

of him. Later he said to me, "I want to have a talk with you." Somewhere about 12 o'clock, before leaving for home, I said to him, "If you want to see me, what's it all about?" He said, "I am coming down to the farm to see you." I tried to put him off, but sure enough he came. He did not succeed in selling me a block of land, but he produced books containing the names of every prominent man in that district, and assured me they all had bought from him blocks of land at North Beach. I did not buy a block, for the reason that I had already bought one at a lower price than he was asking, and so I was not going to have another at an enhanced price. However, this man followed me everywhere. One day I went to the railway siding. The train had just come in, and I saw this man handing out schnappers to all and sundry. I said, "I may be able to beat a land shark, but when he has a sea shark to assist him, I had better get out." The man who had brought him out to my farm to see me was the most substantial agent in the district. Apparently they were both implicated in the business.

Mr. Clydesdale: Did this fellow give the bank manager any schnapper?

Mr. LINDSAY: He may have done. I saw a number of prominent local residents to whom he had given schnapper. Later I decided to come to Perth. That man followed me to Goomalling in a motor car, where he left the car and got into a train with me and tried his best to get me to take a block of land. Subsequently there was some trouble about it in the "Sunday Times," and a case was taken to court. When the case was being heard, two hard-headed farmers of my district decided to come down and assist in getting a conviction. On their return I said, "How did you get on? Did you sign the paper saying you were dissatisfied?" They said, "No. We signed another saying we were satisfied. You see, he took us down to the Ocean Beach hotel and drove us about everywhere in a motor car. We had a bottle of champagne with him, and so in the end we reckoned the time we had had was worth it."

Mr. Davy: Which of them should have been punished? The crook agent or those farmers?

Mr. LINDSAY: After being in that man's company for some time, I realised that he was a menace to everybody. It was no trouble to him to persuade people to buy something they did not want. Then there

was another case. A man used to drive up to a farm in a motor car, get out, take off his motoring cap, put on a helmet, hook a walking-stick across his arm, walk up to the door, knock, get his foot inside, and then he could not be got out until the farmer had bought shares from him.

Mr. Clydesdale: What about lady canvassers?

Mr. LINDSAY: They do not come through my district. I agree that the Bill is necessary, and I agree with the member for Perth that if we deprive these land agents of their occupation they will certainly take up something else in the confidence trick line. All they are doing is to get into the confidence of people in order to sell them blocks of land. I agree with the member for West Perth that the Bill should be referred to a select committee. I do not believe the select committee will deal with the Bill in the way the member for Coolgardie dealt with his Bill, for there is something in this one. I should certainly like to see steps taken to check those people who go around a district making misrepresentations to induce people to buy land or shares or other things.

On motion by Mr. North, debate adjourned.

House adjourned at 8.27 p.m.

Legislative Council.

Tuesday, 2nd October, 1928.

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

BILL—KULJA EASTWARD RAILWAY.

Read a third time and *passed*.

BILL—ABATTOIRS ACT AMENDMENT.*Second Reading.*

Debate resumed from 27th September.

HON. J. J. HOLMES (North) [4.34]:

This would appear to be quite a simple little Bill, but when one comes to look into the matter it seems to me to be an extension of a State trading concern, and to be creating another Government monopoly to go therewith. In Clause 4 it is proposed to amend Section 6 of the principal Act to enable stock to be slaughtered outside the Government abattoirs. The Minister explained that the idea was to encourage the raising of pigs for bacon and to allow those engaged in that industry to slaughter the pigs when and where they liked, subject to the consent of the Minister. I do not mind that. But provision must be made that those pigs, when slaughtered, shall be passed by a Government inspector before the carcasses are allowed to go into consumption. No other animals carry diseases as pigs do. I have seen in Eastern States abattoirs hundreds of carcasses of pork scarified with slashes and having kerosene poured over them prior to burning. If the Minister wishes pigs to be killed at other than the abattoirs, provision must be made for the carcasses to be branded by Government inspectors before those carcasses are passed into consumption; otherwise any pig with any element of disease about it will never be found in the Government abattoirs, but will be slaughtered elsewhere and the carcass will drift into consumption.

Hon. F. H. Harris: You say they will be killed in private yards instead of at the Government abattoirs?

Hon. J. J. HOLMES: Yes. I do not mind their being killed in private yards, but the carcasses before being put into market for consumption must be passed by an inspector. Another point is this: It is proposed to prohibit the sale of all stock except milch cows, horses and stud stock, in the metropolitan area except in a Government sale yard. I understand provision will be made for a man who, owning a farm in this area, wants to have a clearing sale. He will be able to get a permit from the Minister, but otherwise all stock except those specially exempted must be sold at a Government sale yard. The Government at present hold a monopoly in abattoirs. No one can kill an animal for public consump-

tion outside the Government abattoirs. Presently I will show how the Government are making a revenue producing concern of the abattoirs, even at the cost of putting up the price of meat to the people. We have abattoirs absolutely under the control of the Government, and we have at present metropolitan saleyards leased by the Government. If this amendment is to be made to the Act, the next move will be for the Government to erect sale yards in the usual elaborate fashion of the Public Works Department, and the price for the use of those sale yards will be somewhat on the lines of the prices now being charged for the use of the abattoirs. Having a monopoly, the Government can charge exactly what they like. Following on that, I can visualise the position. We now have abattoirs under the control of the Government, and we shall then have sale yards under the control of the Government. And judging from the manner in which they manipulate the abattoir charges, an effort will be made by the Government to take over all the slaughtering in their own abattoirs. Thus we shall have Government men doing the work, instead of men employed by the butchers concerned. All this will tend to increase the price of meat, and perhaps will prove the necessity for the introduction of the Profiteering Prevention Bill. It may interest members to know that we are getting beef on its legs from Wyndham to Fremantle—due to some of the sections of the Navigation Act—at a cost of 3d. per lb. It costs ½d. per lb. to slaughter it under Government conditions, and 2d. a lb. to distribute it. That is 5½d. Then the producer has to get something, and the butcher for distributing it has to get something also. So we can readily see how the price of meat has been pushed up under present conditions, and we can realise that there is no hope of securing cheap meat for the people. To show what has happened in connection with the Government abattoirs, I may say that there are in the vicinity of Robb's Jetty, two slaughter yards with cold storage, etc., that have cost something round about £50,000. Both are standing idle to-day. The owners of those abattoirs are compelled to send their stock into the Government abattoirs and pay the price charged by the Government.

Hon. A. Lovekin: Does it cost about 56s. to slaughter a beast?

Hon. J. J. HOLMES: Here is a communication dated 28th September from the Anchorage Butchers, interested in one of the

works I have referred to. They slaughtered last week under Scale "B" 148 cattle. The butchers had to provide the men to do the slaughtering. Under Scale "B" all they get is the use of the floor space and the yard, and about 24 hours cold storage for the stuff they wish to hold over. They slaughtered 148 cattle at 9s. 3d. each, or £68 9s. They slaughtered 2,718 sheep at 1s. 6d. each, or £203 17s. They slaughtered 22 pigs at 2s. 6d. each. And the Bill the Anchorage Butchers had to pay was £275 1s. This was only last week, for the use of the Government abattoirs.

Hon. Sir William Lathlain: Is that per day?

Hon. J. J. HOLMES: No, per week. They had 12 slaughtermen working five days a week and under contract to kill so many per day, after which they knock off. So we have 12 slaughtermen at £5 12s. 6d. each per week, or £67 10s. Then there were eight labourers at £4 12s., or £35. Tally clerks and lumpers, etc., accounted for another £45 10s., or £124 10s. in all. Add that to the Government rent for the use of the place, and we get £399 11s.

Hon. A. Lovekin: The Government are profiteering there.

Hon. J. J. HOLMES: If members work it out they will find it comes to about $\frac{1}{2}$ d. per lb. True, the Government have Scale "A" under which, instead of charging 9s. 3d. for bullocks, they charge 3s. 9d.; instead of charging 1s. 6d. for sheep, they charge 6d.; and instead of charging 2s. 6d. for slaughtering a pig, they charge 2s. But should an individual elect to slaughter under Scale "A," the Government take what is known as the fifth quarter—the fat and everything else of that description except the hide.

Hon. Sir William Lathlain: They take all the profits.

Hon. J. J. HOLMES: Under Scale "B" the man has to provide for his own slaughtering, and a higher rate is provided under that scale. Under Scale "A" the Government take the offal and under that scale the fees are as I have just quoted. Obviously, the reason for this is to force all butchers to slaughter under Scale "A," and by that means hand over control to the Government. That has been done under the Abattoirs Act. The introduction of the am-

endment regarding the saleyards has, in my opinion, been done with the object of just as the abattoirs have been made revenue-producing, and thus the public are further penalised. If hon. members think I am right, then there is nothing else to be done but to strike out the clause that empowers the Government to prohibit any person selling except in Government saleyards at rates fixed by the Government.

The Honorary Minister: Are they not paying charges at the present time?

Hon. J. J. HOLMES: Whom do you refer to?

The Honorary Minister: To the people who send their stock there.

Hon. J. J. HOLMES: Of course they are paying charges, but under existing conditions the Government have not a monopoly.

The Honorary Minister: This provision is merely to legalise what is already done.

Hon. J. J. HOLMES: I believe the clause dealing with the imposition of charges is perfectly correct. It would appear that charges, fees, and so forth, have been levied without the proper statutory authority. The clause will legalise those charges. We must remember, however, that the Government lose no opportunity to add a bit to gain something else. Instead of merely bringing down a clause to legalise the payment of fees, they have included in the measure other amendments. It provides for the control of saleyards and the right to slaughter elsewhere. The latter is a mere bagatelle because that sort of thing should not be allowed, except under the conditions I have suggested. The Government should have the right to legalise the fees and charges that have not been legally covered in the past, but if the House is of the same opinion as I am, the Government will not be allowed to have the monopoly of the saleyards. We know what has been the result of some monopolies. We know the result of the monopoly at Wyndham, where the Government do as they like; they pay the men what they demand, and pay what they like for the cattle. I will have something to say on that matter when we deal with the Profiteering Prevention Bill. People I represent made an offer to the Government of

£5 a head for 600 bullocks to be taken by the "Kangaroo" from Wyndham to Fremantle. The "Kangaroo" had to go to the northern port. That would have meant freight amounting to £3,000, merely for walking the cattle on at Wyndham and walking the cattle off the boat at Fremantle. That offer was not accepted. The "Kangaroo" was sent out of Wyndham with her cattle space empty. She was sent to Derby—one day going in and one day going out—to take on board 600 bullocks at £4 10s. per head. That represented £2,700 in freight as against the £3,000 in freight that would have resulted if the Wyndham offer had been accepted. The voyage via Derby occupied an additional two days. That offer was rejected in order to maintain the monopoly that exists at Wyndham. There the cattle people are told they must put their stock through the Wyndham Meat Works.

The Chief Secretary: You were one of those who advocated that monopoly!

