier settlers, who were in fact liable to be, but had not been, rated at the time the loans were floated, have only recently become ratepayers, and for that reason had no voice when the board gave notice of intention to borrow. The money was required for the construction of a road leading from the Mandurah turn-off to the Rockingham townsite, and as the settlers mentioned do not use the road, they should be exempt from the payment of the loan rate. The Rockingham Road Board is agreeable to the exemption of those settlers. The provision in the Bill is that land which was not rated previous to the 1st July, 1929, shall be exempt, and includes only the land within the East Ward (Peel Estate) that was not rated at the time the loans were floated. This action will not throw any additional burden on the people who were rated before the 1st July, 1929. I move—

That the Bill be now read a second time.

**HON. J. J. HOLMES** (North) [5.45]: While I do not offer any objection to the Bill, I believe the Minister said, when introducing the Bill to amend the Road Districts Act, that road boards have power to exempt any portion of their area from taxation. I think he made it perfectly clear that, so far as the Health rate was concerned, the boards have power to exempt any portion of their area. If a board has that power under the Road Districts Act with respect to health rates, is there any necessity for this Bill?

Hon. J. Cornell: This exemption goes back to July, 1929.

On motion by Hon. W. J. Mann, debate adjourned.

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

#### *First Reading.*

Received from the Assembly and read a first time.

#### *Second Reading.*

**THE CHIEF SECRETARY** (Hon. C. F. Baxter—East) [5.48] in moving the second reading said: The object of the Bill is to amend the Collie Recreation and Park Lands Act, 1931, which was passed last session. The parent Act provides that certain land about two miles from Collie, and embracing a large portion of the Minninup Pool on the Collie River, should be granted in fee simple to a board consisting of five members, including representatives of both the Collie municipality and road board, as a park and recreation ground. The reserve is a natural beauty spot within easy reach of the town, and has been a recognised picnic ground for many years. Although the board has control of the reserve it has no money with which to develop it, but both the Collie Municipality and Road Board are desirous of assisting the board to provide the necessary finance to carry out the work. The land is just outside the municipal boundaries and is within the road board district. Neither of these bodies has the power under their Acts to supply or lend money to the Park and Recreation Board for the purpose, and they are desirous of obtaining the legal authority to enable them to assist in opening up this ground. The Park and Recreation Board will not be able to get any money otherwise until the reserve becomes revenue producing. The Bill proposes to enable both the muni-

cipality and the road board to grant and lend money to the board for the purpose of development, subject to full particulars being supplied to the Government stating how the moneys so advanced or lent are to be used, and to the approval of both the Minister and the Governor being obtained before any such money is granted or lent. I move—

That the Bill be now read a second time.

On motion by Hon. W. J. Mann, debate adjourned.

### **BILL—APPROPRIATION.**

#### *Second Reading.*

Debate resumed from the 1st December.

**HON. J. J. HOLMES** (North) [5.50]: I desire to make a few remarks on this Bill. First, I would like to ask the Minister if he will follow the usual procedure and hold over the third reading of the Bill until the end of the session. That is the only whip this Chamber holds over the Government in connection with the finalisation of parliamentary business. Once we pass the third reading of the Appropriation Bill, all our pet schemes and Bills will be numbered among the slaughtered innocents. I do not think I am asking too much in requesting the Minister to hold over the third reading of the Bill, making it the last item on the Notice Paper. This House can do very little in connection with the Bill. While I realise we have been passing through a trying period and have been up against difficult problems, I think members who spoke a few days ago hit the mark, as it were, when they said that we had begun our reform and economy too late. When Sir Otto Niemeyer was in Australia some three years ago, he told us what we should do, and conferences of Premiers, including the Prime Minister, agreed to carry out his advice. The result of our delay in effecting economies is that even more drastic economies will have to be effected in the immediate future. I have always been led to believe that the economic experts of the world claim that the greatest per capita indebtedness any nation can carry is £100. I argued from that standpoint many years ago. I pointed out where we were drifting. I spoke on one occasion for 1½ hours and I then calculated how far we had drifted from the commencement of the speech until the end of the speech. I am

not going over that again, but I would point out that the drift has been continuing. I base my argument on the statements of experts qualified to express an opinion upon the indebtedness, per capita, that a country can carry. I find that many years ago we got right away from the £100 per capita indebtedness. In June, 1928, our per capita indebtedness was £169. In 1929, owing to repurchase of stock in London, it fell to £166. In 1930 it rose to £167; and in 1931, right in the middle of our difficulties, it increased to £178. In 1932 it is £189.

Hon. H. Seddon: Is that for the State?

Hon. J. J. HOLMES: I am leaving out the Federal indebtedness altogether. If the indebtedness increases in the same way, in 18 months or two years the people of Western Australia will be carrying a per capita indebtedness of £200, notwithstanding that the economic experts of the world consider that £100 is the limit that a country can carry. Whilst I have never been an advocate of cheap labour, and whilst I consider the public servants of this State are not over-paid, there is no doubt whatever that the Public Service is over-manned, and sooner or later that position will have to be dealt with. The policy of drift is still proceeding. We are again borrowing money, and we have no right to do so. I cannot see, nor have I met anybody who can tell me, how we are going to meet the liabilities we have already incurred. We have to realise that each additional loan means payment of additional interest. Who is to pay this additional interest? We find that the population of the State is at a standstill. That being so, if we continue to borrow money, we increase our per capita indebtedness and eventually we shall reach a hurdle we shall not be able to get over. Take the Estimates of Receipts and Expenditure for the current year. We find that the estimated revenue is £8,417,577. That is quite a large sum for 420,000 people to provide. The estimated expenditure is £9,181,243 and of greater value to the farmers and the the estimated deficit £763,666. Three years ago we promised to balance our budget, yet this is the position we shall be faced with at the 30th June, 1933. There are one or two points I wish to deal with. I find the Loan Bill provides for a total of £2,176,000, half of which amount consists of an item "Short-term Advances to meet expenditure pending receipt of revenue." That item alone amounts to £1,073,000. Therefore, we are

borrowing money now in anticipation of collecting revenue to liquidate the liability later. On the face of it we will not liquidate all the liabilities. We still have the deficit of £763,000 odd. All Governments in Australia are faced with a difficult problem. Instead, however, of facing the position, of taking the jump at the first hurdle, as they should have done three or four years ago, and of getting down to bedrock as many men in commercial pursuits have had to do, they have allowed things to drift along. Before we can balance our Budget, very drastic measures will have to be taken. I support the second reading.

