

# Legislative Assembly,

Wednesday, 20th November, 1929.

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

## LEAVE OF ABSENCE.

On motion by Mr. Wilson, leave of absence for two weeks granted to Mr. Pantou (Menzijs) on the ground of ill-health.

## BILL—RESERVES (No. 1.)

### Council's Amendments.

Schedule of two amendments made by the Council now considered.

### In Committee.

Mr. Angelo in the Chair; the Minister for Lands in charge of the Bill.

No. 1. Clause 7—Delete:

The MINISTER FOR LANDS: I have no alternative to asking members to agree to the amendment. I regret having to take that course, but owing to the opposition in another place and the fact that a select committee was appointed to inquire into the matter, I cannot see what else I can do.

Hon. Sir James Mitchell: We need not agree.

The MINISTER FOR LANDS: But if we disagree, what will be the result? I am afraid that in this matter the Claremont Road Board do not know their own mind, because the evidence given before the select committee was not the evidence given to the department as a result of which Clause 7 was included in the Bill.

Mr. North: The clause might have gone through in the first place, but I think the delay has killed it.

The MINISTER FOR LANDS: I am not prepared to bother further about it this session. The road board have had oppor-

tunities to come to a decision long ago. The member for Claremont knows that they agreed to a proposition and then desired still further amendments. In view of the proceedings before the select committee and my conviction that we should only be wasting time by disagreeing, I move—

That the amendment be agreed to.

Mr. NORTH: The delay has been caused by the Claremont Road Board's request to me to urge for better conditions. I think they would now be prepared to accept the original conditions. I have been asked by the board to read a letter protesting against the decisions of the select committee. In order not to waste time, I shall quote to the last paragraph, which states—

It is suggested that should any further expert advice be necessary, the whole matter should be referred to the newly appointed Town-planning Commissioner for his report.

That means Clause 7 will have to be deleted, so the only course open to this Chamber is to accept the position and trust to the new Parliament to deal with the matter in a separate Bill early next session.

Hon. Sir JAMES MITCHELL: Land suitable for a recreation reserve was bought with Government money and it was desired that unsuitable land should be sold that the suitable land might be made a permanent reserve. That seemed a reasonable and right thing to do. I do not propose to disagree with the Council's amendment. Next year the road board can approach the Government for the introduction of another Bill. I do not know what the Town-planning Commissioner would be able to do, because the whole question is one of repaying £2,500 by the sale of land not needed for recreation purposes. The sooner the land is sold and the money repaid to the Government, the better. I cannot see what good it can be to the road board to hold the land unoccupied when it is unsuitable for recreation purposes and would be suitable for the erection of homes. In view of the letter Mr. North has quoted, there is nothing to do but accept the amendment. I am sorry that we have to agree to it, but the Minister and his department know best what ought to be done. Another place has seldom interfered with a Bill of this kind.

The Minister for Lands: It all depends who is there.

Hon. G. Taylor: It all depends who is objecting.

The MINISTER FOR LANDS: The department have done their best. We agreed to a proposition and introduced legislation, but the select committee appointed by another place decided that the whole arrangement was wrong and even open to question. What is the use of persevering with a provision in those circumstances?

Hon Sir James Mitchell: I do not agree that we should submit to what another place does.

The MINISTER FOR LANDS: No harm will result from referring the matter to the Town-planning Commissioner.

Hon. W. D. Johnson: Are the Government receiving interest on the money?

The MINISTER FOR LANDS: Yes. It is hopeless to pursue the matter further, and I am prepared to let the Claremont Road Board fight it out with their representatives in another place.

Question put and passed; the Council's amendment agreed to.

No. 2. Delete the Second and Third Schedules:

On motion by the Minister for Lands, the foregoing amendment was consequentially agreed to.

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

## BILL—LAND AGENTS.

### *Council's Amendments.*

Schedule of 12 amendments made by the Council now considered.

### *In Committee.*

Mr. Angelo in the Chair: the Minister for Justice in charge of the Bill.

No. 1. Clause 3, Subclause (1).—Insert after "person" in line eight the words "save as hereinafter provided."

The MINISTER FOR JUSTICE: The proposed addition is designed to cover a later amendment. Of that later amendment I approve in part only. The present amendment would be consequential, and I move—

That the amendment be agreed to.

Question put and passed: the Council's amendment agreed to.

No. 2. Clause 3, Subclause (1).—Delete the word "whose" in line thirteen, and insert "who employs a land salesman and who carries on the." Delete the words "is the" in line fourteen and insert "of."

The MINISTER FOR JUSTICE: The effect of this amendment is to bring within the term "land agent" anyone who employs a salesman for the purpose of selling land. Under the amendment an ordinary person will not be able to employ a salesman to go about the country selling land for him, unless he himself registers as a land agent. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 3. Clause 3, Subclause (2).—Add a proviso as follows:—"Provided further that nothing herein contained shall extend to or include any person acting as the duly constituted attorney of any other person, and having power to sell or to purchase or acquire land or interest in land on behalf of such other person, nor to any person acting in the discharge of his duties or in exercise of his powers as a trustee, liquidator, receiver, mortgagee, executor or administrator of the estate of a deceased person, or the registered owner of any land not carrying on business as a land agent."

The MINISTER FOR JUSTICE: I am prepared to accept that part of the proviso which enables executors, mortgagees, receivers and so on to dispose of land without registering as land agents. However, I move an amendment on the Council's amendment—

That the words "as the duly constituted attorney of any other person, and having power to sell or to purchase or acquire land or interest in land on behalf of such other person, nor to any person acting" be struck out.

The inclusion of those words would mean that any unscrupulous crook could give some other person a power of attorney to sell land, whereupon the other fellow would be able to do as he liked. The principal would never be able to get a license, being a crook; yet, under the words in question, he could get someone else to do the work for him as his attorney under power.

Hon. Sir James Mitchell: But many owners of land must have someone to sell for them under power of attorney. There is the case of trustee companies, for example.

The MINISTER FOR JUSTICE: There would be no trouble about trustee companies.

My amendment on the amendment amounts to the deletion of the attorney under power from the exempting proviso.

Hon. Sir JAMES MITCHELL: Take the case of our Agent-General in London; if he wanted to sell his estate in Western Australia, he would have to send out a power of attorney for the purpose. Special powers of attorney are given in respect of land. Then he would have to pay commission to a land agent in addition to paying his attorney under power, though it is true he might get over the difficulty by employing a solicitor. I sympathise fully with the Minister's desire to prevent land sharks from operating, but the legitimate attorney under power should not be debarred.

The Minister for Justice: A land agent's license costs only 10s.

Hon. Sir JAMES MITCHELL: But can the license be obtained without delay or trouble? I do not think it can, all sorts of testimonials presumably being required. I approve of the Council's amendment even subject to the Minister's modification; but the modification excludes the attorney under power.

Mr. MANN: While whole-heartedly with the Minister in his desire to prevent certain objectionable practices in the selling of land, I fear that hardship may result from his amendment on the Council's amendment. Suppose a person living in England and owning an estate here desired to appoint an attorney under power for the purpose of disposing of the estate; under the proposal of the Minister, that could not be done.

The Minister for Justice: Unless registration as a land agent were obtained.

Mr. MANN: Residents of the Eastern States owning property here might not find it convenient to come to Western Australia to dispose of their estates. In that event an attorney under power would be appointed—say a reputable firm of solicitors.

Hon. Sir James Mitchell: That would be all right.

Mr. MANN: No.

The Minister for Justice: The solicitors would not sell the land themselves; they would employ an agent.

Mr. MANN: If the Minister is satisfied that this provision will not prevent a person living abroad or in the Eastern States from appointing an attorney to look after his interests and dispose of the land he may own in this State, then I shall support him. I hope the Minister has considered that phase

because the provision may inflict a hardship on such a person.

The Minister for Justice: If he employed a solicitor to sell the land, the solicitor would have to take out a license.

Hon. W. D. JOHNSON: The Bill is for the purpose of protecting the State against what may happen if we allow people abroad to appoint others to dispose of their land for them. It is the absentee owner that has caused most of the trouble we have experienced. If the words the Minister desires struck out were retained, the Bill would be valueless. All that would be necessary for a dishonest person to do would be to appoint someone else as attorney, and the provisions of the Bill would not apply.

Mr. Tecsdale: The man abroad might be a legitimate individual, too.

Hon. W. D. JOHNSON: That is so. If the amendment is agreed to in the form desired by the Minister, then the absentee will be able to appoint a licensed land agent who will be guaranteed because of this legislation.

The Minister for Justice: Or a solicitor.

Hon. W. D. JOHNSON: Yes, that is provided for, too. Even attorneys have not always proved reliable in this State, and therefore the desire now is to give additional protection to absentee owners.

Amendment on the Council's amendment put and passed; the Council's amendment, as amended, agreed to.

No. 4. Clause 35, Subclause 1.—Delete the last three lines:

The MINISTER FOR JUSTICE: The three lines the Council desire struck out are as follows:—

Land shall be deemed vacant land within the meaning of this section if no house or building suitable for human occupation is built thereon.

I am not much concerned about the inclusion of the three lines. To a large extent the Bill deals with subdivided land, and it was thought that someone might erect a shanty worth 10s., or £1 on a block, and then claim that he was selling improved land with a habitation erected on it, and not vacant land. The sub-paragraph is not of great importance. It was inserted merely as an additional precaution. I do not think we need hold up the Bill on such a matter, and I move—

That the amendment be agreed to.

Hon. Sir JAMES MITCHELL: Apparently, as the end of the session is at hand, this is one of the things that the Minister now regards as unimportant and therefore need not be contested.

