

Legislative Council,

Wednesday, 19th November, 1924.

	PAGE
Questions: Pearlring Licenses and Leprosy ...	1848
Midland Railway Company's undertaking ...	1848
Bills: Pearlring Act Amendment, 1A. ...	1848
Bills of Sale Act Amendment, 2A., Com. ...	1848
Industrial Arbitration Act Amendment, 2A. ...	1851
Land and Income Tax Assessment Act Amendment, 2A. ...	1862
State Lotteries, 2A. ...	1868
Motion: Traffic Regulations, to disallow ...	1868

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

QUESTION—PEARLING LICENSES AND LEPROSY.

As to tabling papers.

Hon. G. W. MILES (for Hon. J. J. Holmes) asked the Colonial Secretary: Will he lay on the Table all papers relating to applications for pearling licenses by Australian-born Asiatics in Broome, and all papers in connection with Dr. Cook's visit to the North to inquire into cases of leprosy and other diseases.

The COLONIAL SECRETARY replied: Papers relating to applications for pearling licenses by Australian-born Asiatics will be laid on the Table. Subsequent to giving notice of the question the hon. member privately intimated that the inquiry respecting leprosy and other diseases was subject to Dr. Cook's report containing nothing of a confidential nature. The Commissioner of Public Health advises that the hon. member's proviso would apply to certain features in connection with venereal disease, and it is therefore desirable that they should not receive publicity.

QUESTION—MIDLAND RAILWAY COMPANY'S UNDERTAKING.

Negotiations for purchase.

Hon. A. LOVEKIN asked the Colonial Secretary: Is it a fact that representations have been made to the Midland Railway Coy., for the purchase of their undertaking, and that the directors would welcome the presence of the Premier in London in connection therewith?

The COLONIAL SECRETARY replied: Negotiations for the purchase of the Midland Railway have been proceeding for some time, and are still in progress.

Hon. A. LOVEKIN: The Minister has not answered the second part of my question. I would be glad if he would do so.

The COLONIAL SECRETARY: When I received the reply to the question, I re-

cognised it was not complete. I communicated with the Premier's Office and discovered that the Premier had left to keep an appointment. The Secretary to the Premier said that the word "yes" should have been included in reply to the second part of the question. I did not take upon myself the responsibility of including that word in the reply supplied to me by the Premier, but I am at liberty now to state that "yes" is the answer to the second part of the question.

BILL—PEARLING ACT AMENDMENT.

Introduced by the Honorary Minister and read a first time.

BILL—BILLS OF SALE ACT AMENDMENT.

Second Reading.

Hon. H. A. STEPHENSON (Metropolitan-Suburban) [4.36] in moving the second reading said: In introducing this measure to the House I need not apologise for doing so as a private member, as the Bill is one of the utmost importance to the public and more particularly to the commercial community. However, the measure has the sympathy and support of the Government. I may add that during the last eight or ten years the commercial community of Western Australia have from time to time brought this question before successive Governments, and although the Governments have been sympathetic, they always had so much business on hand that they were unable to bring the desired Bill before Parliament. The present position in respect to bills of sale under the Bills of Sale Act, 1899, and the various amendments to that measure, may be said to be entirely unsatisfactory in respect of the most important aspect of this measure, and of the remedy it seeks to provide by invalidating or rendering void secret or unregistered bills of sale. Under the existing legislation, a bill of sale that is unregistered is not necessarily void. My remarks apply to unregistered debentures also. An unregistered, or as it is sometimes called, "secret" bill of sale may exist to the detriment and loss of the commercial world provided it be brought into operation by the holder so soon as the person giving it gets into difficulties. Thus, under the existing law if the holder of a secret bill of sale succeeds in removing the goods from the actual possession of the person who gives the bill of sale before an act of bankruptcy or seizure under an execution, the holder has a good security. Consequently the merchants who have given credit to the grantor of the bill of sale, thinking the stock was available as security, are left lamenting. The reason for this is to be found in the wording of Section 25 of the Bills of Sale Act, 1899. Under that section

every bill of sale, unless complying with the terms of Section 6 (which sets out the necessary contents of a bill of sale), and every debenture, unless complying with the terms of Section 51 (which also makes provision as to the requirements of debenture securities), and both these securities, unless duly registered, are to be deemed fraudulent and void as against a trustee in bankruptcy, and all sheriffs or bailiffs seizing the chattels in respect to any goods which, at the time of bankruptcy or the time of seizure, are in the possession, or apparent possession, of the person making the bill of sale. Therefore it will be observed that if the goods are in neither the possession nor apparent possession of the grantor at the times indicated, the security is perfectly good. The term "apparent possession" is defined in Section 5 of the Act. This sets out that chattels, which mean goods or personal effects, are deemed to be in the apparent possession of the grantor of the bill of sale so long as they remain, or are in or upon any lands or buildings occupied or used by him, or are used or employed by him in any place whatsoever, notwithstanding that formal possession thereof may have been taken or given to any other person. It, therefore, follows that if goods are actually removed from the physical possession of the grantor and taken away from his premises and control, the defect of want of registration is cured. This is because they are not then in his possession or "apparent possession." This was the law in England many years ago and also in some of the Australian States, notably in Queensland, where the same legislation existed as is now on our statute book. In Queensland the defect was cured in 1891. The Queensland Bills of Sale Act which then came into force, enacted in Section 4 that every bill of sale executed at the commencement of the Act should be registered and unless registered it was deemed to have no effect as between the parties to it or as against any other person. That is the trend of Clause 8, the principal clause in the Bill. Section 25 of the Act of 1899 is repealed, and it is provided that every bill of sale, unless duly registered and renewed, and also every debenture is to be void in respect to the chattels comprised in it, and is not to have any effect as between the parties to it or as against any other person. The clause will follow very closely the law as it has existed in England since 1882. Section 8 of the English Bills of Sale Act of 1882 provides that unless a bill of sale is duly attested and registered, it is to be void in respect of the personal chattels comprised within it. That section has existed in England for many years, and has given every satisfaction to the mercantile community. It may be suggested that as the present Act has existed in this State since 1899, there is no necessity to make so drastic an

alteration as is proposed in the Bill. The merchants of Perth and Fremantle do not take this view. This measure is the outcome of the due consideration of the Perth and Fremantle Chambers of Commerce, and of requisitions that have been made from time to time by merchants who have smarted under losses incurred through the pernicious system of secret bills of sale. I do not think I am exaggerating when I say that the practice of giving these secret bills of sale has increased very much of late years, and that it is a practice which, although morally reprehensible, has been followed in Perth by institutions that should have known better and should have set a higher moral tone to the community. I have in my mind at the present time a banking institution—doubtless it does not stand alone—that took collateral security by way of unregistered bills of sale over a certain firm carrying on business in Perth, and seized and took possession under this secret document to the detriment of the general body of creditors of the grantor. It was never intended to register the document I allude to, and the bank in question profited by seizing before the grantor was in extremis. In that instance the bank was paid in full, other creditors getting a beggarly few shillings. It is also suspected by the merchants, that there are in existence a fair number of secret bills of sale. It may be argued that if this be so the merchants have some premonition of danger and do not require the protection of this amendment. But I venture to say that for every secret bill of sale known to or suspected by the mercantile community there are a dozen that are undetected and are, if I may so describe them, slumbering bonds to be thrown at unsuspecting merchants and traders when the grantor is in trouble or difficulty that becomes insurmountable. Whilst the main object of introducing the measure is, as I have indicated, to render unregistered bills of sale void, certain members of the mercantile community consider there is undue difficulty under the existing law in effecting registration of a bill of sale. The present system necessitates the registration of a bill of sale by the verification of a copy of it by an affidavit of the attesting witness, which has to be sworn before a justice of the peace. In many instances bills of sale are executed in sparsely peopled centres, where it is difficult to obtain the presence of a justice or of a commissioner for affidavits before whom the necessary oath must be taken. This often leads to hardship, and in any event there seems to be no valid reason why the process should not be simplified. Clause 3 has been introduced into the measure to simplify the existing procedure, and this clause, if adopted, will give effect to the practice at present ex-

isting in South Australia. In order to effect this simplification it is necessary—and you will observe the measure provides for it—to repeal Section 8 of the Act of 1899 and to substitute the section that appears in this measure under Clause 3. The other clauses are merely machinery clauses making small amendments to Sections 11, 17, 18, 19 and 20 of the Act with a view to bringing the legislation into line with the proposed amendment. It will be observed that proposed Section 8, Subsection 2, makes the secret bill of sale section retrospective. In this respect members may differ from me. The object of the proposed Section 8, Subsection 2, is to enable the holder of an existing secret bill of sale to register it under the existing Act, thus giving notice to the mercantile community of its existence, otherwise it will become void. Proposed Section 10 makes the necessary amendment in Form "B" in the second schedule of the Bills of Sale Act 1906. That Act was an amendment of the then existing legislation which introduced amongst other features, the necessity for notice of intention to register any bill of sale or debenture. For some reason Form "B" in the second schedule—the form applicable to bills of sale given by companies—is not the same as Form "A," the form of notice of intention to register a bill of sale given by private persons. It differs in one important point, namely, that in the notice of intention by a company to register a bill of sale there is no statement as to the person to whom the bill of sale is given, in other words the grantee, as he is technically called. In Form "A," it is necessary to give the name or names in full, and where the grantees are a partnership firm the registered name of the firm or business or occupation and place of business in respect of the persons holding bills of sale. These details members will agree are very necessary, and I can see no reason why they should be omitted from Form "B." I am told that this was done deliberately. If that be so, there can be no valid excuse for omitting the description of the person who holds the bills of sale. In fact the notice of intention to register the bill of sale or debenture is insisted upon for the reason that it enables persons who are trading with the grantor or maker of the bill of sale to go to the holder of the bill of sale and discuss the financial position with him. As the law stands at present no one can ascertain who is the holder without going to the court and making a search against the copy of the instrument that is lodged there, and then only after registration. If it be possible to ascertain it in this way, there is no reason why, when notice of intention is given, details should not be given also in that notice. I do not intend to take up any further time. The bill speaks for itself. It is an attempt to secure honest,

open trading, and I recommend it with every confidence. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. W. Kirwan in the Chair; Hon. H. A. Stephenson in charge of the Bill.

Clauses 1 to 2—agreed to.

Clause 3—Repeal of Section 8 and insertion of new section.

Hon. J. NICHOLSON: Provision is here made that a witness shall sign a declaration at the end of a bill of sale. The word "declaration" usually presupposes a statutory declaration. But Subclause 2 sets out that nothing but a simple declaration is required. This might create a difficulty. I suggest that we strike out "declaration" and insert "certificate."

Hon. A. LOVEKIN: But there can be no confusion, for this distinguishes between a declaration and a statutory declaration. The word "certificate" is more likely to lead to confusion than will the word "declaration." It would be better to leave the clause as it stands.

Hon. J. NICHOLSON: It would be simpler to use the word "certificate" instead of "declaration." Then when we come to the sixth schedule, giving the form of the declaration, we can strike out "I declare" and insert "I certify."

The COLONIAL SECRETARY: I point out to the hon. member that Subclause 2 distinctly states that it shall not be necessary for the attesting witness to make his declaration before a justice of the peace, that the simple signature of the attesting witness will be sufficient.

Hon. J. NICHOLSON: The reason for that is that at present the law requires that a declaration shall be made before a justice of the peace or other qualified person.

Hon. H. A. STEPHENSON: The clause is perfectly simple and as plain as it can possibly be made. Therefore I think the proposed amendment unnecessary.

Hon. A. LOVEKIN: In view of what the Colonial Secretary has pointed out, Mr. Nicholson's proposal may lead to confusion. If we adopt it there will be two classes of certificate, whereas the Bill discriminates by terming one a declaration and the other a certificate.

Hon. J. Nicholson: The other is a certificate of registration.

Hon. A. LOVEKIN: Quite so, but it is a distinction in terms.

Hon. J. NICHOLSON: My experience convinces me that my proposal would simplify matters, but if it be not acceptable to Mr. Stephenson, I shall not press it.

Hon. J. J. HOLMES: Why the undue haste to deal with this measure? The second reading was moved only this afternoon, and a perusal of the Bill leads me to think it needs careful study.

Hon. H. A. STEPHENSON: In view of Mr. Holmes's statement, I am willing to report progress. It is a simple measure, but I have no desire to rush it through.

Progress reported.

BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

Hon. J. NICHOLSON (Metropolitan) [5.3]: What has been said regarding the Workers' Compensation Act Amendment Bill may be said with equal force of this Bill, particularly as to its economic importance. The high tone of the debate shows that members recognise the great importance of the measure. While the debate generally has been sound and has revealed close study by members of the principles underlying the Bill, unfortunately certain statements have been made that are not altogether correct. Some of them were in a measure misleading and, if they are allowed to go uncontradicted, are apt to create a wrong impression amongst many sections of the community. I allude especially to statements made by Mr. Brown who, when dealing with the constitution of the court, referred to our judges. He suggested that the judges of our courts were partisans.

Hon. J. R. Brown: Not "our" courts.

Hon. J. NICHOLSON: Whose courts?

Hon. J. R. Brown: Did not I qualify that?

Hon. J. NICHOLSON: No. The hon. member indicated in very precise words that he regarded our present judges as partisans. I regret very much—

Hon. J. R. Brown: That cannot alter it.

Hon. J. NICHOLSON: I regret that such a remark should be made by a member, who has only recently been elected to this House. To some extent it may be due to his inexperience of the methods adopted by members here. What I am about to say is being uttered of my own volition, with a view to extending protection to men who are not here to protect themselves. A responsibility devolves upon all members to neither ridicule nor belittle men holding high official positions. It is our duty—

Hon. J. R. Brown: To swallow all they give us.

Hon. J. NICHOLSON: That is another instance of the class of criticism in which the hon. member has been indulging, and I hope he will cease it. I for one will not accept criticism of that nature, but shall see that the hon. member conducts his criticism in a proper way.

Hon. T. Moore: I thought that was the duty of the President.

Hon. J. NICHOLSON: If need be, I shall call the attention of the President to such criticism.

Hon. J. R. Brown: You are the only one that has taken umbrage at it.

Hon. J. NICHOLSON: And I do so because I consider it wrong for any member to offer remarks such as those uttered by Mr. Brown.

Hon. J. R. Brown: The House has not been used to that sort of thing.

Hon. J. NICHOLSON: The hon. member is not accustomed to the methods employed in this House. Before he has been here much longer, I hope he will appreciate the responsibility devolving upon him. We all wish to see him do well, but I shall not again listen to such comments from him without entering a protest. The hon. member deliberately stated that our judges were partisans. I contradict that statement absolutely and, speaking from a long knowledge of them, give forth to the public that our judges are men of the highest integrity and honour, and of the utmost impartiality.

Hon. J. R. Brown: So long as you believe it, it is all right.

Hon. J. NICHOLSON: I have no desire to interfere with the hon. member's criticism, but I, as an older member and one who perhaps recognises his responsibilities more, offer him this suggestion with the utmost friendliness. He has serious responsibilities, not only to this Chamber but to the general public, and when he makes statements he should at least ensure that they are accurate. If he had made the slightest inquiry he would have ascertained that his statement was wide of the truth.

Hon. J. R. Brown: No.