HON. A. THOMSON (South-East) [6.1]: I wish particularly to refer to the Collie irrigation scheme, to which I drew attention last year. We have been told that altogether some £200,000 will be expended on that undertaking. The amount set down on last year's Loan Estimates, including the drainage and irrigation of lands, was £100,000. I have already voiced my objection to the starting of those works without adequate examination on the part of the Government and on the part of members of Parliament. According to the information that is available, the Government are providing £70,000 for the Collie irrigation, and £70,000 for the Wellington dam, drains and channels. It is difficult, with the meagre information before us, to give a sound opinion upon whether or not we are getting value for the money. The Minister for Works has commenced undertakings which in his opinion are justified. The country is being committed to heavy expenditure before we fully realise what the total outlay will be. If there is one thing in this State we need more than another, it is a public works committee to examine all public expenditure. Local authorities and municipalities generally have works committees of their own, which are very active. We, on the other hand, are told that it is proposed to spend so much money in salaries, or in undertakings in this or the other direction, and we vote for the money to cover that expenditure. The result of all this sort of thing is that we have drifted on to the rocks. I am not opposed to the extension or improvement of the Bunbury Harbour, but I question whether all the money that has been spent there has proved of great benefit. It is

absolutely necessary to have some form of control and co-ordination in connection with transport. The Government have embarked upon an expenditure on the Bunbury harbour of £20,000. It is estimated that ultimately the work will cost £255,000.

Hon. W. J. Mann: I think you are wrong.

Hon. A. THOMSON: That statement was made by the member for Bunbury, who considered that not sufficient money had been made available for the work. To-day it is more necessary than ever that a public works committee should be appointed. We have to decide whether it is wise to continue to spend money and pay 1s. in interest on public expenditure when with a proper co-ordination of our resources we might be able to use harbours already in existence and incur an interest debt of only 6d. Thousands of pounds have already been spent on the Bunbury harbour, but unfortunately for those who desire to utilise it, the expenditure has not proved satisfactory. The Federal Public Works Committee has saved large sums of money for the Commonwealth.

Hon. J. J. Holmes: Was it not abolished?

Hon. A. THOMSON: Yes, because it was felt there was no further need for it consequent upon the decrease in expenditure on public works.

Hon. J. J. Holmes: I think that committee had a trip to New Guinea.

Hon. A. THOMSON: Members of that committee supplied valuable information to the Commonwealth Government, and if as a result of the trip hundreds of thousands of pounds were saved to the country, the expenses of the journey were warranted. I know the Government are trying desperately to find work for the unemployed, and no doubt they have embarked upon schemes which normally they would not have started. I am not talking in a parochial spirit, but I do think that consideration should be given to the possibility of using harbours or ports irrespective of where they are, and that we should decide whether it is wise to continue spending money on these new works. We have no guarantee that the £255,000 to which I have referred will be spent to the best advantage on the Bunbury harbour. If it is possible to make a deep water port there, it is right that the money should be spent. Unfortunately for Bunbury, so much money has been spent with very little advantage to

the port. I should like to know whether an engineering blunder was responsible for the harbour being established where it is. Laymen have told me that in their opinion a serious blunder was made. They say that if the engineers had done what they suggested, namely, opened up a portion of the breakwater, the silt would not have gone on accumulating. It is said to be rank heresy for an ordinary layman to exercise his common sense. Many years ago I was instrumental in a deputation waiting upon the then Minister for Works (Hon. W. D. Johnson). We drew attention to the fact that if the £60,000 that was being spent in extending the deep-water jetty at Albany, had been spent on dredging the harbour, reclaiming the land, and on the construction of piers running out from the land, the work would have been carried out at less cost and would have been of greater value to the farmers and the State as a whole. Even then we felt the day would come when the bulk handling of wheat would be in operation.

Hon. J. J. Holmes: Did they not dredge the inside of the harbour 2 feet deeper than the depth over the bar?

Hon. A. THOMSON: The Minister's reply was that it was absurd for laymen to say that the engineers were wrong, and that he would stand by his officers. A few years afterwards an amazing thing happened. Sir George Buchanan, coming here on behalf of the Commonwealth Government, advocated the very proposal that ignorant laymen had put before the Minister for Works, and recommended its adoption for any future extension of the Albany harbour, with a view to its utilisation for overseas traffic.

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

Hon. A. THOMSON: During the tea hour I was twitted with having set one harbour off against another. I sincerely hope the House will not think that was my intention. The point I wanted to stress was that here we have a continuation of a vicious principle, in that there is amongst the proposed loan expenditure a sum of £20,000 for starting a work which ultimately will cost a quarter of a million; yet all we are now asked to vote upon is the provision of the £20,000. I realise the difficulties of the Government, and I am not opposing the

borrowing of this money, for I think they are fortunate in getting any money at all under present conditions, but I do hope that some day Parliament will have better control of the finances than we have at present. Also on the Loan Estimates provision is made for the expenditure of certain money on the extension of the irrigation scheme at Collie. That is another example of the same principle. We have heard from members representing goldfields constituencies a good deal about the shortage of housing accommodation on the fields. Certainly it is near the end of the session, but it requires only a small amendment of the Workers' Homes Act to empower the Workers' Homes Board to erect houses on the goldfields. As I say, I do hope that some day Parliament will have better control of the finances than we have at present.

On motion by Hon. W. J. Mann, debate adjourned.

### BILL—ROAD DISTRICTS ACT AMENDMENT.

#### *Assembly's Message.*

A message having been received from the Assembly notifying that it had agreed to Nos. 1 to 7 inclusive, Nos. 9, 10, 12, 13, 16 and 17 of the Council's amendments made in the Bill: had disagreed to Nos. 8, 11 and 15, and had agreed to No. 14 subject to a further amendment in which further amendment the Assembly desired the concurrence of the Council, the message was now considered.

#### *In Committee.*

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

No. 8: Clause 28 (page 12), paragraph (h), line 34.—Delete the words "and cooling chambers."

Assembly's reason for disagreeing to the Council's amendment:—Some local governing bodies, with the object of assisting primary production, have already erected cooling chambers.

The CHIEF SECRETARY: It is desired that the words "and cooling chambers" be reinserted in the clause. As the Act stands, a local authority can borrow money for the erection of cooling chambers, but is not permitted to make use of revenue for such purposes, although actually some boards have

done this. In country towns it is not always practicable for such utilities to be established by private enterprise, as the requirements are not sufficient to guarantee a profit, whereas the local authority can erect cooling chambers and run them in conjunction with its electric light plant. Such facilities are a boon in country towns, and the road board conference has decided in favour of this authority being given to the boards. I move—

That the amendment be not insisted upon.

Hon. J. M. MACFARLANE: If the local authorities were conceded the right to erect cooling chambers, they would next want the right to run ice works. It means giving the local authorities power to oppose private enterprise. I would not give the local authorities even the right to run an electric light plant, or anything else that could be conducted by private enterprise.

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

Ayes	..	..	..	..	12
Noes	..	..	..	..	9

Majority for .. .. 3

#### AYES.

Hon. C. F. Baxter	Hon. E. H. Gray
Hon. L. B. Bolton	Hon. W. H. Kilsdon
Hon. A. M. Clydesdale	Hon. W. J. Mann
Hon. J. M. Macfarlane	Hon. R. G. Moore
Hon. J. T. Franklin	Hon. J. W. Ward
Hon. G. Fraser	Hon. E. Rose

(Teller.)

#### NOES.

Hon. E. H. Harris	Hon. H. V. Piesse
Hon. J. J. Holmes	Hon. H. Seddon
Hon. J. M. Macfarlane	Hon. C. H. Wittenoom
Hon. G. W. Miles	Hon. A. Thomson
Hon. Sir C. Nathan	

(Teller.)