Question put and passed; the Council's amendment agreed to.

No. 5. Clause 36—Delete:

The MINISTER FOR JUSTICE: I am not prepared to agree to the Council's amendment.

Hon. G. Taylor: It is time you put some ginger into it!

Mr. Mann: Yes, stiffen up now.

The MINISTER FOR JUSTICE: The clause deals with one of the two principles involved in the Bill. It deals with contracts relating to subdivided land, which will be voidable in certain cases. The clause means that if a man is a land agent he must give certain particulars regarding the land, to the person who is considering the purchasing of the block. A purchaser should know what he is buying and the clause was inserted for the purpose of making sure that a bona fide purchaser of land obtained necessary particulars.

Hon. G. Taylor: In other words, the land must be as described.

The MINISTER FOR JUSTICE: Yes, and it must be fully described.

Mr. Thomson: That is what we want badly.

Hon. G. Taylor: Yes, some of the land has been badly described.

The MINISTER FOR JUSTICE: Litigation that has been before the courts during the last few days will be within the knowledge of hon. members. Land was sold in the Brighton estate, and during the course of negotiations reference was made to the Brighton Hotel. When the purchaser inspected the land, he found it was 12 miles away from where he thought it was.

Mr. Mann: That transaction alone justified the retention of the clause.

The MINISTER FOR JUSTICE: That is so.

Mr. Mann: Even if the seller were an honest man.

The MINISTER FOR JUSTICE: Quite so. The purchaser is entitled to all the necessary information set out in the clause. I move—

That the amendment be not agreed to.

Hon. Sir JAMES MITCHELL: The Minister wishes to prevent fraudulent sales of land by "go-getters" or by anyone else. It is all nonsense to tell the people that we will protect them by Acts of Parliament; we do nothing of the sort. I would like to get at people who sell land by means of false representations to buyers who have not seen the land. If a man sees the land, then he should be able to know all about it himself.

The Minister for Justice: He may not know whether the land is encumbered or not. The seller may give a title, but it may be encumbered.

Mr. Thomson: What about the Gosnells estate?

Hon. Sir JAMES MITCHELL: Yes, that was wrong.

The Minister for Justice: The land could not have been sold in that way if the Bill had been law with the clause under discussion in it.

Hon. Sir JAMES MITCHELL: I think we can get at these people better through the Criminal Code than through legislation of this description. I do not think the Minister should insist upon the whole of the clause remaining. I do not mind going as far as is necessary to prevent people from being taken down, but that should be sufficient.

Hon. G. TAYLOR: This clause is very necessary. Over the last 10 or 20 years many plans have been issued showing blocks of land as being magnificently situated, whereas actually they were worthless. In Queensland in 1884 I saw plans of land for sale located between Subiaco and Claremont. That land was shown as being right on the banks of the Swan River and having the Perth Town Hall within about 20 yards of it.

Mr. Teesdale: Where was the nearest pub?

Hon. G. TAYLOR: Doubtless many Queenslanders purchased blocks of that land on the strength of those fraudulent plans. That sort of thing is going on in Western Australia to-day; in fact Western Australia has been a happy hunting ground for the go-getters.

Mr. SAMPSON: Members are taking a wrong view of this clause. Under the clause it would be most difficult for an honourable land agent to sell a block of land and in doing so conform with all the prescribed conditions. The contract has to be in writ-

ing and contain the name, address and description of the vendor and of the registered proprietor of the land.

Hon. G. Taylor: There is nothing very exacting in that.

Mr. SAMPSON: It means carrying around a lot of special knowledge. Then the statement has to be made that the plan of subdivision has been approved and deposited in the Titles Office. Many other conditions have to be observed, and altogether it seems to me the purchaser is more than sufficiently safeguarded.

The Premier: You are not going to set up a land agency business, are you?

Mr. SAMPSON: No, I am not. We are not justified in making a reputable business so difficult a business. Any clerk in a land agent's office might, by a slight carelessness, render null and void a bona fide sale. One member has said that land has been sold under misrepresentation as to its location. But this clause does not make it mandatory on the agent to set out precisely where the land is situated. That is contained in the previous clause; yet its omission from this clause is being used as an argument against the clause. I have seen coloured subdivisional plans showing town halls and parks alongside the land for sale. But again this clause does not deal with that class of misrepresentation; it is provided for in the previous clause. So I agree with another place that Clause 36 should be deleted, for its effect will be to render the work of honourable land agents exceedingly difficult.

Mr. MANN: The argument used by the hon. member does not touch upon the meaning of this clause at all. The clause is meant to cover the dealings of a syndicate that, having purchased an estate by paying a deposit on it, cuts it up into lots, offers them for sale and receives payment for the blocks, although unable to give a title for them, and indeed having no intention of trying to do so. All that is required here is that in the contract of sale all particulars of the land offered for sale shall be set out. It would mean only an additional couple of clauses in the contract of sale. I know of several instances of syndicates selling land for which they could not give a title.

The Premier: Do you remember the Gosnells transactions?

Mr. MANN: Yes. I moved for and secured a Royal Commission to investigate

those transactions. Hundreds of people who had paid up in full could not get their titles.

The Minister for Mines: Some have not got them yet.

Mr. MANN: If there were no stronger case than that presented by the Gosnells transactions, that in itself would serve to justify this clause. But there are stronger cases. I think the clause is necessary.

Question put and passed; the Council's amendment not agreed to.

No. 6. Clause 39, Subclause (1).—Insert after "thirty" in line thirteen the words "no person shall act as a land salesman unless he is registered under this Act, and is in the employment of a land agent licensed under this Act; and from and after the said last-mentioned date."

The MINISTER FOR JUSTICE: I have no objection to this amendment. It merely provides additional safeguards. A man will be unable to hold a land salesman's license unless he is employed by a land agent. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 7. Clause 42.—Delete the word "ten" in line one of page eighteen, and insert "five."

The MINISTER FOR JUSTICE: The Legislative Council must have been very busy looking for amendments when it passed this one. A fee of 10s. is not too much to ask any man who is going up for registration. I move—

That the amendment be not agreed to.

Question put and passed; the Council's amendment not agreed to.

No. 8. Clause 51, subclause (1).—Insert after "order" in line thirty-eight the words "or such Court may of its own motion make an order."

The MINISTER FOR JUSTICE: I have not had time to go through "Hansard" to discover why another place made this amendment. There is no necessity for it. I cannot see why a court should make an order directing that some license shall be cancelled. This would more properly come from an individual objecting to a man being licensed.

Mr. Mann: It would be bad policy to pass this.

The MINISTER FOR JUSTICE: If we pass this provision it would probably never be availed of. I move—

That the amendment be not agreed to.

Hon. Sir JAMES MITCHELL: This is an important amendment. The court should make careful inquiries before granting any license.

Question put and passed; the Council's amendment not agreed to.

No. 9. Clause 51, subclause (2).—Delete "1928" in line five, and insert "1929."

The MINISTER FOR JUSTICE: This is a consequential amendment. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 10. Clause 51, Subclause (2).—Insert a new paragraph (e) as follows:—"or that he has ceased to be employed by a duly licensed land agent."

The MINISTER FOR JUSTICE: This amendment is unnecessary in view of the amendment to Clause 39. I move—

That the amendment be not agreed to.

Question put and passed; the Council's amendment not agreed to.

No. 11. Clause 60.—Delete.

The MINISTER FOR JUSTICE: Clause 60 provides that the trust accounts of land agents should be audited by a duly authorised accountant. This means the exercise of supervision over trust funds. People who are handling money of this sort must have their books audited at regular intervals.

Hon. Sir James Mitchell: It does not protect anyone.

The MINISTER FOR JUSTICE: We know there are unscrupulous as well as unsophisticated people. An agent is appointed to do his best for his principals. If he makes a sale, there is no reason why his records should not be audited. We should insist upon the retention of this clause. I move—

That the amendment be not agreed to.

Hon. Sir JAMES MITCHELL: I take it the report of the accountant would be for-

warded to the Minister, who would say whether or not all was well.

The Minister for Justice: The report would be sent to the Under-Treasurer.

Hon. Sir JAMES MITCHELL: We should not give the public a false sense of security over this matter. In our belief that everyone is a rogue, we are going to extremes.

The Minister for Justice: No reputable land agent would object to having his trust accounts audited.

Hon. Sir JAMES MITCHELL: This only means expense and bother without giving any real protection to the public. The proper test is to look into the character of the land agent and provide penalties for wrong-doing.

Question put and passed; the Council's amendment not agreed to.

Clause No. 12.—Insert a new clause to stand as Clause 16 as follows:—Appeal.—16. Subject to rules of Court, there shall be an appeal to a judge of the Supreme Court from the refusal by a Court of Petty Sessions to renew a license, and from any order of such Court for the cancellation of a license under the provisions of section twenty-eight. On the appeal the judge may make such order for the payment of the costs of the appeal as he may think fit.

The MINISTER FOR JUSTICE: If anyone desires to appeal against a decision, there is no reason why he should not do so, especially if he feels he has suffered an injustice. I do not think this provision will be availed of very often. The object of the Bill is not to find out crooks, but to safeguard the position generally. Anyone who fears lest he would be denied a license would not be likely to apply for one. If a reputable man failed to get a license, there would be no harm in giving him the right to appeal against any decision that was against him. While agreeing to the amendment, I think it can be improved. The Council desires that there shall be an appeal in the event of the refusal to renew a license. We might as well give the right of appeal in the event of a refusal to grant a license. There is no reference to that at all in the Council's amendment. I move—

That the Council's amendment be amended by inserting between "to" and "renew" the words "grant or."