Hon. J. NICHOLSON: I hope that in future, therefore, he will exercise that care essential to the good conduct of business in this House. No member would wish intentionally to inflict pain upon people who are not here to speak for themselves, though sometimes in the course of debate one is liable to make statements that are not quite correct. Mr. Moore is usually most careful and guarded in the statements he makes, but one of his remarks has caused pain to friends of mine. No doubt it was made with the best possible intentions and in the belief that it was true. He said that a certain boy had been engaged at Karridale and had received the munificent sum of 2s. per day for a 12-hour day.

Hon. T. Moore: Suppose I say 12s. a week, would that alter it?

Hon. J. NICHOLSON: No.

Hon. T. Moore: It is the same thing.

Hon. J. NICHOLSON: The hon. member said the boy was working 12 hours a day for which he received 2s. a day.

Hon. T. Moore: That is exactly what the boy is receiving.

Hon. J. NICHOLSON: Never at Karri-dale has anyone worked for 12 hours a day. In earlier years the hours of labour were longer, but in the course of time they have been gradually reduced.

Hon. E. H. Gray: They are long now in some instances.

Hon. J. NICHOLSON: At present the hours are for the most part 48 per week and an effort is now being made to reduce them to 44.

Hon. T. Moore: I rise to a point of order. I wish to put the hon. member right. What I said was that I was repeating a tale that had been told to me by a boy, who said he had done this thing. I do not want Mr. Nicholson to misconstrue all I have said. I stand up to all I say in this House. I do not wish him to misrepresent me. I leave the matter to the House. I know I am right in my facts.

Hon. J. NICHOLSON: Mr. Moore is usually accurate in his statements. He now says he was simply repeating a story he had been told.

Hon. T. Moore: I told the House that, too.

Hon. J. NICHOLSON: All I ask of him is that he should be fair. He told the House that a boy received 2s. per day for a 12-hour day work.

Hon. T. Moore: Do you suggest he got more than that?

Hon. J. NICHOLSON: No.

Hon. T. Moore: It is a fact.

Hon. J. NICHOLSON: I do not care what the wages were. The point is that the boy is said to have worked 12 hours a day.

The PRESIDENT: What is your object? Do you desire to contradict the hon. member?

Hon. E. H. Gray: Many boys work longer hours than that.

Hon. J. NICHOLSON: The hours of employment were greater 20 or 30 years ago than they are now. No boy could possibly have worked 12 hours in a day, for to do this he would have been obliged to start at, say, 4 or 5 o'clock in the morning; then he would have had an hour off for breakfast and an hour off for dinner.

Hon. T. Moore: There are men and boys working 12 hours a day now.

Hon. E. H. Gray: Some boys are working up to 2 o'clock in the morning.

Hon. J. NICHOLSON: I do not know where that is going on in any of the larger industries of the State.

Hon. T. Moore: You do not move much about the country.

Hon. J. NICHOLSON: The statement was a reflection upon one who is now dead, and who was the pioneer in our timber industry. I refer to the late M. C. Davies. Happy conditions prevailed at Karri-dale in former years.

Hon. G. W. Miles: The pay was low and the hours were long.

Hon. J. NICHOLSON: The standard rate of wages was paid there just as was paid in other places. A lower rate was not paid there, but in certain cases a higher rate was paid.

Hon. T. Moore: Did I not point out that the conditions had changed in that very way? Was I not showing the results of arbitration in years gone by?

The PRESIDENT: Mr. Moore has said that a boy worked certain hours for so much money. Are you going to contradict that? He said he told you so.

Hon. J. NICHOLSON: No boy was ever engaged at Karri-dale to work for 12 hours a day.

The PRESIDENT: That ought to be sufficient.

Hon. J. NICHOLSON: Nor did any boy work that length of time. There are instances of employees, who were engaged at Karri-dale, continuing in their employment with the firm in question for 20 or 30 years.

Hon. G. W. Miles: Because they could not get out of it.

Hon. J. NICHOLSON: I know of a man who in the first year of his employment saved £100. He was able to take a trip to the Eastern States and return to his work at Karri-dale. If that is an instance of inability to get out of the place, I fail to understand it. It shows that undoubtedly good conditions did prevail there.

Hon. G. W. Miles: You do not know much about the conditions there.

Hon. T. Moore: Have you heard of the man who had to wheel his things away in order to get out of Karri-dale?

The PRESIDENT: I see no object in pursuing this subject any further.

Hon. J. NICHOLSON: I do not wish to.

Hon. T. Moore: Go on if you like.

Hon. J. NICHOLSON: There is one common ground on which we may be able to discuss the Bill. That was the ground suggested by Mr. Kitson, namely the stability of the State. In considering the stability of the State, we must necessarily also take into consideration the prosperity and development of our industries. If we as a State suffer in any way, employment must also necessarily suffer. From that standpoint, therefore, we may discuss the Bill dispassionately and impartially. There is also another point to be remembered, one that is sometimes overlooked, namely, that whilst two parties stand out prominently in the Bill, the employer and the employee, the third party interested, the general community, is unfortunately forgotten.

Hon. E. H. Gray: Treat the employees well, and the general community will be prosperous.

Hon. J. NICHOLSON: The general community is unfortunately wedged between the two, and is the long suffering party, the party for which no real provision is made in the Bill but which unfortunately has to

pay the piper. Various important amendments have been introduced into the Bill. Amongst these are preferential employment to unionists, the inclusion of domestics and canvassers, the constitution of the court and the boards, retrospective pay, the basic wage, and the 44-hour week. In dealing with these subjects one will find ample opportunity for considering every possible principle in economics. It has been suggested by Mr. Kitson that many difficulties could be overcome so far as the 44-hour week is concerned by the installation of up-to-date machinery. It is sometimes overlooked that this machinery has to be paid for by someone. This money can come only from the profits that may be earned. Many manufacturers may find it difficult to earn the necessary profits to enable them to pay wages and meet the ordinary outgoings and the expenses in connection with the industry in which they may be engaged. I wish to refer particularly to the clause dealing with preferential employment. Mr. Harris rightly pointed out that there is no proper limitation there. It refers to preferential employment, dismissal, or non employment of any particular persons, or persons of any particular sex or age, or being or not being members of any industrial union, organisation, association or body. I think he suggested as an extreme case that the court might, under such a clause, seek to make an order providing for the employment of men with wooden legs. The cause is certainly not as definite as it should be. If an employer has to engage persons from time to time, surely he should have some voice in selecting the men he thinks best fitted to carry out the work he has in hand. If preferential employment were the hall mark of efficiency, there could be good sound argument advanced for the retention of such a clause. But it is not even suggested that merely because a man is a unionist he is better qualified than one who is not. It is hardly fair to suggest that this should be a compulsory clause. Until such time, therefore, as it can be shown that the man who is a unionist has higher qualifications, or is a more highly skilled man in his particular calling, than the non-unionist, there should be no question of preference to unionists. The matter should be one entirely for the man or firm engaging the individual. If, for example, I wanted to engage any special man, whether a professional man or otherwise, say a doctor, or perhaps a lawyer, I might prefer to engage a certain man who is a specialist in some particular branch of his profession, because, naturally, that man would have a better knowledge of that particular branch than would the general practitioner. If I desire to engage that man, why should I not be free to do so? And the same principle extends to every other calling. I am looking at this matter from the stand-

point of helping industry, and not hindering it. Therefore, I fail to see upon what ground the principle of preferential employment of unionists should be adopted.

Hon. W. H. Kitson: The most efficient workers are the unionists.

Hon. J. NICHOLSON: I am very glad to know it. Personally I am in favour of unionism as a means of protecting men in the various industries in which they are engaged. I am in no way against unionism. The men should be united. If a man comes to me and says he is not a unionist, I say to him, "Go and join a union." If I were a carpenter or a bricklayer to-morrow, I would become a unionist myself, because I regard unionism as a protection for the men as a body. The best qualified men will at all times secure employment as against the non unionist who is not so well qualified.

Hon. W. H. Kitson: That is not the experience of Sydney unionists at the present time.

Hon. J. NICHOLSON: Does the hon. member mean in connection with lumping?

Hon. W. H. Kitson: Yes; waterside work.

Hon. J. NICHOLSON: The arrangement in question was one of those war emergency measures which were very unfortunate. It is, however, an instance serving to emphasise my contention as to the unwisdom of introducing such a provision into an industrial arbitration measure. Provisions of that kind should be entirely eliminated from these measures. The employer being left free to make his arrangements with the employees, so that he may engage the men best qualified to carry out the work which he requires to be carried out. Naturally, in the interests of his trade generally, the man will join a union. Now I come to a contentious feature of the definition clause. It is proposed to include domestic servants within the scope of industrial arbitration, and this is sought to be attained by omitting from the existing Act the following words:—

but shall not include any person engaged in domestic service.

Some two years ago an effort was made in the same direction. The Bill did not come to this House, but the matter was discussed in another place. On that occasion Mrs. Cowan dealt with the amendment now proposed very thoroughly and very practically. I ask permission to read a few lines of what that lady said, as I think it applies with great force to-day:—

I do not wish to support this Bill at the present time, for the simple reason that I think it would be better to wait until we can bring in satisfactory and conclusive amendments which are badly needed to the Arbitration Act. It would have been better if some attempt had been made to get the Government

to bring down a Bill of that description than to deal with the question piecemeal in the way we are trying to do. I realise that there are plenty of men in this House to deal with the questions which have arisen with regard to Clause 2, but if the Bill is proceeded with I intend to move an amendment which stands on the Notice Paper. . . . This is my reason for giving notice of the amendment. If the Bill were passed, a woman doing domestic work would be forced to do more than ever, and she should have a reasonable wage and be able to apply to the Arbitration Court for proper hours, payment, and so on. No man, when he marries a woman, asks her to be anything else but his wife and the mother of his children. He does not ask her to be the cook, the housekeeper, the cleaner, the scrubber, and the washerwoman. Therefore, if we are to bring any section of household workers under the Act, I maintain that logically, and in justice to the married women, they have a right also to be brought under the Act and to have their hours, etc., dictated by the judge before whom they will have an opportunity to state their case. Of course, they will not be bound to go to the Arbitration Court. They need not be bound by the Arbitration Court if they do not wish it. If it is good for the housemaid and the cook to go to the Arbitration Court, if it is good for the washerwoman to go to the Arbitration Court, it is equally good for the wife to do so. That is my reason for giving notice of the amendment.

Then Mr. Teesdale interjected, "We shall have a revolution," and Mrs. Cowan went on to say—

That is perfectly true. I have heard it stated in this House that there are some things which can only be put right by revolution.

Mrs. Cowan's words are an indication of the feeling that prevailed. That feeling was given expression to by a very honoured woman indeed, one who represents very forcibly and fully the views of the women of this State. I consider that she was advancing thoroughly sound and logical reasons. If it is intended to extend the provisions of industrial arbitration to domestic servants, why should not they be extended likewise to the woman presiding over the home? Let us give her the same right as the cook and the housemaid would have, so that there might be some limitation on the work of the married woman. Some men, we know, do not treat their wives with that degree of consideration which other men undoubtedly extend to their wives. I suggest, having regard to the views so forcibly expressed elsewhere, that it would be unwise to include this provision in the Bill. I am quite prepared to admit that there are some

employments in which the principle may be applied with good reason—for instance, hotels, boarding-houses, and restaurants. Such establishments do come under the Arbitration Act, and the women employed in them are protected in every way. But the home is a place altogether different from the ordinary public establishment. If we are going to invade the home with the same requirements as apply to the hotel, the restaurant, and similar establishments, or industrial establishments generally, we are going to change the whole character of the home; and it is doubtful how serious the results may be.

Hon. J. R. Brown: The inspection means three minutes once a month.

Hon. J. NICHOLSON: That matters not. One can argue at considerable length, but I think it quite unnecessary to go into details. I hold that the views expressed by Mrs. Cowan entitle one to say that the women of this State, who have a very hard and laborious task indeed to perform as wives and mothers, should not have their burdens added to.

Hon. J. R. Brown: How would their burdens be added to?

Hon. T. Moore: What are they afraid of in the Arbitration Court, anyhow?

Hon. J. NICHOLSON: Why should any one's home be subject to the provisions of the Arbitration Act?

Hon. J. R. Brown: Those who sweat their employees should certainly be subject to the Arbitration Court.

Hon. J. NICHOLSON: Is there any scarcity of employment in the domestic world at the present time?

Hon. T. Moore: Domestic workers won't go to many places because they are treated so horribly in them. Do you want to perpetuate that? I don't blame a girl for not going to some of these women.

Hon. J. NICHOLSON: I venture to say there are very few places indeed in Perth where maids are treated otherwise than fairly and properly. As a fact, every consideration is extended to them. Undoubtedly cases of hardship occur in every walk of life. Even in certain industries we know of cases of hardship.

Hon. J. R. Brown: The wife who treats her domestic reasonably will welcome the inspector to show him that she is doing it.

Hon. J. NICHOLSON: I do not think so. A woman who is proud of her home will not have its sanctity invaded by inspectors, nor will she have her home supervised by anyone, as would be necessary if this amendment were passed. I am not objecting to cooks, housemaids and domestics employed in hotels, restaurants or boarding-houses being brought within the scope of the Bill.

Hon. A. Lovekin: Those are industries.

Hon. J. NICHOLSON: Yes, in quite a different category, but the home must be

regarded as being on a different plane altogether.

Hon. J. Cornell: Why not make it unlawful to employ domestics?

Hon. J. NICHOLSON: We might even do that.

The PRESIDENT: We must not have these conversational dialogues.

Hon. J. NICHOLSON: I am sorry, Mr. President, but the question is highly controversial and intimately interests so many of us. In the same clause dealing with domestics there is a provision relating to canvassers. I realise that there are different classes of canvassers. Canvassers are the same all the world over in that they are not employees, but are masters of their own time, whether employed by a big insurance company or by an industrial insurance company. I realise, too, that there are cases of hardship in connection with certain insurance companies which do not apply to the bigger concerns. The same thing may be said to apply in connection with other industries or businesses in the State. The difficulty I recognise is that whether a canvasser is employed by a big insurance company or an industrial insurance company, the same relationship exists between them, that is to say, a canvasser is master of his own time. I listened attentively to what Mr. Kitson said regarding industrial insurance canvassers, but until the position is a little more clarified, or until instances can be brought more fully to light with regard to the conditions that prevail, we ought to exclude canvassers from the provisions of the Bill. An inquiry might be conducted by a properly authorised body, such as a select committee, in regard to industrial insurance, and until then, canvassers can well be left out of our consideration. I know of men who are earning big money as canvassers and who certainly do not wish to be brought within the scope of the Bill.

Hon. J. R. Brown: The Bill has limitations according to their earnings.

Hon. J. NICHOLSON: Yes, but the matter must be discussed and looked into more thoroughly before we include all canvassers. I will refer now to the proposed constitution of the court. It has been suggested that a judge should be appointed as president. I agree with that idea.

Hon. J. R. Brown: I do not.

Hon. J. NICHOLSON: I can understand Mr. Brown not doing so, but he will share my views in course of time when he becomes more closely acquainted with the matter. The more one realises the work judges have to do—

Hon. J. R. Brown: They work very hard!

Hon. J. NICHOLSON: That is where the hon. member's misconception comes in.

The PRESIDENT: You are not obliged to reply to all the interjections.

Hon. J. NICHOLSON: I understand that, Sir, but I should like to enlighten the hon. member.

The PRESIDENT: But he will not be convinced, so it is no good your talking to him.