HON. J. J. HOLMES: It must be a pretty decent monopoly when I have to advocate it. If the Minister wishes to know anything about the monopoly, he ought to be in the inside running. I know exactly what has been going on. People down south have wanted meat, and we have been asked why frozen meat has not been brought down from Wyndham. I understand that a ship was coming down the coast to pick up wool at North-West ports. An offer was made for the ship to go into Wyndham and pick up 120 tons of meat for Fremantle. That would have meant getting the permission of the Commonwealth authorities, because such an action by that particular boat would have been contrary to the provisions of the Navigation Act, which is the source of all the trouble along our coast. Although that offer was made, it could not be arranged. That meat had to remain there to be brought down when it suited a State ship to go to Wyndham. By such means are the profits of the State Shipping Service increased at the expense of the public. I am drawing attention to these points now because it seems to me it will be necessary, when we deal with the Profiteering Prevention Bill, to include the Government as a chief offender. I do not know that I need say any more except to point out that this seems to me to represent an extension of State trading concerns. I do not know if Sir William Lathlain will approve of that!

The Bill represents another means of raising revenue and goes further in providing the Government with a monopoly that I do not think should be allowed to exist in a young State like Western Australia. We must remember that once we give the Government the authority they seek, and create a monopoly over the saleyards in the metropolitan area, we will never be able to undo it. The Legislative Assembly, once they get hold of anything, hang on like grim death. It takes two Houses of Parliament to transform a Bill into an Act, and it also takes two Houses of Parliament to repeal a section. If we pass the clause to which I take exception, we shall never be in a position to repeal it. That is one of the reasons why I oppose that particular clause. The slaughtering of pigs elsewhere than at Government abattoirs subject to inspection of the carcases before going into consumption, is probably all right. In addition to that the Government should have the right to collect fees, but, I repeat, authority to control metropolitan saleyards for all time, I do not think should be given to the Government.

HON. C. F. BAXTER (East) [4.53]: I am glad the Government have availed themselves of the opportunity to amend the Abattoirs Act. One of its provisions will remove a difficulty that has represented a serious drawback to the producers for many years past. I refer to the amendment that will give the Minister power to permit a small producer to deal with his few head of stock in the outer areas.

Hon. E. H. Harris. Can we be assured that there will be the same rigid inspection of meat as if the animals had been killed in the abattoirs?

HON. C. F. BAXTER: Most decidedly. The inspection will be just as good as if it were carried out in the abattoirs, because the farmers have to comply with regulations. There are certain objections to be raised to the Bill, and I agree with much that Mr. Holmes has said. The Bill will give the Government power to erect saleyards where it is found necessary in various centres. That is quite all right, but when we come to the amendment that seeks to give the Government a monopoly. I think that is going too far. That will provide the Government with too much power and it is liable to crush private enterprise. Why should we agree to advance the interests of

the Government along those lines, and discourage private enterprise? If the Government provide certain saleyards, why should private enterprise not be allowed to enter into it as well? Certainly we will want more saleyards and conveniences in the future. At present a man may send to any saleyard a number of milch cows and calves. Under the Bill those calves, which would make good veal, could not be sold for killing unless sold in a Government sale yard. On the other hand, the producer may have two or three bullocks and some small steers that will be suitable for killing for meat. The owner has to be put to the expense of segregating them, and why should that be? The Government have power to deal with these matters and to enforce a fairly rigid inspection. If the Government have power to kill in their own slaughter-yards, and have full control there, why force the small producers to incur the additional expense that is involved in segregating and forwarding their stock to the saleyards as provided in the Bill? In Adelaide an additional 1d. per lb. has had to be added to the cost of the meat supply as the result of the animals having to go through the slaughter-yards. I am in agreement with Mr. Holmes that we should strike out the proposed new paragraph C (2) because if that is agreed to, it will give rise to a monopoly that will be injurious to the producers whose interests we should foster rather than hamper. I hope the House will agree to strike that portion of the Bill out when we deal with it in Committee.

On motion by the Honorary Minister, debate adjourned.

BILL—WHALING.

Second Reading—defeated.

Debate resumed from the 26th September.

HON. J. NICHOLSON (Metropolitan) [4.58]: I thank the Honorary Minister for the opportunity he has afforded me of saying a few words in connection with the Bill. It was his right to speak on this occasion, but he has surrendered his priority to me. The Title of the Bill indicates that the object is to regulate, in a measure, the industry of whaling as conducted off the coast of Western Australia.

Several members have dealt with the Bill in a full and explicit way. Therefore it is not my intention to traverse what they have said beyond remarking that I agree with the views they have advanced against the measure and particularly certain clauses in it. I intend, however, to direct the attention of the House to Clause 8, which seeks to impose a royalty, and to raise the question whether or not the Bill can be regarded as constitutional. The clause reads—

The carcase of every whale taken or killed in the territorial waters of the State, or brought into such waters after having been taken or killed outside such waters, is hereby charged with payment to the Crown of royalty at the prescribed rate, and the person who has so taken or killed any such whale or caused the same to be so taken or killed, or who has so brought such carcase as aforesaid into the territorial waters of the State, or who treats or causes to be treated any such carcase in the course of the carrying on of any whaling business, shall be personally liable for payment of the royalty.

The first question we have to ask ourselves is what is a royalty? So far as one can trace the origin of that word, it seems to have commenced by certain exactions imposed by the Crown in very early years, particularly when granting rights to persons to work gold and silver mines which were the property of the Crown, and it was recognised that royalties were really a right inherent in the Crown. I admit that so far as the imposition of this particular royalty is concerned, we are still dealing with the Crown, but not with property belonging to the Crown. As time has gone on we find the word has gradually undergone changes and the term "royalty" to-day is commonly employed in connection with mining operations where an owner of mining property might grant the right to an individual or a company to work that particular mine, and to work it in consideration of a royalty being paid on the tonnage or otherwise. Then we find the same term used in connection with patents and also in connection with other rights. Here, however, I contend the word is really a misnomer, because it is nothing more nor less than an attempt on the part of the Government to impose a tax and give it the name of "royalty."

Hon. J. J. Holmes: An import duty.

Hon. J. NICHOLSON: It is really a customs duty.

The Honorary Minister: Yes, by a stretch of the imagination.

Hon. J. NICHOLSON: No; it is well worthy of consideration, and before we pass a measure such as this, we should weigh it seriously. I am informed that those interested in regard to this matter have already sought the opinion of a leader of the Bar who advises that undoubtedly this, in addition to other provisions, is unconstitutional in that it imposes a customs duty which, we are all aware, is the exclusive power of the Commonwealth. Under Section 90 of the Commonwealth Constitution, exclusive power is given to the Commonwealth to impose duties of customs and excise.

Hon. J. R. Brown: On imported goods.

Hon. J. NICHOLSON: Yes, on imported goods.

Hon. J. R. Brown: You do not import whales.

Hon. A. Lovekin: Oh yes, you do.

Hon. J. NICHOLSON: I will show the hon. member that we do. Section 90 of the Commonwealth Constitution reads—

On the imposition of uniform duties of customs, the power of the Parliament to impose duties of customs and of excise, and to grant bounties on the production or export of goods shall become exclusive. On the imposition of uniform duties of customs all laws of the several States imposing duties of customs or of excise, or offering bounties on the production or export of goods, shall cease to have effect, but any grant of or agreement for any such bounty lawfully made by or under the authority of the Government shall be taken to be good if made before the 30th June, 1898, and not otherwise.

Quick and Garran elaborate very fully on this exclusive power which is given to the Commonwealth, but I do not intend to go into the matter at this stage, beyond emphasising the fact that the exclusive right is vested in the Commonwealth to impose duties. Mr. Brown interjected that whales come here by themselves. I was about to explain that I have been informed by those interested in this particular industry that the majority of the whales are caught outside the territorial limits. In Quick and Garran there is a very interesting statement with regard to what are the territorial limits, but the general acceptance of the term is that these limits do not extend beyond three miles from low water mark. Outside of that distance, it might be described as no man's land. It is true that under Section 51, Sub-

section 10, of the Federal Constitution, reservation was made to provide for the passing of laws by the Commonwealth for the purpose of regulating fisheries outside the ordinarily defined territorial limits. Section 51 provides—

Parliament shall, subject to this Constitution, have power to make laws for the peace, order and good government of the Commonwealth with respect to—

and the various matters are set out. In these we find that fisheries in Australian waters beyond territorial limits are dealt with. It is a controversial subject as to how far such a power can be exercised. No doubt the power may be exercised so far as it relates to ships under our own flag, but when we come to deal with ships sailing under a different flag, then those vessels are really in their own country beyond the territorial limits. As soon as a vessel comes within the territorial limits of our own country, then it is subject to the laws of our country. Mr. Brown told us that whales come here of their own accord. Previous speakers have mentioned that whales travel a considerable distance. They go to certain points where breeding is carried on, and then they travel for days until they reach certain other waters and habitats to which they are accustomed, during certain seasons. We know that whales visit our coast and it is while the whales are here that efforts are made to catch them. But, as I have said, the majority of those whales are caught outside the ordinary territorial limits of the country. That being so, when caught outside and killed outside the territorial limits, any whale so killed is really the property of the individual who catches it. The company that may be operating at the time are the owners of that particular whale and that whale, although it may have come here by its own propelling efforts is still as much an article which is being imported when dragged within the 3-mile limit, as goods which are imported from England or any foreign country. If goods are brought from London or elsewhere and landed at Fremantle, would the Government suggest that they have the power to impose a royalty on such goods that were landed on the wharves here?

Hon. J. R. Brown: The whales propel themselves.

Hon. J. NICHOLSON: The method of conveyance is nothing.

Hon. J. R. Brown: There is no analogy between the two.

Hon. J. NICHOLSON: Unfortunately for the hon. member his opinion does not coincide with the opinion expressed by those who have devoted their lives to the study of this peculiar and intricate subject. The position then is that the whale is caught outside the territorial limits and brought within the territorial limits of Western Australia, and I submit that that is similar to goods being brought from abroad and landed on our wharves here. At the present time so far as I understand there is no duty imposed by the Federal Government on any carcases of whales, or on any other marine products.

Hon. A. Lovekin: There is a duty on whale-oil and whalebone.

Hon. J. NICHOLSON: Yes. If, for example, the people engaged in carrying on the industry have their boats stationed outside the 3-mile limit and produced whale-oil on the boats and then landed that oil on the coast, the oil would be subject to customs duty imposed under the Federal law.

Hon. A. Lovekin: Is not this in conflict with the Customs Act?

Hon. J. NICHOLSON: That is what I contend. The suggestion to impose a royalty on whales is nothing more than an attempt on the part of the Government to impose a duty on the carcases of whales imported from outside the territorial limits of Western Australia. Whatever right exists in that respect is a right exclusively reserved to the Commonwealth, and cannot be exercised by the State.

Hon. A. Lovekin: If the carcase includes whale oil and whale bone, the Bill is in conflict with the Federal Customs Act.