Question thus passed; the Council's amendment not insisted upon.

No. 11: Clause 39.—Delete, and insert in lieu thereof the following:—

39. Section two hundred and two of the principal Act is amended by inserting therein a subsection, as follows:—

(3.) The Governor may, upon application by a board at any time, by Order in Council declare that in any district or any portion of a district it shall be lawful to use wood in the construction of the external and internal walls of any building intended for use as a dwelling-house, and notwithstanding that the provisions of the said Second Schedule have been extended to and are in operation in such district, or portion of a district, and until such Order in Council is revoked, any of the provisions of the said Second Schedule (save and except regulations twenty-nine to thirty-three, both inclusive), and of any by-laws made

thereunder which are inconsistent with or repugnant to the authority granted by such Order in Council, shall be suspended and have no force or effect in relation to any such building aforesaid.

Assembly's reasons for disagreeing to the Council's amendment:—The Governor-in-Council should, in exceptional cases, have the right contained in the clause.

The CHIEF SECRETARY: I move—

That the amendment be not insisted on.

It is desired that the clause be reinstated. One board might be quite reasonable in its regard for wooden houses, while another board might take up an arbitrary attitude. We must provide for exceptional circumstances, and no Minister would authorise that an area be set apart for wooden houses if the board concerned advanced good reasons why such action should not be taken.

Hon. A. THOMSON: I hope the Committee will insist on the Council's amendment. It is all very well to say that a Minister will not override a board, but we know that Ministers have done so. In Katanning there are instances where, without the local authority being consulted, permission was given for wooden buildings to be erected alongside brick houses. We should insist on our amendment.

Hon. J. M. MACFARLANE: I urge the Committee to refuse to depart from the attitude suggested by this House. It might be wrong not to support the Minister, but in my opinion that which the Council propose is the correct thing to do.

Question put, and a division taken with the following result—

Ayes	..	..	..	8
Noes	..	..	..	11
				—
Majority against	..	..		3
				—

#### AYES.

Hon. C. F. Baxter	Hon. W. H. Kitson
Hon. A. M. Clydesdale	Hon. W. J. Mann
Hon. J. M. Drew	Hon. H. J. Yelland
Hon. G. Fraser	Hon. J. T. Franklin
	(Teller.)

#### NOES.

Hon. L. B. Bolton	Hon. H. V. Piesse
Hon. E. H. Harris	Hon. E. Rose
Hon. J. J. Holmes	Hon. A. Thomson
Hon. J. M. Macfarlane	Hon. O. H. Wittenoom
Hon. G. W. Miles	Hon. H. Seddon
Hon. R. G. Moore	(Teller.)

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

No. 14. Clause 63.—Delete paragraph (d):

The CHAIRMAN: The effect of the amendment is really to re-insert what we struck out. The Assembly has struck out the word "delete" and inserted the word "amend" instead, and has added the following words:—"after the word 'Act,' in line 5, the following words be inserted:—'provided, however, that no such auditor shall be removed without the consent of the Minister.'"

The CHIEF SECRETARY: It is the wish of some boards to have the power to appoint their own auditors. Some boards employ fully qualified men who are available and who perhaps have rendered good service over a period of years. Another place desires that when this clause is re-inserted it should be amended to provide that no such auditor should be removed without the consent of the Minister. The reason for the amendment is to afford the auditor the same protection as is given to the secretary under Section 128 of the principal Act. This will make for more efficient auditing. I move—

That the Assembly's amendment on the Council's amendment be agreed to.

Hon. E. H. HARRIS: Provision was made for the appointment of Government auditors and I understood that road boards were to subscribe towards the payment of those auditors, irrespective of whether they had their own auditors or not. In view of what the Minister has just stated, if a board appoint their own auditor, will they be relieved from the responsibility of paying their proportion towards the expense of the Government auditor?

The CHIEF SECRETARY: If we accept the Assembly's amendment boards that appoint their own auditors will not subscribe anything towards the cost of the Government auditors.

Hon. E. H. Harris: From time to time other road boards may withdraw, and then there will be no Government auditors at all.

The CHIEF SECRETARY: That is not at all likely. It is more likely that there will be more Government auditors.

Hon. J. J. HOLMES: We are getting on dangerous ground. In the past there have been ratepayers' auditors, and the Government have had the right to intervene at any time. There are very few instances in which ratepayers' auditors have ever brought anything to light. It is always the Government



auditor, who makes his inquiries free and independent and without knowledge of a district or friends on the board concerned, that makes any discoveries when things go wrong. I understood that the Government scheme was that the State should be divided into a number of districts, to each of which would be appointed a Government auditor, who would do the work thoroughly in the various areas. I was disappointed to hear the Minister say that the Assembly's amendment will introduce a more efficient scheme under which certain road boards will be allowed to appoint their own auditors, with whom the Government auditor will not interfere. I cannot make the two positions agree. I am satisfied that, compared with this latest proposal, we were better off under the old system with the Government auditor having the right to conduct an inquiry at any time he saw fit. The very fact that a Government auditor could visit a road board office and conduct an audit at any time, had a beneficial effect.

Hon. A. Thomson: Will the Government auditor not be able to do that still, if we pass the Bill?

Hon. J. J. HOLMES: No. If there is a local auditor, he will not be overridden by the Government auditor. It has been the power of the Government auditor to override the ratepayers' auditor in the past that has been important. If a local auditor, who is dependent upon re-election, should challenge some action by a board, the chances are he will not be re-appointed.

Hon. G. FRASER: I hope the Committee will not accept the Assembly's proposal, which is dangerous. We understood a uniform system of auditing was to be established throughout the State, but now that is to be departed from. We do not know how many boards may be prepared to appoint their own auditors. It would be better to have a uniform system such as that originally proposed, under which the auditing would be done by Government auditors, than to agree to a shandy-gaff system under which some boards will have Government auditors and others their local auditors.

Hon. J. M. DREW: I was under the impression that the old system of sending Government auditors to country districts was to continue, but now we find that is not so, and that if an auditor is elected locally, the services of the Government auditor will not be utilised. That would be a dangerous innovation. Without desiring to reflect upon

some auditors who have been appointed by local authorities, I claim Government auditors have done splendid work in the past. We know that some local auditors have been chosen because of their popularity or the facility with which they can handle a pen, and that they have been men without any knowledge of accountancy. It was next door to a farce to appoint them to such positions. I agree with Mr. Holmes in his contentions. Any discoveries that have been made have been mostly due to the skill of Government auditors, and that system should continue.

The CHIEF SECRETARY: If the amendment be not agreed to, the whole of the auditing will be done by Government auditors. There are three such auditors at present and they are insufficient to deal with the books of road boards throughout the State. Under the new system there will be an almost continuous audit because officers will reside in the centre of their respective districts, and will be able to deal expeditiously with the auditing of road board books. The Government will have no control over auditors appointed by local authorities, but in such instances the members of the board who select their own auditors will have to carry the full responsibility for the auditors and their work.

