

I am spared to hold Ministerial office again. I will take the earliest possible steps to redress the grievous wrong done to the workers of this country. I will not be on the Treasury bench for long before I shall take the necessary action to remove this iniquitous piece of legislation from the statute-book. I presume the Legislative Council will not take long to pass the Bill because they seem to desire to get money into the hands of the fewest number of people possible. From that standpoint, the Bill will be accepted with open arms. I will remedy the position when I have the opportunity.

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

Ayes	..	..	..	..	22
Noes	..	..	..	..	18

Majority for 4

AYES.

Mr. Barnard	Mr. McLarty
Mr. Brown	Sir James Mitchell
Mr. Davy	Mr. Parker
Mr. Doney	Mr. Patrick
Mr. Ferguson	Mr. Plesse
Mr. Griffiths	Mr. Richardson
Mr. Keenan	Mr. Sampson
Mr. Latham	Mr. Scaddan
Mr. Lindsay	Mr. Thorn
Mr. H. W. Mann	Mr. Wells
Mr. J. I. Mann	Mr. North

(Teller.)

NOES.

Mr. Collier	Mr. Millington
Mr. Corboy	Mr. Munste
Mr. Hegney	Mr. Panton
Mr. Johnson	Mr. Sleeman
Mr. Kenneally	Mr. Walker
Mr. Lamond	Mr. Wausbrough
Mr. Lutey	Mr. Willcock
Mr. Marshall	Mr. Withers
Mr. McCallum	Mr. Raphael

(Teller.)

PAIRS.

AYES.	NOES
Mr. J. M. Smith	Mr. Wilson
Mr. Angelo	Mr. Coverley
Mr. J. H. Smith	Mr. Troy

Question thus passed.

Bill read a third time, and transmitted to the Council.

BILL—PREMIUM BONDS.

Received from the Council and on motion by Mr. H. W. Mann read a first time.

BILL—EAST PERTH PUBLIC HALL.

Read a third time and transmitted to the Council.

House adjourned at 1.14 a.m. (Friday).

Legislative Council,

Tuesday, 9th December, 1930.

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

QUESTION—RAILWAYS, COAL TESTS.

Hon. E. ROSE asked the Minister for Country Water Supplies: 1, Do the Railway Department make weekly or monthly tests of the quality of coal supplied by the various Collie mines to the department? 2, If so, will the Minister lay on the Table the results of such tests taken for the six months ended 30th November last?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: 1, Yes, monthly. 2, Yes.

The Minister for Country Water Supplies laid the paper on the Table.

LOCAL COURTS ACT AMENDMENT BILL SELECT COMMITTEE.

Report presented.

Hon. J. Nicholson brought up the report of the select committee.

Report received, and ordered to be printed, and to be considered at the next sitting of the House.

BILLS (4)—THIRD READING.

1, Hospital Fund.

Returned to the Assembly with amendments.

2, Hospital Fund (Contributions).

3, Totalisator Duty Act Amendment.

4, Entertainments Tax Assessment Act Amendment.

Passed.

BILL—FRIENDLY SOCIETIES ACT AMENDMENT.

Report of Committee adopted.

BILL—ENTERTAINMENTS TAX ACT AMENDMENT.

Second Reading.

Order of the Day read for the resumption of the debate from the 4th December.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; the Minister for Country Water Supplies in charge of the Bill.

Clause 1—agreed to.

Clause 2—Repeal of Section 4 and insertion of new section:

Hon. J. T. FRANKLIN: Perhaps the Leader of the House will report progress in view of the deputation that waited upon the Premier yesterday, a reply being still awaited.

The MINISTER FOR COUNTRY WATER SUPPLIES: It is news to me that the deputation did not receive a reply. Certainly they received no encouragement, their

suggestions being entirely unacceptable to the Government. One suggestion was to alter the incidence of the tax in such a way as to free the city picture theatres, which make higher charges for admission, and to impose heavier taxation on the suburban theatres, which charge lower prices. The other suggestion was an amendment allowing a charge to be made for Sunday night entertainments, to which proposal I do not think this Chamber will agree. In the circumstances I fail to see that anything would be gained by reporting progress.

Hon. J. T. FRANKLIN: The object of the deputation was not to allow city theatres to shirk their responsibilities, but to place before the Government a proposal which would produce, instead of £56,000, a return of £74,000, or about £18,000 more. The idea was to increase the tax on the higher priced seats, and to impose a tax of ½d. on tickets ranging from 6d. to 8d. in price. From this latter taxation the Government would derive about £2,600. Further, the suggestion is to leave the tax on 9d. and 1s. tickets at 1d. The tax on the 1s. 6d. ticket was to be raised by 2d., making the admission 1s. 8d. The idea was that the Government would get more revenue from the increased rate. All that the deputationists wanted to do was to re-arrange the schedule to the end that it might return more revenue to the Government. There was no idea, either of evading the tax or of retarding the passage of the Bill.

The CHAIRMAN: I am not going to allow a general discussion, unless some member moves a direct amendment to the clause.