Hon. J. NICHOLSON: I would not like to say that. The carcase may include the oil, but the extraction of whale oil is dependent upon a certain process. When the carcase is brought in, it is merely a carcase.

Hon. A. Lovekin: The bone and oil are there.

Hon. J. NICHOLSON: Maybe, but the article imported is the carcase of the whale and duty could not be imposed on the oil and bone of a carcase because no one could tell how much oil and bone it would yield until those commodities were actually extracted.

Hon. Sir Edward Wittenoom: If the whales were caught in the three-mile limit, would not that amount to an export duty?

Hon. J. NICHOLSON: The company operating on the coast is granted a license giving it the right to operate within the three-mile limit for a certain distance along the coast. If whales were caught inside the three-mile limit, in the absence of an agreement, no royalty could be exacted, because the Government would be imposing a royalty in addition to a license fee.

Hon. J. J. Holmes: Could not the difficulty be overcome by the Government branding their own whales?

Hon. J. NICHOLSON: That might be a good suggestion, but the Government would require first to catch their whales. The cost of attempting to establish ownership by branding the whales might prove prohibitive and it might be difficult to follow the whales for miles and miles until they pulled up either at the North Pole or at the South Pole.

Hon. J. R. Brown: It would not be much more difficult than the argument you are trying to put up.

Hon. J. NICHOLSON: I do not know that the hon. member is fully seized of the argument advanced. Let me recall that cases of a similar kind have been decided in the Commonwealth courts during the last two or three years. There was the noted case of the newspapers in New South Wales. An effort was made by the Government of New South Wales to impose what really amounted to a tax or duty on the newspapers, and the courts held it to be invalid because it was nothing less than an infringement of Section 90 of the Constitution Act. Members will recall the effort made by the South Australian Government to impose a duty or charge on petrol imported into and disposed of in that State. In each of those cases it was held after full argument that the State was not competent to impose such a duty or charge. In the High Court action by the Commonwealth and Commonwealth Oil Refineries Ltd. versus South Australia, Mr. Justice Higgins referred to certain cases that had been decided in America where the law was somewhat similar. Then he added—

The importer has the right not only to bring the article into the State without State taxation, but also to mix it with the mass of property in the State, and a tax on the sale of an article is a tax on the article itself.

What was attempted in South Australia was to impose a tax on the sale of petrol, and the court held that it was not competent for the State Government to impose such a tax. The decision given in that case, I think, would apply with equal force to the attempt being made by this Bill to impose a royalty on whales. It is true that a rose by any other name would smell as sweet, but when we find that this is really an attempt to impose a duty under the name of a royalty, we must recognise that the State is infringing one of the exclusive powers of the Commonwealth and it is not competent for us to sanction the Bill. I suggest that the Minister cause the Bill to be deferred for further consideration. There are other aspects that might be considered and, having regard to all the circumstances, the Bill might well be deferred. I intend to oppose the second reading.

HON. J. EWING (South-West) [5.24]: After the Honorary Minister's instructive description of the life of the whale and the value of the products obtained from the whale, I know a great deal more about this industry than I did before. The people who possess the whaling industry are fortunate indeed. It seems to me there is ground for Mr. Nicholson's objection, but I wish to direct attention to another point. I think it is not competent for such a Bill to be introduced into this House, and the measure should be ruled out of order. Clause 46 of the Constitution provides that Bills appropriating revenue or moneys or imposing taxation shall not originate in the Legislative Council. Clause 8 of the Bill provides clearly that the carcass of every whale taken or killed in the territorial waters of the State or brought into such waters after having been taken or killed outside is hereby charged with payment to the Crown of a royalty at the prescribed rate. I take the point, therefore, that the Bill should never have been introduced in this House. I know that you, Mr. President, carefully peruse all Bills introduced here, and I realise that you may be able to show me that my contention is wrong. I believe, however, we are asked to give the Government the right to impose taxation in the shape of a royalty, and I think that is entirely contrary to Section 46 of the Constitution. We do not wish to be placed in the position of passing such a Bill, sending it to another place for its con-

currence, and then being told that we had no right to pass it.

HON. A. LOVEKIN: Read the last four lines of Section 46 of the Constitution stating that a Bill shall not be taken to appropriate revenue or impose taxation by reason only of its containing provision for the imposition of fines, fees for licenses, etc.

HON. J. EWING: I contend that royalty is taxation and a Bill introduced in this House would give the Government power to place a tax or burden on the people. I give the Minister great credit for his clear exposition of the Bill, and I ask him to give attention to the question I have raised. I shall oppose the second reading.

HON. SIR WILLIAM LATHLAIN (Metropolitan) [5.28]: I am not much concerned about the objection taken by Mr. Ewing, or the objection raised by Mr. Nicholson, but I shall oppose the Bill because it will impose a penalty upon a primary industry. I ask members to consider the Bill from that standpoint. We have had a number of whaling boats lying in Fremantle and I presume they pay certain fees for lying there. I have noticed that they have been re-painted during their stay, and I understand they obtain all their stores in Fremantle. Instead of imposing a penalty on the production of those vessels, we should give them a bonus for endeavouring to create a primary industry which is of great importance to the State. According to the remarks of Sir Edward Wittenoom, most of the men employed, apart from the experts, are Western Australians. They are engaged under arbitration awards, and why is it necessary to place any restriction on such an industry? In the first place, it must be a rather precarious industry, because there may be good luck or there may be bad luck over a long season. According to the statements made by Sir Edward Wittenoom, the company have not been successful for a long time. Listening to the Honorary Minister and hearing the wonderful prices obtainable for whale oil and for a number of other products of the whaling industry, one would have thought that the company must be making enormous profits. Sir Edward Wittenoom's statement, however, showed the other side of the picture. We would be wise to omit this Bill altogether. There is another feature to which I may draw attention. Mr. Nicholson has referred to the fact that ships flying some other flag than the British may take exception to this legislation. Thus we

may drive the industry from Western Australian waters altogether. It is quite possible for foreign whalers to locate their factory or mother ships outside our territorial waters, when we should have no control whatever over them. Under present conditions we have a certain measure of control, and undoubtedly the port of Fremantle receives great benefit from the ships being stationed there. On the ground that this Bill imposes a severe penalty on a primary industry, I shall oppose the second reading.

THE HONORARY MINISTER (Hon. W. H. Kitson—South—in reply) [5.32]: Considerable opposition has been raised to the Bill by members of this Chamber. After I had introduced the measure, I was requested to receive a deputation of persons interested in the whaling industry, with a view to considering the possibility of agreeing to certain amendments in the Bill. I consented to receive the deputation. It was introduced by two members of the House who have spoken against the Bill. The whole measure was discussed at considerable length on that occasion. I met the deputation's wishes as far as it was possible to meet them at the time, on the various points raised. No further argument against the Bill has been adduced in this Chamber, except Mr. Nicholson's contention that the Bill is not Constitutional. I am advised that the measure is perfectly Constitutional. I agree with Sir William Lathlain that the whaling industry is highly valuable.

Hon. Sir William Lathlain: Then why penalise it?

THE HONORARY MINISTER: While it is a fact that certain people have not been able to make a success of the industry, that is not the fault of the Government. Other people have made a success of the industry, and the company now operating on our coast are making a big success of it.

Hon. Sir Edward Wittenoom: But they had to pay for their experience.

THE HONORARY MINISTER: I have already stated, and I think it is agreed by everyone who knows anything at all about the industry, that Norwegians apparently possess a monopoly of the skill and knowledge required for whaling, no matter where it may be carried on. That is the position obtaining at present so far as Western Australia is concerned.

Hon. J. Nicholson: The company now operating say they will close down.

THE HONORARY MINISTER: If it is asserted that the industry will close down as a result of the passing of this measure, I ask members to consider whether the Bill embodies any real reason for such a course. The Bill is not aimed at the company now operating on our coast. Every opponent of the measure has said that it represents a direct attack on the company. My reply is that that is not so. The object of the Bill is to regulate an industry in which at present one company is operating, but in which two or three companies may be operating in the near future.

Hon. Sir Edward Wittenoom: Not if the Bill passes.

THE HONORARY MINISTER: Yes. The Bill simply lays down conditions for any person or persons who may desire to enter the industry of whaling on the coast of Western Australia.

Hon. J. J. Holmes: For one year.

THE HONORARY MINISTER: For any period up to 14 years, as the hon. member would know if he had perused proposed amendments to the Bill. I would say to the company now operating on our coast that the measure is a protection to them, in that it provides that anyone else who desires to commence whaling here shall be subject to the same conditions as the existing company. At present the North-West Whaling Company have an exclusive right to an area of water on our North-West coast. Included in the company's license are various conditions which have been arrived at as the result of negotiations between the Government and the company. If another company desired to operate, it would be necessary for the Government to enter into an agreement with that company. We say, however, that there should be no necessity for making agreements with companies or persons who may wish to enter the whaling industry here in future. We contend that there should be an Act regulating the industry, so that everyone may know under what conditions one may take part in the industry. That is a sound principle, and it is the principle underlying the Bill. Now I wish to deal briefly with objections raised in this House. One or two of them are based on the Bill as originally introduced, and the hon. members urging them have taken no notice of the amendments placed on the Notice Paper as the result of the deputation which waited on me a week or two ago. I repeat that the Bill

is not aimed at the present company. It was originally drafted in 1921, as I believe I have stated previously. It was drafted before the North-West Whaling Company was formed. The Chief Secretary, however, for various reasons, including the lateness of the session and the number of Bills then on the Notice Paper, did not deem it wise to proceed with the measure at that particular stage. Unfortunately, some such reason has been put forward repeatedly since that date, with the result that the Bill has been delayed until this particular session. However, the Bill has not the object of penalising this particular company. All members who have spoken against the measure have stressed that it is an attack on the company in question because they are making a success of the industry, in the carrying on of which the local company failed.

Hon. J. J. Holmes: Will you please tell me which clause of the Bill gives the term of fourteen years to which you referred?

The HONORARY MINISTER: An amendment on the Notice Paper.

Hon. J. J. Holmes: But you said I had not read the Bill.

The HONORARY MINISTER: The amendment was on the Notice Paper prior to the hon. members' speech. I meant that at the time he was speaking he had not taken into account the amendments appearing on the Notice Paper. Clause 3 of the Bill provides for the granting of licenses, and Clause 4 limits the duration of licenses to twelve months. The Solicitor General, however, advises that exclusive licenses under the Fisheries Act may, notwithstanding this clause, be granted for a period not exceeding 14 years. Hence the proposed amendment which I have placed on the Notice Paper. Personally I have no objection whatever to the clause providing for annual licenses being deleted.

Hon. Sir Edward Wittenoom: To leave it in would be very inconsistent.

The HONORARY MINISTER: The Solicitor General advises that it would not.

Hon. Sir Edward Wittenoom: I think he is wrong.