Hon. G. FRASER: It is possible that a road board will appoint an unqualified man, just as unqualified men are being appointed under the present system.

The CHIEF SECRETARY: But I think the members of a road board will be more likely to appoint a competent man than the ratepayers themselves. If we agree to the amendment, those boards that have carried on successfully with their own auditors, will be allowed to continue to do so.

Hon. A. THOMSON: I think the Committee were under a misapprehension with regard to the Government auditors. An advantage of having a qualified auditor would be that boards would receive weekly or monthly statements, the submission of which would simplify matters considerably for the boards. There are qualified auditors in many of the country towns, and it is estimated that Government auditors would be able to make only quarterly audits in the country districts. If after the word "removed" in the Assembly's further amendment the words "or appointed" were inserted, the objection would be overcome.

Hon. G. FRASER: Under the amendment a Government auditor would not investigate a road board's books unless application were made by the board. The wise course would be to stick to the measure as it left this Chamber.

Hon. J. J. HOLMES: Why should one or two boards be allowed to appoint their own auditors? When any wrongful expenditure of money has been discovered, it has been discovered by Government auditors, not by road board auditors. If a few of the large boards were allowed to appoint their own auditors, the smaller boards would be added with increased expense for auditors. In the past the Government auditor has had the right to conduct an audit at any time. A resident Government auditor would be without friend or foe, and would be animated solely by a sense of duty.

Hon. H. V. PIESSE: I support the Assembly's further amendment. Competent auditors are practising in several towns in my province, and a hardship will be inflicted upon those men if Government auditors are to do the work.

Assembly's amendment on the Council's amendment put, and a division taken with the following result—

Ayes	..	..	..	..	11
Noes	..	..	..	..	11
					—
A tie	..	..	..	..	0
					—

## AYES.

Hon. C. F. Baxter	Hon. E. Rose
Hon. V. Hamersley	Hon. A. Thomson
Hon. W. H. Kitson	Hon. C. H. Wittenoom
Hon. J. M. Macfarlane	Hon. H. J. Yelland
Hon. Sir C. Nathan	Hon. W. J. Mann
Hon. H. V. Piesse	(Teller.)

## NOES.

Hon. L. B. Bolton	Hon. G. W. Miles
Hon. A. M. Clydesdale	Hon. R. G. Moore
Hon. J. M. Drew	Hon. H. Seddon
Hon. E. H. Harris	Hon. Sir E. Wittenoom
Hon. J. J. Holmes	Hon. G. Fraser
Hon. J. M. Macfarlane	(Teller.)

The CHAIRMAN: The voting being equal, the question passes in the negative.

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

No. 15. Clause 64—Delete.

The CHAIRMAN: The reason given by the Assembly is that a board should be permitted to appoint an auditor.

The CHIEF SECRETARY: This is a consequential amendment. I move—

That the amendment be insisted on.

Question put and passed, the Council's amendment insisted on.

Resolutions reported and the report adopted.

A Committee consisting of the Chief Secretary, Hon. G. Fraser and Hon. J. J. Holmes drew up reasons for not agreeing to the Assembly's further amendments.

Reasons adopted, and a message accordingly returned to the Assembly.

## BILL—LOAN £2,176,000.

### Second Reading.

Debate resumed from the 1st December.

HON. J. CORNELL (South) [8.52]: I recognise that at the present juncture things are not just what we would like them to be. There are, however, one or two items to which I would like to refer. One is water supplies in agricultural districts, including drainage and irrigation, £500,000. There is one portion of the agricultural districts which for many years has been promised a water scheme. The survey was made long ago, and the necessary levels were taken. I refer to the country south of Noongar and Moorine Rock. No part of the State has made such rapid progress in wheat growing. Had that district not been situated so close to the eastern goldfields water supply main, it would probably be in a vastly better position than it occupies at the present time. Practically 70 per cent. of the land has been cleared, but there is still no water supply. The settlers have been discouraged from installing their own water supplies by the powers that be, on the ground that they are so close to the reticulation from the goldfields main that the water may happen along at any day.

Hon. J. J. Holmes: They will never do any good without water.

Hon. J. CORNELL: I agree. Those men who are 15 miles from a railway are still carting water. This is one of the best Merino sheep districts in the State. In the matter of pasture and herbage, no one could find anything better in Western Australia. Except, so to speak, for a few pet lambs, there are no sheep in the district, and the farmers are totally dependent on wheat-growing. The land is getting dirty. Every practical farmer knows that if he keeps on cropping for

two or three years without running stock on his land, and particularly on his fallow, it is impossible to keep the country clean. How long this will last I do not know. No part of the State other than this district would have returned a greater benefit in the way of providing work for unemployed by means of a reticulation scheme. The land is situated close to the best railway system we have. It is only about 230 miles from Perth, and the settlers could, if they had the stock, dispose of their surplus sheep whenever the market was favourable. I hope the Minister will either tell us that the Government intend to provide water facilities for the district, or tell the settlers that after a procrastination over a good many years, the best thing they can do is to supply their own water facilities. There is another item which is not provided for in the Loan Estimates, namely a railway south from Southern Cross. When money is available for such a purpose, I feel sure this will be the first new railway to be constructed. It was originally intended to link up the miners' settlement with the 3,500 farms scheme. That scheme has now gone by the board, and the obligation falls upon the State to give either railway facilities or advanced motor transport facilities to all those settlers whose land lies south from Southern Cross, out to Sandalwood Rock and Mt. Hampton. The country is all good, but on the average the settlers have to cart from 25 to 30 miles to a siding. That cannot go on for ever. The men on the miners' settlement were taken from the mines in order that they might have a longer sojourn on this earth than they were likely to have if they remained in the mines. To-day some of the men on the miners' settlement are carting wheat 36 miles. That cannot possibly go on.

Hon. J. J. Holmes: It should never have been permitted to start.

Hon. J. CORNELL: I understand a survey is being made 33 miles south, and I hope the Minister will use his influence to get that survey extended to Holleton. If it is not possible to provide the money within the next six months, an arrangement might be made whereby a Bill to authorise the construction of that piece of railway would be put through Parliament this session, as was the case with the Newdegate line, the Lake Grace-Karlgarin line and the Lake Brown-Bullfinch line. If the

line were authorised, it might be possible to arrange with the wheat-acquiring agents to buy the wheat and dump it for the time being. But unless the line is authorised, there is not the slightest chance of getting the wheat agents to agree to that. So I ask the Minister to endeavour to have the line authorised during this session. Then, if a windfall were to come along, the line might be built within a reasonable time. Now I should like to refer to the Esperance jetty. Fortunately the Almighty has never sent along a good blow down there, else it would have been good-bye to the jetty.

Hon. J. J. Holmes: It is a land-locked harbour.

Hon. J. CORNELL: Yes, but if the wind came in a certain place, the jetty would have to go.

Hon. W. J. Mann: Is not the jetty in the wrong place?