The proposed new clause will then provide that in the event of a refusal by a court of petty sessions to grant or renew a license, an appeal may be made to a judge of the Supreme Court.

Amendment, as amended, put and passed; the Council's amendment, as amended, agreed to.

Resolutions reported, the report adopted and a Committee consisting of the Minister for Justice, the member for Perth and the member for East Perth, appointed to draw up reasons for disagreeing with five of the Council's amendments and agreeing to another with an amendment.

Reasons adopted and a message accordingly returned to the Council.

## **BILL—PUBLIC SERVICE ACT AMENDMENT.**

*In Committee.*

Mr. Angelo in the Chair; the Premier in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 9:

Hon. Sir JAMES MITCHELL: How will the officers know what the classification is? There is no provision for publication in the "Government Gazette."

The PREMIER: That is not the point involved here; there is provision later on for publication in the "Gazette." The classification is not dealt with at all by the Governor now; after it has been made by the Commissioner, an appeal goes direct to the Appeal Board. Since the passing of the Appeal Board Act the Governor does not come into it at all. This is really a supplementary amendment. Prior to the passing of the Appeal Board Act of 1920 the Commissioner's classification was only a proposal and was submitted to the Governor-in-Council for approval. When the right of appeal to the Appeal Board was granted, a rather impossible position was created by reason of the fact that it meant an appeal from the Governor's approval. This amendment has really been rendered necessary by the passing of the Appeal Board Act of 1920.

Hon. Sir James Mitchell: If the Government objected to the Commissioner's classification, they could appeal.

The PREMIER: Yes.

Mr. Kenneally: The latter portion of the clause proposes to omit the words "in any class or grade."

The PREMIER: Previously certain classes or grades were in vogue, but a range has been substituted and the word "classification" is now used.

Clause put and passed.

Clause 3—agreed to.

Clause 4—Amendment of Section 15:

Hon. Sir JAMES MITCHELL: This clause provides for the appointment of an assistant commissioner. Such an appointment should not now be necessary as the Appeal Board is doing the work. We should avoid adding in any way to the cost of the service unless we add to the usefulness of the work.

The PREMIER: Section 15 provides for the appointment of two assistant commissioners, and it has been held that if the Commissioner required assistance he must appoint two assistant commissioners, but may not appoint one. There may be occasions when he would require the services of one but not of two. For some time Mr. Munt, the Under Secretary for Works, really acted as an assistant commissioner, although he could not be designated as such because of the wording of the Act.

Hon. Sir James Mitchell: There is no intention to appoint another permanent official?

The PREMIER: No; nor a temporary one either.

Mr. Davy: It is more likely that you would require one than two.

The PREMIER: Yes; but I have nothing of the kind in view.

Hon. Sir James Mitchell: We cannot afford to pay for one unnecessary official.

The PREMIER: There is no intention of doing so.

Clause put and passed.

Clause 5—Amendment of Section 18:

Hon. Sir JAMES MITCHELL: What is the effect of this amendment?

The PREMIER: This is another consequential amendment dealing with terms.

Clause put and passed.

Clauses 6 to 9—agreed to.

Clause 10—Amendment of Section 30:

The PREMIER: This clause deals with acting magistrates. I explained the position when speaking on the second reading.

Mr. DAVY: I understand there is some heartburning among clerks of courts who contend that men who have been acting magistrates for five years may be able to receive permanency without passing an examination, and they feel it is a little unfair to them. When a man has served as clerk of courts for many years, there is no reason why another man who has also done a little magisterial work should be in a better position. I cannot subscribe to the extension of this indulgence without subscribing also to the appointment of acting magistrates. To lay down the principle that anyone who has served as clerk of courts or mining registrar with diligence and fidelity should subsequently become an acting magistrate would be to agree that we might even contemplate the possibility of such a thing. I take it the clause is intended to help certain men who have been acting magistrates for the past five years. I hope the Government will make up their mind to have no more magistrates acting for five years. A man should not be given a judicial position without permanency of tenure. The present system of regarding service as a clerk of courts as qualification for a judicial position is wrong. There is no conceivable reason why a man acting as clerk of courts should ever become a magistrate on that experience alone. He does not even sit in court when cases are being heard. He has not the time to do it. All he does is to acquire some knowledge of the routine side of local court administration. Even the mere watching of cases is not of much value because we might then appoint to the Bench judges' associates who sit in the courts while the cases are being heard.

The Premier: Or the constable who regularly keeps order.

Mr. DAVY: Yes; or even the court crier.

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

Hon. Sir JAMES MITCHELL: I said recently that the Government had not power to appoint Mr. Horgan magistrate of the Children's Court.

The Premier: Did you not mean, power to appoint him to the Midland Junction court?

Hon. Sir JAMES MITCHELL: Mr. Horgan was first appointed to the Children's Court. I do not think he can be appointed magistrate of the Guildford court.

The Premier: At Guildford he is merely acting.

Hon. Sir JAMES MITCHELL: In fairness to Mr. Horgan, I wish to state that I have no objection whatever to him, but object merely to the Government's interpretation of the Act. This clause will remedy the deficiency. Speaking generally of magistrates, I doubt whether the knowledge of the little law required by the examination can be of much use. Fully qualified legal practitioners are preferable as magistrates. With that in view, the principal magistrate's salary should be increased. I entertain no objection whatever to this clause. I believe there is another gentleman who has served four years as acting magistrate, and the Civil Service Association suggest that the term be made four years instead of five.

The Premier: Does not that refer to Mr. Horgan?

Hon. Sir JAMES MITCHELL: Mr. Horgan has certainly proved a satisfactory magistrate. To put the matter in order, had we not better make the term four years?

The PREMIER: Prior to the adjournment the member for West Perth remarked that the passing of this clause might operate detrimentally to public servants who have already passed the examination and thus are qualified for appointment as magistrates. However, the clause will not operate in that direction at all, because all the public servants affected are already acting magistrates, and have been so acting, as the clause requires, for not less than five years. It is not as if any vacancy would occur. There is no likelihood that magistrates who have been acting for five years will be removed from their positions and other public servants who have passed the examination appointed in their stead. These magistrates will not be removed except in the usual manner, by retirement. Nearly all of them, at least three or four of them, are approaching the retiring age. In my second reading speech I gave the number of years each of them has acted as magistrate. Some of them have thus acted for over 20 years. The least number of years any one of them has been in the service, either as clerk of courts or as acting magistrate, is 34. The clause will not affect the prospects of any clerk



of courts who may have passed the examination, because this provision refers only to those who have qualified for appointment as magistrates prior to the commencement of the measure.

Hon. Sir James Mitchell: This finishes it?

The PREMIER: Yes. Five men are affected by it, and the clause cannot possibly injure any one of them. I have no objection to making the term four years instead of five, if that is necessary in order to bring in Mr. Horgan, who has served many years as clerk of courts, but perhaps has been an acting magistrate for only four years. However, he is magistrate of the Children's Court, appointed under another Act, and is also acting magistrate for Midland Junction. Fixing the period at four years instead of five would enable Mr. Horgan to be appointed as magistrate, instead of acting magistrate, for outside work.

Hon. Sir JAMES MITCHELL: I move an amendment—

That in line 7 "five" be struck out, and "four" inserted in lieu.

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

Clauses 11 to 13—agreed to.

Clause 14—Increments of salary:

Mr. KENNEALLY: In proposed Section 37a, Subsections 1 and 2 conflict. The first subsection says that the officer shall receive the increment after having been in the graded position for 12 months. Subsection 2 provides that there shall be a report to the Public Service Commissioner from the departmental head prior to the officer receiving the increment. If the departmental head does not report to the Commissioner, then, even though the officer's conduct has been good and diligent, he cannot receive his increase.

Hon. Sir James Mitchell: It is left to the Commissioner.

Mr. KENNEALLY: It should not be left to the Commissioner. Nor should it be possible for the Commissioner to withhold an increase by reason of the absence of a report.

Mr. Doney: Probably there would be excellent reason for withholding the report.

Mr. KENNEALLY: I cannot conceive such a reason. The rendering of the report at the proper time should be mandatory, or, failing the report, the officer

should receive the increment. I move an amendment—

That in Subsection 2 of proposed Section 37a, the words "is paid to such officer" be struck out, and "becomes due" inserted in lieu.

Hon. G. Taylor: Has the hon. member noticed the paragraph at the top of the next page of the Bill?

Mr. KENNEALLY: Yes. That paragraph does not deal with the aspect to which I am referring.

The PREMIER: I do not think there is any need for the amendment at all, nor do I think it will improve the clause. The hon. member suggests that it is within the discretion of the Commissioner to call for a report, but it is not; it is mandatory.

Mr. Kenneally: But it does not say when the report shall be furnished.

The PREMIER: The whole clause deals with annual increments, and all the provisions are mandatory.

Mr. Kenneally: But an officer may not have been in his grade for 12 months.

The Premier: Then he will be not entitled to his increment.

Mr. Kenneally: The inclusion of the word "annual" will not meet the position.

The PREMIER: Until an officer has been 12 months in his grade, he is not entitled to the annual increment. As soon as he has served for 12 months in one grade, he is entitled to his next grade. To enable him to receive his increment the clause provides that a report shall be furnished, in the first instance, by the head of the department to the Public Service Commissioner. Surely the clause is clear that the permanent head shall furnish the report to the Commissioner in time to permit of the increased salary being paid as soon as the officer concerned has been in one grade for 12 months. I do not think there is the slightest possibility of the Commissioner or anyone else withholding that annual increment, provided that the report is submitted to the Commissioner.