The HONORARY MINISTER: I say I have no objection to the excision of Clause 4. It is true that during the years 1922 and 1923 the company, having acquired the property at Point Cloates which

belonged to a company previously existing, operated with indifferent results. But again I would say that I do not think the Government can be held responsible for those results. The license granted to the company expires at the end of 1930, and there is no reason to believe that another license for a further period of years will not be granted to the company. A good deal has been said on the question of royalty. My idea is that so much per gallon, or so much per barrel of oil, is by no means preferable to a royalty calculated on the carcass of each whale taken. I have no objection to royalty being charged, as Mr. Miles has suggested, at 8d. per barrel, which on last year's operations of the company would be equivalent to £1 per head of the whales caught.

Hon. J. Ewing: Is not that taxation?

The HONORARY MINISTER: The hon. member may call it what he likes. We call it royalty.

Hon. J. Ewing: It is exactly the same thing as taxation.

The HONORARY MINISTER: It is royalty in the same way as is a royalty on timber, and on other primary products.

Hon. J. NICHOLSON: But the Government own the timber, and they do not own the whales.

The HONORARY MINISTER: I shall not enter into any legal argument with the hon. member on that point. I am advised that the Government have the right and the power suggested by the Bill.

Hon. J. Nicholson: If they are basing that on the ownership of timber, they are absolutely wrong.

The HONORARY MINISTER: I believe that in all parts of the world fish, irrespective of kind, whether they be whales or sharks or small, edible fish, and particularly within the territorial waters, are the property of the Government, to the extent that the Government have the right to frame regulations in regard to them.

Hon. J. Ewing: Is not that in contravention of Section 46 of the Constitution?

The HONORARY MINISTER: It is not for me to give an opinion on that point. I am advised that the Bill is quite constitutional. While dealing with the question raised by Mr. Nicholson as to the difference between whales and timber, let me say it is a fact that such rights are exacted in other

parts of the world. So far as I am aware, however, royalties are not levied on the carcase, but on the product of the whale, as I said in my second reading speech. Here I wish to put right one matter which was brought under my notice by the deputation. It was in regard to the royalty paid in connection with whaling in Ross Sea. In my second reading speech I said that that royalty was 2s. 6d. per gallon for the first 25,000 barrels. It appears a mistake was made there in the typing of my notes, with the result that inadvertently I made an incorrect statement, which I regret. It should have read half-a-crown per "barrel," instead of half-a-crown per "gallon." Mr. Miles, referring to the imposing of a royalty on the products of the whale, suggested 8d. per barrel.

Hon. Sir William Lathlain: Where is the Ross Sea?

The HONORARY MINISTER: Not very far from the South Pole.

Hon. Sir William Lathlain: Is the royalty collected at the South Pole?

The HONORARY MINISTER: No, the company have to make a declaration under big penalties for any false statements. I believe those declarations can be taken as being absolutely correct. But, as pointed out by Mr. Miles, while we speak of whale oil in barrels, more often than not it is exported in bulk. So there would be far more trouble in arriving at the royalty to be paid if it were based on the products of the whale instead of on the number of whales caught. The local company have to make a declaration for Customs purposes. While that is not a sworn declaration, I believe there is a heavy penalty for any inaccuracy, and so I would be prepared to accept that declaration as to the quantity of oil. Under Clause 10 regulations can be framed providing conditions for the conduct and control of whaling, and for keeping any vessels or boats used for whaling in a sanitary and clean condition. Rather than have the whole Bill defeated, I would not object to that provision being deleted. Sanitary conditions on a whaling boat become, of course, a question of degree. The industry would not permit of a boat being kept in the same condition as, for instance, a boat plying for hire in the river. Even if the clause were insisted upon in its entirety, I do not suppose any inspector would impose on the company conditions that would hamper them

in their work. That clause is taken from an Act governing whaling in Natal.

Hon. J. Nicholson: Yes, within a mile and a half of the city, whereas this company has its depot hundreds of miles away.

The HONORARY MINISTER: The hon. member is again assuming that the Bill deals merely with the company operating at Point Cloates, whereas it deals with the whole of the whaling industry at any part of the coast of Western Australia.

Hon. J. Cornell: But if there were no company operating at Point Cloates, there would be no Bill.

The HONORARY MINISTER: I am not sure about that. There are other companies in possession of exclusive licenses, and they may be in a position to operate at any moment. That being so, it is necessary that we should have a Bill like this. The conditions imposed on exclusive licenses granted to the North-West company are imposed in a license issued under the Fisheries Act.

Hon. Sir Edward Wittenoom: Let us have the Bill when the other three licensees get to work.

The HONORARY MINISTER: Now is the time, not when all the others are there. We have full knowledge of the industry, and there is no reason why we should not have a Bill regulating the industry in the way it should be regulated. That is all we are endeavouring to do. Whales and many other kinds of fish might form the subject for an interesting debate, but I venture to say that in every country in the world where those animals or fish are caught, they are vested in the Government controlling the water along the coast. I do not know that we should get much further in discussing the merits or demerits of the Government's desire to express their rights over territorial waters in a Bill of this kind. One very important matter is the clause dealing with the killing of female whales. Several members have said there is no need for such a clause. But there is need, for obviously the idea is to protect, not only the whales, but the industry. When a whale with a calf at her side is killed, generally speaking the calf becomes a prey to the sharks, and consequently we lose not only the whale, but the calf as well. Mr. Miles said that in no other part of the world was such a regulation in force. The hon. member was entirely wrong.

Hon. E. H. Gray: It has been in operation for 30 years.

The HONORARY MINISTER: And probably longer than that. I have here a whaling license issued for the Ross Sea. It deals particularly with the killing of female whales with calves at side. It deals also with the protection of birds and seals, and there are in it other restrictions, serving to show that the company on our coast are well off in that similar restrictions are not placed upon them. Not only does a whaling company in the Ross Sea have to pay a license fee, but they have to pay also a rent for the factory, whether afloat or ashore, together with the royalty I described a little while ago. Mr. Miles suggested it was ridiculous to limit the number of boats that may be operated under one license.

Hon. Sir Edward Wittenoom: You mean the subsidiary boats?

The HONORARY MINISTER: Yes. From our point of view, and from the point of view of the industry, it is anything but ridiculous. It is quite necessary, and there are several reasons for it. In the Ross Sea the number is limited to ten. If the number were not limited, we might have a larger number of whales being caught than could be properly treated by the plant operated by the company, the result being that they would take the whales for the blubber alone, allowing the carcase to drift away. That is a phase of the industry to which the House should give some little attention. It is doubtful whether the present company, although so successful, are getting the most out of the industry that could be got. On the information I have received I am doubtful whether the company are doing all they should in regard to the carcasses, whether they are doing all they can to turn the flesh into fertiliser, or whether they are dumping it overboard and in that way creating a position that will have to be recognised sooner or later. I raise that point, not in any controversial spirit, but just to show there is adequate reason for limiting the number of boats allowed to operate under one license. I have here the draft of a license issued to a whaling company in the Ross Sea. After describing the limits of the Ross Sea, the license reads—

The licensees are prohibited from taking, removing, appropriating, killing or wounding, or in any way using either for their own benefit or for the benefit of any other person—

save as are hereinafter expressly excepted—any product, animal or bird on the land adjacent to the territorial waters as aforesaid, or any seals or seal pups either in the aforesaid territorial waters or the land adjacent thereto or the eggs of any bird in such land as aforesaid, and will not export the eggs or plumage of any bird or any product of any bird or animal as aforesaid, nor seal oil nor the oil of any other fish or animal other than the whale oil as herein set out. The licensees may take, kill or snare such animals (other than fur seals or fur seal pups), birds, fishes, seals and eggs as may be required by themselves, their servants or agents for the purposes of food and also which the licensees may require for scientific purposes. The licensees hereby for themselves and their assigns covenant with His Majesty, his heirs and successors, that they the licensees (a) will not employ more than 10 whale catchers in taking whales in the aforesaid waters in addition to the two floating establishments hereby licensed, and will not employ more than the aforesaid 10 whale catchers in the actual pursuit or capture of whales or in towing whale carcasses; (b) will in carrying on their whale fishery in the aforesaid waters provide the necessary boilers for boiling down the flesh of all whales taken, and not only the blubber, and will boil down the whole of the flesh accordingly.

Hon. G. W. Miles: Have they any inspectors there to see that these things are carried out?

The HONORARY MINISTER: I do not know, but they must comply with the terms of the license. The license continues—

(c) will upon request of His Majesty's Government convey on any occasion on any voyage of any vessel employed by the licensees to and from the aforesaid territorial waters and the land adjacent thereto any persons the Government may desire to send for official or scientific purposes, and will afford such persons all reasonable facilities for carrying out their duties. (d) will give full facilities of access to the land adjacent to the aforesaid territorial waters to all persons holding leases by His Majesty's Government who shall proceed thereto with the sanction of the Secretary of State; (e) will furnish to the Secretary of State an annual report respecting their operations in the aforesaid waters; (f) will on or before the first day of June in each year submit to the Secretary of State an annual statement of the quantities of whale oil shipped and exported from the said territorial waters during the preceding year, such statement to be certified by the auditor or auditors in accordance with the books to be kept by the licensees as hereinafter provided, and will on the following first day of September pay to the Secretary of State the amount found to be due under the covenant hereinbefore contained.

The licensees will at the same time furnish a statement in such form as may be prescribed by the Secretary of State of the number and description of whales dealt with during the preceding year reckoned as aforesaid.

Will furnish the Secretary of State with any such further certificate or returns as he may require either in addition to or in substitution for the certified annual statements aforesaid for the purpose of calculating the amount of royalty due in any year.

Hon. G. W. Miles: Is that the Secretary of State in New Zealand or in Great Britain?

The HONORARY MINISTER: The Secretary of State for the British Government. The document continues—

Will keep true and proper books of account of all whale oil shipped and exported from the said territorial waters, and of the dates at which the quantities in which the same shall be exported therefrom, and will permit the Secretary of State or any person authorised by him at all times to inspect such books of account, and take copies thereof or extracts therefrom, and will whenever required by the said Secretary of State make and transmit to him such true copies or extracts from the said books as he may require.

There is no such restriction or condition laid down in the existing exclusive license.

The licensees will not take, kill or wound any female whale accompanied by a calf or any right whale or any other whale except full-grown whales, provided, however, that the licensees may take right whales before the 1st day of October, 1927.

There are no such restrictions in the license under which these people are operating now.

That after the 1st day of October, 1927, the total production of press oil to the total production of blubber oil shall be in the following proportions for the total output of whale oil by the licensees, namely, not less than one gallon of press oil to 2½ barrels of blubber oil.

That is a condition inserted to make sure they will treat the whole of the carcasses of the whales, and not allow portions of the carcasses to be dumped because they are not so profitable as other parts of the whale.

The licensees will not export from the aforesaid territorial waters or the lands adjacent thereto, and will not enter into any port in any part of the world with any animal, bird or seal or any product of any animal, bird or seal which by these presents is expressly excluded from the terms of the license.