Hon. J. CORNELL: I am not concerned about that just now. The point is, that it should remain in the place where it is until another can be built. If that jetty were destroyed, the Esperance people would have to lighter their wheat, or alternatively send it 600 miles by rail to Perth. I know the Government are seized of the necessity for developing the Esperance district, and I hope that, with the limited means at their disposal, they will do everything possible to afford Esperance reasonable transport facilities. I compliment the Government on the assistance they propose to give to mining. It is intended to extend a decent water supply to the Ora Banda goldfields. That should have been done many years ago. If there is one spot on the Eastern Goldfields likely to develop permanently, it is Ora Banda. Not only will the water supply help the mining industry, but it will materially assist the pastoral industry in that district. Such is the position of the mining industry that those engaged in it in a big way do not require any governmental assistance: but many of the dinkum diggers, owing to the depression have gone back to their old haunts. Rather than remain in civilised parts, and accept the dole, they are again looking for their fortunes. I hope the Government will continue to assist those prospectors, for they are worthy of assistance, being capable of finding any gold that is to be found, and capable also

of repaying all they owe when they do make a find. I will support the second reading.

**HON. G. FRASER** (West) [9.9]: Any remarks I have to make on the finances I will submit on the Appropriation Bill, but there is in the Bill before us one item about which I should like some information from the Minister. An item of £100,000 provides for pine planting and the purchase of land for forestry regeneration. I should like to know how much of the amount is for the purpose of purchasing land, and how much for the regeneration of the forest, and where it is to be spent. I hope the Minister will be able to give me that information.

**HON. J. J. HOLMES** (North) [9.10]: In conformity with my previous utterance, I propose to vote against the Bill. We have no right to borrow money these times when none of us has any clear conception as to when and how it is to be repaid. Recently I had the pleasure of a visit to Esperance. If we had our time over again, no doubt the development of that country would be attempted from a very different standpoint. The fact remains that a number of people have been put out there and are more or less stranded for want of conveniences. The jetty itself is not in a condition which would justify any ship trying to hang on to it if there were any wind at all. Apart from that, the water is not of sufficient depth. We were told on reliable authority that a vessel of the Clan line had come in to load wheat. When she arrived empty she was drawing 15ft. 6in. of water and there was only 16 feet of water at the jetty. I do not blame the Government for that, for the charterers of the vessel ought to have ascertained the depth of water at the jetty before the vessel was sent there. Other out-ports require attention, but there is no provision on the Loan Estimates for it. As to the point raised by Mr. Fraser, I understand that for pine plantations poor land is required. The pine that grows in this country grows where nothing else will grow. I<sup>2</sup>, when inspecting land, you see jam and morrell and other well-known trees, you think the land is worth close examination, but when you see pines growing you can class the land as being poor. We have millions of acres of land suitable for growing pines without purchasing other land for

the purpose at £100,000. My experience is that if you see any timber or herbage growing in a certain locality, you know it is wise to encourage the growth of it; so when you see the Western Australian pines growing on poor land, it would appear that that is the land on which we should plant our pines. In view of the millions of acres of land we have lying idle, it is out of all reason to provide £100,000 for the purchase of land for pine planting. There is also an item of £20,000 for the Fremantle harbour. Let us take the last annual report of the Fremantle Harbour Trust Commissioner; I should like to quote some figures from it. The revenue from Fremantle harbour for the year ended 30th June, 1931, was £420,000—I am giving round figures only. The expenditure on salaries, office expenses, etc., was £180,000; interest came to £120,000, and there was paid into Consolidated Revenue £120,000. While this amount was paid into Consolidated Revenue, it is now proposed, under the Bill we are considering, to borrow £20,000 presumably to repair the wharves. We still appear to be on the mad career that has been going on for so many years, a career that I thought had been checked. Next I come to the item "Development of Goldfields and Mineral Resources; erection of State Batteries, £3,000." We are not aware of the mineral wealth of this country, and I am certain that £3,000 will not enable the Government to deal with the requests they have received in this direction. I am a member of the commission which was appointed to inquire into the development of the North-West. That commission has spent a good deal of time in gathering information. I thought I knew a good deal about the North when I started, but I knew a good deal more after inquiries had been made. I find that Kimberley has already produced 13,000 ozs. of fine gold, Marble Bar 39,000 ozs., Wodgina 12,500 ozs., Nullagine 37,000 ozs., and Pilbara 20,000 ozs.

Hon. W. H. Kitson: Over what period?

Hon. J. J. HOLMES: I have said nothing about the early stages when I suppose they got away with gold without anyone knowing anything about it. The facts demonstrate to any observer that the gold is in every district where men are working, that they can get ore, but there are no means of treating it. The Fremantle Harbour Trust pays £120,000 into Consolidated Revenue, and at the same time we are borrowing £20,000 to repair the wharves, and provide

only £3,000 for the erection of batteries all over the State. The Loan Bill makes provision for the raising of £2,176,000, of which amount over a million is for the purpose of meeting short-term advances, and to meet expenditure pending the receipt of revenue. When we turn to revenue account we find that though it is coming in it is still £600,000 short of the estimate. I suppose we shall go on as long as we are permitted to go on. In my opinion the dead end is not far distant, and then we shall have more reforms and there will be more drastic reductions. I repeat that I intend to vote against the second reading of the Bill.

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

The CHIEF SECRETARY: May I crave your indulgence, Mr. President, to request hon. members to remember that it is necessary that the Loan Bill and the Appropriation Bill be passed without much delay, so that we may avoid crowding the business in the closing days of the session. I am very anxious to avoid that, and I trust members will be prepared to proceed with the debate and finalise the Bills without unnecessary delay.

Hon. J. J. Holmes: I have done my part.

The CHIEF SECRETARY: I am not complaining, but I should like members to assist me to avoid crowding the Notice Paper in the last days of the session.

## **BILL—MINING ACT AMENDMENT.**

### *Recommittal.*

On motion by Hon. H. Seddon, Bill recommitted for the further consideration of Clause 6.

### *In Committee.*

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

Clause 6—Amendment of Section 145:

Hon. H. SEDDON: I move an amendment—

That the following proviso be added to Sub-clause 6 of Clause 6:—“Provided also that the charge, under such scale, for treatment of ore (not being free milling ore) assaying not more than ten pennyweights of gold to the ton shall be fifteen shillings per ton of ore treated, and such charge shall be increased by such amount (not exceeding sixpence) for each additional pennyweight of gold per ton

of ore as may be agreed on by the parties, or in default of agreement as may be determined by the State Mining Engineer, up to the maximum aforesaid.”

During the week there has been an opportunity to discuss the Bill with tributers and there are certain amendments they desire, so as to make the position, as far as tributary charges are concerned, more definite. At the present time the charges vary at the different mines. It is recognised that the amount set out in the proviso to Clause 6 provides that the amount should be more than ample to cover any charges for treatment. In the first proviso it is proposed that the cost of treatment and realisation may be fixed on a sliding scale varying with the value of the gold or the quantity of gold per ton of ore or otherwise. I desire there should be set down something definite in the way of fixing a minimum, and also for providing for increments as far as costs are concerned in accordance with the value of the ore. The amendment I have submitted to members provides for that charge under a sliding scale for treatment of ore, not being free milling ore. The amount of 15s. will more than cover the cost of treatment of any ore at the present time, and the additional 6d. for every additional dwt. will cover the extra charges that may be incurred in treating the richer ore.