Hon. Sir James Mitchell: Then, again, the officer has his Minister, and he can approach him.

The PREMIER: Yes. I do not think that what the member for East Perth fears is likely to arise.

Mr. KENNEALLY: We are not dealing with the intentions of those who may be in charge for the moment. The clause will operate at a future date under the control of

people other than the present Commissioner. The clause does not say when the report on the officer's diligence and so forth, shall be furnished, but it does set out that until that report is furnished, the officer cannot receive an increase. It would be possible for a permanent head, who was desirous of saving revenue, to refrain from supplying such a report.

The Premier: But the option is not with the Commissioner; it is obligatory upon the permanent head to supply the report.

Mr. KENNEALLY: But the clause does not say when it shall be supplied. If it set out that prior to the completion of 12 months of service the permanent head must submit a report to the Commissioner regarding the officer concerned, the position would be safeguarded. I speak from experience when I say it is quite probable there are officers who will seize upon such a point so as to save money. They would be unmindful of the interests of the individual in their desire to curtail the expenditure of the department.

Mr. LATHAM: I agree with the Premier, because I think the clause is clear as it stands. I do not think the suggestion of the member for East Perth will assist at all.

The PREMIER: The clause has to be read as a whole and if one portion only is taken, it may suggest ambiguity. Should the Commissioner not provide the annual increment, he will commit a breach of the clause, and the obligation is upon him to secure a report from the permanent head of the department in which the officer concerned is employed. If the Commissioner defended his action in withholding an increment on the ground that Subclause 2 had not been complied with, in that no report had been furnished by the permanent head of the department, that suggestion would not be a defence at all. The Commissioner would be laughed out of court if he set up such a contention. I think the Civil Service Association themselves are quite satisfied that the clause protects the payment of the annual increment.

Hon. Sir JAMES MITCHELL: Up to the present, increases in the automatic class have been annual. But this deals with the whole of the service and so, even in the automatic range, in future a certificate of good conduct and efficiency will have to be given. So the automatic class will be affected by this clause.

The Premier: In what way?

Hon. Sir JAMES MITCHELL: Certificates will have to be provided annually. So in future all classes will be on the same footing, and the thing will be automatic from one end of the service to the other. I do not think the member for East Perth need worry about the point he has taken up. The report will go from the officer's immediate superior to the head of the department, and from the head of the department to the Commissioner. The annual increments will be granted, and I have no doubt the prescribed reports will be furnished.

Amendment put and negatived.

Hon. Sir JAMES MITCHELL: I suggest to the Premier that after "amendments" in the last line of the clause the words "and additions" ought to be inserted. That would allow the head of the department, not merely to amend the report received from the immediate superior of the officer reported upon, but also to make additions to that report.

The PREMIER: I think it is quite unnecessary, for the head of the department could do that now. In fact, he could rewrite the whole of the report.

Clause put and passed.

Clause 15—agreed to.

Clause 16—Increased remuneration for acting position:

Mr. CORBOY: Under this, a man acting in a position the minimum value of which does not exceed his own salary will receive half the difference between the respective salaries. It sounds all right, but it might result in considerable hardship. Suppose there was to be filled an acting position with a range from £200 to £280, and that there were available to fill it two men in the range of £120 to £240. If one of those men, on the maximum of his range, was appointed to the acting position, he might not receive any increased remuneration, whereas the other, being on the minimum of his range would, if he were appointed to the acting position, secure material benefit.

Clause put and passed.

Clauses 17 to 19—agreed to.

Clause 20—Amendment of Section 84:

Hon. G. TAYLOR: Will the Premier explain what this means?

The PREMIER: This is one of what might be called the consequential amendments due to the passage of the Public Service Appeal Board Act in 1920. The Public Service Commissioner himself says this amendment of Section 84 is rendered desirable by the passing of that Act.

Clause put and passed.

Title—agreed to.

Bill reported with an amendment and the report adopted.

### *Third Reading.*

Read a third time and transmitted to the Council.

## **BILL—STATE SAVINGS BANK ACT AMENDMENT.**

### *Second Reading.*

Debate resumed from the 13th November.

**MR. SAMPSON** (Swan) [8.12]: I understand the establishment of a rural bank is part of the Government's policy. Under normal circumstances it might be that the establishment of such a bank would be of some utility, but with the position as it is I doubt the ultimate result of the Government's decision to conduct the proposed bank. The carrying on of the functions of a bank is, by those who are not intimately associated with banking, regarded as a very easy matter. It is child's play to those who have no great knowledge of the work. The layman regards the conducting of a bank as being quite as easy as, say, the carrying on of a daily newspaper.

Mr. Kenneally: Or of printing a monthly newspaper.

Mr. SAMPSON: I should say the carrying on of a newspaper or a bank is much more difficult than the carrying on of most other industries, including that of ordinary printing. It is a very delicate operation indeed, one that must be approached with the greatest possible caution. From a banking standpoint the existing position offers peculiar difficulties which are not confined to Western Australia nor even to the Commonwealth as a whole. In New Zealand, for instance, the banking records show an increase in advances over the quarter

July, August and September, of £2,130,000; and they show too that during that period deposits free of interest were reduced by £2,843,000. There was a sum of £1,973,000 withdrawn by the banks' private customers for remittance abroad. These figures show that the difficulties associated with banking are not confined to the Commonwealth. The following is an extract from a leading newspaper of the Dominion of New Zealand—

This year the adverse trade balance for the period has not been abnormal, yet the withdrawals from the banks for overseas payments have risen to nearly £5,000,000, as compared with £1,704,000 last year and £988,000 in 1927. The expansion is manifestly attributable to "invisible imports"—the transfer of funds into overseas investments and the magnitude of the figure is a sufficient explanation of the recent variations in the exchange rates, which reflect a heavy demand for money in London. Evidence that local opportunities for investment are still relatively unattractive appears in the fact that fixed deposits have again increased during the quarter by £395,000, so that with the reduction of free deposits they have risen from less than 52 per cent. to 56 per cent. of the total amount. External influences abroad have tended to the persistence of a condition that is inimical to the progress of the Dominion itself: there is no doubt that during the last few years a large surplus of wealth has been accumulated, but instead of its becoming available for the development of production it has been diverted to overseas investments, chiefly in London through the agency of the banks. As was emphasised three months ago, high rates of interest abroad are not the only factor in producing this condition. The principal influence has been the maintenance of high taxation, aggravated in recent months by the Government's determination to increase the burden.

One could draw an analogy between the Dominion of New Zealand and the Commonwealth, but there is no need to do so as members are well aware of the position. The newspaper extract continues—

So long as enterprise is stifled by excessive taxation, the flight of private capital from New Zealand will continue.

Here the position is very similar. The present time is most unsuitable for the establishment of the bank. The outstanding requirements in regard to money are that it shall be used wisely. I doubt if many people could be found to say that the money expended in this State during recent months has been wisely expended. The annual report of the State Savings Bank shows that a profit of only £4,039 was made in the handling of £8,000,000. The result from the financial aspect only was very poor, if not

tragic. Actually the profit made was one-twentieth of one per cent. It may be, and I have no doubt will be, as time goes on, possible for the State Savings Bank to make greater progress than it has done in the past. I acknowledge that it has had difficulties to face, and am glad the Government are doing something to increase the facilities which the bank has, to a large extent, lacked in its operations in the country. These conveniences should be extended. Once a branch or agency is established, the main overhead cost has been met, and the greater the amount of deposits the greater must be the benefit, not only in respect of securing funds, but in the percentage of reduced cost for overhead expenses. It has always been a matter of great regret, concerning which some people have felt shame, that the Federal Government in the early stages of their existence invaded this and the other States, and usurped what was regarded as a perquisite of the States, the realm of Government Savings Banks. That was a most improper thing to do, and to-day we are suffering because of the steps then taken. The Federal Government trespassed, and the only way to make good the evil done is to advocate and preach the patriotic point of view. I am glad to say that point of view is being preached and advocated, as shown by the increasing number of depositors who have put their money into the State Savings Bank. I hope no opportunity will be lost in extending that principle. It would be a good thing for the Commonwealth if the Federal Government vacated the Savings Bank field and restored to the States the task of looking after the savings of the people. I wish to pay a tribute to the work of the State Savings Bank in respect to school children's accounts, which are multiplying. The effect of these must far outweigh the money involved, inasmuch as the system teaches the children at an early age the value of thrift. It will be remembered that some time ago the Western Australian Bank was amalgamated with or absorbed by the Bank of New South Wales. The local institution at the time was scarcely holding its own.

The Premier: That was not done because the bank was not holding its own. Look at the price of the shares when the amalgamation took place.

Mr. SAMPSON: The shares were taken up many years earlier. It was inevitable

that their value should be above par, seeing the long period that elapsed since they were originally purchased. The amalgamation was essential in order that the local bank might perform the functions for which it was established, and might carry on its operations to the satisfaction of the shareholders as well as of the depositors.

The Premier: The Western Australian Bank was giving satisfaction both to its clients and its shareholders.

Mr. SAMPSON: It was always a popular institution, but had become somewhat cramped in its operations. To enable it to carry out its work on a bigger scale it was amalgamated with the Bank of New South Wales.

The Premier: That was simply because it was a good business proposition for the shareholders.

Mr. SAMPSON: Instead of being a purely local concern it has the advantage of being associated with very much greater capital and is now doing an increasing volume of business in advances.

The Premier: The two banks are merged into one.