The licensees will, unless prevented by circumstances beyond their control, on every occasion which they despatch one of their vessels to any port from the aforesaid territorial waters, cause such vessels to touch at the port of Lyttleton in the Dominion of New Zealand for the purposes of inspection of His Majesty's Government or their representatives as to the

cargo contained in the aforesaid vessels, and for the purpose of ascertaining the quantity and description of whale oil carried thereon, and also whether all the covenants and obligations of the licensee hereunder are being duly carried out and complied with, and will produce for inspection by His Majesty's Government as aforesaid all ship's papers, log books and documents, and such other papers, books, letters and documents as may be required by His Majesty's Government as aforesaid, and the licensees, their agents and servants and all persons in their employment or under their control will, whenever requested so to do, give to every person so entering all necessary facilities for the examination and investigation of the aforesaid vessels.

That is far more stringent than the clause in this Bill, which was to give the right of inspection so far as sanitary conditions, etc., go. The final clause is—

Will not hinder or interfere with the inhabitants of the lands adjoining the aforesaid territorial waters who may from time to time engage in fishing seals or hunting in the waters of and adjacent to the said land.

Hon. G. W. Miles: What are they paying for the license?

The HONORARY MINISTER: It does not give the whole amount. I think the license fee is £50, and £200 a half year has to be paid for each of their factory ships, and a royalty of 2s. 6d. per barrel of whale oil over 20,000 barrels. If they do not produce more than 20,000 barrels there is no royalty to be paid.

Hon. J. Nicholson: Why not provide something here to cover an increased rental and royalty on the production?

The HONORARY MINISTER: We believe that the suggestions put forward are reasonable. The industry is now fairly profitable. The amount suggested is not likely to hamper the operations of the company. Last year, if this Bill had been in operation, the provisions contained in it would have meant an amount of £1,000. To that extent the company would have been the poorer.

Hon. J. J. Holmes: And the Government would have been the richer.

The HONORARY MINISTER: Yes, it is not proposed that the royalty should apply to the holders of the existing license until after its expiration. In this case the royalty would not be imposed until after 1930 when the new license was issued. I assume that the company will apply for the issue of another exclusive license over the same area. I am given to understand

they are likely to do so, in view of the fact that the operations over the last two or three years have been successful.

Hon. V. Hamersley: Will this mean the appointment of more inspectors?

The HONORARY MINISTER: The Bill makes no provision for the appointment of any other inspector. There is nothing in it to necessitate the employment of another man.

Hon. J. J. Holmes: Who will count the whales?

The HONORARY MINISTER: I cannot help it if the hon. member asks such ridiculous questions. The company has to make returns weekly and monthly showing what the operations have been, and there should be no difficulty about ascertaining the number of whales caught. The Government are prepared, until they have some ground for suspicion, to accept the statement of the company as to its operations.

Hon. H. A. Stephenson: Someone will have to watch that the females with calves are not taken.

The HONORARY MINISTER: If the Government are prepared to accept the statements of the company as to the quantity of whale oil secured, they will also accept their statements as to the number of whales caught. Mr. Stephenson seems to ridicule the idea that females with calves should not be touched.

Hon. H. A. Stephenson: Someone must look after them.

The HONORARY MINISTER: According to my reading, whalers recognise the practice that female whales with calves at side are not interfered with.

Hon. E. H. H. Hall: Is that recognised by the company?

The HONORARY MINISTER: Yes. It was admitted by the deputation that waited upon me.

Hon. E. H. H. Hall: Then it is not required in the Bill.

The HONORARY MINISTER: Yes, because there has been a departure from that practice.

Hon. H. A. Stephenson: But you said it never occurred.

The HONORARY MINISTER: I said it was the policy of whaling companies not to interfere with female whales with calves at side. That does not mean they have not been interfered with. They have been interfered with by the present company, as has

been admitted. It is no use the hon. member trying to draw a red herring across the trail. The Bill is designed to regulate the industry, whilst it also gives the Government power to frame regulations dealing with the killing of female whales. This does not mean that regulations will be made before there is any necessity for them. If the necessity does not arise, I assume there will be no regulations. It is right we should have power if the necessity arises to do these things, not only to save the whales, but the industry itself. It would be in the interests of the company or any other company that might be formed.

Hon. G. W. Miles: You do not think they would interfere with the company or drive them off the coast?

The HONORARY MINISTER: No. I think I have proved from the statements of those in charge of the industry that there is no fear of that. Mr. Miles compared the killing of whales with the killing of ewes and cattle. There is a difference between domestic animals and whales. Cattle are specially fed and sheltered so that the owners may get the best possible return from them. Whales are the prey of many enemies in the ocean. They have very little protection. They are sought after by men with modern whaling ships and harpoon guns.

Hon. J. Cornell: They escape droughts, but cows do not.

The HONORARY MINISTER: That is why this particular clause should be inserted in the Bill.

Hon. G. W. Miles: What about the shark industry?

The HONORARY MINISTER: The Bill does not touch that. Mr. Holmes referred to the number of whales. I do not know that there will be any alteration in the existing practice. There is no suggestion that the company will use more whaling ships than they now have. We think it is necessary to exercise some control, and if the occasion arises we should be in a position to limit the number of whalers. I wish to quote a statement which appeared in the prospectus by the local company of 1921—

During the period quoted (1914-15) the herd of whales was too heavily drawn upon. Mr. Stang considered a more conservative policy should be pursued in this direction, and that the catch should be limited to from 400 to 600 whales each season, which should be regularly maintained. This should satisfy Australian requirements.

That is a statement by Mr. Stang, who is one of the leading lights in the present company. He should know something about the business, and his remarks should be sufficient indication of the necessity for the provision I have just referred to. A lot has been said about the royalty, and as to whether we are doing the right thing in that matter. Mr. Nicholson has raised what he calls a constitutional point. I desire to refer to another point, particularly in view of the fact that the deputation which waited upon me secured almost all that it was after. I wish to point out to the House the position as I see it from the financial point of view. When the deputation waited upon me the voluntary liquidator handed me a copy of his report up to March, 1927. In doing so he said that on behalf of 250 shareholders he desired I should take notes of what it contained, just as Sir Edward Wittenoom, when speaking, asked the House to take notes of the position of the local company and the vicissitudes through which it had passed. My conclusion is that if this report is correct, no objection should be taken to any provision in the Bill, as I propose to amend it by the amendment I have put on the Notice Paper. The report bears out everything Sir Edward Wittenoom had to say. The old company was established and after getting into difficulties had to secure additional capital. That additional capital was obtained by Mr. Stang, who went to Great Britain and Norway, where he induced a Norwegian company to come to Western Australia and work the concessions which the North-West Whaling Company held under exclusive license. They have now operated for a season or two.

Sitting suspended from 6.15 to 7.30 p.m.

The HONORARY MINISTER: Before the tea adjournment I stated that I had been supplied, through the courtesy of the voluntary liquidator of the North-West Whaling Company, with a copy of his report for the year ended March, 1927, and that I intended to quote from that report to substantiate one or two statements I had made and which were, in effect, the statements made by Sir Edward Wittenoom when he spoke on the Bill. It is a fact that the original company operated for a year or two, and found that they could not do so successfully. The result was that they went into voluntary liquidation, and in order to endeavour to save the

money of the shareholders, it was necessary to raise fresh capital. To do that, Mr. Stang, who has been associated with whaling in Western Australia for a good many years, was commissioned to proceed to the Old Country and Norway with the object of procuring additional capital. That capital was secured under an agreement between a Norwegian whaling company and the North-West Whaling Company, whereby the Norwegian company was to operate in the area covered by the exclusive license in the possession of the North-West Whaling Company. In that report Mr. Will Davies, the voluntary liquidator, says—

At this stage Mr. A. Stang volunteered to proceed to Europe to endeavour to dispose of the assets in England or Norway, and although he did not accomplish that purpose, his mission resulted in a very satisfactory agreement being negotiated with a Norwegian company whereby they work our concession for us upon a royalty basis.

I ask hon. members to note that statement particularly. Whereas they object to the State imposing a royalty on these activities, nevertheless the company possessing the exclusive license granted by the State, is allowed to do that without any opposition being voiced.

Hon. Sir Edward Wittenoom: That is a partnership!

The HONORARY MINISTER: When I deal with it from that standpoint, hon. members say it is different! The voluntary liquidator says that the arrangement was on a royalty basis. In other words, the North-West Whaling Company has exploited the exclusive license granted by the State. I claim that if it is within the rights of a private company to levy a charge on a royalty basis, as I have indicated, there can be no objection to the State asking for a royalty.

Hon. Sir Edward Wittenoom: That is not the same thing.

Hon. J. J. Holmes: The shareholders were trying to get their money back.

The HONORARY MINISTER: I am glad that they secured such a good arrangement to enable them to do that.

Hon. J. Nicholson: What royalty did they get?

The HONORARY MINISTER: I cannot say. That is not mentioned. At any rate, this statement shows it was on such a basis that within three or four years, the local company has been able to wipe off

its liabilities as a result of the royalties paid by the Norwegian company, which has been operating successfully. It cannot be argued in view of that, that the company could not pay a royalty on account of all the whales taken as the result of operations at Point Cloates.

Hon. Sir Edward Wittenoom: Call it "partnership results."

The HONORARY MINISTER: The hon. member can call it what he likes; it makes no difference. I have quoted the report to show that while objections have been raised by the representatives of the company to the Government charging a royalty on whales, they themselves have no objection to charging royalty to another company to come and work an industry that the original company was not able to work successfully.

Hon. J. Nicholson: Could you not, as a Government, make a charge on something like a rental basis of a certain sum for so many carcasses produced per annum?

The HONORARY MINISTER: I suppose that would be a scientific method. Some criticism has been levelled at this proposal. The idea of imposing a royalty of £1 per whale has been stated to be unscientific.

Hon. Sir William Lathlain: It represents a penalty.

The HONORARY MINISTER: A royalty on that basis rather than on the basis, for instance, of 8d. per barrel of oil, is regarded as unscientific.

Hon. G. W. MILES: One royalty charge is based on actual production, and the other is not.

The HONORARY MINISTER: I cannot see that one method is much better than the other.

Hon. G. W. Miles: Of course it is.

The HONORARY MINISTER: There is the one object in view, and each may be as successful as the other.

Hon. Sir Edward Wittenoom: It does not matter so long as you get plenty of whales.

The HONORARY MINISTER: I believe that this year the operations are more successful than ever. Under the agreement, which was dated the 1st January, 1925, the company was entitled to the extension of the special license, as it might be renewed by the Government at the end of the present term. The royalty suggested in the Bill is not to take effect

during the currency of the present license, but only after the expiration of the present license, and when another license is granted. Thus the Norwegian company that has been operating so successfully, will have the right to carry on as at present.

Hon. H. Stewart: No repudiation!

The HONORARY MINISTER: The report indicates the financial results during the two years and deals with the balance sheet. It also includes the following:—

The Norwegian company have the option under the above-mentioned agreement to discontinue operations at the end of each whaling season if returns are unremunerative, or the labour conditions prescribed in the special license should prove to be unworkable. Happily for all parties concerned the results from whaling during the seasons 1925 and 1926 have induced the Norwegian company to give notice of their intention to operate again this year. If the yield be equal to that of the past couple of seasons, and operations are continued in 1928, I anticipate receiving sufficient royalty to discharge the whole of the company's liabilities.