Hon. J. NICHOLSON: It is a pity that the hon. member should be dwelling in darkness and not be able to see the light.

The PRESIDENT: Well, he is entitled to his opinion.

Hon. J. NICHOLSON: Yes, but it is an opinion that is defective. Anyone who knows anything about the judges of the Supreme Court will realise that they are specially trained for considering in a judicial and impartial manner all those matters that come before them.

Hon. J. R. Brown: Where do they get their training?

The PRESIDENT: Order, please!

Hon. J. NICHOLSON: It should convey greater satisfaction to the contending parties or the litigants to know that a judge of the Supreme Court is presiding over the tribunal. I intend to support the proposal that the president shall be a judge. The next point of importance dealt with is that relating to boards. Mr. Lovekin advanced various arguments in favour of the appointment of boards and he urged that it was advantageous to have boards for the settlement of disputes. A report by Mr. Walsh was laid on the Table of the House, and in that report it was pointed out that the boards in Victoria had not accomplished the work that was expected of them. Mr. Lovekin alluded to a dispute in the timber industry in the settlement of which he took a part. We know that it is advantageous for parties to meet. In the particular dispute in which Mr. Lovekin took a hand the employees struck work against an award made by the court. The parties in the first place submitted their dispute to the Arbitration Court. The minimum wage of 8s. was claimed, and the employers offered 7s. 3d. The court awarded 7s. 6d. and the men went on strike and the industry was held up.

Hon. A. Lovekin: Prior to that the employers refused to meet the men.

Hon. J. NICHOLSON: I realise that at such times feeling is running high and that it is difficult to get the parties together. It is desirable, if possible, to bring the parties together at a round table conference so that they may discuss matters dispassionately and perhaps reach a settlement of the dispute. In the particular instance I refer to, the settlement was reached, after this friendly intervention, by the employers agreeing to pay so much in advance of the rates awarded by the court.

Hon. J. Cornell: There have been a dozen similar cases in Western Australia.

Hon. J. NICHOLSON: Perhaps so, but in this instance the strike was really against an award of the court, and that is wrong in principle. If we are to have an Arbitration Court, we should abide by an award when it is issued.

Hon. J. R. Brown: Whether right or wrong.

Hon. J. NICHOLSON: I am sorry to hear that remark.

Hon. J. R. Brown: Are not some awards wrong?

Hon. J. NICHOLSON: What can an arbitration award be other than right?

Hon. T. Moore: The Kalgoorlie award was pretty bad.

Hon. J. R. Brown: You do not understand arbitration.

Hon. J. NICHOLSON: An award is made only after the consideration of the full facts submitted to the court.

Hon. J. R. Brown: You don't know anything about it.

The PRESIDENT: Order!

Hon. J. NICHOLSON: When the court has issued an award, we must look upon it as right. It is right in the sense that it is the true judgment of the court and nothing else. We must accept it and abide by the decision of the court. If we are to admit the principle of arbitration we must adopt that attitude.

Hon. A. Lovekin: Do you not think there should be a preliminary conference before the parties go to the court?

Hon. J. NICHOLSON: Quite so, but if we are not going to submit to the decision of the Arbitration Court, let us banish the Industrial Arbitration Act altogether. Why introduce a Bill like the one before us? Mr. Brown suggested he would accept the court's decision only if it was right, presumably in his opinion. He is to be the judge and not the Arbitration Court.

The PRESIDENT: Never mind what his opinion is! Give us your opinion.

Hon. J. NICHOLSON: I want to point out that—

The PRESIDENT: Mr. Brown is entitled to his opinion.

Hon. J. NICHOLSON: I wanted to correct him.

Hon. E. H. Harris: You will have a difficult task.

Hon. J. NICHOLSON: All sensible people recognise that the principle of arbitration is best for the settling of disputes in a fair and proper spirit. Life is too short for us to be always haggling.

Hon. J. R. Brown: Then why argue?

The PRESIDENT: You were referring to boards when you were interrupted.

Hon. J. NICHOLSON: I am doubtful whether the proposed boards will accomplish all Mr. Lovekin suggested. In many instances parties confer and arrive at a settlement and if they cannot come to an understanding between themselves, then they

go to the court and have the dispute settled, even after a compulsory conference has been held.

Hon. A. Lovekin: Do you not think parties should be compelled to reason together before going any further?

Hon. J. NICHOLSON: There is provision for a compulsory conference already.

Hon. A. Lovekin: We do not necessarily want a compulsory conference, but we want the parties to meet and discuss matters.

Hon. J. NICHOLSON: I am afraid it will mean adding unnecessary weight to the machinery and cause delays in getting decisions rather than hastening those decisions.

Hon. J. R. Brown: You are not viewing the question in the best interests of the workers.

Hon. J. NICHOLSON: I desire to enable the disputants to secure a quick decision from the court.

Hon. W. H. Kitson: The clause dealing with boards will provide the means.

Hon. J. NICHOLSON: I will consider the matter further but at present I am inclined to think that the tendency will be to delay the parties getting a decision.

Hon. A. Lovekin: If we had had some such machinery we might not have had the late war.

Hon. J. NICHOLSON: That is a much larger question. The clause dealing with retrospective pay is a feature of the Bill that will operate against an individual successfully undertaking contracts in competition with people in other States where such a provision has not been enacted. It will prevent the person desirous of putting in a contract from framing estimates enabling him to embark upon work so essential for industrial enterprise.

Hon. J. R. Brown: If such a clause is not inserted the contractor will be allowed to rob the workers until he is found out.

Hon. J. NICHOLSON: There is no need to rob the workers.

The PRESIDENT: If the hon. member does not cease interrupting, I shall have to take steps for which I may be sorry!

Hon. J. NICHOLSON: Contracts are necessary in all large industrial enterprises here and elsewhere, and the more contracts secured the better is it for the contractors' business, with consequent guarantee of employment for the workers. If a contractor has to bear in mind the possibility of a claim for retrospective pay arising out of an impending application to the court for increased wages, it will be found that industry, instead of advancing, will retrogress. Should that happen the clause will work to the detriment of industries and the workers themselves. It will do infinite harm.

Hon. W. H. Kitson: Unless the clause is inserted in the Bill, will there not be an incentive to the unscrupulous employer to delay decisions?

Hon. J. NICHOLSON: That is unfair!

Hon. W. H. Kitson: We had one instance in which we had to wait for three years to get a decision.

Hon. J. NICHOLSON: I desire that claims shall be brought before the court and dealt with as promptly as possible. If we provide the necessary facilities, the need for the provision for retrospective pay will be avoided. I hope the Government will reconsider some of the provisions with which I have dealt. Probably the most important feature of the Bill is the part relating to the basic wage and the 44-hour week. The Bill provides that the basic wage means "a sum sufficient for the normal and reasonable needs of the average worker; and in the case of a male worker shall be fixed with regard to the rent of a dwelling house of five rooms, and the cost of food, clothing, and other necessities for a family consisting of a man, his wife and three dependent children, according to a reasonable standard of comfort." If one refers to authorities to ascertain what is to be included under the heading of "wages," one may quote with advantage a paragraph that appears in a book entitled "Labour Policy, False and True," by Lynden Macaassey. Dealing with what is a fair wage he says—

Wages are, and can only be, payment for work done and services rendered by the "wages staff." There must always be a maximum limit to wages and a minimum. The employers' maximum is a wage beyond which any advance, with other costs of production remaining constant, would prevent the marketing of the product at a commercial profit commensurate with the nature of the enterprise. The theoretical minimum is a "living wage," i.e. bare cost of subsistence, but the trade union minimum wage, which is the practical minimum in industry, is much higher than the subsistence wage. It is a wage which in the particular industry provides for subsistence for the worker and his or her dependants, including therein food, rent, fuel, light, clothing, fares, trade union subscriptions, etc., and reasonable enjoyment and recreation. Trade union minimum rates for different trades varied before the war from one another by "vocational differentials." A skilled man's rate exceeded that of an unskilled man by a recognised excess; the excess is the trade differential in respect of the skill required of the particular tradesman, the length of apprenticeship necessary to acquire it, the nature of the occupation, and so forth. The higher rate of the skilled man is naturally reflected, as statistics show, in a higher standard of living. The whole problem in arriving at a fair wage is to determine at what point, if any, between the existing trade union minimum and the

employers' maximum, the wage ought to be fixed, in justice to the workers, employers and the public.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. NICHOLSON: Before tea I was dealing with the basic wage. The position becomes distinctly interesting as one develops it. The provision relating to the basic wage, and the other clause dealing with the 44-hour week, are two amendments involving the highest economic principles. They involve the amount of the cost of production. If wages are to be determined without regard to production, the position is economically unsound. It is from the products of labour that we produce wealth and so pay our debts. We sometimes lose sight of the old law of supply and demand, a very sound law, difficult of amendment. These clauses are seeking to amend that ancient law, and I am afraid we cannot accomplish any good by the methods proposed here, unless we have regard to production. We are largely a country of primary producers. Unfortunately our secondary industries are at a very low ebb. If we have to depend on our wealth from primary production, we cannot forget that the prices of our products so raised will be determined largely by the world's markets. If we put up a very high standard, as suggested here, where shall we get to? I have no objection to high standards if we can afford them. But if we seek to establish these very high standards, when as a matter of fact we are not able to support them, we shall be doing something obviously wrong, something that will reflect seriously on the worker and still more seriously on the State as a whole, with the result that not only the worker, but everybody engaged in business or enterprise, will suffer. As members of the community we have to look at that important factor when deciding on a clause such as this.

Hon. J. R. Brown: Do you suggest that there should not be a basic wage?

Hon. J. NICHOLSON: No, but there should be some proper and reasonable conditions of living. The last thing I would suggest is that there should not be some reasonable standard of living and proper remuneration for a man's labour.

Hon. J. R. Brown: That is all the Bill asks for.

Hon. J. NICHOLSON: We have to look at what we can afford. If we are going to set up a higher standard than exists in other parts of the world, where commodities similar to our own are produced, then undoubtedly our products will be excluded from those markets where otherwise they would find a ready sale. There is in the minds of the public an impression that when wages are increased or conditions altered so as to increase the cost of pro-

duction, all that has to be done is to add the increased cost to the price of the goods. But that does not apply to our principal primary products, because their prices are regulated by the markets of the world. So the primary producer, who is the principal factor in the production of wealth in this State, is unable to compete in that way, although to the State generally it might be possible if we had a wealthy and extensive series of secondary industries established here. The ideas sometimes expressed about the "passing on" of increased costs are referred to in this book from which I have already quoted. The writer says—

Accepting, as will some sections of Labour, that their demands cannot be met out of the employers' profits on present output, the alternative, they say, is that the manufacturer must raise his selling price by an amount sufficient to cover the extra cost. In this it is assumed of course that the rate of production remains the same. It is a fixed idea that every manufacturer, and the owners in every industry, can raise prices without any difficulty whatsoever. In discussing this delusion, as I have frequently done, it becomes quite obvious that the workmen do not appreciate the effect that an increase in the cost of production has in reducing the ambit of the market for the sale of the commodity in question or in lessening the demand for it in a specific market, with consequent curtailment of employment and undermining of standard rates of wages. The regulation retort is that any trade not able to pay proper wages ought not to live.

Hon. A. Burvill: Where would the cocky farmer be?

Hon. J. NICHOLSON: I cannot say. I rather fancy he would become extinct. The author continues—

That of course depends on what is "proper." When the wages are starvation wages everyone will agree that the industry ought not to live. When the wages though sufficient to cover (1) subsistence, are not sufficient for (2) reasonable amenities of life, nor to allow adequately for (3) trade-skill, there may be difference of opinion, according to the circumstances of the particular industry, whether it should be maintained or not. When, however, full and adequate remuneration is paid to cover (1), (2) and (3), it is suicidal policy for Labour to insist upon such advances of wages as must kill the industry.

Hon. J. R. Brown: Then the worker has got to starve?

Hon. J. NICHOLSON: No, I say we must seek to maintain our industries. But if the industry is not sufficiently profitable to pay a proper wage, then obviously it

cannot live; for the industry would be of no use to anyone, not even to the man who started it, because he would not get anybody to work in it. I am looking at the matter from an economic standpoint, the standpoint of helping forward industries, not of killing them. Therefore in pointing out these matters I am doing my duty as a member of the Chamber, and at the same time am seeking to save the position for the worker as well as for everybody interested in the welfare of the State. The author of this book proceeds—

In advancing the contention that if the employer cannot, out of his existing profits, pay the advance on wages claimed, it should be added to the sales price, workmen invariably repudiate as wholly immaterial the resultant effect on trades other than their own, and especially on the consuming community. If those claiming the advance are engaged in what is inelegantly called a "key industry," that is to say where their output is raw or semi-raw material for other industries, it is obvious that any rise in its cost may inflict serious damage on both the employers and the employees in the dependent industries. But the workmen's retort is "Let them pass it on." I have had that put to me on hundreds of occasions. During the war the fashion of general advances in wages to cover increased cost of living came into vogue. The consequent reaction on prices set up the "vicious circle" known to all economists where a general advance in wages raises prices; thus forcing up the cost of living, and so creating a fresh demand for a further increase in wages.

That emphasises the position, and forces me to the conclusion that the effort sought to be made by this Bill to declare by statute a basic wage is unsound and wrong in principle. We must have regard to the old law of supply and demand. A State or a Government in some ways is like an individual. The State itself is merely an aggregation of individuals, and its wealth is largely represented by the product of the joint effort. If an individual spends more money than he makes, he comes to an abrupt end. His business is closed down and the unfortunate employees are forced to look for other work. The creditors of the employer probably lose the whole or the greater part of their money, so that it is bad for the community all round. Everyone suffers. The importing of goods by a State is in a measure similar to the spending by an individual. If we import goods to a value greater than that of the goods we export, we become a debtor State. Similarly if an individual produces more than he can sell, or if he produces at a higher cost than he can obtain for his goods, he soon comes to a dead-end. Mr. Kitson referred at some length to the question of

production, but I ask, "Is production everything?" It was suggested by Mr. Kitson that the industries depended more upon the men who produce than upon anything else. I admit that the man who produces is one of the most important factors in the great scheme of things, but he is by no means the sole factor. There is far more to be done than merely to produce. Producing is only one step in the great work in which we are engaged. The man at the head of affairs, directing and managing and competing, is the great organiser upon whom success or failure depends. Upon him the men must rely for the continuance of their employment, and if they keep on producing, there must come an end to their efforts and energy at an early date unless the organiser arranges for markets. One of the greatest essentials in any big industry is the finding of markets. If a manufacturer fails to find a ready sale for his goods the industry must come to an end. This is emphasised by the experience of the Lincoln Mills in Coburg, Victoria. Let me quote from a statement published in the "West Australian" of the 14th instant—

The directors of Lincoln Mills, Coburg, Victoria, in their report for the year ended the 30th June last, state that the combined operations of the subsidiary companies—Lincoln Knitting Mills Proprietary, Ltd., and Lincoln Spinning Mills Proprietary, Ltd.—have resulted in a loss of £43,664, which, after deducting £1,082 profit brought forward from the previous year, leaves a net loss of £42,582 standing at the debit of profit and loss appropriation account at June 30. This loss, in the opinion of the directors, is mainly due to the unfortunate policy of the management in producing an excess of manufactured goods, which necessarily accumulated in the form of stocks, and subsequently had to be realised at a loss.