The CHIEF SECRETARY: I am prepared to accept the amendment.

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

Clause 7—New section:

Hon. R. G. MOORE: I had intended to submit an amendment to this clause, but the amendment which has just been carried will serve my purpose.

Clause put and passed.

Bill reported with a further amendment.

## **BILL—FINANCIAL EMERGENCY ACT AMENDMENT.**

### *Second Reading.*

Debate resumed from the 30th November.

HON. H. SEDDON (North-East) [9.30]: I propose to say a few words in support of the Bill. I have listened with interest to the arguments for and against the amendment embodied in the Bill, and in view of the sacrifices we have required other sec-

tions of the community to make, I am of opinion that the University should be prepared to accept its share as well. It had been my intention to move an amendment that would deal with the position of Government employees on the goldfields. The assurance given by the Minister when discussing another Bill dealing with the continuation of financial emergency legislation appeared to meet the amendment that I have placed on the Notice Paper. During the course of any remarks the Minister may make on the Bill, I trust he will inform the House as to how far the Government will go towards remedying the state of affairs that have been referred to during the debate. I hope it will not be necessary for me to press my amendment and, in the meantime, I support the second reading of the Bill.

**HON. H. J. YELLAND** (East) [9.31]: Like Mr. Drew, I take grave objection to the passing of the Bill. It is somewhat difficult to understand why Mr. Holmes should have introduced it, unless it was with the fixed idea of assisting one company only. I can assure him that one company only will benefit, while a considerable number of individuals will suffer. I am sure Mr. Holmes is not aware of the whole of the circumstances, or he would not have introduced the Bill. In the first place the measure proposes to make the University other than a State instrumentality.

**Hon. G. W. Miles:** Is it a State instrumentality?

**Hon. H. J. YELLAND:** It is; very much so. There is hardly any need to stress the proof of that fact. It has been recognised that any institution supported by the Government as the University has been, is undoubtedly a State instrumentality.

**Hon. J. J. Holmes:** Are road boards State instrumentalities?

**Hon. H. J. YELLAND:** That is a totally different matter.

**Hon. G. W. Miles:** Of course—according to your argument.

**Hon. H. J. YELLAND:** The University was founded years ago by the Government and was established as one branch of our system of education. That was at a time when the cry was for free education from the kindergarten to the University. In those circumstances, the establishment of the University was part of the building up of our system of education. When the Financial

Emergency Act was passed, it was recognised as a State instrumentality. The Bill as introduced by Mr. Holmes indicates a unique, if not a ludicrous position. I do not think Mr. Holmes realises just what the Bill does. It provides that, for the purposes of Part 6 of the Act, the University shall not be a State instrumentality, otherwise it is a State instrumentality. That is a rather ridiculous position. Let us see what the facts are and face them squarely. Let us take the income enjoyed by the institution. First of all there is the Government grant of £25,000.

**Hon. G. W. Miles:** It should be cut out.

**Hon. H. J. YELLAND:** That has nothing to do with it: I am dealing with the fact. The grant of £25,000 is for educational purposes associated with the University. That money has to be utilised, not for buildings or for the upkeep of buildings, but for the payment of the salaries of professors and lecturers and to pay for the whole of the library and laboratory expenses. From that grant what may be regarded as the general working expenses of the University have to be met. That very fact itself makes the University a State instrumentality. There are other sources of income. There is the income derived from the investment of endowment funds. Let us take the Hackett bequest. Certain amounts were provided, before Sir Winthrop Hackett died, for the purpose of endowing a Chair of Agriculture. The money Sir Winthrop Hackett provided was invested in the Melville and Collie Road Board districts at five per cent. and from those investments the University receives to-day about £900, which is used for the purposes of the Chair of Agriculture. Then other road boards borrowed certain moneys from the University at the ruling rate of interest which was about 6½ per cent. The Senate as trustees in connection with the endowments were compelled to make their investments in accordance with the provisions of the Trustees Act and could make them only in certain directions. Consequently the Senate was debarred from investing money in other directions that might have been more remunerative. There were a few landed securities that brought in seven per cent. Those are the principal investments, with the exception of some debentures that were taken over as part payment in connection with the "West

Australian." When the paper was sold to the "West Australian" Newspaper Company, the latter approached the vendors and asked them to accept certain debentures in part payment of an amount due which represented about £150,000 carrying interest at  $6\frac{1}{2}$  per cent. Those investments were made in accordance with the wills of the late Sir Winthrop Hackett and Mr. Gliddon. The latter left £60,000 invested in property, the income from which was in the form of rents. The money had to be utilised in accordance with the instructions of the testators and what I have indicated represents the whole of the income of the University. The Government grant may be said to carry on the University, and the other investments pay for bursaries, renovations to the Hackett buildings and the Vice Chancellor's salary, and the money cannot be used for any other purpose. The Government have treated the University as a State instrumentality and as such reduced the grant by  $22\frac{1}{2}$  per cent. The Senate in turn had to pass the reduction on in respect of the salaries paid to the staff and all agencies dependent upon the grant. The Senate had to do so and no exceptions were made. With regard to the mortgages to which attention has been drawn, although exempted under the Act as a State instrumentality, the interest has been reduced in accordance with the spirit of the Financial Emergency Act. While not compelled to do so, the Senate took it upon themselves to reduce the interest.

Hon. E. H. Harris: Why, as trustees, did the Senate do that?

Hon. H. J. YELLAND: It has been claimed by some members that the action of the Senate was a sign of weakness. Others stated that as trustees the Senate should not have taken that course. I do not subscribe to either view. I do not think their action was a sign of weakness at all. Certain questions were asked and statements made in Parliament that had a direct bearing upon the question. Later on the Senate reduced the interest charge by the statutory  $22\frac{1}{2}$  per cent. Road boards have also enjoyed a reduction. The Senate were within their rights in adopting that action. As trustees they are not compelled to accept a definite rate of interest, but they can fix the interest rates in accordance with the fluctuations of the market. That was what was done by the Senate when the re-

duction was agreed upon. The Senate merely reduced the interest chargeable in accordance with the fluctuations of the interest market.

Hon. E. H. Harris: Where did the Senate get that power from?

Hon. H. J. YELLAND: The Senate has that power.

Hon. J. J. Holmes: There was the contract with the bondholders. It will come back on the Senate sooner or later.

Hon. H. J. YELLAND: Not at all. Those who hold trust funds are not compelled to demand certain rates of interest unless stipulated interest charges are stated in the wills under which the money was available for investment. If that were not so, and those who borrowed the money approached the University authorities and said they could not carry on, but would have to become bankrupt, where would the trustees be?

Hon. E. H. Harris: Then the University Senate ignored an Act of Parliament?

Hon. H. J. YELLAND: No.

Hon. E. H. Harris: They are trustees.

Hon. H. J. YELLAND: They are in a position that enables them to do what is economical.

Hon. G. W. Miles: Your own argument is very weak.

Hon. H. J. YELLAND: The Senate have made the reductions, and has now voluntarily come into line with the whole of the requirements of the Act.