Mr. SAMPSON: I do not wish unduly to cast doubt upon the possibilities of the proposed State bank. Government enterprises as a rule are unsuccessful, and it is more than likely that this proposition will meet with disaster. The man in the street looks upon a bank as a certain moneymaker. He seems to think the bank has a right to issue paper money, and merely wait until it can pick up a large sum in interest. We know that the proposed new bank cannot issue paper money. There is a general impression abroad that the possession of bank shares means the holding of a gilt-edged security and an investment that is second to none. The impression, however, is an erroneous one. I am not opposing the second reading of the Bill, but I definitely question whether there is any necessity for a rural bank. The Commonwealth Bank and the associated banks are operating satisfactorily in our midst. My only criticism of the Commonwealth Bank was in respect to its trespass upon the Savings Bank operations of the State. The main section of the Commonwealth Bank is in the nature of a clearing house. It has done and is doing, and will continue to do, great service to Australia.

Mr. Angelo: Do you think the Commonwealth Bank is doing a fair thing in taking

a million of our deposits and giving us back a lesser sum?

Mr. SAMPSON: I do not profess to be qualified to argue the point. The Commonwealth Bank has done good service. The same Government responsible for its establishment was also responsible for the Savings Bank section. They, therefore, did good in one direction, but in the other they had performed a thieving and rascally act.

The Premier: Those are strong words.

Mr. SAMPSON: I think the Premier agrees with me.

The Premier: The word "rascally" is very strong.

Mr. SAMPSON: I do say they made an unwarrantable incursion into what was a State right. Unfortunately we cannot alter that. It seems customary for people to criticise banks. They are regarded as fair game. I doubt if a Government rural bank will prove a success. In years to come it may be said of the Premier that he did some good in some directions, but when he established a State rural bank he did not exercise his usual forethought and caution.

The Premier: Now you make me doubtful about going on with it.

Mr. SAMPSON: If so, I may perhaps have done some good. But I know that from the standpoint of a large section of the public it will be said that the proposed bank is a splendid thing. Exactly the same thing has been said in regard to a newspaper. If you can establish a bank or a daily newspaper it is claimed that you are on the high road to wealth. Experience, however, has proved that that is not true. History shows that the road is strewn with both newspapers and banks that have not succeeded. Certain elements are required in the conduct of both, and particularly one element—plenty of capital—before success can be achieved.

Hon. G. Taylor: That will not prevent the Government from starting.

Mr. SAMPSON: I should be surprised to learn that the Government had plenty of capital with which to found a bank. The efforts of the banks already operating in the State have been beneficial. At the present time they have no fewer than 250 branches in Western Australia and that all are of service, there can be no doubt. The present is a bad time to determine upon the establishment of banking. The financial stringency is very marked; money is tight, not

only here, but in the Eastern States. There is unemployment, there is need of funds, and in addition, in respect of this State, we are suffering because of the lack of industries. If the Bill does survive, it will mean that the established banks must suffer. Personally I have no interest in any of the associated banks, but I must nevertheless acknowledge that I have received help from at least one of the institutions. Indeed, I can go further and say that I have never yet put up a reasonably good proposition to a bank without having received fair treatment. I will not say I have always been successful in getting what I desired, but I will admit having received fair treatment.

The Premier: Of course you had splendid security; those newspapers in the country are good security.

Mr. SAMPSON: Yes, that is very true. I am hoping that some day we shall induce the Premier to join a company to establish newspapers.

The Premier: Would a country newspaper come within the definition of a rural industry under this Bill?

Mr. SAMPSON: If it does not, it should, because there is no industry that will have greater need for the beneficent operations of a rural bank than some of the country newspapers of this State. If the proposed bank is established, as I have already said, the associated banks must suffer. It may appear that I am putting up a plea for the trading banks. They are able to look after themselves, but it seems to me an unanswerable statement that if we do anything to injure those banks, we injure our own State and damage the opportunities of settlement and development.

The Premier: This will not injure settlement.

Mr. SAMPSON: I hope not.

The Premier: A lot of the banks have stated they have not any money to lend.

Mr. SAMPSON: The associated banks do not depend upon Western Australian money for Western Australian advances. It is here that the associated banks would have a distinct advantage over the proposed rural bank. The rural bank will be essentially and exclusively Western Australian; it must depend upon Western Australian capital and there is ample opportunity for the investment of Western Australian money here at the present time, as much money in fact as we can get hold of. Thus we should

not lock up our money in the rural bank or create a temptation to deposit in that bank money which should be utilised for the development of local industries. I am not sure that we were justified in increasing the interest rate on savings bank deposits.

The Premier: We only did it because the Commonwealth Bank increased theirs.

Mr. SAMPSON: I realise that the Government had to get into step with the Commonwealth Bank, but increased interest on all amounts over £1,000 means that an unusually large amount becomes payable. But getting back to the alteration that may come about because of the existence of the rural bank, I may say that the establishment of it must certainly weaken the savings bank. The administration and general running costs of the proposed bank must be heavy. I am not quite sure whether it is proposed by the Government to adopt a liberal lending policy at a low rate of interest. If that is so, then so long as the money lasts the bank will be popular indeed, but I remind the Premier that even banks make bad debts and those bad debts must be provided for. In that connection it is possible that heavy losses may have to be faced. In view of the needs of the State in other directions and in view of the caution that must be exercised, I would say that the associated banks might well be allowed to carry the risk themselves. Let them continue the work they are doing and without any interference on the part of the State. It must be borne in mind that our position is entirely different from that of the Commonwealth. We cannot establish a printing press and create a free note issue. We have no facilities for easy money in that respect. It seems to me, particularly at this juncture, that a conservative policy is the only safe policy. The facilities in respect of banking, exchange, mortgage and so on, are provided without any risk on the part of the Government, and since troublous times are predicted—I do not wish to comment on that phase unduly but we cannot get away from the fact that everyone is talking about it because of the threat on the part of the Federal Government to increase taxation and so on—and since there is every possibility of leaner periods in the future, the Government may well pause before embarking upon a course that might be regretted and that might involve the State in a good deal of loss. Some statistics that were recently published by the trading banks are very interesting at this

stage. Those statistics show that the advances totalled £19,270,000, and the deposits totalled £10,765,000. Thus we have an excess of advances over deposits of £8,505,000. That is a striking commentary upon the work these banks are carrying out. During last year the advances increased by £3,450,000, whilst the deposits increased by only £330,000. Here again is most striking and convincing testimony of the work being done by the associated banks, and it is clear they have helped considerably in the development of the State and that, too, in spite of the poor seasons recently experienced in the Eastern part of Australia. In the old days people looked upon Western Australia with doubts and misgivings. That is no longer the position, for we know the banks regard our State now as one where progress is being made in the wheat belt and in the south western part, and also that it has a great future. The banks have shown their confidence in Western Australia by providing an amount of 8½ million pounds in excess of the deposits they have received for the purpose of enabling us to carry on development. Members were gratified to note the suggestion made by the Leader of the Opposition that if the rural bank is established, the Premier will increase the State's debt in trying to raise the money required for the bank's operations. Finance is essential, we know, but we must be careful to see that local money is not used. As I have said, there is ample opportunity for the employment of all money that can be obtained locally, and to secure money which at present is being obtained by the trading banks is a questionable policy. I do not intend to oppose the second reading of the Bill, but I do say that the greatest caution is needed before we proceed to establish the bank. It would be wise to defer action until the financial position, not only in Western Australia, but throughout the Commonwealth has eased.

MR. DONEY (Williams-Narrogin) [8.43]: To me, as it must be to other hon. members, this is an extremely interesting Bill, and despite the rather disturbing story told by the member for Gascoyne (Mr. Angelo) last week, and the discouraging picture just painted by the member for Swan (Mr. Sampson), I consider it a desirable Bill, particularly with regard to its basic principle, the assistance it will render to rural industries.

Nevertheless, because of the extremely high working expenses—relatively high at any rate—of banks, I am a long way from feeling assured that money at a reasonably cheap rate can be found. Still, if the Premier does succeed in his quest, there is an ample field in which a rural bank might operate—operate with distinct advantage to the agricultural industry, and for that matter, advantage to the State generally. It would be idle for me or anyone else moving about the country to pretend to have noticed any very insistent demand for a rural bank. Still, I think that once launched it would be sure of a very generous agricultural welcome, particularly from those farmers whose securities have not as yet been very attractive to the Agricultural Bank and the associated banks, not perhaps from any pronounced weakness in the real or personal security offered, but because some trivial feature has kept them outside the scope of operations of those banks. It is apparent, as mentioned by the Premier when moving the second reading, that a rural bank would, when properly in operation, serve at least partially to correct a disability we suffer consequent on Eastern States' control of the several associated banks doing business in this State. A good season here ought, provided we got our deserts, to be followed by an increased flow of credit for development purposes, instead of which, as we well know, we are made to share in the financial stress that follows bad seasons in the Eastern States and thus lose one of the biggest benefits of this State's prosperity.

Mr. Angelo: The figures of the associated banks do not prove that. It is quite the other way. Here are the actual figures.

Mr. DONEY: I am quite open to correction on the point I am about to refer to, but I find it difficult to see any practical benefit that can possibly arise from the triple control of the new bank suggested by the Bill. Triple control sounds very well; it seems to suggest safety and all that sort of thing, and that we shall reap the collective wisdom of three big brains, but I think in the ultimate incidence of things we shall find that the one strong man of the three will make the decisions and the other two will merely acquiesce in them. One man will decide and the other two will merely sign their names.

Mr. Stubbs: And draw the salary.