Hon. J. Cornell: Because the tariff had not operated to keep out similar articles.

Hon. J. NICHOLSON: If we keep on raising the tariff we shall be merely building up a false wall, one that will assuredly crumble down upon us. The tariff is a Federal matter, of course, but we are bound to take notice of it. It is a serious question that is forcing itself more and more upon the attention of the industrial population of the Commonwealth. The statement continues—

No dividends were received from the subsidiary companies, consequently no dividend is available for the shareholders of the company. The directors state that under technical advice they adopted a policy of reorganisation. They say a considerable time must necessarily elapse before results accrue from such reorganisation. The directors, in view of the statement outlined by them, say they are unable to give any immediate assurance of dividends in the near future. As the

company is a holding concern, and the subsidiary companies do not publish accounts, their holdings of stocks, liabilities, etc., are not published. Paid-up capital of the Lincoln Mills, Ltd., is £802,631 in £1 shares, of which 400,000 shares are 9 per cent. cumulative preference and paid up in cash, and 402,631 ordinary shares, which were issued to vendors as consideration for sale of their assets. Sundry creditors are owed the nominal sum of £50. Assets amount to £802,815, of which £797,565 represents shares at cost in and advances to other companies, while preliminary expenses stand at £4,997.

That shows the importance of finding markets; it stresses the importance of the part played not only by the man who produces, but by the man who successfully organises business. The organiser is not always given the credit to which he is entitled, but a mighty lot depends upon him. Mr. Gray mentioned that we sometimes get an improvement in machinery, and I think it was Mr. Kitson who spoke of the invention of a machine that permitted the output to be increased 400 per cent., but the men's wages were not increased by 400 per cent. Did not the hon. member overlook the natural result of this altered condition of production? The moment a manufacturer can produce 400 per cent. more than previously in the allotted time, the cost of the article would go down and the public would get the benefit of a cheaper article.

Hon. W. H. Kitson: Sometimes.

Hon. J. NICHOLSON: If the hon. member studies the results of great manufactories in the past and notes the improvements introduced, he will find invariably that what I have stated has proved to be the case. We have only to compare the prices of many articles of wearing apparel, say just before the war, with those paid in the times of our forefathers to find further proof of my contention. It is the natural consequence, because the manufacturer producing so much more than he previously produced could not expect to sell at the high rate he was getting when producing so much less. He would have to be prepared to reduce his price proportionately. He must find a market, and the general public would not be prepared to pay the higher prices that prevailed under the previous conditions of manufacture. The moment a manufacturer offers a cheaper article, the general public readily take it up. If a manufacturer can sell an article at 1s. instead of £1, probably hundreds will buy at 1s. for every one who bought at £1.

Hon. J. Duffell: The Ford motor car is an illustration of that.

Hon. J. NICHOLSON: Yes. Therefore, it is not sufficient to advance the argument that Mr. Kitson offered. What I have contended is sound and sensible.

Hon. W. H. Kitson: I did not suggest that the wages should have gone up 400 per cent.

Hon. J. NICHOLSON: No.

Hon. J. R. Brown: They did not go up 50 per cent.?

Hon. J. NICHOLSON: Even if the men did not obtain any more wages, it would not alter the position.

Hon. T. Moore: Half of the men lost their jobs.

Hon. J. NICHOLSON: When a manufacturer found that he could produce 400 per cent. more than previously, he would look for wider markets. If there were not sufficient markets at home, he would seek markets abroad. We have the instance of the knitting mills at Coburg. Owing to the high cost of production it was impossible to find markets locally, and it was also impossible to compete with the outside world. The result was the directors had to sacrifice their goods within the Commonwealth, and probably many of the men engaged in the industry suffered loss. The shareholders suffered loss; they received no return on their capital.

Hon. E. H. Gray: The workers suffered the most.

Hon. J. NICHOLSON: I regret to think that anyone should suffer. I should like to see these industries flourish. The State would then be flourishing, and that is what we all want to see. We have one objective in view. If we made the prosperity of the State the outstanding beacon we should settle many of those disputes that interfere with the progress and development of our industries. By way of showing that there was considerable wealth in this State Mr. Kitson said that in the Commonwealth there had been so many companies registered with a capital of so many millions. With the experience I have had in these matters I say that the mere collection of statistics as to such a position is no indication of the wealth of the country or of the community. It is very misleading to accept such figures as an instance of wealth. Wealth is a very indeterminate thing. It is represented, in the case of companies that are registered, not by actual pounds, shillings and pence. In many cases ordinary businesses are converted into companies with a certain capital, but the capital is nominal, the assets being taken over at a certain sum.

The PRESIDENT: How are you connecting these remarks with the Bill?

Hon. J. NICHOLSON: The Bill involves the very important economic principle of supply and demand, the question of production, and the cost of production. Further, the basic wage and the 44-hour week are also involved in the consideration of production and the cost thereof. Mr. Kitson brought in the reference to the

registration of companies to show that there was no lack of wealth here.

Hon. W. H. Kitson: I said it showed that there was a large number of people prepared to invest their capital in these companies.

Hon. J. NICHOLSON: It does not suggest anything of the kind. It suggests that companies were formed with nominal capital aggregating the amount he mentioned. I do not doubt his figures, but they do not indicate the wealth of the community. The statistics are, therefore, misleading. In the list of companies he quoted there is bound to be included a large number formed from existing businesses. It is not that so many millions were brought into the State; the money was not even brought into the Commonwealth. The wealth was here, represented either by goods or the value of the businesses. It is proposed that the basic wage should be fixed by statute. That is wrong in principle and unsound. The Bill provides for a wage that shall be sufficient for the normal and reasonable needs of the average worker, and in the case of the male worker is to be fixed with regard to a 5-roomed house, etc.

Hon. W. H. Kitson: Are you correct in saying that the basic wage will be fixed by statute?

Hon. J. NICHOLSON: The Bill fixes the method by which the court shall determine the basic wage; that practically fixes it by statute.

Hon. J. R. Brown: And the court will not fix it in a hurry.

Hon. J. NICHOLSON: This is to be the wage for every man whether married or single.

Hon. J. M. Macfarlane: Childless or with many children.

Hon. J. NICHOLSON: Yes. It is to be assumed that every man has a wife and three dependant children. Mr. Seddon and Mr. Lovekin have already quoted figures showing the number of unmarried men. Let us assume there are two sons in the family. In course of time these have grown up and are earning a journeyman's wage. They have not troubled to get married.

Hon. E. H. Gray: You must quote the average.

Hon. J. NICHOLSON: The statistics concerning unmarried men have already been given. I wish to show how unsound is this method of determining the wage. The father and the two sons would all receive the same wage, although they would not have the same responsibilities. The father would be responsible for his wife, and any younger children there might be. The adult sons, who had no responsibilities, would be earning the same wage as the father. That is neither right nor sound.

Hon. E. H. Gray: They do the work, and are entitled to the wage.

Hon. J. NICHOLSON: I am looking at the matter from the standpoint of Western Australia being capable of competing in the world's markets. If we proceed on a basis such as this, we have no hope of competing favourably with any other State.

Hon. E. H. Gray: Suggest a better method.

Hon. J. NICHOLSON: The question is a difficult one. I have quoted from the words of a man who has made a close study of it. I can only refer to the numerous authorities dealing with this vexed question. If anyone can evolve a satisfactory scheme of settling the difficulty he should be hailed with pleasure. I would be glad if some scheme could be devised, but do not feel capable of evolving one myself. I can at least offer some criticism upon the subject. Indeed, it would require a superman to determine this. It is laid down that a 44-hour week shall be prescribed in every industrial agreement and award, and that such number of hours shall not be exceeded in any one week. It is also provided that in the case of any industry where the workers are employed in shifts the working hours may average 44 per week for a period of three weeks. Mr. Brown quoted from the remarks of Lord Leverhulme. I would remind him that Lord Leverhulme is one of the most capable business men and economists of the day.

Hon. J. J. Holmes: Mr. Brown did not tell us what he said on the White Australia policy.

Hon. J. NICHOLSON: No. He quoted this authority in support of the 44-hour week. I could quote other statements in which it is pointed out that workers engaged for long hours actually produced less than they did after the hours were reduced. I am not an advocate of long hours. It will be found in almost every instance referred to by Lord Leverhulme and other writers that the wages paid were based on the production of the men. At Sunlight men are paid by results, and not for the hours they work. The determining factor is what is produced. It is proposed in the Bill that 44 hours shall constitute a week's work, without any regard to the output. That is unsound and it stands out in strange contrast to the position that exists in America. In that country nearly all industries are carried on by piece work. Unless we determine payment by what is produced, we shall proceed on a wrong basis. I often think that American industrialists must look on Australia with amazed eyes. There is scarcely an industry in Australia that does not use American machinery as, for example, engines, etc., on farms, and we cannot go along a single thoroughfare without

seeing American products rushing along on wheels. The greater number of motor vehicles to be found in Australia are of American make. Americans are goading us on to continue this foolish course of ours because they realise that by our pursuing it, we are hindering development in our own State and at the same time helping them to dispose of their wares. In this way America is taking our golden sovereigns, which could be better utilised in the development of our own industries.

Hon. E. H. Gray: Better and cheaper machines are made in the Commonwealth and in Western Australia.

Hon. J. NICHOLSON: I am quite prepared to admit all that glorious fact. Yet we still purchase American-made machinery, and the Americans take our golden sovereigns from us.

Hon. A. Burvill: And we buy in spite of the high tariff.

Hon. J. NICHOLSON: Exactly. We have recently had an instance of what the high tariff means to us. This tariff was ostensibly imposed to protect local industry. We need only to recall the incident of the manufacture of locomotives in England for our State Government, on which the Commonwealth are insisting on the payment of £21,000 duty. The limitation of hours, as proposed in the Bill, cannot be justified in view of the position of the State. How are we going to extricate ourselves from our financial difficulties if we are going to reduce hours in the way proposed? We are bound to reduce our production if we reduce the hours. Let me instance the demand made by the lumpers who determine to work from 8 a.m. to 5 p.m. only.

Hon. E. H. Gray: The employers were responsible for that.

Hon. J. NICHOLSON: It would be delightful if we could carry on business in that way. Someone who signed himself "Commonsense" wrote to one of the newspapers recently commenting on that decision of the lumpers and suggested that the only way of dealing with the difficulty would be for the wives of the lumpers to intimate to their husbands that they would attend to domestic duties between 8 a.m. and 5 p.m. only, and that when the husband came home in the evening he should be compelled to get his own meal. If we followed that to a logical conclusion, and applied it to every occupation in life, the restaurants would close at 5 p.m., the electric light works would do likewise, and everybody else would work only between 8 a.m. and 5 p.m. Even entertainments would be given only during those hours.

Hon. J. R. Brown: You are going from the sublime to the ridiculous.

Hon. J. NICHOLSON: I do not know whether the lumpers are the sublime or the ridiculous. Perhaps they are a little of each. If, however, they are going to set the example of working only between 8

a.m. and 5 p.m., we should all do so, and the hon. member who interjected would be fed only between those hours and perhaps would talk only between those hours. It is an extraordinary and absurd attitude to adopt. The more I study the Bill, the more I am convinced that instead of the amendments contained in it being beneficial to the worker, they will tend towards ruining industry and destroying the means of employment, as well as doing harm to the advancement of the State.

Question put and passed.

Bill read a second time.

BILL—LAND AND INCOME TAX ASSESSMENT ACT AMENDMENT.

Second Reading.

Debate resumed from 13th November.

Hon. J. W. KIRWAN (South) [8.27]: I would not have spoken on the second reading of the Bill but for the fact that it affords the Government and Parliament the opportunity of rendering a valuable service to the gold-mining industry. The Commonwealth Parliament, in recognition of what that industry has done for Australia, and also for the purpose of encouraging the investment of capital in it, embodied a provision in the Assessment Act that was passed through the recent Federal session, setting out that all profits from gold mining should be exempt from income tax. I am going to ask the Government—who I know are sympathetically disposed towards the gold-mining industry—to amend the Bill now before us in the direction of following the good example set by the Commonwealth. Sometimes we speak in terms of condemnation regarding the attitude of the Federal Government towards Western Australia, but it is difficult to exaggerate the great boon this proposal will confer upon the gold-mining industry. I do not think I am asking too much of this House if I request members to do for the gold-mining industry of Western Australia what the Federal Government have already done for the gold-mining industry of the Commonwealth.

Hon. E. H. HARRIS: The State Government publicly announced that they would follow in the footsteps of the Federal Government.

Hon. J. W. KIRWAN: It is in furtherance of that proposal that I speak in support of the second reading of the Bill. I am afraid my examination of the measure has been somewhat superficial, but at the same time, I have noticed some matters referring to taxation generally that I will deal with before discussing the question of mining taxation. Both the Premier and the Colonial Secretary when introducing the Bill in the Assembly and the Council respectively, referred to it as a mere machinery measure. I can hardly understand their

reference to it in that way, because, although it is certainly a machinery measure, it is also considerably more than that. I assume that the Bill was framed by the taxation authorities and I know that the Premier and the Colonial Secretary are very busy men. We all know how zealous the taxation authorities are in their efforts to increase the revenue of the State as much as possible. That zealotness on the part of the taxation authorities is commendable and I do not wish to condemn it. It seems to me, however, to have become almost an obsession and certainly the taxpayers of the State are severely harassed in many directions. When a Bill is framed by men imbued with a laudable spirit that is carried to an extreme, we, as the representatives of the people, should also be zealous in safeguarding the revenue, but should be careful that the obsession on the part of the taxation authorities should not extend to injustice. The Bill contains evidence of that. I have referred to the statement made by the Premier and by the Leader of the House that the Bill is purely a machinery measure and that leads me to suppose that they took the Bill from the taxation authorities and did not give it the close study that it deserves. Probably they did not have the necessary time to devote to it. While in some directions the Bill lightens the burden of taxation, it increases it in other ways. It contains many features that are worthy of the attention of the House, features that are much more extensive than are indicated in the memorandum at the beginning of the Bill. One of the features is the abolition of the land tax exemption. The exemption from land tax when the unimproved value does not exceed £50, and the provision whereby £250 is deducted from the value of unimproved lands if used for agricultural or pastoral purposes, are repealed. The cost of collection, it may be, will be as much or more than the amounts collected. However, it is a most important departure in connection with our taxation laws that is worthy of attention of members. Another feature of the Bill is that it wrongly extends the definition of dividends and limits the definition of dependants. The allowance permitted as a deduction from income for children has been increased from £40 to £62 and, I think, rightly so. The Bill also extends the provision relating to allowances for medical expenses which may now be deducted by persons whose taxable income does not exceed £350 per annum, instead of £250 as formerly. Under Clause 5 the Taxation Department is given power to fix arbitrarily the value of livestock. The Federal department has made several attempts in the same direction, but those attempts have failed. Furthermore, there is in that clause a phrase the meaning of which is obscure. No doubt the Minister will explain what it means when the Bill is being dealt with in Committee. I

refer to the phrase "appropriate schedule value as prescribed." It is difficult to know what is meant by these words. It is gratifying to notice where taxation has been reduced, because, in my opinion, taxation in this State is extraordinarily heavy. The State finances are looking well and both parties during the last State elections had on their programmes the announcement that there would be no further increase in taxation. In some directions there is a distinct increase in taxation proposed in the Bill before us. I intend to point out two or three significant facts taken from the annual report of the State Commissioner of Taxation. It has been said on several occasions in this House that owing to the heavy taxation, men of wealth were transferring their money elsewhere or leaving the State altogether. It is very deplorable that that should be so. I know of a few instances where it has occurred and other members have stated they also were aware of similar instances. It is certainly very significant to note the considerable reduction in the number of men of wealth in Western Australia as disclosed in an analysis of the income tax assessments. I have the returns for the last available three years, but the figures relating to the 16th assessment, which deal with the financial year 1922-23, are incomplete, and for that reason I shall not quote them. The 14th and 15th assessments, however, are somewhat remarkable as showing the decreased number of wealthy men as disclosed by the figures relating to the two years referred to, namely, 1920-21 and 1921-22. In 1920-21, persons who had incomes of £5,000 a year and over numbered 114, but in the following year, according to the returns, that number was reduced to 62. One can see the marked difference at once. There was a drop of 52 in one year. When we come to the persons whose incomes ranged between £1,500 and £5,000 we find that in 1920-21 there were 900, but in the following year there were only 746, or 154 fewer than in the preceding year. The reduction extends even to those whose income ranged from £1,000 to £1,500. In 1920-21 persons whose income ranged between those amounts totalled 944, but in the following year the total was reduced by 146, leaving only 798 persons having such incomes. If we take the number of persons whose income was from £700 to £1,000, it will be found that the comparison between the year 1920-21 and the year 1921-22 is rather striking. In the former year there were 1,966 persons with incomes over £1,000 a year, but in the following year the total number was 1,608, or 358 fewer persons than in 1920-21. I do not know what is the real explanation of that falling off.