I mention that portion of the report in order to show that in the hands of people who really understand the whaling industry, it must be a very profitable undertaking. Last year the catch represented 999 whales. I believe that was the largest catch that any individual company has ever made in any one year. I am advised on what I consider to be good authority that the season this year has been better than in past years, and, consequently, if the voluntary liquidator's hopes are realised, and as Sir Edward Wittenoom suggested, at the end of this year's operations the Norwegian company's returns will result in the local company being able to wipe off the whole of their liabilities as the result of the royalties charged to the Norwegian company. There has been much criticism regarding the imposition of the royalty and I am at a loss to understand whether it comes from the present company or not. Notwithstanding that one or two of those who spoke on the question were members of the deputation to which I have referred several times, I desire for a moment to refer to what was said at the deputation. Mr. Stang, when speaking, went through the whole Bill and raised objections to a good many clauses, but on the question of royalty he said—

If the Government wanted a royalty, that could be inserted in the license. Personally he did not have much objection to that.

Hon. J. J. Holmes: You had the pistol at their head then!

The HONORARY MINISTER: There was no pistol at their heads at all. The conference was very amicable and we tried to get down to bedrock with a view to arriving at a satisfactory agreement. At any rate that was my intention, and I think I went as far as anyone could be expected to go in the circumstances. Later on Mr. Stang again mentioned the question of the royalty in this way—

Mr. Stang referred to the question of royalty, and said he did not seek the interview with the Minister on that point, although he considered the basis of the royalty was unscientific. He suggested if the Government took a royalty, that it should be on the catch as a whole, not on the number of whales. He wanted to make it clear that he did not come to object to the imposition of a royalty. He objected to certain clauses which he considered not protective, but destructive, and his opinion was formed after his very intimate knowledge of whaling.

That was the opinion of one man who had been the head of the whaling industry in this State for many years. I do not know that it is necessary to make any further reference to the question of royalty. I wish to again point out that the Bill represents an effort to regulate the industry for the protection of the industry. There is no desire to do anything of a destructive nature. While it may be said that an amendment of the Fisheries Act would probably be as effective as the Bill, it is considered by the department advisable to have a Bill to cover the whaling industry. Consequently I am proceeding with the Bill. At the same time, I would point out to hon. members that the clauses to which exception were taken have, apart from two, been dealt with by me in such a way as to meet the objections that were raised. The two exceptions refer to the question of royalty and to regulations dealing with the killing of female whales with calves at side.

Hon. J. Nicholson: And inspections.

Hon. G. W. Miles: The Honorary Minister has indicated what he intends to do with that.

The HONORARY MINISTER: I said I was prepared to delete that clause. In the circumstances, and in view of the statements made at the deputation, I cannot see why there should be so much objection to the Bill. However, it may be as well for me to deal with the clauses. The first clause sets out that the Bill has to be read in conjunc-

tion with the Fisheries Act. That will give the Government the right to grant an exclusive license for any period up to 14 years. This particular clause was objected to in connection with annual licenses, but it does away with that objection. As to the clause dealing with licenses for one year only, I am prepared to allow that to be deleted. With regard to the transfer of licenses, it was said that there was nothing in the Bill to provide for transfer to a liquidator. I agreed to make provision for this and the amendment will be seen on the Notice Paper. On the subject of territorial waters, when it was pointed out that under the Bill the waters which were part and parcel of the concession granted to the company under an exclusive license might be closed, I agreed to an amendment to exclude any of the area covered by the exclusive license, thus protecting the company at present operating as well as any other company that might operate under an exclusive license. If the need arises to close certain waters owing to the fact that the operations were taking too big a toll of the whales, those waters would be closed and that would make it easier for the company operating in the waters covered by the exclusive license. With regard to regulations, that dealing with sanitary and cleanly conditions of the boats will be deleted, whilst with regard to the killing of female whales with calves at sides I shall insist on that remaining. With regard to the limitation of boats, there is no intention to frame regulations to reduce the number at present operating. We do think, however, that the Government should be in a position to be able to step in with a regulation of that kind should the necessity arise. In respect of Clause 11, there can be no objection. The various points raised by members have been met as far as possible. As a matter of fact, one or two of the conditions provided for are already included in the exclusive license held by the company now operating. All we desire is that the Bill should be passed in the amended form that I shall suggest. There is no desire whatever to hamper the present company. On the contrary it is proposed to give them every protection, particularly in the event of others coming into the industry who may not be prepared, as are the present company, to enter into a reasonable agreement on the points that have been the basis of discussion in this House. I hope members will

not go so far as to reject the Bill on the second reading. If the Bill goes into Committee, I shall be prepared to report progress until the next sitting so that I may take up with the Solicitor-General the constitutional point raised by Mr. Nicholson and the other point that he mentioned.

Hon. J. Nicholson: Would it not be possible to adjourn the debate now, and obtain the Solicitor-General's opinion?

The HONORARY MINISTER: I take it that my reply will close the debate. I hope the House will permit the Bill to go into Committee and the points raised will be submitted to the Solicitor-General. I commend the Bill to the House.

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

Ayes 8

Noes 17

Majority against .. 9

AYES.

Hon. J. R. Brown
Hon. J. M. Drew
Hon. G. Fraser
Hon. E. H. Gray

Hon. E. H. H. Hall
Hon. W. H. Kitson
Hon. H. Stewart
Hon. C. B. Williams
(Teller.)

NOES.

Hon. J. Cornell
Hon. J. Ewing
Hon. J. T. Franklin
Hon. E. H. Harris
Hon. J. J. Holmes
Hon. G. A. Kempton
Hon. Sir W. Lathlain
Hon. A. Lovekin
Hon. W. J. Mann

Hon. G. W. Miles
Hon. J. Nicholson
Hon. E. Rose
Hon. H. Seddon
Hon. C. H. Wittenoom
Hon. Sir E. Wittenoom
Hon. H. J. Yelland
Hon. H. A. Stephenson
(Teller.)

Question thus negatived: the Bill defeated.

BILL—FORESTS ACT AMENDMENT.

Second Reading.

Debate resumed from the 20th September.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central—in reply) [7.50]: Mr. Cornell, in his second reading speech, objected to the Bill on the ground that a large amount of revenue had been collected from sandalwood which would never have been collected if the members of the Government had got their way when they were in opposition. Even if the fact were as stated, I cannot see how it can be regarded as anything in the nature of a good argument

against the Bill. If it could be held as morally wrong for any Government to continue to receive revenue under conditions of which they did not approve when they were in opposition, the various Governments in power from 1916 to 1924 were guilty of a failure to live up to their professions. It is common knowledge that, while they were in opposition, they denounced the State Saw Mills and State Brickworks in season and out of season, as something approaching calamity, but when they were in office, instead of ending these State enterprises they took the large annual profits into revenue without any qualms of conscience. Similarly with the State ships. The immense earning of the "Kangaroo" during the war period were so palatable to the Ministry (whose members regarded the State Shipping Service as a curse when they were in opposition) that they actually approved of the building of another vessel, and their hands were stayed only by the high costs of ship-building at the time. If it is an improper thing to view public questions from a different angle when one has the advantage of inside knowledge which had not previously been available, and which gives a different complexion on a case, then it is an offence of which almost every Government is sometimes guilty without provoking public resentment. But very few people would condemn the members of any Ministry for changing their views respecting the merits or demerits of a case, provided it was the result of an honest conviction that a continuance of a former policy was not in the best interests of the State. I have not taken the trouble to look up what present members of the Government said in Parliament some years ago in reference to the sandalwood scheme. But if my memory serves me right, there was no objection to the substantial royalty sought to be drawn from the timber, but a protest, on principle, against what looked like a dangerous monopoly to be given to a few persons. Time has shown that no harm has resulted, and that on the whole the scheme propounded has worked very successfully. While all this may be useful for historical purposes, it is entirely beside the question. What we have to consider is not what views this or that member of the Ministry expressed on the subject some years ago, but whether during the present financial year it is necessary to set apart £5,000 for the re-growth of sandalwood. The statement of receipts and ex-

penditure prepared by the Conservator of Forests, and read by me in introducing the Bill, is an answer to the question. It shows that he has already £7,127 in hand—much more than he can spend during the present year. We have before us the experience of four years, and not in any one year has the Conservator been able to expend the money placed at his disposal, under the Bills passed annually during and since 1924. He received in the four years £20,010, and, although he has done much experimental work, his outlay has been only £12,883. I ask hon. members to say whether a further £5,000 is needed by the Conservator this year.

Hon. G. W. Miles: If the Bill is defeated, two-thirds of that £53,000 will go into the reforestation fund instead of into general revenue.

The CHIEF SECRETARY: Three-fifths of the revenue will go to the reforestation fund. The Conservator himself does not think that a further £5,000 is required this year, for in his statement which I read in introducing the Bill he said that "the state of our knowledge does not warrant more than a continuance of large scale field experiments in sowing, and the completion of demarcation of selected reserves for the next twelve months." The fund established in connection with other timbers is also in a healthy condition. The Conservator started last year with a credit balance of £115,046, and he ended up with £117,056 in hand, or £2,000 more than the sum with which he commenced the year. He spent in reforestation operations £86,242 during the twelve months. With regard to pines, 650,000 young pines were planted out on 672 acres. Experimental plantings were made with several new species of pine in arboreta and plantations, and 1,700 acres were cleared for pine planting. In connection with this subject, the Deputy Conservator has supplied me with further information—

The establishment of 1,000 acres of new plantation per annum is proposed until such time as experimental work in determining species and methods best adapted to local conditions has progressed further. There has been some delay in reaching the figure owing to special problems arising largely out of the dry summer conditions experienced. The area of effective plantation is at present 3,300 acres. Experimental plantations have been established on the fringe of the jarrah belt with the object of testing the value for pine planting purposes of extensive areas of country at present lying idle and cannot be classed as

good jarrah country, or as good agricultural or pastoral country. The planting of new softwood species likely to prove suitable for local conditions has been continued in a number of arboreta and experimental areas. Results cannot be expected from this experimental work for a number of years, but it is possible that more useful species than the limited number which are at present known to be adapted to local conditions, will be discovered by this means. As extensive pine planting operations are continued it will then prove practicable to introduce new species into plantations, thus diminishing the risk of damage to extensive areas of the one species from insect or fungal troubles. Pending the results of these experiments *pinus insignis* and *pinus pinaster* will form the bulk of the planting stock.

Hon. H. Stewart: Then only 600 acres were planted during last year?

The CHIEF SECRETARY: The area of effective plantation is 3,300 acres. It will be seen from these remarks that pine planting has not yet got beyond the experimental stage.

Hon. H. Stewart: What about Mundaring?