Mr. DONEY: We shall find ourselves spending possibly something in the region of £2,000 a year for the three men, when we might more sensibly pay £1,500 or thereabouts to one good man. Sometimes we might get the quite desirable results the Premier is expecting, but oftener than not it is unlikely to prove particularly satisfactory. My experience has been that all big successful results in the world's commerce—and not only there, but in the world of men and work—generally come from one-man control. Take, for instance, the armies, the navies, the banks, the insurance and other commercial institutions.

The Premier: All of them have boards of directors.

Mr. DONEY: But each has one managing director.

The Premier: Under the board.

Mr. DONEY: But his are the decisions that count.

Mr. Angelo: No fear!

Mr. DONEY: There again I am expressing the conclusions I have drawn from commercial activities as I view them. Let us cast our minds back to the world war and remember that until we scrapped divided control and gave a unified command to Marshal Foch, nothing like substantial success attended the allied arms.

The Premier: There was a War Council.

Mr. DONEY: Certainly there was a War Council, but the man who actually arrived at the decisions in all instances was Marshal Foch.

The Premier: Oh no!

Mr. DONEY: The Bill directs that the Under-Treasurer shall be one of the three men to advise the board. The Under-Treasurer is without doubt one of the ablest permanent officials in the public service. I imagine we all admit that. The point is that he is already a full-time man or I presume he is, and I very much question whether he could spare the time to participate in the control of this new venture. If we spread his capacities—and they are undoubted capacities—over the two jobs, I am quite sure we shall impair his efficiency not only in regard to the job he at present holds but in regard to the second job also. Besides, this is a banking job, and for a banking job we need a banker. The work of the new bank, as pointed out by previous speakers, will be largely competitive. If we want the new bank to run anything like a successful race with the established banks, we do not want to trip it up at the start of the race.

with red tape. We want to give it a great deal more commercial freedom than is customarily allowed to State ventures. We need to admit that the associated banks are very strongly entrenched, but they carry a record of honest endeavour and good service to the State. They are supported by huge reserves, amassed during the good old times of 10, 12 and 15 years ago. Assuming that the Bill becomes law, we on the contrary shall enter the fight very ill-equipped, so I consider it highly necessary that we do not hamper ourselves to a great extent with officialdom and red tape. In the control of a rural venture like this, we want one live practical man capable of extending the business to all parts of the State. One weakness of the Bill, to my mind, is with regard to advances. It is laid down definitely that advances may be made on first mortgage only. I strongly prefer to give discretionary power to the board or to the managing director. I can think of many hundreds of highly deserving farmers who will be disappointed equally with me if this restriction is not materially modified. It is well known to all of us that it is practically impossible to coax the Agricultural Bank to lend beyond £2,000, even though the valuation of the property be £10,000.

Mr. Angelo: The Agricultural Bank is not permitted to do so.

Mr. DONEY: That is the reason.

Mr. Thomson: The trustees have discretion.

Mr. DONEY: Not at all. In favourable instances, where the margin of security is so obviously high, advances on second mortgage should certainly be allowed. There are farmers who hitherto have been under the Industries Assistance Board but who have just managed to get free from it. No provision whatever has been made for them. All the Industries Assistance Board clients are first-mortgage clients of the Agricultural Bank, and I entertained hopes that the new bank would be able to deal with them on their merits. I do not think we should shut the doors of the new bank in the face of men of that kind. I imagined that they would be the type of men whom the bank would have been designed to assist. There is a further disappointment to me in that during the very easy session we are now holding, there would have been ample time for a long discussion on some big bold scheme of amalgamating the Agricultural Bank, the Sav-

ings Bank and the proposed rural bank, all in the interests of economy. It is plain that the functions of the three banks are intertwined and in many instances overlap. I think in the interests of economy and efficient inter-working between the three institutions, such a merger as I have just suggested is at least worthy of ample discussion by this House. However, as this Bill is drawn, it is practically impossible to pursue that line of argument, but it is possible that the future may admit of something in that regard. I should like to suggest that the Agricultural Bank could far more advantageously handle the proposed rural bank than can the Savings Bank. The Agricultural Bank has its buildings and its staff scattered throughout those centres where one might expect to find the new bank operating. District inspectors, field inspectors, as well as the officials who control the bank in Perth, all of them possess highly expert knowledge of the valuations of agricultural securities. That has been admitted in this House a score of times since I have been a member. The indoor staff, too, have a very special knowledge of the particular class of accountancy that would be necessary if this Bill becomes law. That is a very satisfactory state of affairs, but with all due respect to the Savings Bank, the same cannot be said of it. Its buildings, as a general rule, are small and pretty cramped, and the staff is generally limited to about one. If the Bill be passed in its present form, it will certainly mean a big outlay to provide buildings and to marshal new staffs, all of which expense could be saved to the State if only the Premier would decide to take due advantage of the existing framework and conveniences of the Agricultural Bank. I do not know whether it is too late to do that, having regard to the construction of the Bill. It certainly cannot be claimed that the new rural bank can be regarded as an outgrowth or justifiable enlargement of the Savings Bank, though it is quite a normal, natural and proper development of the present work of the Agricultural Bank. It has seemed to me that the terms "Agricultural Bank" and "rural bank" are practically synonymous. Say what members may, there is little essential difference between the functions that the two banks—if the rural bank comes into operation—will be called upon to perform. As to financing the new bank



from funds raised by the issue of debenture bonds or stock, I do not consider that is likely to be a very productive source from which to draw capital, particularly the huge capital that will be necessary if the Premier proceeds with the intention expressed in Clause 18 of paying off existing mortgage encumbrances on securities in which the bank becomes interested. Certainly the payment of interest will be buttressed by the Government guarantee, and the debentures will be gilt-edged and to that extent attractive, but particularly since we shall find ourselves in competition with the Federal Government's liberal offer of £5 14s. 4d. per cent. for similar bonds, it is unlikely that from the source indicated we shall receive sufficient to make us anything like an effective force in the lending market. Admittedly there will be the rural bank's own deposits, and of course the £500,000 now on fixed deposit in the State Savings Bank. Presumably the latter amount will be available for investment in the same debenture bonds at issue rate. But I fail to see that from those two sources the necessary funds will be obtained. If it is done, we shall presumably pay  $5\frac{1}{2}$  per cent. or more, in lieu of the £5 14s. 4d. offered by the Commonwealth Government; or perhaps we might be paying  $5\frac{1}{4}$  per cent. free of income tax. Since the need is for cheap money, loans will presumably be made at not more than 7 per cent., which rate leaves no substantial margin for working expenses or provision for losses; and the latter, at all events in my opinion, will accrue largely. I consider oversea borrowing to be the most acceptable solution of the Premier's problem, particularly as that method increases the sum at our disposal for developmental purposes. This State can afford to be a constant borrower, provided it takes care to invest loans in nothing but developmental works in the country districts. Despite the many difficulties that beset the Bill, I think it will receive general and generous support not only here but in the country, if its clauses can be welded into something definitely helpful to the agricultural industry. Still, I do not think that for quite a number of years we can hope to derive any large measure of profit from the rural bank's operations. I fully recognise that mere profit and loss is no criterion of the usefulness of such an institution, because even though during its earlier years of operation it might be un-

able to show much in the way of profit, we may properly assume that it will add substantially to the takings of the railways and other earning departments. The cream of the securities is already in the hands of the Associated Banks, and plainly the rural bank will need to cater, in the main anyhow, for the needs of the beginner, the struggler, and the man who is beyond the  $12\frac{1}{2}$  miles safety margin from a railway. Even those, however, provide a most desirable field for the rural bank to operate in, and moreover a field requiring vigorous exploitation if Western Australia is to obtain the full developmental advantage for its agricultural potentialities. Because the main principle of the Bill is so sensible and desirable I shall support the second reading; but I am strongly hopeful that some drastic amendments will be made in Committee.

**MR. GRIFFITHS** (Avon) [9.5]: I had not intended to speak, but this Bill is of such vast importance to the agricultural districts that I cannot record a silent vote. As a representative of one of the most important of our agricultural constituencies I realise the force of what the Premier said the other evening, that the Agricultural Bank have hitherto been carrying on their clients to the stage of getting over their initial difficulties, when they are likely to become profitable customers. After they have reached that stage, however, the bank authorities are forced to hand such clients over to the Associated Banks, thus losing good accounts. What the Premier said is quite true. Over and over again the same thing has been stated not only in this Chamber but also in the country. I listened with much interest to the speech of the Leader of the Opposition, an ex-banker, and a man who has filled the position of Treasurer of Western Australia. I was also greatly interested by the speech of the member for Gascoyne (Mr. Angelo), a banker who went in for farming and has again become a banker. What has been said by the Leader of the Opposition and the member for Gascoyne must make the Premier pause. Several members have said that the issue of debentures or the paying of money into credit, or by whatever means money may be moved from one institution to another, will not mean the bringing of any fresh capital into the State. Does not the Opposition Leader's suggestion as to getting the money from the London and West-

minster Bank appeal to the Premier? It should, because I noted that at the time the Opposition Leader made that statement the Premier pointedly interjected, "You mean by direct loan?" showing that apparently he could see the force of the contrast drawn by the Opposition Leader between the Premier's proposed method and the suggestion that in the Opposition Leader's proposal there was something that would make for success. Many of the things I had intended to say on the Bill I have heard reiterated here over and over again; and I shall not repeat them now. The member for Swan (Mr. Sampson) said a rural bank was not wanted. As to rural credits, it has been admitted throughout the Commonwealth and by almost every up-to-date country that they are of vast importance. Most serious consideration has been given to them not only on the Continent of Europe but in the United States and Canada. Many legislative experiments have been propounded, and in some instances adopted, with the idea of making for the better development of rural industry as a whole. Recently the Migration and Development Commission supplied each member of this Chamber with an able, well-written, and exhaustive record of research into rural credits from all points of the Australian compass. I would recommend hon. members desirous of studying the question to refer to that booklet. I do not agree with the member for Swan that a rural bank is not wanted.