Hon. A. Lovekin: In view of the taxation, you are not surprised, are you?

Hon. J. W. KIRWAN: We can assume, at any rate, that the reasons given in this

Chamber may be included amongst those accounting for the falling off. Perhaps the Leader of the House will make some inquiries regarding the point. The taxation authorities may be able to provide some other reasons. It is a serious matter that people of wealth should be disappearing from the State to such an extent and it is worthy of inquiry by the Government. When the agreement was made between the Federal Treasurer and the State Government for the joint collection of taxation by one authority, it was generally understood that the arrangement would bring about simplification in the preparation of taxation returns and that it would promote uniformity between the returns required for the Federal authorities and those required for the State authorities. It is four years since that agreement was made, but we are still a long way from securing uniformity in that direction. For the sake of the taxpayers some endeavour should be made to bring the taxation returns more into uniformity. Furthermore, it would be a distinct improvement if our State taxation authorities were to show some predilection towards giving the word "income" in relation to taxation a meaning that it certainly does not bear to the pockets of the people concerned. Incidentally I wish to refer to the extension in the Bill of the definition of "dividends." In the State Act the definition of dividends taxable as income where the total income of the taxpayer reaches £1,960 is made to include shares issued out of the accumulated profits of a company which have already paid tax, and are for business reasons transferred from reserve capital to fixed capital. When that transaction is merely a bookkeeping entry it is manifestly unjust to tax the shares, because the transaction does not in any way add to or subtract from the value of the shareholders' interest in the company. It has been held, both by the Privy Council and by the High Court of Australia, that the distribution of the accumulated profits of a company is not a dividend unless the money is severed from the funds of the company. When the accumulated profits of a company have already paid tax and have been invested in the business of the company or transferred to fixed capital in the form of shares, there is no severance from the funds of the company nor any benefit, advantage or gain to anyone. In a case that came before the Federal High Court, *Blott versus the Commissioner of Inland Revenue*, and in another case, *Webb versus the Commissioner of Federal Taxation*, it was held, both by the High Court and by the Privy Council, that shares distributed out of accumulated profits that have already paid tax in the hands of the company, are not dividends to shareholders. In the case of *Webb versus the Commissioner of Federal Taxation*, the

High Court held that shares allotted to shareholders, for the reason that they were not severed from the capital funds of the company and were not liberated to shareholders' profits, bonus shares distributed out of accumulated profits, are nothing more nor less than the splitting of pieces of paper, and the interest of the shareholder in the company is neither increased nor decreased. Therefore in my opinion the term "dividend" should not include shares issued out of profits that have already paid tax in the hands of a company. And when we in this Chamber are asked to sanction the face value of such shares as income, we are being asked to declare that the so-called income tax is not a tax on income, but a tax on something that is not income, and that has not been enjoyed as income by the taxpayer; and, further, on something that the highest courts of the Commonwealth and of the Empire have declared is not income. Of course the only effects that such legislation could have, would be to prevent companies from capitalising those funds. So the State Act would be thrust still further out of step with the Federal Act, and would be made to look extremely foolish. There are other directions in which I suggest that uniformity might be instituted between the State Act and the Federal Act. One has reference to the penalty for the late payment of tax. In the Federal Act that penalty is limited to 10 per cent. per annum. But in the Bill it is 10 per cent., which is quite a different thing. Under that provision, instead of 10 per cent. per annum being charged as penalty for the late payment of tax, the Commissioner may impose a penalty amounting to 500 per cent. per annum or still higher, for the discretion is entirely in his hands. Would it not be better to make it definite, as in the Federal Act, prescribing that the charge shall be 10 per cent. per annum? It is simply money overdue, and there is no reason why that money should bear a higher interest than 10 per cent. per annum, which is a pretty substantial rate. There is another divergency from the uniformity that ought to exist between the two Acts: That is the condition precedent that one-fourth of the tax must be paid before an appeal can be lodged. It is quite in opposition to what has been done under the Federal Act, and in view of the large discretion allowed the State Commissioner in the making of assessments from his own figures, the door of appeal should be left wide open. By making the payment of even one-fourth the tax assessed a condition precedent to appeal, a great injustice may be done to an impecunious taxpayer. No possible harm could be done to the department by the removal of that provision, and the leaving of the door of appeal wide open, for the appeal does not

affect the Commissioner's position respecting the collection of the tax. I am glad that in dealing with the mining industry it is proposed to rectify a serious wrong. It has been spoken of as an alleviation of taxation. In point of fact it is merely the rectification of a very great wrong that has been done the mining industry for years past. From my old place, where Mr. Potter now sits, I pointed out over and over again to the representatives of successive Governments that the taxation of what was merely a return of capital invested in mining amounted to little short of downright robbery. Mining was the only industry the capital in which was taxed. Take a company that has spent £100,000 in the opening, equipping and developing of a mine. Perhaps in one year the receipts from that mine might exceed the expenditure by £10,000. That £10,000 might be the only return the company ever got, and the mine might be shut down shortly afterwards. What has really happened is that the company has lost £90,000, the £10,000 being really only a return of a very small portion of the capital. Yet hitherto that £10,000 has been taxed, exactly as if it were a year's income. Surely that is contrary to all ideas of taxation as we know it! When the Government talk of that rectification of a wrong as being an alleviation of taxation, as a concession to the mining industry, I say that is not the way in which it should be viewed; that it should be viewed simply as the rectification of a very great wrong suffered by the mining industry for a great number of years, a wrong that has seriously retarded the progress of that industry. However, there is another direction in which I am sorry to say, the Bill is at fault regarding mining. I really believe that the Premier and the Colonial Secretary and the Government will recognise that it is not right. Under the Bill, money that is exempt from taxation because it is a return of capital has to be utilised in order that it may be added to the total income of the individual to create a fictitious rate on which he is to be taxed over the balance of his income. Surely that is not fair. It tends to deprive the mining community of a great deal of the value that would accrue from the rectification of the wrong done by taxing capital; in fact, to a certain extent, it perpetuates that wrong, because money that is merely a return of capital ought not to be taxed—unless indeed the House is in favour of a tax on capital, in which case such a tax should apply to all industries, and not be restricted to mining alone. It is not the policy of the country to tax capital, and it certainly is distinctly wrong that only capital invested in mining should be taxed.

Hon. J. J. Holmes: Your interpretation of that amendment is absolutely correct.

Hon. J. W. KIRWAN: I have not the slightest shadow of doubt about it. It would be a rather involved process to show exactly how the thing works out, but if the Minister wishes it I can demonstrate to him how it would work out in the case of a man with an income of £3,000. I do not wish to read to the House all the figures I have here, because it would be difficult to follow them; but the sum and substance of these figures is this: Take a man who, under ordinary circumstances, would be exempt from taxation on £1,500 that has come to him as a return of capital. That £1,500 is added to his other income of £1,500, making a total of £3,000, and that man is taxed for the £1,500 as if his total income were £3,000. As a consequence he has to pay an additional amount of £75 9s. 4d. I have the exact figures and will be glad to hand them to the Colonial Secretary, who can pass them on to his officers. The Commonwealth Government, in its taxation Bill, led the way to help mining in another direction. Amongst the deductions from income passed through the Federal legislature were calls on shares in mining companies. As a result of several gold-fields members pointing out that the State Government should not lag behind the Commonwealth in assisting the mining industry, the Government of the day embodied in its assessment Bill a clause exempting from taxation as much of the assessable income as is paid in calls to any mining company or syndicate prospecting in Western Australia for gold, silver, base metals or minerals. Under the Bill before us it is proposed to delete that paragraph. It is unfortunate that such a proposal should be made at this stage. If there is one State that should encourage prospecting, it is Western Australia. This State is of vast extent; its auriferous area is the largest in the world, extending as it does from the Kimberleys in the North to Ravensthorpe and Dundas in the South. An auriferous area of that vast extent cannot be prospected by one generation. No doubt finds will yet be made over that area as good as any of the finds made in the past. There is no mining man who does not believe there are many hidden golden miles yet to be found. The past Government have assisted and the present Government are desirous of assisting the prospecting of that enormous area. So why delete such a provision which encourages prospecting? I have a copy of the Commonwealth Income Tax Assessment Act, and the following is the paragraph inserted amongst exemptions from income tax:—

The income derived by a person from the working of a mining property in Australia, principally for the purpose of obtaining gold or gold and copper; provided that in this case the output of gold shall be not less than 40 per cent.

of the total value of the output of the mine. This exemption shall extend to dividends paid by the company out of such income.

I desire that a similar paragraph be inserted in this Bill. I have gone through the Federal "Hansard" to discover the exact reasons given by the Federal Government for granting such a great concession to gold mining. The Treasurer, Dr. Earle Page, when introducing the proposal, said—

The object of the exemption is to encourage as much as possible investment in goldmining undertakings.

Senator Pearce, on behalf of the Government, used almost identical terms as his reason for introducing the proposal in the Senate. So much did the Commonwealth Government approve of the proposal that not a single member of either House expressed one word in opposition to it. Every member who spoke, spoke in favour of it, and Senator Grant, of New South Wales, said—

If I had my way I would give those engaged in gold mining all they desire and a good deal more.

The proposal was passed unanimously by both Houses of the Federal Parliament. Surely when members in the Eastern States and in a Parliament that is sometimes considered to be unsympathetic towards Western Australia have done this, it is a good example for us to follow. It should be remembered that more than half the gold produced in the Commonwealth comes from Western Australia. Therefore it is of special and extraordinary advantage to Western Australia. The position of gold mining is remarkable. No other industry has been in the same position. The price of gold has never been so low as it is to-day. Gold is the only commodity that in recent years has not increased in price. True, there is an insignificant premium paid now on every ounce of gold, but making full allowance for that, there is no other product that has not increased in price. To-day we get less for an ounce of gold in the material wealth of the world than was ever obtained for an ounce of gold before, and yet the cost of producing it is greater than it ever has been. If the people of the Commonwealth and especially those of Western Australia are wise, they will realise that this industry of all others deserves to be encouraged. The gold mining industry is not helped by the Government to the same extent as other industries. Some industries are helped by high tariffs; some by institutions like the Agricultural Bank and the Industries Assistance Board—and I do not say it is not rightly done; others receive bonuses. The only industry that is not helped in such ways is gold mining, so I appeal to the House in the

sure belief that it will recognise the necessity for extending this concession to an industry that is now declining. The Colonial Secretary may produce figures to show that the proposal would result in loss of revenue to the Treasury. I cannot say how much revenue will be lost. The dividends of all the companies are falling off; the amounts of profit from gold mining are rapidly decreasing, and if the Government do not do something to help the industry, sooner or later they will lose the whole of the revenue from the industry. Is it not better, therefore, to alleviate the taxation now when times are so bad? The indirect advantages will reward the State many times over for what it will lose in taxation. This is a real and genuine benefit that might be extended to the industry. Is it not of great advantage to encourage the investment of capital in this State? Consider the position of the Gwalia Consolidated Gold Mines at Wiluna. The borings have given rich results. The people concerned with the spending of hundreds of thousands of pounds to make that mine one of the rich gold producers of the State have said they want shafts sunk to prove the results of the borings. A sum of £30,000 is now being spent to sink shafts. The result of the bore holes put down 15 or 16 years ago were confirmed by the latest borings; I believe that the latest borings were slightly better. If these results be confirmed by the shafts, the company prepared to open up Wiluna are pledged to expend not less than £300,000. As a matter of fact they will spend considerably more. What is being done by Canada to encourage capitalists to invest in the mines of Ontario? During the Wembley Exhibition the Canadian Minister for Mines was in London for several months. He had advertisements inserted in the newspapers stating that he would be at his office at certain times and was anxious to meet anyone desiring information about Canadian mining. When he left England the Assistant Minister for Mines went to London and carried on similar work for some months. It was considered worth while. It is well known amongst mining men that tremendous efforts were made in London to divert the money intended for Wiluna to Canada, where the Hollinger Gold Mine is opening and is undoubtedly one of the greatest mines the world has known. Western Australia has a great chance if it only takes advantage of the opportunity. One of the arguments used against investment in Western Australia is the enormously high taxation. Think of the advantage it will be to those who are endeavouring to get money into this country to be able to say, "You invest your money in the gold-mining industry of Western Australia; both the Federal and State Governments will exempt you altogether from taxation on profits." That would at once do away with the argument about heavy taxation. With regard to the

question of wages, in every Arbitration Court case the plea is put up that wages cannot be increased because of the cost of production, and taxation is usually brought in as adding materially to the cost of production. Would it not help in the direction of enabling the companies to give better conditions to those who are working in our mines? For all these reasons, and many others that I believe will appeal to some of the supporters of the Government perhaps even more strongly that they do to me, I ask Ministers to see whether they can do what the Commonwealth Government have done. It is not too much to ask them to do for our own State what the Federal Government are prepared to do. Would this not be a great thing, something genuine and something real, for this industry that has done so much for Western Australia in the past, and is certain, if it obtains anything like fair play, to do much in the future?

Hon. A. BURVILL (South-East) [9.17]: Mr. Kirwan has dealt extensively with the effect of this Bill on the gold mining industry. There is in it that which will hit the farming industry particularly. I refer to that pinprick, the striking out of the exemption in connection with the land tax as well as the income tax. The new interpretation of dividends will also hit the co-operative companies connected with the farming industry. I believe it is the intention of the Government to carry out this interpretation. It will mean that some of the producers, those who go in for the co-operative movement, will be taxed twice. Most co-operative companies issue bonus shares, for the encouragement of those who trade with them. Prices are not lowered, but at the end of the year bonuses are distributed as a sort of rebate on the trading. These bonuses are paid in shares or otherwise. I believe the Federal Taxation Department will exempt these from taxation, but the State department does not intend to do so. This will mean that those connected with the co-operative movement will be taxed in the aggregate through the company as well as in their capacity as shareholders. I hope in Committee to amend the Bill in this particular. Co-operation amongst the farmers should be encouraged, but this Bill is a discouragement to the movement, as well as a discouragement for the primary producer. The latter is to lose the exemption he had on the land tax, and to tax him twice on part of his income is not fair. Further, the tax will be greater than when split up amongst the individual shareholders where it is imposed on the aggregate system. I trust that when in Committee members will give these points careful consideration.