Hon. J. J. Holmes: No.

Hon. H. J. YELLAND: Yes, with the exception of the debentures of the West Australian Newspapers Ltd.

Hon. J. J. Holmes: That is not so.

Hon. H. J. YELLAND: It is so, as far as I can see.

Hon. G. W. Miles: You have not been supplied with the whole of the information. You have been given some of it.

Hon. H. J. YELLAND: I am giving the House the whole of the information.

Hon. G. W. Miles: You are giving what has been given to you.

Hon. H. J. YELLAND: The "West Australian" debentures carry  $6\frac{1}{2}$  per cent. interest, and if the Bill be agreed to, it will extend to that company alone the benefits of the measure. That company will receive the benefit in respect of the debentures that were taken over by the University Senate at the request of the newspaper company.

Hon. E. H. Harris: Then you say that the whole of the road boards received what they desired.

Hon. H. J. YELLAND: No, not all that they desired. They asked that the retrospective section should be applied to them, which would have meant that the University would have been compelled to pay back about £4,000 that had already been spent on bursaries, and so forth.

Hon. E. H. Harris: When did they receive that money?

Hon. H. J. YELLAND: During the past 15 months. The company, for whom it is desired to secure a reduction of the  $6\frac{1}{2}$  per cent. rate on debentures, at present are paying 8 per cent. to preference shareholders. That will have the effect of depriving the University of moneys that should go to bursars who will be making application for bursaries during the coming year.

Hon. J. M. Macfarlane: That 8 per cent. may not be paid out of profits.

Hon. H. J. YELLAND: I do not know from what other funds it could be paid. Surely those debentures, taken up at the request of West Australian Newspapers Ltd. at  $6\frac{1}{2}$  per cent., should be placed on the same basis as the dividends of preference shareholders. In that respect I think the University authorities have been quite justified in saying it would be unwise to reduce the interest rate of  $6\frac{1}{2}$  per cent. while the company are paying 8 per cent. to preference shareholders. The Bill would have the effect of reducing the debenture securities from  $6\frac{1}{2}$  per cent. to 5.04 per cent., and I do not think any member would say that was justifiable. Taking the figures as they stand, the amount paid on the £150,000 of debentures amounts to about £9,750 per annum, and a  $22\frac{1}{2}$  per cent. reduction would mean £2,193. Members will see that it would mean an extra profit to the newspaper company of £2,193 a year, and a corresponding reduction in the amount to be distributed as bursaries by the University. That would not represent a very great saving to a company whose profits in the past have been in the vicinity of £80,000 a year. Yet the Bill would have only the one result to the company of leaving with it £2,193 extra and taking that amount out of the pockets of bursars who are perhaps on the verge of entering upon a career. That is the whole position as I see it.

Hon. J. J. Holmes: You might tell us about the land sold by the University auth-

orities three years ago, for which they have been extracting 6 per cent. from the purchasers ever since.

Hon. H. J. YELLAND: Perhaps the hon. member could give that information. I wish to refer also to the remarks made by Mr. Cornell. His chief contention was that the University is a lending institution and, as such, should come under the Act. I think he, as well as other members, will recognise that the University is not a lending institution. Under the wills of the benefactors, the University authorities have been instructed to invest certain moneys and utilise the income in certain ways. That does not mean that they are producing wealth for themselves; they are producing wealth in accordance with the instructions laid down in the wills of the testators. The University is not a lending institution. The senate has been placed in the position as trustees, and has to operate in accordance with the dictates of the wills. Therefore I consider that Mr. Cornell's objection is not applicable to the University, and that the University is not comparable with a money-lending institution. Sir Edward Wittenoom, usually particular in his statements and impartial in his judgments, on this occasion, I think, has slipped from the path of accuracy. His statement was so full of inaccuracies that I do not intend to deal with it. Sufficient to say it is obvious that the University is a State instrumentality. He said definitely that it was not, but the evidence to the contrary is so obvious that I should be only occupying the time of the House unnecessarily if I discussed that point further. He said the University was a Hackett institution, but I wish to point out that it was in existence 14 years before it received any assistance whatever from the late Sir Winthrop Hackett, and before any bequests were made. It is and always has been subsidised by the Government. It has always been regarded as a portion of the chain of an education system, which starts at the bottom and goes right to the top.

Hon. J. M. Drew: It is subsidised by statutory provision.

Hon. H. J. YELLAND: Yes. Consequently it seems to me that when the original measure was passed, the University was recognised as a State instrumentality.

Hon. J. J. Holmes: Where do you find that?



Hon. H. J. YELLAND: Since then the court has decreed it to be a State instrumentality. I see no reason why we should alter that position, seeing that in almost every instance the University authorities have come into line with the spirit of the Act. To make the alteration suggested at the present time would simply place obstacles in the way of assisting so many of our young people. The retrospective clause suggested by Mr. Holmes is far too drastic. Its effect would be too far-reaching. The loss of £2,193 per annum, if made retrospective, would have the effect of necessitating the closing-down on bursaries for some time, and I do not think anyone is anxious that that should happen. Even a loss of £2,000 would mean that 30 or 40 bursaries would not be granted during the coming year. The Bill does not in any way commend itself to me and, I am sure, does not commend itself to a majority of members, and I trust therefore that it will receive its death-blow on the second reading.

On motion by Hon. J. J. Holmes, debate adjourned.

## **BILL—COMPANIES ACT AMENDMENT.**

### *Second Reading.*

Debate resumed from the 30th November.

**HON. W. J. MANN** (South-West) [9.53]: I have perused the Bill with great interest, and I regret very much that the more I look at it, the less I am disposed to support it. There are some provisions in it that I think are really most undesirable. At the same time, I recognise that Mr. Nicholson, in introducing the Bill, referred to some matters that do perhaps call for some action, but I am wondering whether that action could not be as effectively secured by approaching the matter in another way as by passing this Bill, some clauses of which, to me, are entirely repugnant. The Bill makes provision for persons aggrieved by decisions of directors to appeal to the court. It is somewhat vague as to the form the appeal should take, and the hon. member who introduced the Bill did not enlighten us very much. He did say, however, that the costs of the appeal, which is one reason for objection, would be at the discretion of the court, and inferred that directors did not have much to fear because, if any complaints were brought

against their actions or judgments and were not substantiated, costs would be given against the appellant. I think that is a very serious course to propose. If we are going to allow persons with a grievance, real or imaginary, to approach the court just as they wish, we shall be getting into a very dangerous position. I contend that that portion of the Bill will open the door to undesirable persons to place directors of a company in an extremely embarrassing position and, in certain circumstances, put companies to considerable expense. It is not sufficient merely to contend that the directors may be awarded costs in the event of an aggrieved person's failure, because experience has shown many of us that even to win an action at law often involves financial loss. When one wins at law, one frequently loses through one's pocket. Then there is the question of the time involved, and the personal and business inconvenience caused to directors by an action such as the Bill would permit. I contend that it would be quite wrong to permit any person, unless he has very strong ground indeed, to question the actions of men who have been placed in the position of directors by a majority of the shareholders. Apart from that, the principle is quite wrong. Directors of companies are invariably elected by the shareholders, and in the matter of transfers, I contend they should have the right to determine who shall become members of the company. Clause 2 particularly deals with the registration of transfers. I think the existing law provides a great safeguard. I do not know that one could cite any social, sporting or business concern that would adopt any other principle than that of conserving the right to say who shall or who shall not become members. In all social and sporting clubs and organisations of any kind, members are elected by ballot, and if a person who is considered undesirable is nominated for membership, there is the ballot to guard against his being accepted. It should be the business of directors to see that only persons of repute become associated with companies. The fact that shares can be purchased in the open market should not, in my opinion, imply that cash is the only consideration for membership of a company. There is a higher phase to be considered, and that is the moral aspect. If we are to rely merely on a cash consideration, any man, no matter how great a rogue he may be, can become a member of a com-