Mr. Sampson: Where is the money to come from?

Mr. GRIFFITHS: We have had from the Leader of the Opposition, from the member for Gascoyne, and from a late bank inspector, who should know something about finance, expressions of doubt whether the rural bank, however beneficial we may consider such an institution, will operate towards supplying cheaper money for rural industry, considering the disabilities under which the institution would start. I hope the Premier will give consideration to the Opposition Leader's suggestion regarding the provision of funds for the bank. As the member for Gascoyne has pointed out, the bank with which he has been associated, despite the fact of having at command money costing it between 1 and 1½ per cent., is only now beginning to turn the corner and make a few thousands a year. If we have to obtain money, as would be the case under the Bill, by the issue of deben-

tures, we shall not be adding to the State's wealth in any way, or even to the funds available for the development of industry, but shall simply be transferring money from one pocket to the other. One of the great essentials of rural industry, apart from better marketing, is cheap money. I support the second reading because I believe the idea of the Bill to be good, and also because I believe the Premier to be prompted by the best intentions in bringing the measure forward. But whether the Bill in its present form will prove a success I feel somewhat doubtful.

**THE PREMIER** (Hon. P. Collier—Boulder—in reply) [9.13]: I wish to express my appreciation of the non-party, impartial spirit in which the Opposition members have approached the Bill. The House, I am sure, is indebted to the Opposition Leader for his most thoughtful contribution to the debate, and also to the member for Gascoyne (Mr. Angelo), both of them men who have had considerable banking experience. Many important suggestions were made by the Leader of the Opposition, more particularly that the functions of the Agricultural Bank might be extended to embrace all that is desired to be done under this Bill, rather than set up a separate banking institution. Whilst admitting that there is considerable force in that suggestion, I fear it is rather late in the session to reconstruct the measure in the manner desired by the hon. gentleman. I am not unmindful of the difficulties that surround the whole question of the establishment of such banks. I believe this is the first attempt that has been made in Western Australia in that direction, although, as I indicated during my second reading speech, the principle is not new in the Eastern States, particularly in New South Wales and Victoria. The Bill has been modelled along their lines, especially along those of the New South Wales Act. Many difficulties were pointed out by the Leader of the Opposition in particular and by the member for Gascoyne, in connection with the launching of an institution of this description. There is first of all the necessity for the members of the board to be highly qualified and trained men, because in this, as in all other such instances, it will be admitted that the success of any such venture depends very largely upon the capacity of the personnel in charge.

Mr. Stubbs: And upon the managers, too.

The PREMIER: Yes. That remark would apply to the managers and other officers to be appointed, but especially to the board who will direct the policy of the bank.

Mr. Mann: And will appoint the managers.

The PREMIER: That is so.

Mr. Doney: Will not one of the directors be a man with banking experience, or will you draw the directors from the Public Service alone?

The PREMIER: I should say it would be essential that one member of the board would be a man with considerable banking experience. That is a position regarding which the question of salary should not stand in the way. It will be recognised that we could get cheap men who would prove ultimately to be extremely costly.

Mr. Mann: Then will the board members be free from the Civil Service?

The PREMIER: Of course, or from any tendency whatever towards red tape.

Mr. Doney: They will be free except the Under Treasurer.

The PREMIER: Although the Under Treasurer is a busy man and has his time fully occupied with his various duties, I think, seeing that the whole of the financial side of the rural bank and the State Savings Bank is guaranteed by the Government, it is essential that the Under Treasurer of the day should be a member of the board. It will be recognised that a man cannot reach the high position of Under Treasurer unless he is capable and highly-qualified. The very fact that a man occupies that position is a guarantee that he has capacity. As to the other two members of the board, they should be equally capable, and they will be a very important factor in the success or otherwise of the bank. Much will depend upon the selection of the other two members. I do not agree with the member for Williams-Narrogin (Mr. Doney), when he suggests that a one-man board or system of management would be more desirable than a board of three. As a matter of fact, there is no State Savings Bank in the Commonwealth that is controlled by one man except in Western Australia.

Mr. Doney: Three-men control has not led to any pronounced success in the Eastern States, has it?

The PREMIER: In every other instance, there is a board or trust comprising a number of men, and that has been so for many years. In my opinion this is one instance in which it will not prove that, although the board will consist of three men, it will virtually be a one-man board, in that one will dominate the other two, and reduce them to mere rubber stamps. In order to reach that stage, two weak men would have to be appointed. It is possible to get three very capable men.

Mr. Angelo: One member of the board might be one who is well up in land values in Western Australia.

The PREMIER: Yes, each man might have special knowledge in his particular phase of the work. We know it is possible to get a board composed of men who are capable, and by that means the board will not be dominated by the influence of any one man. That would be so because of their individual appreciation of the fact that each man was as capable as his other colleagues. That represents the most successful method of control we can get. I feel convinced it is better that the bank should be controlled by a board such as I have suggested, rather than by one man. There will be the difficulty mentioned by the Leader of the Opposition, and also by the member for Gascoyne, of securing a capable trained staff. I recognise that men who have been accustomed to savings bank business will not necessarily be highly qualified in general banking, although capable in savings bank operations.

Mr. Lambert: The Commonwealth Bank did not find it so.

Mr. Angelo: They robbed the other banks!

The PREMIER: It has to be remembered that the activities of the Commonwealth Savings Bank have not been so restricted as those of the State Savings Bank. The Commonwealth Savings Bank has, to an extent, acted as something of a rural bank. Advances have been made in many of the directions we propose to follow in connection with our rural bank. Advances have been made against wool, machinery and so forth. It is possible that the officers of the Commonwealth Savings Bank have had a training in a wider field than the officers of the State Savings Bank could possibly have, but that will come to our officials in time. No doubt that is one of the difficulties that will have to be taken into consideration. Then

it has to be remembered that we have many savings bank branches in the country districts. I think there are 25 branches in all. There is no reason why the officers of the Agricultural Bank in the country districts should not assist in the conduct of the rural bank, particularly the field officers and inspectors who could be called in to assist the rural bank in various directions.

Mr. Stubbs: They would be able to give valuable advice, too.

The PREMIER: If that advice were not obtained from the officers of the Agricultural Bank, someone else would have to be employed to carry out the work. Naturally the man who is conducting the business in the bank would not be qualified to assess values when advances were being considered.

Mr. Doney: And he could not have the local knowledge.

The PREMIER: At any rate, not for some time. In that respect the officers of the Agricultural Bank would be able to render great assistance to the officers of the rural bank. It was probably due to misunderstanding on my part that some hon. members got the idea from my remarks, when I moved the second reading of the Bill, that it was intended to pay interest on current accounts. That is not so. No bank could possibly carry on successfully and show a profit if it departed from the generally recognised principle adopted by the associated banks.

Mr. Angelo: You will run a savings bank as well as a rural bank.

The PREMIER: But they will be kept entirely separate. As hon. members know, interest is paid by the Savings Bank on current accounts.

Mr. Angelo: I would like to see the men taking this door, instead of that!

The PREMIER: There should be no difficulty in keeping the accounts separate. As a matter of fact, the same officers do the work of the Commonwealth Savings Bank as do the work of the Commonwealth Bank itself. At any rate, it is not intended to depart from the general principle I have mentioned. The Leader of the Opposition quoted the figures indicating the investments of the private banks to individuals only, and mentioned in that respect that the Commonwealth Savings Bank and the State Savings Bank showed up rather poorly. I think the

figures showed that the total amount advanced from the State Savings Bank was £32,000 and from the Commonwealth and State banks combined, £747,000. As against that he quoted the large total of the amounts advanced from the private banks.

Hon. Sir James Mitchell: Of course, that was to individuals.

The PREMIER: Yes. The position is that the activities of the State Savings Bank with regard to investments have been restricted and limited because of the Act. There has not been the opportunity to do business to the extent that the private banks have been able to carry on. In addition, it should be remembered that besides the £322,000 invested by the State Savings Bank with individuals, the investments of the bank amount to £7,181,000 and that money has been made available for municipalities, water supplies, land drainage propositions, agricultural land purchase debentures and State stocks and bonds. That money would be placed in circulation in the State for the assistance of individuals in many directions, almost to the same extent as if it had been advanced to private individuals directly.

Hon. Sir James Mitchell: But that money died on its feet, almost.

The PREMIER: I would not say that money advanced to municipalities died on its feet.

Mr. Angelo: At any rate, they are all proper investment for such a bank.

The PREMIER: Of course, and it means that a large amount of money has been made available to those bodies and much of it has gone into circulation, almost to the same extent as if advanced to individuals from the associated banks.

Hon. Sir James Mitchell: Oh no!

The PREMIER: Not to the same extent, but still to some extent.

Hon. Sir James Mitchell: You take the clearing house figures, and they will show you the position.

The PREMIER: I do not desire to say any more at this stage except to again express my appreciation of the fact that the Bill has been approached by hon. members in an impartial and non-party spirit. I shall be glad of any assistance they can render during the Committee stage.

Question put and passed.

Bill read a second time.

# **MOTION — COTTESLOE MUNICIPAL STANDING ORDERS.**

*To Disallow Clause 51, Paragraph 2.*

**MR. NORTH** (Cottesloe) [9.29]: I move—

That the second paragraph of Clause 51, one of the standing orders of the Cottesloe municipality gazetted on 1st November, 1929, and laid upon the Table of the House on 12th November, 1929, be disallowed.