Hon. J. EWING (South-West) [9.22]: I congratulate Mr. Kirwan upon his speech this evening. He has shown that the Federal

Government propose to do more than the State Government intend to do under this Bill. It is difficult, when a member is reading a paragraph, to understand what it means. I take it for granted, however, that Mr. Kirwan has studied the subject, and that the position could be improved if we followed the lead given by the Federal Government. Perhaps Mr. Kirwan will make some arrangement by which effect can be given to his suggestions when the Bill is in Committee.

Hon. J. W. Kirwan: I have arranged for that.

Hon. J. EWING: Mr. Kirwan must not run away with the idea that nothing has been done for the gold mining industry. I take exception to that part of his speech wherein he suggested that because so much has been done for other primary industries, they have reaped an advantage not received by the gold mining industry.

Hon. J. W. Kirwan: I did not say that.

Hon. J. EWING: Perhaps I misunderstood the hon. member. A great deal has been done for the gold mining industry; indeed, we cannot do too much for it. This State has already spent about £3,000,000 in developing the industry by means of water supply, batteries, and assistance to prospectors. This Bill offers another opportunity to still further assist it. With other members I have been concerned as to how much we owe the goldfields and as to the best means by which we can assist them. I have been greatly concerned about the reduced value of the ore in our mines as compared with the early days. In former years the mines contained rich patches, and were able to pay dividends to the extent of £28,000,000, the yield of gold being valued at £160,000,000. To-day rich patches are seldom met with. The problem facing the Government is to evolve some means by which low grade ores can be treated.

Hon. E. H. Harris: You will soon be able to invest your money in the industry without being taxed.

Hon. J. EWING: The Bill will certainly encourage investments in that direction. Mr. Kirwan expressed delight at what was being done, and suggested that this would be the outcome of the Bill. It will certainly be of importance to those people who invest in gold mining. They will get all their money returned before being taxed on any profits derived from shares or dividends. This should be of great assistance to the industry. The exemption with regard to the unimproved value of small blocks of land in the city and country districts, to the extent of £50, as well as the exemption in the case of improved lands for pastoral or other purposes to the extent of £250, are to be repealed. That is wrong. I am in accord with the exemptions from taxation in the case of the mining industry, but cordially

disapprove of the proposal to repeal the exemptions in the case of the agricultural industry. It will be my endeavour to secure the passing of an amendment to prevent this. We all desire to see the goldfields developed, but whilst we are prepared to give concessions to the mining industry, let us not take away anything from the farming industry.

Hon. J. W. Kirwan: Hear, hear!

Hon. J. EWING: I hope every member representing the goldfields will support me in this attitude.

Hon. J. W. Kirwan: Hear, hear!

Hon. J. EWING: The Colonial Secretary smiles. No doubt he is thinking that the repeal of exemptions will mean but a small sum, a matter of depriving the agriculturists of about £10,000. I am not at all sure that it will stop at £10,000, although the Premier said that this was the maximum. No one can calculate what this will mean to the agriculturists, and no responsible Minister has made any statement on the subject. The amount involved may be £5,000 or £50,000. No matter what it may be, I object to the principle. The money, whatever it may amount to, should not be got in by this means. I do not believe in the principle involved here. It would be wise for the House to eliminate everything connected with the repeal of these exemptions. Let us be magnanimous in the matter. Let us wholeheartedly, and with all our power, give this great concession to the gold-mining industry, but let us refrain from doing anything to damage any other industry. When the Leader of the House was moving the second reading I interjected "What about the coal-mining industry?" and I understood him to reply that he would tell us about that later. When the Bill was introduced in another place it provided for the same concession in the case of the coal-mining industry. As a sort of after-thought, however, the words that exempt the coal-mining industry were inserted at the instance, I think, of the Premier. I think one member referred to the timber industry as one that was vanishing. It can, however, be regenerated, but in the case of the coal-mining industry every ton of coal taken out of a mine reduces the length of its life. It is a vanishing industry just as much as is the gold-mining industry. I mention that, not with any intention of forcing something on the House in that direction, or of impeding the passage of the Bill. I trust, however, that equal consideration will be given to the coal-mining industry in the course of time. People have spent hundreds of thousands of pounds in that industry and much more will be spent in the future. Every encouragement should be given to them. I support the second reading of the Bill, and I hope that Mr. Kirwan's forecast

regarding the development ahead of the gold-mining industry in this State will be realised. I congratulate the Government on the Bill, although, as I have indicated, there are some features of it with which I do not agree.

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

MOTION—TRAFFIC REGULATION, TO DISALLOW.

Debate resumed from 11th November on the following motion of Hon. H. Stewart—

That regulation 150, promulgated under the Traffic Act, 1919, as amended by the Amendment Act, 1922, published in the "Government Gazette" of the 5th September, 1924, and laid on the Table of the House on the 10th September, 1924, be and is hereby disallowed.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [9.33]: I have a long statement relating to the eventful history of this regulation. If I deal simply with the departmental explanation, it will be sufficient for the House. On the 25th May, 1921, Mr. George, the then Minister, directed that the metropolitan area should be exempted except so far as the regulation applied to motor lorries. Recently a further circular has been sent to the boards within the metropolitan area asking for definite information as to whether they consider the metropolitan area should be exempted or not. The result of this is that 12 have passed motions in favour of withdrawing the exemption and 8 against, thus leaving 3 indefinite. These are: the City Council, who are going to bring the matter up again at their meeting on the 24th November; South Perth, who, it is understood, are against the withdrawal of the exemption; the Cottesloe Council, who are further considering the matter. Therefore, if these three should decide against the withdrawal of the exemption, it would mean that 12 of the local authorities consider that the metropolitan area should not be exempted, while 11 would be in favour of the metropolitan area being exempted. For the reasons that all motor vehicles have to pay according to the weight carried, added to their power, also that all charges should be made uniform, it is now the intention of the Minister to withdraw the exemption, and a regulation to that effect is being submitted to Cabinet during the week for the Governor's approval. Under the proposed Traffic Act Amendment Bill which is now being dealt with, it is proposed to charge all vehicles on the basis of the weight carried, except light passenger vehicles, and then the whole of the regulations may be repealed.

Question put and passed.

BILL—STATE LOTTERIES.

Second Reading.

Debate resumed from 4th November.

Hon. T. MOORE (Central) [9.36]: I shall not detain the House for any length of time dealing with the Bill. It is necessary that I should point out my reasons for believing that the Bill is a necessity. Recently I had the opportunity of going over a large section of the State, and I can assure hon. members honestly that I did not meet one person who said he was against the Bill. I was surprised to find so much interest taken in the country districts regarding the fate of the measure. One can understand why this is so when it is considered that in the outback parts people are doing their best to keep their institutions together. They have to provide their local hospitals themselves, building them up and maintaining them with their own resources. Their position is not to be envied and, therefore, we need not be surprised that the country people are looking forward, as a result of the passing of the Bill, to securing some relief. They anticipate they will be able to get some money from the Government to assist in carrying on their hospitals and so provide better conditions for the people outback. In many centres they are struggling for the want of cash. They do their best, but they are never in a position to do what they desire. Little wonder therefore that from one end of the country to the other, wherever I have been, the people are very much in favour of the Bill. From time to time they have sought Government aid and it has not been forthcoming. In the city the people get more from the Government than it is possible for the country people to obtain. Here the Treasurer is at hand and the city representatives are able to get to the Premier before country members can have their requirements considered. Thus it is that too often country members, who have reasonable requests to make on behalf of their constituents outback are unable to secure the necessary financial assistance. It has been suggested that the Bill will provide the first step towards gambling. I do not know that hon. members really mean that.

Hon. E. H. Harris: I certainly do.

Hon. T. MOORE: As a matter of fact, the first step has already been established. Everywhere one goes one finds throughout the year, people besieging one with lottery tickets. This means of raising funds to assist institutions in need of financial aid has been established for a long time. I do not know how some of these institutions would have continued had money not been raised in this way. I pity the people who have to go out day and night endeavouring to sell lottery tickets. I have been given books of tickets with requests that I

should endeavour to sell them and provide some funds for organisations. I am not a good seller; I would sooner be a buyer. However, people are driven to these means to raise funds. I have been told that it is principally the same section of the community that buys tickets while other sections evade their responsibilities. While I have roamed around the world I have seen much of men and I have noticed the development of some from their boyhood days. It is said that this will be the first step towards gambling. I have watched some who have developed into gamblers. I have in mind two men. Their father was a salvationist and one of the finest characters in the district in which I was brought up. The men themselves were of a distinctly fine type. Up to the age of 21 or 22 years, when the father died, I am sure those two young fellows had never bought a ticket or gambled. They knew that their father did not approve of gambling and, as they were good boys, they did not do so. When they came to Western Australia and joined me—

Hon. J. J. Holmes: That accounts for it!

Hon. T. MOORE: I do not wish it to be inferred that they joined me in gambling. I do not profess to do much of it at all. When those two young fellows joined me in the industry with which I was connected they got in touch with gamblers and very soon I found that they had developed into two of the greatest gamblers that ever entered this State. Those men had not taken the first step before. There is something in the make-up of men that influences them regarding gambling and other excitements. If there is any gambling about, there is something in certain men that makes them seek it out, whether it be on the racecourse or elsewhere. They seek the excitement. There are, however, the great majority of men who are content to take tickets in lotteries now and then and expect no results. If people sincerely desire to suppress gambling, they should attack the racecourses. Dr. Saw referred to what a certain judge said when men came before him in court. I believe that the men who were presented before that judge and who claimed that they had got into difficulties as the result of gambling had, in 99 cases out of 100, been on racecourses. Hon. members are fully aware that men follow up horses and very often are beaten by narrow margins. Such talk can be heard in the streets every day. Week after week they follow certain horses, hoping to win the next time. If we are to take a stand against gambling, let us set about abolishing the racecourses. If the Bill becomes law and a State lottery is established, it will merely take the place of those already in existence. When I was in the country recently two men asked me to get them a couple of tickets in Tatter-

sell's sweep. I consider Tattersall's sweep is a poor investment, because for every 6s. that goes to Tasmania, 4s. only is returned amongst the investors, the other 2s. being eaten up by taxation. These men wanted a ticket, and I went in to get one. I was astounded at the rush of business being done by that firm. Not one table, but many, are set out so that each customer can sit down, write out his application for a ticket, and hand it in.

Hon. J. J. Holmes: Why don't the Government stop it?

Hon. T. MOORE: It goes on under the eyes of successive Governments. Yet we hear men talking about taking the first step! In every town of any size throughout the State are to be seen shops bearing the legend, "We communicate with Hobart."

Hon. A. J. H. Saw: If the Bill passes, you will see a rival legend, "We communicate with the W.A. Government."

Hon. T. MOORE: I realise that there is an enormous amount of money going out of the State to Tattersalls and to the Golden Casket, and that all these agents are being maintained by gambling.

Hon. A. J. H. Saw: And now you wish to put another Richmond in the field.

Hon. T. MOORE: Nothing of the sort. So far from the Bill representing a first step, I say it will do no more towards the development of the gambling instinct than would the addition of a new brand of whisky to the shelves of a public house increase drunkenness. On every hand, now, our young folks can gamble if they wish to. I only wish it were not so. But all our institutions are being carried on along those lines, and no fault found with the system; yet when we set out to do something that will materially assist to bring in money for charities, we are accused of encouraging gambling. If the buying of tickets in a lottery is to be regarded as the first step along the road to gambling, then the first step has been taken long ago.

Hon. A. Burvill: Now you want us to take the last step.

Hon. T. MOORE: I want to see something done that will provide a better way of collecting for our charities. I want to relieve an army of warm-hearted people from the necessity for selling buttons and flowers and tickets to people who do not want to buy. I want to see our hospitals and charities relieved by a share of the money that a very numerous section of our people will insist upon spending on gambling. We hear a lot about charitably disposed people. I have had a little experience in collecting for men who have been down and out, and for certain country institutions, but I have not met many charitably disposed people. Unfortunately it is necessary to offer some inducement

before one can get from the average man a contribution towards our charities. Of course a lottery ticket is only a ticket, offering practically no chance of a return; yet it is something to proffer as an inducement for a small subscription. The city has certain rich men who, perhaps, are prepared to spare something substantial for charities. However, in the country districts we have not those rich people, and so we must look to organised effort to maintain our institutions. Again, in the streets of Perth we have the horrible spectacle of an army of ladies trying to collect money for various charities.

Hon. J. J. Holmes: That will go on, even if we pass the Bill.

Hon. T. MOORE: Not to the same extent.

Hon. J. J. Holmes: Yes. The bulk of the lottery money will go in prizes, not to the charities.

Hon. T. MOORE: It is an appalling sight to see women begging in the streets in order to carry on our institutions.

Hon. J. J. Holmes: Will it not be more appalling to think that we are encouraging gambling to the same end?

Hon. T. MOORE: These good ladies are exposed to a great deal of brusqueness, not to say rudeness, and about the most they can hope to get from any one person is a shilling. And these collections occur almost weekly.

Hon. J. J. Holmes: The girls enjoy the experience.

Hon. T. MOORE: I do not believe it. They go out as a matter of duty and they see the thing through. I have noticed many men pass them and refuse to contribute.

Hon. H. A. Stephenson: They are not sports.

Hon. T. MOORE: We get a little money by begging on the streets, but we get no big money, such as would be derived from a State lottery. I want to see Tattersalls run off the field.

Hon. J. J. Holmes: Well, make it illegal to sell tickets.

Hon. T. MOORE: It has been suggested that gamblers are all undesirables. I venture to say that those who go out to the racecourse at Christmas will find there as fine a body of people as is to be seen at any other holiday resort. There are also to be found there the bookmakers, an honourable body of men. They have certain strict conditions to live up to. Each knows that if he does not do the right thing he will not be allowed to bet again. When we consider the thousands of pounds passing through their hands each week-end without a receipt of any sort, with nothing but a nod of the head, and when we remember how seldom it is that any of them has to "take the knock," we realise that they are men of integrity. I see nothing wrong with those men.

Hon. A. J. H. Saw: A few minutes ago you wanted them abolished.

Hon. T. MOORE: No. What I said was that those who wished to attack this evil, if they consider it an evil, should start on the betting. I did not say that I personally favoured doing that, for now and again I like a bit of sport myself. Then there is another body, the Ugly Men's Association, embracing numbers of men who are not ashamed to admit that they are gamblers. Many of them have given more to charities in this State than have those who are making a lot of noise about the Bill. Some of the Ugly Men have given hundreds where opponents of the Bill have given half-crowns.

Hon. J. M. Macfarlane: They can afford to

Hon. T. MOORE: It is a question, not of being able to afford it, but of having an innate generosity. These men have done a very great deal for charity, and largely they have done it by lotteries and similar methods. The people of the State as a whole are in favour of the Bill. I have travelled far during the last month or so, and I can confidently say that the people in the country believe that nobody here will stand up against the Bill. They are looking forward to getting from the State lotteries money for the hospitals.