The CHIEF SECRETARY: It would seem that the class of land suitable for the purpose and the particular pine to adapt itself to certain localities are matters that still require to engage attention. The Conservator is a most efficient officer, highly skilled in his duties, and he declines to rush into costly and dubious experiments unless he sees a prospect of success. Mr. Stewart asked what about Mundaring. I visited Mundaring in company with the Conservator some 18 months ago and was astonished at the excellent results that have followed the planting there.

Hon. J. Nicholson: I believe it is very satisfactory.

The CHIEF SECRETARY: Very satisfactory indeed. I regret that the Conservator's report for the last financial year is not available.

Hon. J. Ewing: Will it be ready soon?

The CHIEF SECRETARY: I had a proof of it sent to me last week. The Conservator informs me that, owing to the Government Printing Office staff being busily engaged on Commonwealth rolls, the report will not be ready until the end of this month. During the discussion on this Bill there was reference to the question of relieving unemployment in connection with the operations of the Forests Department. That aspect has not been overlooked by the

Conservator. His deputy tells me that during the pine planting season the department annually employs a considerable number of men. This year additional men to the number of 104 have been taken on. Mr. Miles wished to know why experiments in the regeneration of the sandalwood had not been undertaken in the North. I asked the Deputy Conservator to put his reply in writing for me. He did so, and it is as follows:—

In view of the limited areas available for sandalwood propagation in the heavier rainfall belts, and according to present British pharmacopoeia standards, the relatively inferior physical properties possessed by sandalwood oil produced from trees growing in these localities, attention has been directed to the regeneration of sandalwood in the Eastern Goldfields districts where very large areas are available, and where the sandalwood possesses a more valuable oil. The regeneration of sandalwood is simply an experiment. The results of the experiments in this locality will, it is expected, indicate the measures necessary for the regeneration of the sandalwood in the North.

It will be noted that the Forests Department regard the regeneration of sandalwood as simply an experiment. They are trying the experiment on the Eastern Goldfields, and if the results are satisfactory, the question of operating in the North will receive attention.

Hon. G. W. Miles: How long will it be before they know whether it will be satisfactory, 50 years?

The CHIEF SECRETARY: We have been told that the tree will take 100 years to attain maturity.

Hon. J. Nicholson: Then I hope you are saving the money.

The CHIEF SECRETARY: Mr. Mann expressed regret that the Forestry College at Ludlow had been closed against students. He said he understood that the students were now sent to Canberra where they could obtain a status not attainable in the school here. He added that if that were so, there was not very much to be said against it. The departmental explanation is this:—

When the Ludlow school was established it was a very difficult matter to secure trained men. With the establishment of the Australian Forestry School at Canberra, the funds for which are provided by the Federal Government, the department is able to secure trained officers, and there is not the same need for it to attempt the training of staff as was formerly the case. For this reason it was not considered necessary to indenture any

new apprentices during the past two years. Should the need for specially trained officers of the general division arise in the future, there is no reason why the Ludlow school should not be re-opened. For some time it has been found that men who have had considerable experience in the timber industry in this State, and who are capable of assimilating special instruction in connection with their particular duties, make very satisfactory officers in the field, and a proportion of the staff is being recruited from that source. The Forest School at Ludlow is being used for the time being as district headquarters for the officers employed in connection with the tuart forest in which it is situated.

As I pointed out when introducing the Bill, it is only on the Eastern goldfields where the country is available and lends itself conveniently to the propagation of sandalwood. Naturally Mr. Seddon, who is acquainted with what is going on there, is nervous about even a temporary cessation of the yearly contribution to the regeneration fund. Mr. Seddon, as a rule, bases any comments he makes on sound economic grounds. But if the experiments being made with the growing of sandalwood on the goldfields are likely to prove as unremunerative as Mr. Seddon's figures and facts would indicate, it would not be a wise policy to put a large sum of money into the proposition. For instance he said—

It is held that in the wheat districts it takes 40 years for the sandalwood to come to maturity, it is estimated that on the goldfields 100 years is not too long in which to expect the tree to attain maturity.

Hon. H. Seddon: Under natural conditions.

Hon. Sir Edward Wittenoom: Did he give the cost?

The CHIEF SECRETARY: Now, if that be so, we shall have to wait a long time for a return, and timber planted say, this year, will be pretty dear wood a century hence.

Hon. J. Nicholson: We shall not be able to sit under the shade of it.

The CHIEF SECRETARY: But our successors will. Take £5,000 and invest it in the raising of sandalwood which will not reach maturity for 100 years Mr. Seddon needs no reminding that the money placed at 5 per cent. compound interest for that long period would grow into a huge figure. As a matter of fact it would reach no less a sum than £657,506.

Hon. Sir Edward Wittenoom: What about maintenance?

The CHIEF SECRETARY: The first year's expenditure on the plot would not

be the last expenditure. The trees would have to be protected over the 100 years, there would be unavoidable losses under the best of conditions, and at the end of the century we might have five or six hundred acres with trees here and there as sandalwood is known to grow. I am sure the returns would not approach the first amount invested plus compound interest over the term.

Hon. E. H. Harris: That is at the present price of sandalwood.

Hon. H. Seddon: Is that why you propose to discontinue the £5,000 a year?

Hon. H. Stewart: No, that is why they carry on the experiments.

The CHIEF SECRETARY: I do not know whether the information that it would take 100 years for a tree to mature is in the possession of the Conservator. I have not informed him of the fact.

Hon. E. H. Harris: You should have referred it to him for comment.

The CHIEF SECRETARY: In addition, Mr. Seddon said that rabbits are attacking shrub life, including sandalwood, on the goldfields; that there has been practically no new growth of such plants for the last 20 years, and that all this should be borne in mind when we are estimating the finance required by the Forests Department. As a remedy he recommends an extensive programme of netting supplemented by fumigation and extermination. If all that expenditure is needed to preserve and propagate sandalwood, it is about time we asked ourselves whether the game is worth the candle.

Members: Hear, hear!

The CHIEF SECRETARY: I should be very sorry indeed if any means were neglected to preserve our sandalwood plant. Apart altogether from the industrial aspect, I shall do my best to see that the experiments are continued. There is a great demand for agricultural railways, and even Mr. Cornell complains because of the delay in the construction of the Kalgarin line—a delay due to unavoidable circumstances. But it should be generally known and appreciated, especially by members of Parliament, that almost every railway built, whether to serve the agricultural or the mining industry, means a loss of revenue for the time being. Seldom indeed does it occur that a railway contributes anything to sinking fund or

interest from its inception, or for some years afterwards, even if it does pay working expenses—it does not in three cases out of four. Ultimately most railways prove re-productive, but, in the early stages, they become a burden on the revenue, and every Treasurer embarking on a big railway programme faces difficulty in balancing his ledger. When a Government enters upon a vigorous public works policy on the basis of borrowed money, it is necessary that revenue should be judiciously conserved in order to meet interest and sinking fund on the loans raised. And whenever there is an opportunity to place a little more money into Consolidated Revenue without hurting anyone, as in the case under review, members of Parliament should cheerfully co-operate to that end. Either that or they should restrict their requests for Government expenditure except in regard to genuine essentials. That, however, has not been the experience of the present or previous Governments. Demands are made upon the Government by members of Parliament in both Houses for expenditure in numerous directions. This is wanted, and that is wanted; a grant is needed here, and a grant is needed there. But, when it comes to the question of providing a little extra revenue, which is not needed for another purpose this year, we find a disposition on the part of some members to deny it to the Government. Such an attitude is not encouraging to the Treasurer, who, it is generally admitted, is endeavouring to do his duty by the State. I trust that the Bill will pass unamended, and that hon. members will rely upon the Treasurer, as administrator of the Forests Department, doing all that is necessary and wise to push forward the interests of forestry in this State. The duration of the Bill is for only one year, and the Conservator has stated that further money will not be required for the next twelve months. He has £7,000 in hand, he states, and that will be ample to meet the necessities of his department. I hope therefore that the Bill will pass through Committee unamended.

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

Ayes	..	..	..	..	20
Noes	..	..	..	..	4

Majority for 16

AYES.

Hon. J. R. Brown
Hon. J. Cornell
Hon. J. M. Drew
Hon. J. Ewing
Hon. J. T. Franklin
Hon. G. Fraser
Hon. E. H. Gray
Hon. E. H. H. Hall
Hon. J. J. Holmes
Hon. G. A. Kempton

Hon. W. H. Kitson
Hon. Sir W. Lathlain
Hon. W. J. Mann
Hon. E. Rose
Hon. H. A. Stephenson
Hon. C. B. Williams
Hon. Sir E. Wittenoom
Hon. C. H. Wittenoom
Hon. H. J. Yelland
Hon. J. Nicholson

(Teller.)

NOES.

Hon. E. H. Harris
Hon. G. W. Miles

Hon. H. Seddon
Hon. H. Stewart

(Teller.)

Question thus passed.

Bill read a second time.

In Committee

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

Clause 1—agreed to.

Clause 2—Continuation of Section 2 of No. 31 of 1924:

Hon. H. SEDDON: I move an amendment—

That Clause 2 be struck out, and the following inserted in lieu:—"Section 41 of the principal Act shall, as from the 1st day of July, 1928, continue in force as amended by the Forests Act Amendment Acts, 1924 and 1927, and this Act until the 30th day of June, 1929, and no longer."

Despite the Chief Secretary's remarks, I still consider the position one that demands the continuation of the forest policy laid down in 1924. The position is becoming far more intense than it was then. The fact that sandalwood getters have to go out 70 miles from the railway line proves the urgency of artificial regeneration. The Chief Secretary made a great point of "a hundred years." That is the period in which sandalwood will grow to maturity under ordinary natural conditions, but experience has proved that the time taken by the plant to come to maturity under the best conditions is considerably shorter. Therefore I consider we ought to conduct our experiments on a far more extensive scale. The knowledge acquired by the Forests Department gives a foundation for further work.

The CHIEF SECRETARY: I hope the Committee will not support the amendment, which appears to me an unjust reflection on the administration of Mr. Collier, the head

of the Forests Department. That position he originally assumed in 1914, when the Scaddan Government were in power. He effected some valuable reforms. At that time the department was under the control of a clerk, who had held the position for 15 years without possessing any qualifications for it. Mr. Collier caused world-wide applications to be called for a Conservator, with the result that Mr. Lane-Poole was appointed and scientific forestry began in Western Australia. At that time, too, Mr. Collier had a classification made of the whole of our forest country. Since assuming office as Premier, he has proved that he has the interests of forestry at heart. In 1924 there were only 54,099 acres dedicated to forestry. On the 30th June, 1928, the total had reached 1,856,524 acres.

Hon. H. Stewart: How many acres were there three years ago?

The CHIEF SECRETARY: I cannot say that. I can state what there was in 1924. No matter what there was three years ago, a considerable area was dedicated last year.

Hon. H. Stewart: I think the new Minister for Lands has made a difference.