Recently the Cottesloe Municipal Council gazetted certain standing orders and the motion is to disallow the second paragraph of Clause 51 of those standing orders. The other day I asked a question in the House, and the reply given by the Minister showed clearly that this portion of Clause 51 of the standing orders adopted by the Cottesloe Municipal Council was ultra vires. The words I propose to disallow are these—

Upon such motion being seconded, the Mayor or chairman shall vacate the chair, and the meeting shall forthwith appoint a chairman.

That conflicts with the Municipal Corporations Act, which provides that the Mayor shall preside at all meetings. So I think the House will be in order in passing the motion without further discussion, for the Minister, in his answer given in this House, said this part of the Standing Orders was ultra vires and should be disallowed. But I should like to see the first part of the Standing Order remain, for it is quite reasonable. It reads—

It shall be competent for any councillor at any meeting of the council to move without notice that a ruling of the mayoral chair shall be disagreed with.

That, of course, is similar to the procedure in this House where we are at liberty to move that ruling by you Sir, be disagreed with; but it is very different from removing you from the Chair, which of course would result in chaos.

**THE MINISTER FOR AGRICULTURAL WATER SUPPLIES** (Hon. J. Cunningham—Kalgoorlie) [9.33]: I offer no objection to the motion submitted by the hon member. The regulations were drawn up by the councillors of the Cottesloe Municipal Council.

The Premier: They are capable of doing anything.

The MINISTER FOR WATER SUPPLIES: And were submitted to the de-

partment and were then referred to the Crown Solicitor for his opinion. As the result of that opinion, the regulations were gazetted. I now find that what the hon. member has said is quite correct, and that this paragraph is ultra vires to a section of the Municipal Corporations Act, which prescribes that the mayor shall preside at all meetings. Therefore I offer no objection to the motion.

**MR. LAMBERT** (Coolgardie) [9.34]: I am surprised to know that the Cottesloe Municipal Council is free to submit standing orders for the conduct of the ordinary business of the council. I should imagine that in a workable Municipal Corporations Act there would be a standard set of standing orders to guide the conduct of all municipal councils. The Leader of the House in a whisper has suggested that I have not the greatest possible regard for town councils. Actually I have, so long as they behave themselves; equally as I have regard for the Leader of the House, so long as he behaves himself. This latest escapade on the part of the Cottesloe Municipal Council only goes to confirm the truth of what, in a delicate and indirect way, I have said in times gone by. I have never disguised the fact that I do not believe in the system of councillors doing work voluntarily under the Municipal Corporations Act. It is wrong, vicious, ineffective and expensive. I have had some knowledge of it, having served on two municipal councils, and I may say I have seen them wasting thousands of pounds. I hope the Crown Law Department will show a little more caution in matters of this kind that are submitted to them, and that at least they will understand that the ratepayers do not desire to see the ordinary routine business of a municipal council burlesqued. I cannot understand how a standing order, clearly ultra vires, should escape the scrutiny of the Crown Law Department and actually become effective in law. To-day the members of the Cottesloe Municipal Council are held up to ridicule in view of the way they have been carrying on. There should be power under the Municipal Corporations Act to immediately dissolve them. In England, for less serious offences than the Cottesloe Municipal Council have been guilty of, town councils have been dissolved and their rights taken from them, in one instance for the better part of a century.

Mr. North: The same thing was done in Sydney a couple of years ago.

Mr. LAMBERT: Yes, I have some recollection of that.

The Premier: But you would not dissolve the Cottesloe Municipal Council, surely!

Mr. LAMBERT: At least we should seriously consider whether we shall allow the ratepayers' money to be wasted and the ordinary conduct of civic government burlesqued in the way it has been. Of the members of the council, I do not know who is right or who is wrong. I am not very much concerned about that.

The Premier: Both sides are wrong.

Mr. LAMBERT: I am ready to believe they are all wrong. The sooner Parliament gets down to serious consideration of how far we should delegate the subordinate functions of parochial government, the better. Throughout Western Australia we have evidences on the one hand of great and effective services being rendered by local authorities who are performing useful and unselfish work for the community; and on the other hand many such bodies who find their duties entirely beyond their scope, whether of knowledge or of ability. Such bodies are saddling the ratepayers with all sorts of undertakings that are never inquired into and that have no solid commercial foundation. Take the road boards that decide they would like to go in for some electric lighting scheme. I have seen many of them.

Hon. G. Taylor: Bumbles, did you call them?

Mr. LAMBERT: The recent happenings at Cottesloe should clearly illustrate to the mind of members here the necessity for remodelling the Municipal Corporations Act so as to put the activities of parochial government on a better footing than they are at present.

HON. SIR JAMES MITCHELL (Northam) [9.41]: I should like to know whether this regulation still stands, or whether it has been cancelled.

The Minister for Water Supplies: It stands, and the member for Claremont has moved that it be cancelled.

Hon. Sir JAMES MITCHELL: It is a very serious matter that the Minister did not correct it immediately he discovered that the regulation was *ultra vires*. Here we have the Minister controlling local authorities submitting this regulation to the Crown

Law Department and to the Executive Council, and allowing it to pass into law.

Mr. Lambert: Yes, he is the man to blame.

Hon. Sir JAMES MITCHELL: If the attention of the House had not been drawn to this regulation, the thing would have stood until we met again next year. This regulation, being *ultra vires* against the Act, ought never to have been passed by the Minister and his departments, and in either event the Minister ought not to have allowed it to remain one day after he discovered its defect.

The Minister for Water Supplies: I have already told the House that these regulations were submitted to the Solicitor General. But for the illness of the Solicitor General perhaps this mistake would not have been made.

Hon. Sir JAMES MITCHELL: There are always excuses.

The Minister for Water Supplies: I am not making any excuse at all.

Hon. Sir JAMES MITCHELL: Not only ought the House to disallow this regulation, but also it should censure the Minister. It is for the House to ask the Minister to see to it that he does his job properly. It is not right that he should come here and say, "True, I am administering the local authorities, but I did not know about a simple matter like this, and so I left it to the Crown Law Department."

The Minister for Water Supplies: I did not leave it to you, anyhow.

Hon. Sir JAMES MITCHELL: And I suppose the Minister for Justice also had a finger in the pie. It is not right that the Minister controlling the local authorities should be so resentful when we are not satisfied with his work, when we express the hope that he will be more careful in future. I think he ought to accept our criticism with a good grace.

Mr. Lambert: Make him take his gruel.

Hon. Sir JAMES MITCHELL: I strongly suspect the Minister knew more about these regulations before they were passed than he has since learned from the Crown Law Department. It is an extraordinary thing. I hope this particular regulation will not stand for another 24 hours.

The Minister for Water Supplies: So you will vote for the motion?

The Premier: The result of the regulation was that the councillors took possession of the meeting from the mayor.

Hon. Sir JAMES MITCHELL: That was what the regulation entitled them to do, and

the Minister agreed to it. He ought to know it is against the law of the land. I hope he will be more careful in the future. I feel somewhat inclined to move to amend this motion.

Mr. Lambert: Add something that will censure the Minister.

Hon. Sir JAMES MITCHELL: Exactly. I suppose the Minister will now disallow this particular regulation. He ought to apologise to the people of Cottesloe for having agreed to it. I am also surprised that he should have sheltered behind the Crown Law Department. He should have accepted the responsibility of affixing his own signature to the document. It required no knowledge of the law to draft such a regulation.

The Minister for Water Supplies: I did not draft it.

Hon. Sir JAMES MITCHELL: But the Minister agreed to it and signed it. I advise him in future not to sign anything without reading it.

Question put and passed.

*House adjourned at 9.48 p.m.*

## Legislative Council,

*Thursday, 21st November, 1929.*

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

### QUESTION—TAXATION EXEMPTIONS.

Hon. V. HAMERSLEY asked the Chief Secretary: 1, Was it not the practice of the Commissioner of Taxation, for many years, automatically to grant the exemption allowed under Section 16 of the Land and Income

Tax Act? 2, Has that practice been departed from? 3, When was the alteration inaugurated? 4, Where the Commissioner has failed to assess a person for two years for land tax, but has annually charged him income tax on income derived from that land, can the person claim rebate for the previous two years when his land tax assessment is presented?

The CHIEF SECRETARY replied: 1, Yes. 2, No. 3, Answered by No. 2. 4, Where a person has furnished all land returns as required by the Act and regulations, he is allowed the abatement when the income tax assessment is being made, irrespective of whether the land tax assessment for that year is issued or not. Where, however, at the time of making the income tax assessment it is found that the taxpayer is a defaulter for land tax purposes, no abatement is allowed. When the land tax assessments for past years are subsequently issued, past income tax assessments are not amended to allow abatement for those years, but the abatement is allowed in connection with future assessments.

### QUESTION—FINANCE, LONDON.

Hon. H. SEDDON asked the Chief Secretary: 1, What is the present position of the State's overdraft at the London and Westminster Bank, London? 2, In the event of no immediate possibility of loan flotation overseas, what arrangements have been or are being made to meet the accrued interest charges on overseas loans to the end of June, 1930?

The CHIEF SECRETARY replied: 1, Overdraft at 31st October was £1,100,000. 2, The satisfactory overdraft arrangements which exist with the London and Westminster Bank ensure our London requirements being met, pending flotation of a loan there. Payment of interest on all borrowed money is guaranteed by the Commonwealth Government under the Financial Agreement Act.

### BILL—MAIN ROADS ACT AMENDMENT.

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