Hon. J. J. Holmes: What is the matter with an honest tax?

Hon. T. MOORE: They do not want any more taxes. They believe they are sufficiently taxed already.

Hon. A. Lovekin: They want to see the waste money used.

Hon. T. MOORE: They are looking forward to the passing of the Bill and the coming of the resultant lotteries. In the South-West there is room for a number of hospitals and similar institutions. But there is not much chance to provide them unless the Bill be passed. It does not matter so much in Perth, where the Government subsidise the hospitals. Still it is not fair that metropolitan members, who get practically all they want, should oppose the Bill that means so much to every hospital in the country. If those members were driven to sore straits in their efforts to provide for charities, they might think differently. On the other hand, if for a moment I thought the introduction of State lotteries would add one gambler to the numbers already here, I would not support the Bill.

Hon. A. J. H. Saw: I thought you said gamblers were such fine fellows?

Hon. T. MOORE: I do not want any mother to think that I had induced her boy along the road to gambling. However, the Bill cannot have that effect, because any boy who wishes to gamble has every inducement held out to him as it is. I appeal to members to consider how hard it is at times to continue battling for the maintenance of hospitals and similar institutions in the

country. Some sections of the community do a great deal in their own way. In the timber country down south the industries shoulder the whole of the burden, paying 5s. or 6s. per month towards the maintenance of hospitals. They are in a position to do so and they do it willingly, but they need more. They have not only to look after their own people, but provision has to be made for many people who go into their midst and are not in a position to pay. The Government may give them a subsidy of £50 or £100 a year. The country people try hard to maintain their hospitals; they are not loafers on the job, but they are looking for relief and support from this Bill. They do not see any harm in the introduction of a lottery run by the State, because they know it will be conducted in a manner fair and above board and with the object of doing away with the numerous calls now made upon them.

Hon. J. M. MACFARLANE (Metropolitan) [10.1]: When this Bill was distributed I felt it was a measure upon which I could support the Government. While being moderate in all my dissipations, I am perhaps more moderate in regard to gambling than other things. I have no bias against the Bill, and would be prepared to support it were all the conditions favourable. I recognise that the Government are in a difficult position to finance the institutions that the Bill is designed to benefit. They do not desire to impose extra taxation on industry, but as there is a lot of loose money leaving the State for investment in Tattersall's and in the Golden Casket, they rightly argue that some of it should be diverted to a local lottery and the profits used to support our own institutions. If the lottery would produce the money contemplated by the Government, it would certainly alleviate the existing position considerably. Let us consider the ability of such a lottery to produce an adequate sum. We would still have Tattersall's and the Golden Casket as counter-attractions. I think Mr. Moore is over-sanguine when he says the money now sent to Tattersall's would be diverted to the State lottery.

Hon. E. H. Gray: The State lottery would be cheaper.

Hon. J. M. MACFARLANE: Tattersall's has been established for so many years and has such a high reputation for being fairly conducted that the money is not likely to be diverted to a State lottery. It might be diverted from the Golden Casket, which is not so well known and which was recently in some disrepute. Still, I do not think that the Government would secure such a sum as was suggested by the Minister. I agree with Mr. Moore when he said that the people as a whole are favourable to the conduct of a State lottery, but they want it to be the sole lottery. They do not

want a continuance of the numerous art unions at present permitted.

Hon. J. R. Brown: The Minister has said it will be so.

Hon. J. M. MACFARLANE: The Minister has not said anything of the sort. When I asked if he would guarantee that the hundred and one different art unions and forms of mendicacy now permitted would be abolished, he was manly enough to say he could not promise it. On that ground alone he is going to lose my vote, because I shall not be a party to thrusting another art union on the people of this State. I did wish to support the Bill in order to reduce a good deal of the minor gambling now permitted and bring it under control. I was favourable to having a State lottery in which the people would have confidence. If the other lotteries were abolished, the Government would have some chance of obtaining the revenue they require. Failing that, the money required would not be raised and the lottery would be a failure. There are many other forms of gambling that I abhor much more than a State lottery or a sweep. Let me instance the disposal of motor cars by lottery, an illegal practice that has received the sanction of Government after Government.

Hon. E. H. Gray: If this Bill is passed, that will be stopped.

Hon. J. M. MACFARLANE: I have no assurance that it will be.

Hon. E. H. Gray: The Minister has said so.

Hon. J. J. Holmes: The Minister will tell us what he has to say.

Hon. E. H. Gray: The Minister says he is going to stop it.

Hon. J. M. MACFARLANE: It has been said that the State lottery would be the first step in gambling for many young people. From what I have heard of the White City on the Esplanade, I believe that is more of a school of gambling than would be the mere purchasing of a ticket in a State lottery. I am told the conditions there are a public scandal. A big profit is being made, and the concern is being carried on with the knowledge and sanction of the Government. If such forms of gambling are not abolished, members can understand why a man holding the views I do cannot support this Bill. I consider that street betting, the gambling at White City and on the racecourses are a good deal worse than a State lottery would be. I agree with Mr. Moore that racecourses produces many criminals. Numerous men have landed in the Fremantle Gaol because of their operations on the racecourse. I need only refer to the Savings Bank boys who owned a racehorse. I do not see how the Government, by establishing a State lottery here, could prevent money from going out of the State to other lotteries. Mr. Peet, land agent, recently spent ten days in

Brisbane, whence he has just returned. To-day he rang me up and asked my views on this Bill. I told him I was prepared to support it under certain conditions. He replied, "If you had spent ten days in Brisbane, as I and my wife have done, you would turn it down unless provision were made to abolish other forms of gambling. I went into one of the most important establishments in Brisbane and found on each side of the door a man touting passers-by to purchase tickets, telling them, 'Here is the winning ticket in the Golden Casket.' There is no chance of going about Brisbane without experiencing frequent interruptions from these touts." If the Bill does pass its second reading, I should like provision made to prohibit other forms of gambling and also to prevent the sale of Government lottery tickets in the streets.

Hon. E. H. Gray: We are all in favour of that.

Hon. J. J. Holmes: What is the good of putting it in the Bill; it is provided for already.

Hon. A. J. H. Saw: Do not put it in the Bill; put the Bill out.

Hon. J. M. MACFARLANE: During the last year or two every member must have received books or art union tickets from Queensland, thus showing that though Queensland has a Government lottery, other forms of art unions are still permitted. The White City on our Esplanade is a disgrace, involving as it does the child life of the city. It is a school of instruction in gambling.

Hon. J. R. Brown: If you get an assurance that it will be abolished, will you support the second reading?

Hon. J. M. MACFARLANE: The Minister has said distinctly that he cannot give a guarantee that other forms of gambling will be abolished, and therefore I shall oppose the second reading of the Bill.

Hon. J. CORNELL (South) [10.12]: How to cast a vote on the second reading has exercised the minds of many members. Anyone who has known me for any length of time would not accuse me of being a waverer or of having waverish tendencies. I have played almost every game of dice, cards, and pennies: I have been a punter since early boyhood. What concerns me is that our hospitals and charitable institutions are in a bad way through lack of funds. An effort was made by the Mitchell Government to impose a hospitals tax, but the Bill was strenuously opposed in another place by members who now occupy the Treasury benches. They claimed that the incidence of the tax was not fair.

Hon. E. H. Harris: That is all that was wrong with the Bill.

Hon. J. CORNELL: Mr. Moore said he has met no one who is opposed to the Bill. I have moved about a good deal. One might

as well search for ice in hell as find anyone who cares a jot whether this Bill is passed or not. I have not met any men who has asked me how the Lotteries Bill will go. The financial position of our hospitals and charitable institutions was well known at the last general elections. Not one of the present occupants of the Treasury bench referred to relieving that position by means of lotteries.

Hon. J. R. Brown: The matter was not mooted then.

Hon. J. CORNELL: The new party in power recognise the necessity for financing these institutions. They have now put forward a system of chance as opposed to what I consider to be a system of certainty. Am I to cast my vote for an uncertainty, or throw upon the Government the onus of finding the necessary funds by direct means? The time has arrived when the people have to be asked plainly and definitely if they are prepared to shoulder the burden of these institutions, rather than leave their welfare in doubt. The only certain way of accomplishing the desired end is to levy a tax on the community for their upkeep. I am not concerned as to whether this Bill will do away with gambling or not. Gambling is with us. I am certain, however, that the introduction of State lotteries will not decrease gambling. If it does decrease it, it will not bring in the amount of money that is estimated. We have to face the position foursquare, and levy a tax to improve the financial position of our institutions. Because the Bill does not do this, I will vote against the second reading. I shall still hope that the Government will introduce taxation this session in order to finance these institutions and provide for their future welfare.

Hon. E. H. GRAY: I move—

That the debate be adjourned.

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

Ayes	10
Noes	16

Majority against .. 6

AYES.

Hon. J. R. Brown	Hon. J. W. Hickey
Hon. J. Cornell	Hon. J. W. Kirwan
Hon. J. M. Drew	Hon. W. H. Kitson
Hon. J. Ewing	Hon. A. Lovekin
Hon. E. H. Gray	Hon. T. Moore

(Teller.)

NOES.

Hon. A. Burvill	Hon. G. Potter
Hon. J. Duffell	Hon. E. Ross
Hon. V. Hamersley	Hon. A. J. H. Saw
Hon. E. H. Harris	Hon. H. Seddon
Hon. J. J. Holmes	Hon. H. A. Stephenson
Hon. J. M. Macfarlane	Hon. H. Stewart
Hon. G. W. Miles	Hon. H. J. Yelland
Hon. J. Nicholson	Hon. J. A. Greig

(Teller.)

Motion thus negatived.

Hon. E. H. GRAY (West) [9.24]: I moved the adjournment of the debate for I wanted to prepare a few notes. This is not a Bill upon which anyone should give a silent vote. I am sorry the motion was not agreed to.

Hon. J. Duffell: That is a poor excuse.

Hon. E. H. GRAY: If the hon. member did as much work as I do, he would not make a remark like that.

Hon. J. Duffell: Sticky-beaking and that sort of thing. We know all about it.

Hon. E. H. GRAY: To what does the hon. member refer?

Hon. J. Duffell: We know.

Hon. E. H. GRAY: The hon. member should withdraw that remark.

The PRESIDENT: I did not hear what he said.

Hon. E. H. GRAY: He referred to me as a sticky-beak.

The PRESIDENT: I am sure the hon. member would not say anything disrespectful of you.

Hon. E. H. GRAY: I ask you to request him to withdraw the remark. It was highly improper.

The PRESIDENT: What did he say?

Hon. E. H. GRAY: He called me a sticky-beak.

The PRESIDENT: That is highly disorderly. I ask the hon. member to withdraw it.

Hon. J. Duffell: He is not a sticky-beak. I withdraw it.

Hon. E. H. GRAY: The hon. member should withdraw it unreservedly.

Hon. T. Moore: Be a man.

Hon. J. Duffell: I withdraw it.

Hon. E. H. GRAY: I am not used to that kind of interjection, or to being referred to in that way. I support the second reading of the Bill, because I think the measure is necessary. No one can say it is justified from the ethical point of view, but we have to face matters as they are. We have been inundated with letters from various societies. If all that energy had been directed into proper channels, such as the suppression of gambling, a lot of good work might have been accomplished. I hope to see the day when gambling and lotteries for charitable purposes will be abolished. When the Labour Party are able to change society—

Hon. J. M. Macfarlane: There will be no hospitals or charitable institutions.

Hon. A. J. H. Saw: And everything will be run on lotteries.

Hon. E. H. GRAY: And we reach our objective, the country will no longer be in this deplorable condition. We know the state of our hospitals in the country. The workers tax themselves every pay day in order to maintain them, but the hospitals to which they subscribe are a disgrace to

the country. When we reach our objective all that sort of thing will be abolished. Our present system is used to gambling. We look forward to the time when a Bill of this nature will not be required. I am surprised to see all these organisations passing resolutions when in their midst gambling is allowed to go on in the people's food supplies, and there is corruption in our industries, and the markets of the world are rigged in order to increase profits, while the people starve. Gambling in our foodstuffs is a more serious thing than a little excitement by means of a lottery ticket. I can give an unbiassed opinion upon gambling. I was surprised to hear Mr. Stephenson's remarks. Although I occasionally visit the racecourse, the races bore me to death. I went to a racecourse the other day with Mr. Brown.

Hon. J. J. Holmes: No wonder you were being bored.

Hon. E. H. GRAY: I am afraid I was a worry to Mr. Brown, for I could not keep myself amused. I cannot understand any member who is interested in horse-racing opposing this Bill. Of course horse racing is a great and noble sport, but there is a tremendous army of questionable characters following in its wake. The punter who bets on horse-races is systematically robbed by people who live on the game. I would not support the Bill if I thought the present art unions, sweeps and so forth were to be allowed to continue. The present system means great economic waste.

Hon. A. J. H. Saw: If they are not to be abolished, you will vote against the Bill?

Hon. E. H. GRAY: I have the assurance of the Honorary Minister that every endeavour will be made to stop these sweeps and art unions. The Government can refuse to permit them to continue.

Hon. G. W. Miles: Why don't they do it?

Hon. E. H. GRAY: The Minister who piloted this Bill through the Assembly said that these concerns would be stopped.

Hon. A. J. H. Saw: So this is the millennium!

Hon. E. H. GRAY: On that ground alone, the Lotteries Bill is justified.

Hon. A. J. H. Saw: Then you do not accept the assurance of your own Premier who said they would be continued.

Hon. E. H. GRAY: But the Honorary Minister said that every endeavour would be made to put a stop to them.

Hon. H. A. Stephenson: Is there any Government who would refuse permission to the Ugly Men's Association?

Hon. E. H. GRAY: I cannot understand Mr. Macfarlane's attitude. I have enough faith in civil servants to believe that we can run sweeps as well as Adams.

Hon. J. M. Macfarlane: I did not say we could not do so. My argument was

that if you have all these others nibbling at it, you will not secure the results from the lottery that the Government anticipate.

Hon. E. H. GRAY: The hon. member should accept the statement made by the Honorary Minister and I believe the Leader of the House when he replies, will endorse what I have said. My experience has been the same as that of Mr. Moore: the man and the woman in the street require the passing of the Bill. The various societies that have condemned the Bill have every right to express their opinions but I am firmly convinced that the Bill is desired by the great majority of the people. Every man and woman who earns wages wastes pocket money in one way or another.

Hon. J. J. Holmes: You want to encourage that!

Hon. A. J. H. Saw: You want to give them another little chance!

Hon. E. H. GRAY: There is a certain amount of pleasure to be derived from investment in sweeps. Occasionally I have taken a ticket in Tattersall's sweeps and I have drawn a prize, too. I do not consider it is evil, nor do I think the Bill will increase gambling. It will direct money along proper channels, and the people will have a fair run for their investments. I do not think it will be suggested that every sweep in our midst has been properly run; I believe the evidence is to the contrary. That is another reason why I support the Bill.

[The Deputy President took the Chair.]

Hon. A. LOVEKIN (Metropolitan) [10.36]: I do not think I should cast a vote on the second reading of the Bill without saying something to justify the course I am about to take. I know that even my enemies will not accuse me of being in favour of gambling. I do not invest in Tattersall's sweeps, nor do I go to races or the trots.

Hon. H. A. Stephenson: I thought you owned a racehorse.