pany so long as he pays for his shares, and other shareholders would therefore be forced to associate with him. I do not think any member of the House would knowingly agree to such an unreasonable proposal. If this clause is passed, a person such as I have described can get into a company. Many business houses or companies have a high sense of business morality and the executives very carefully scrutinise applications for transfers of shares. Now, if a person of bad character were allowed to get into one of these companies, it might very soon lose its prestige and the respect in which it is held by the business world. I do not think members would consider for a moment the amending of the Companies Act to permit of that happening. It is possible also that persons might endeavour to secure shares in a company for purposes not beneficial to the company. Instances can be given where shares in a company have been acquired by a competitor for no other reason than to strangle it. All these phases are serious and I would be very sorry if a vote of mine was cast in order to permit such a thing to be done. The usual powers vested in directors of a company have stood the test of time. Generally, directors of companies—I speak from the standpoint of an onlooker—are men of high repute. Occasionally there are odd black sheep among them, as one will find in other walks of life; but if we review even the companies of this State and look at the directorates, local and otherwise, we will find the directors are men of the highest standing, men whom we all very much appreciate. We should not pass legislation that will hamstring or even pinprick them. This Bill, if passed, will do that in a number of ways, and so some of the directors might feel that they could no longer associate themselves with the companies. Clause 2 makes possible a transfer of shares to a pauper. A company may get into difficulties and a shareholder, in order to escape liability, might transfer his shares to a pauper and incidentally throw additional liability on the other shareholders. That has been done to my knowledge in this State within the past 12 months; at least, an endeavour has been made to do that kind of thing. Constant watchfulness on the part of the directors has prevented unscrupulous persons from engaging in tactics of that description. Again, there have been cases where persons have bought a mere handful of shares in a company and have made

themselves extremely objectionable. When remonstrated with, they have had the audacity to turn round and coolly say, "We do not care, you can buy us out if you like." Then they offer their shares for sale at an amount far in excess of their value. Those cases, fortunately, are somewhat rare, but even under our present Companies Act that sort of thing has been done. If we say that any person can secure the registration of a transfer of shares simply at his own sweet will, then we shall have a great number of those people operating in that way. I cannot understand why Mr. Nicholson inserted this clause in his Bill. I should have thought he would be the one member of this Chamber who would be very jealous of the powers of directors. Although we appreciate very highly Mr. Nicholson's business acumen, I am wondering whether he thoroughly understands the full import of the clause. There is another provision in the Bill I would like to refer to, and that is the provision dealing with the remuneration of directors. There is something to be said in favour of shareholders fixing the remuneration of directors. Generally, one would say that was a very fair proposal, but it is not always so. I have in mind a company of which a man is not only the managing director, but the heart and life blood. He draws only a moderate salary, but I make bold to say that if he were suddenly to be called away, or so placed that he could not continue in his position, the company would soon lose its standing, because he is a man with a fuller knowledge of the business than anyone else associated with it, and he is making a success of it. If the remuneration is to be fixed, as proposed by the Bill, at one meeting and then increased, diminished, or otherwise altered at a subsequent meeting, the position of such a director will be undermined. As a general meeting also includes a special meeting, members will see that persons who are inclined to make nuisances of themselves could come along once every three months and raise the question of the directors' remuneration. They might go so far as to say they will reduce the directors' fees by 50 per cent. Now, it may happen that a director of the type I have just mentioned may have quite a lot of money in the concern, and in such a case he would have to submit to one of two things. He would either have to accept a salary not at all commensurate with the service he was giving, or else he would have to step out, lose his capital

and see the concern that he had perhaps built up go to the wall under the control of some less competent person.

Hon. A. Thomson: Suppose he were being paid a salary out of all reason?

Hon. W. J. MANN: I will come to that. That is one of the dangers that I see, and I think members could not expect to hold a competent man in a company in such circumstances. There would be no security of tenure for him, and he would look for some way of getting out of the company as quickly as he could if he thought this danger was hanging over him all the time. So far as I can see, the clauses in the Bill are of a most novel and extremely unique nature. I am given to understand by a very high authority on company law that the provisions contained in the Bill do not exist in the legislation of the Old Country or of any of the other States of the Commonwealth. Of all the criticisms I have heard of the Bill, that is one of the most arresting. I do not say we should go along in the same old rut all our lives, but when we get an opinion of that nature, and from such a source, we should walk very guardedly.

Hon. E. H. Harris: Would you say this was advanced legislation?

Hon. W. J. MANN: It would be super-advanced legislation if we passed it. Mr. Thomson interjected something about a director allocating to himself a salary out of all reason. I do not stand behind a man of that type. I have already made some investigations and inquiries into that matter, and am assured by a reliable authority that there is power at present by which such an individual can be dealt with. There are some very pointed precedents in that regard, and I understand they come from as high a source as Lord Halsbury and men of that degree. If it is not possible in this State to deal with such a man, I contend that a very simple amendment to the Act would put him in his place. The amendment I suggest would be that in case a minority of the shareholders, or a number of them who found that the directors were allocating to themselves salaries that were beyond reason, or that they were acting in any way with the company's money that was detrimental to the company, they should have the right to approach a judge of the Supreme Court, ask for an investigation into the affairs of the company, and abide by the decision of the court. That

is all that is necessary at present. I regret I cannot support the second reading.

On motion by Hon. J. M. Macfarlane, debate adjourned.

*House adjourned at 10.18 p.m.*

## Legislative Assembly.

*Tuesday, 6th December, 1932.*

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

## QUESTION—LEGAL PRACTITIONERS' CHARGES.

*As to Barristers' Board's Attitude.*

Mr. SLEEMAN asked the Attorney General: 1, In Local Court proceedings concerning the Workers' Compensation Act, is the solicitor attending alone at the court and conducting the case in person entitled to make the following charges: Drawing brief, 16 folios, 16s.; engrossing copy with documents to accompany, 24 folios, 5s. 10d.; attending counsel therewith, 6s. 8d.; paid his fee and clerk, £5 10s.; attending counsel to appoint conference and attending thereon, 13s. 4d.; paid his fee and clerk, £1 6s.? 2, What legal authority is there for a legal practitioner engaged on a case as solicitor briefing himself as counsel—that is, as the barrister—conferring with himself, attending the court with himself, and then charging