The CHIEF SECRETARY: The figures I have quoted prove the genuine interest the Premier takes in forestry. He has in no way hampered the operations of the Conservator. Indeed, last year the Treasurer found over £2,000 from loan to facilitate forestry operations. The Minister responsible to Parliament for forestry is genuinely concerned about its welfare, and can be trusted to find funds, when necessary, to carry on the department as vigorously as is required.

Hon. G. W. MILES: I will support the amendment. In addition to the £5,000 of which the Chief Secretary speaks, there is already £7,000 in the forest fund. In 1918 Parliament passed the Forests Act, Section 41 of which provides that three-fifths of the revenues of the department shall be placed to credit of a special account for the reforestation of forests, to be spent by the Conservator with the approval of the Minister, the scheme to be submitted annually to Parliament. Had that intention been carried out, there would have been to-day another £102,000 in the forest fund, instead of which that money has been taken into Consolidated Revenue.

The Chief Secretary: With the consent of Parliament.

Hon. G. W. MILES: Of course. Members representing the forest districts have not considered the position as thoroughly as it deserves.

Hon. W. J. Mann: Tell us all about it.

Hon. G. W. MILES: Three-fifths of the revenue of the department should be paid into the forest fund.

Hon. W. J. Mann: Have you ever objected to the allocation of the money?

Hon. G. W. MILES: Yes, I have protested against it. Prior to the sandalwood regulations coming into force, the annual revenue from sandalwood was about £1,600. Last year it was £53,000. If the Bill of last year had been rejected, £32,000 of that money would have gone into the forest fund.

Hon. W. J. Mann: And never been spent.

Hon. W. G. MILES: Why cannot you look to the future? There is now £115,000 in the department, but that is no reason why the provisions of an Act of Parliament should be set aside.

Hon. H. A. Stephenson: Have you just discovered them?

Hon. G. W. MILES: No. I used them in my second reading speech, but some members were then asleep. The Bill gives the Government the right to take the balance of the department's revenue into Consolidated Revenue. I object to that, and so I will support the amendment.

The CHIEF SECRETARY: When the Forests Act was passed in 1918, the royalty on sandalwood was merely nominal. At one time it was only 5s. a ton, but it was raised to 40s.

Hon. H. A. Stephenson: It would have remained at that but for a few business men outside of Parliament.

The CHIEF SECRETARY: Anyhow, there was only a very small return when the Act was passed in 1918, so there was no necessity to take any large portion of that return into Consolidated Revenue. But owing to the imposition of a stiff royalty of £9 per ton, there came in a tremendous revenue of about £50,000 per annum. The Government then pointed out to Parliament that it was neither advisable nor necessary that the whole of that sum should go to the Forests Department each year, and submitted a Bill providing for it to go into Consolidated Revenue. However, the Legislative Council decided that £5,000 per annum should be retained for the purposes of the Forests Department. Last year the

Conservator had £115,000 lying idle, and at present he has £117,000. On top of that there is £7,000 for reforestation in the forest fund. Not all that money could be judiciously used by the Conservator. It can be better employed by the Government in assisting to meet the interest on railways that are not paying, and the provision of schools, and the provision of funds required under the Miners' Phthisis Act, and in numerous other directions. So I hope the Committee will not agree to the amendment.

Hon. H. STEWART: The Minister has raised a difficult point, instancing the position of the Premier as the Minister responsible for the Forests Act, and saying that if we amend the Bill it will show a lack of confidence in the Premier. We can disabuse our minds of that. The Premier in his position as Treasurer is far more concerned than he is in his position as Minister for Forests. The revenue that will come from forestry is likely to be seriously curtailed in the immediate future, for we are given to understand that the supplies of timber from which royalties are derived are strictly limited. On that all foresters are agreed. Each time this annual measure has been before the House, members have argued on the basis that the money coming in from royalties on sandalwood was to be used for the regeneration of sandalwood. There is nothing to justify that view. The money derived from royalties, whether on sandalwood or wandoo, jarrah or karri, goes into the forest fund to be used for reforestation purposes generally. It was never anticipated that so large an amount would come from sandalwood. The figures given by the Chief Secretary only point to the necessity for building up reserves of sandalwood. A well-known forestry expert considers that the work being carried out in this State warrants the laying down each year of several thousand acres of pines. It is very desirable that further areas of pine trees should be planted. Something over £60,000 has been spent in planting about 600 acres. If a fair share of the royalties from sandalwood were devoted to this purpose, it should be possible to plant another 300 acres. Every year the Government have been obliged to ask for a renewal of the authority to devote a certain proportion of the sandalwood royalties to forestry purposes. It has been said that £5,000 was all that was likely to be required for sandalwood re-

generation. I fail to see how those members who represent the province where the forests are, could have voted as they did on the last occasion.

Hon. J. EWING: Both Mr. Miles and Mr. Stewart have taken to task members representing the South-West. But for the legislation brought down by the Mitchell Government, our forests would not be in the position they occupy to-day from the financial point of view. Apparently the money already in hand has been sufficient for present requirements as they affect sandalwood reforestation. I am not in favour of the amendment. The Premier is doing good work in his forestry policy. If the Committee were prepared to give him £35,000 for another year, I would not be one to prevent it.

Hon. H. Seddon: Why did you not vote accordingly?

Hon. J. EWING: The hon. member did not move the amendment that I would have supported. The amendment will have the effect of continuing the Act as it was amended in 1924 and again in 1927.

Hon. G. W. MILES: Mr. Ewing had the opportunity to restore two-thirds of the forests revenue when we dealt with the second reading. By rejecting the clause we will again have the same opportunity. In fact, the Bill will go out and three-fifths of the revenue of £53,000 will go into the general reforestation fund. The revenue is becoming less and less and now is the time that we should be building up our funds so as to provide for the future. By supporting the amendment we will assure that three-quarters of the sandalwood revenue will go back into the reforestation fund. We can do that by defeating the clause.

Hon. J. Ewing: I am not prepared to do that.

Hon. G. W. MILES: The report of the Forests Department for the year ended 30th June, 1927, gives particulars of the reforestation fund, and shows that the net revenue amounted to £143,549 and three-fifths of that amount was placed to the credit of the reforestation fund, thus leaving a balance available for reforestation work for the year 1927-28 of £115,046. I want to make it clear that if we defeat the Bill three-fifths of the £53,000 will go into the general reforestation fund, and we must build that up now.

Hon. J. Ewing: That is not what Mr. Seddon's amendment means.

Hon. G. W. MILES: If we delete Clause 2, it will have the effect of defeating the Bill.

Hon. H. SEDDON: The discussion is not so much on my amendment as on the forest position at the present time. The stage has arrived when we find that the expenditure approximately roughly the income, and that being so, seeing that it takes 20 years before we get a return from a forest policy, we may expect deficits for the next ten years. A definite undertaking was given to the Commonwealth by the Government that 3,000,000 acres would be set aside for forest purposes, but so far 2,000,000 acres only have been dealt with.

Hon. H. Stewart: They are held up owing to the classifications.

Hon. H. SEDDON: I understand that is the position, but the fact remains that we have not yet set aside our 3,000,000 acres. The whole of our efforts in connection with sandalwood have been made on the Eastern goldfields. It is known that sandalwood grew practically throughout the whole of Western Australia, although all the experiments are now taking place in the Eastern goldfields where the climate is probably the worst for plant growth. It is necessary to conduct scientific research to try out the growth of sandalwood in every part of the State, and to investigate the various problems associated with it, in connection with its germination and the soil in which the hosts grow best, those hosts being absolutely essential for the development of our sandalwood.

Hon. C. B. Williams: Why, the young plants grow in crevices in rocks!

Hon. H. SEDDON: The officers of the Forests Department are anxious to get hold of samples of young sandalwood grown in crevices in rock. They have not been able to get them so far. Then there is the question of sandalwood oil, of which we produce one-fifth of the total sandalwood oil consumed in the world. Those interested in the production of oil are concerned as to the future supplies of raw material to keep up the trade. All these questions require careful investigation. I trust steps will be taken that will enable the industry to proceed along those lines.

Hon. E. H. H. HALL: Mr. Stewart's interjection was apropos when he pointed

out that this referred to reforestation generally and not merely to the reforestation of sandalwood. In the Victoria district, attention should be given to the position of jam, the qualities of which for fencing purposes are so favourably known. The Government deserve every commendation for the work they have done in connection with our forests. That makes it difficult for me to reflect upon the Minister who is in charge of the department. At the same time I want to know why the Eastern goldfields have absorbed all the attention of the forestry officers regarding sandalwood. I am sorry that Mr. Seddon's amendment does not make the amount £10,000 a year.

The CHIEF SECRETARY: Some years ago I approached the Forests Department on the subject of some of the matters mentioned by Mr. Hall. I was under the impression that the Victoria district should be given some consideration in connection with the reforestation of sandalwood. I was informed that there was very little land available in that district in comparison with what was available on the Eastern goldfields. I was also told that the sandalwood growing on the Eastern goldfields was much better on account of its oil contents than the sandalwood growing in the Central Province. Therefore I could take no further action. Mr. Hall has certainly put up a good case regarding jam wood in the Victoria district, and I am sure the Conservator will give every consideration to the hon. member's suggestion.

Amendment put and a division taken.

The CHAIRMAN: Before I appoint tellers, I desire to inform the Committee that I intend to vote with the "Ayes," for this reason: Prior to the imposition of the existing sandalwood regulations the royalty imposed on sandalwood was £2 a ton. The proposal is not only to take the increase by the regulations, but also the amount of royalty existing before the increase was imposed, three-fifths of which went into forestry revenue.

Result of division:—

Ayes	..	..	..	12
Noes	..	..	..	11
				—
Majority for	..	..	..	1
				—

AMES.

Hon. J. Cornell	Hon. J. Nicholson
Hon. E. H. H. Hall	Hon. H. Seddon
Hon. E. H. Harris	Hon. H. Stewart
Hon. G. A. Kempton	Hon. Sir E. Wittenoom
Hon. Sir W. Lathlain	Hon. C. H. Wittenoom
Hon. A. Lovekin	Hon. G. W. Miles
	(Teller.)

NOES.

Hon. J. R. Brown	Hon. E. Pose
Hon. J. M. Drew	Hon. H. A. Stephenson
Hon. J. Ewing	Hon. C. B. Williams
Hon. G. Fraser	Hon. H. J. Yelland
Hon. E. H. Gray	Hon. W. J. Mann
Hon. J. J. Holmes	(Teller.)

Amendment thus passed.

Bill reported with an amendment.

House adjourned at 9.26 p.m.

Legislative Assembly,

Tuesday, 2nd October, 1928.

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

PERSONAL EXPLANATION.

Mr. E. B. Johnston and Williams-Narrogin Seat.

Mr. E. B. JOHNSTON: I desire to make a personal explanation. As members are aware, I have been selected by the political organisation to which I belong to contest a seat for the representation of this State in the Senate. In order to comply with the provisions of the Federal electoral law, it is therefore necessary for me to resign my seat in this House as representative of Williams-Narrogin. To-morrow is the seventeenth anniversary of my first election to this Parliament, and I therefore intend to