Hon. A. LOVEKIN: That was many years ago. I learnt that horse-racing was not straight and gave it up. In common with other members, I frequently receive books of tickets with requests that I shall sell them. I am not disposed at any time to go round selling lottery or sweep tickets and I generally forward the cash and throw the book of tickets into the waste-paper basket. I will support the Bill because I like to be practical.

Hon. J. J. Holmes: I suppose you want to amend the Bill in Committee!

Hon. A. LOVEKIN: As a practical man I know that we are overtaxed and therefore it is inadvisable to add to our income tax any further impost for hospital taxes or other purposes.

Hon. G. W. Miles: What about a stamp tax?

Hon. A. LOVEKIN: If that is better than a hospital tax, let us have it; but that is not the point at present. We are overloaded with taxation and we should not add to it. We know that our hospitals and other institutions are badly in need of funds in order that they may look after the sick, who are ever the responsibility of the State as a whole. They must be properly attended to.

Hon. A. J. H. Saw: You mean that the more money you take out of the pockets of the workers, the more there will be for the hospitals.

Hon. A. LOVEKIN: I want to reason this matter out. Again, we know that there is a lot of waste going on. Large sums of money are invested in lotteries, in Tattersall's sweeps, in Calcutta sweeps, in Dutch lotteries, in Golden Caskets and so on. All these mean that money that should be utilised in this State is being wasted and being transferred elsewhere. It seems to me that if we can stop the waste of money; if we can divert even the waste of money that goes out of the State we should do so and use it here for the benefit of our own people.

Hon. V. Hamersley: Keep the cash in the State.

Hon. E. H. Harris: How do you propose to stop it going out of the State?

Hon. A. LOVEKIN: By adopting some means that will induce the slow this way, instead of permitting it to go the other way.

Hon. A. J. H. Saw: A sort of better 'ole.

Hon. A. LOVEKIN: The hon. member is always in favour of a better 'ole, and so am I. There is no sentiment about it with me. There is the practical position to be faced, and I desire to face it. It is not that I am in favour of gambling, but simply that I wish to see some beneficial use made of this waste money, just as it is the general desire to-day to make some use of the overflow at Mundaring Weir, which at present is being wasted.

Hon. G. W. Miles: What about the influence on the rising generation of your voting for the Bill?

Hon. A. LOVEKIN: It makes no difference to the rising generation whether I vote for the Bill or not; because to vote against it is only to allow things to go on as they are going. By voting for this measure I improve the position from my viewpoint. I would have but one lottery, and that run fairly and at the instance of the State.

Hon. J. M. Macfarlane: Will the Bill do it?

Hon. A. LOVEKIN: Does any Bill ever do what we all want it to do? Is it not our privilege that, when we have a Bill that does not meet what we think it ought to, we amend it if we can get a majority.

Hon. J. M. Macfarlane: If the Bill does not do it, how can you raise the revenue required?

Hon. A. LOVEKIN: I am hoping that when the Bill is in Committee the good sense of members will so amend it as to tighten up the Criminal Code, which is not effective in stopping lotteries, because it penalises only the seller of a ticket, whereas it should penalise both the seller and the buyer. We have the right to do that, and also to stop those abominable street collections that are going on almost every day in the week. Through the Bill we can tighten up the existing law, we can limit lotteries to one Government lottery, and we can make the inducements to enter it so much better than the inducements offered by lotteries elsewhere that the flow of money will come this way, instead of going to Holland, to Calcutta, to Germany or to other places.

Hon. J. J. Holmes: What is the use of wasting time if you have not one supporter for your proposal?

Hon. A. LOVEKIN: I am surprised to learn that there is in the House not one supporter of the proposed tightening up of the Criminal Code and the stopping of these abominable street collections, when members are talking about the awfulness of gambling and the buying of a lottery ticket. Does Mr. Holmes really mean that, on the other hand, members generally are prepared to say, "Go on selling your tickets in lotteries being run in Germany, Calcutta, Holland and other foreign countries, but we object to a State-controlled lottery of our own." I suggest that, to begin with, we tighten up the Criminal Code.

Hon. G. W. Miles: You cannot do that on this Bill.

Hon. A. LOVEKIN: Can we not insert amendments in the Bill? We are told there is a majority against the Bill. Hon. members will vote against the Bill, not on the grounds of reason, but on the grounds of sentiment and prejudice, just as Mr. Stephenson will be voting against it. I cannot see the consistency of the hon. member in doing as he does and then holding up his hands in holy horror about some small lottery. In my opinion the amount to be derived from the proposed lottery will not equal the expectations of the Minister. However, he may have better sources of information than have I. Personally I would prefer another form of lottery, the form I put up to the House on the 11th October, 1921, a premium bonds lottery. In France such lotteries are held continually, almost daily, in some principle towns.

Hon. G. W. Miles: They are more in the nature of an investment.

Hon. A. LOVEKIN: Yes. Under this Bill you gamble for your principle—you stake it on a chance, and the money has

gone. But under the continental system a good many towns have been built up on what is known as the premium or tontine bonds system.

Hon. V. Hamersley: We could get that under the Bill?

Hon. A. LOVEKIN: Yes, by striking out the Government's clauses and inserting clauses providing for a premium bond scheme. I put up that scheme to the House in October, 1921, in the interests of the Children's Hospital. My exposition of the scheme is reported on page 1123 of "Hansard" of 1921-22 as follows:—

The proceeds will be applied to the purchase of Australian (Federal and State) Government bonds only, which carry interest as near to 6 per cent. as is possible. The interest received will be appropriated as follows:—(a) As to 50 per cent. thereof to making provision for the payment of bonuses to members; (b) as to the remaining 50 per cent., less the expenses, to the making of a grant to the Children's Hospital, Perth. To avoid payment of interest to members in small sums, the amounts accruing from interest payable on the bonds purchased with members' capital will be consolidated and divided in manner hereinafter mentioned by way of consolidated interest.

Hon. A. J. H. Saw: Are they lotteries?

Hon. A. LOVEKIN: Yes, premium bond lotteries. However, I would not call them lotteries.

Hon. A. J. H. Saw: Then how on earth can you put them into the State Lotteries Bill? They do not even come within the Title.

Hon. A. LOVEKIN: The hon. member has been in the House long enough to know that it could quite easily be inserted in the Bill and if the title was not in accord with the ultimate contents of the Bill, we could alter the title.

Hon. A. J. H. Saw: It would be ruled out of order.

Hon. A. LOVEKIN: The hon. member might be able to teach me some things, but he cannot teach me much on these lines, because I know when a Bill can be amended and when it cannot.

Hon. A. J. H. Saw: Bills have been thrown out before in those circumstances.

Hon. A. LOVEKIN: That is beside the question. I desire to be really consistent. While I am in favour of drawing for one's interest on capital, I must vote for a Bill which provides for the drawing of the principal money also. I wish to emphasise that we should do something to stop the enormous drain of money from this State. Year by year we are losing, not thousands or tens of thousands, but hundreds of thousands of pounds. Legislation will not prevent a man from sending his money to Calcutta or Holland. The only way is to offer better inducements

locally, so that people will be content to have their money and their drawings here rather than elsewhere.

Hon. J. J. Holmes: The greater the prize offered, the less there would be for charity.

Hon. A. LOVEKIN: Not necessarily. Under this Bill only a certain percentage, probably not more than a half, would go to charities. In Tattersall's sweeps, an enormous amount is deducted for expenses. One has only to put in £1 three times and the whole lot is mopped up for expenses.

Hon. J. J. Holmes: Could not this lottery be run cheaper than is Tattersall's?

Hon. G. W. Miles: Are you in favour of State trading concerns?

Hon. A. LOVEKIN: This is not a State trading concern. The Government ought to be able to run a lottery as cheaply as can Tattersalls, but the Government will not require to make the personal profit that Tattersall's make.

Hon. A. Burvill: If you do not make the profit, how will you support the hospitals?

Hon. A. LOVEKIN: Whether the Bill be carried or not, I ask members to consider what steps they will take to prevent the present enormous drain of money from this State for investment in sweeps and lotteries elsewhere.

Hon. G. W. MILES (North) [10.53]: I oppose the Bill and I am surprised at some of the arguments advanced for and against it. I agree with Mr. Gray regarding the argument of Mr. Stephenson. He is opposing the Bill and yet he stands up here and advocates another form of gambling. I am opposed to all forms of gambling, and particularly to betting on horse-racing. If a stamp tax were imposed, the wage-earners in the timber areas and on the goldfields would not have to pay so much for the maintenance of their hospitals, and everybody would contribute something. If we charged 1d. in the pound on all receipts, wages included, the 5d. or 6d. a week would not be missed by the worker. The same tax could be extended to every transaction, and if this were done it would be possible to reduce the income tax, and all sections of the community would make a fair contribution towards the maintenance of hospitals and other institutions.

Hon. A. Lovekin: A penny in the pound on wages would mean three quarters of a million a year.

Hon. G. W. MILES: Yes; it would enable us to abolish the income tax altogether, and we should obtain revenue from firms trading here, showing their profits as being made in the Eastern States and at present paying nothing to the State revenue. The principle of this Bill is wrong. If we pass it, we shall be legalising gambling. The Government have allowed the Police De-

partment to issue 700 or 800 licenses for art unions, etc. If the present Government do not put a stop to that, they should be ousted from office.

Hon. A. Lovekin: Let us have a wowsier Government.

Hon. G. W. MILES: That would be preferable to the methods adopted to-day. It is impossible to go down the street without being stuck up at every corner to give a contribution or purchase a ticket. Such methods of raising money should be abolished, and the law of the land is sufficient to abolish them.

Hon. T. Moore: You will have to substitute something before you abolish those methods.

Hon. G. W. MILES: I have suggested a stamp tax. That would not cost anything to collect. We could do away with the Taxation Department, and the only cost entailed would be for the printing of stamps. Under such a scheme the whole of the people would be paying taxation, and we would not have Mr. Holmes telling us that he represents the only people paying taxes. If the worker deprived himself of one beer a week, it would pay his share. The workers at present are paying up to 1s. a week, and under my scheme they would not have to pay more than 6d. Bookmakers should be abolished, and so should some of the horse owners. A few years ago I met a bookmaker in the Terrace; he was talking to some of my weakling friends. I said, "Are these some of your lambs?" He replied, "No, they are my working wethers." A few weeks afterwards we were down the Great Southern noting the enormous development in the flocks. Some of the fleeces, we were told, were cutting 21s. worth of wool a year. I remarked, "That is nothing to the St. George's-terrace flock of wethers. The bookmakers cut 21s. worth of wool off them every week." The fools of the community are buying diamonds for the bookies' wives. Yet one member here says he is opposed to gambling, but he upholds bookmakers, jockeys, etc.

Hon. H. A. Stephenson: What about poker players?

Hon. G. W. MILES: Recently we read of a turf scandal in Melbourne. It is only once in a few years that such scandals are brought to light. Let the Government enforce the law and abolish gambling. If they imposed a stamp tax as I have suggested they would get sufficient money for all requirements.

Hon. G. POTTER (Metropolitan-Suburban) [11.01]: I do not think it is the intention to establish a Government poker school. I believe the Minister is actuated only by the highest motives in bringing down this Bill. One can visualise him as being inundated from all parts of the country with

requests for financial assistance to many isolated places that dispense charity and hospital treatment to the citizens who are most in need of it. When the Minister finds that owing to empty coffers he cannot accede to these requests, I can understand him looking around to see where he can get the money, and get it quickly. Mr. Willmott brought forward a fine suggestion that the Government should, coincidentally and concurrently with the operation of this Bill, say for the first five years, lay the foundation of a system of premium bonds. To use a conversation one may have had with a Minister of the Crown may be somewhat out of place in this House, but I have Mr. Munsie's permission to repeat it here. When he and I were returning from the opening of a Child Welfare Association in Fremantle we talked of this measure, and of Mr. Willmott's suggestion. Mr. Munsie said it was an excellent idea, that it appealed to him, and that it was one to which he intended giving most serious consideration. I agree it would be a wise thing if the Government concurrently with this Bill were to lay the foundations of the premium bond system. The Minister would have the support of the people of this State if he did so. He is faced with the necessity of finding money quickly. A certain period would have to elapse were he to depend on the premium bond system in its entirety. I do not blame him for introducing this Bill. Together with Mr. Miles I am opposed to gambling. I believe it will never get the community anywhere that is good for them. I do not think that the purchase of a lottery ticket will ever induce anyone to become a gambler, nor do I believe it would be easy to sell such a ticket to a gambler. The gambler likes the heat and excitement of the tote. That is where he goes, or to some poker school. In such places a gambler has all the environment and foetid atmosphere that he wants in his desire to gain quickly something for a very small outlay. This is not the man to whom one can optimistically go with the object of selling a lottery ticket. Most people to whom one goes for such a purpose say, "What is it for?" not "How much shall I get for it?"

Hon. E. H. Harris: They generally ask how much the first prize is.

Hon. G. POTTER: I have not been asked that.

Hon. E. H. Harris: Have you ever sold tickets?

Hon. G. POTTER: I have a book in my possession for a family of seven fatherless children. The price of the book is £1, and it is untouched.

Hon. G. W. Miles: Have the police granted permission for those tickets to be sold?

Hon. G. POTTER: Yes. If anyone can say this is wrong, when seven little orphans are in question, then have to look some-

where else for Christianity. I do not say that the institution of Government sweeps will point the way to some Utopia. I believe it is for the betterment of some of our institutions, and is the best means to adopt until some better method can be found. We are now told that this will encourage young people to gamble. I understand that if the Bill becomes law it will be provided that tickets will no longer be sold at every street corner and in every shop, but that they will be sold under such conditions that children will not be allowed to trade in them. If this Bill reaches the Committee stage no doubt it will be amended in that direction. People who say that the Bill will lay the foundation of gambling in our young people are looking at it from the wrong perspective. We have only to go to our workshops and our wholesale and retail places, or travel in the train with our juvenile workers, to find that the young people can quote the latest odds of the next sports meeting. They understand all about the meaning of six to four against, for they have read of these things in the paper.

Hon. G. W. Miles: The publication of that sort of stuff should be prohibited.

Hon. G. POTTER: I would not object to such prohibition.

The Honorary Minister: One paper that tried it went bankrupt.

Hon. G. POTTER: The children of to-day go down Hay-street, and have every opportunity of purchasing lottery tickets. If this Bill is amended there will be no danger of young people being allowed to traffic in these things. I hope the Leader of the House will give us an assurance that if this Bill becomes law no sweeps of any description will be allowed unless they are for charitable purposes. Certain organisations at present conduct art unions to provide prizes for sports. That is wrong in principle. I support the Bill in the first place to assist the Minister in procuring the necessary funds to carry on our hospitals, and also because I think it will have some effect in clearing the streets of the various gambling activities that now go on.

Hon. E. H. Harris: Are you not opposed to State trading?

Hon. G. POTTER: Of course, but surely the hon. member will not put State trading in the balance against the cause of sweet charity. Plenty of people will buy a ticket in a lottery for the upkeep of a hospital who would not buy a ticket in Tattersalls. I can only follow the good advice and example of the eminent cleric who said the other day, "We have enough sins in our midst, fancied and otherwise; do not let us create others." I support the second reading of the Bill.

On motion by the Colonial Secretary, debate adjourned.

House adjourned at 11.8 p.m.