Hon. J. NICHOLSON: I am sure there was an earnest desire on the part of those who attended the deputation to assist the Government in their present difficulties. If the Minister would agree to Mr. Franklin's request for a postponement, it would mean very little delay and might have a beneficial result.

The MINISTER FOR COUNTRY WATER SUPPLIES: If we were to report progress, we should be no farther advanced. The deputation proposed a tax on what are really children's tickets. To that the Government could not agree. Then it was proposed to increase the tax on tickets of 2s. 6d. and upwards. The Federal Government already have a tax

on such tickets, and the State Government propose to double it. The only other avenue for receiving revenue would be the making of a definite charge for Sunday night entertainments. The Government are strongly opposed to that.

Hon. A. LOVEKIN: The Premier promised the deputation that he would go into this matter of preparing another schedule.

Hon. J. Nicholson: He may be doing that now.

Hon. A. LOVEKIN: The deputation proposed that notwithstanding the Federal tax there should be a higher tax on the higher priced tickets. It is unthinkable that we should have foreign entertainers, such as Backhaus, coming here, and taking away £2,000 net while contributing nothing to the State. The second point urged was that there should be a definite charge for admission to Sunday night entertainments. By that the revenue from taxation would be materially assisted. However, since the Minister has said that the Government are strongly opposed to that proposal, we cannot carry it any farther. But we might do something regarding the tax on the higher priced tickets by requesting another place to reduce from 2d. to 1d. the tax on the lowest priced tickets. That would send the Bill back to another place, and so give the Government an opportunity to further consider the schedule. With that end in view, I move an amendment—

That the Assembly be requested to make the following amendment:—In line 1, in the column headed "Rate of Tax," strike out "twopence" and insert "one penny."

That will serve to send the Bill back to another place, where the points we have discussed can be considered.

The CHAIRMAN: It is customary to proceed with a taxation Bill as if this Committee could amend it. Then, when the Committee has amended it, it is sent to the Assembly in the form of a request.

The MINISTER FOR COUNTRY WATER SUPPLIES: I cannot follow Mr. Lovekin's logic. Actually, the Federal Government already tax all tickets from 2s. 6d. upwards, and we are imposing another tax which doubles the rate on such tickets. How much more does the hon. member want to put on them?

Hon. E. H. Gray: Under the old Bill, the highest priced tickets did not pay anything.

The MINISTER FOR COUNTRY WATER SUPPLIES: Under this Bill we are doubling the tax on the higher priced tickets. All picture shows are having a hard struggle in the letting of their higher priced seats. In that division of the theatres business is steadily falling off, and under this additional impost the position will be worse.

Hon. A. Lovekin: But experts say—

The MINISTER FOR COUNTRY WATER SUPPLIES: Experts say a lot of things. The Government went very thoroughly into this, and took the best possible advice before bringing down the Bill. The result is that the Government do not desire to tax the lowest priced tickets, but are actually doubling the tax on the tickets at 2s. 6d. and upwards. Surely members are not prepared to increase that rate.

Hon. E. H. GRAY: I am satisfied that if the Bill had not been hurried through another place the schedule appearing in it would not have been included. The picture people could have made valuable suggestions to the Government, if the Government had sought their advice. I have been impressed by these people, that they are not out to wreck the Bill, but their desire is to assist the Government to get in additional revenue. If the tax is imposed on the lower priced tickets, the result will be exactly the opposite of what the Government expect. The suburban theatres are what might be called the family theatres, and the additional tax will impose a burden on the patrons of those theatres. There is no reason at all why the State should not receive a great deal more by way of tax from visiting companies. As the Bill stands, the State will not receive any revenue from those companies.

The CHAIRMAN: Has the hon. member read the latter part of the clause?

Hon. E. H. GRAY: We can increase it still further. The effect of the proposal in the Bill will be to drive the patrons away from the theatres; at any rate those people who patronise the cheaper priced seats. I support the amendment in the hope that the Government will re-model the schedule.

Hon. G. FRASER: The Minister told us that the tax received on tickets up to 2s. amounts approximately to £25,000 a year. I consider that is enough to take from the

people who patronise the lower priced seats, and if an amendment is carried, that amount will not be affected. When we go above 2s. the Government will touch new ground. Any person who can afford to pay 2s. 6d. or more for his amusement, can also afford to pay an additional tax.

Hon. H. Stewart: That is provided for in the Bill.

Hon. G. FRASER: Yes, but I want the Government to allow the existing tax to remain up to 2s.

Hon. H. Stewart: It might have the effect of causing the picture shows in the city to reduce their prices.

Hon. G. FRASER: If it has that effect, it will do some good. People often pay 8s. 8d. for their seats. Surely they can afford to pay an extra few pence.

Hon. J. NICHOLSON: I understand that Mr. Lovekin has moved the amendment with a view to getting further consideration for the Bill promised by the Premier.

Hon. A. LOVEKIN: That is so.

Hon. J. NICHOLSON: I suggest that the amendment should be 1½d. instead of 1d. That would be more in accord with the spirit of the measure.

Hon. A. LOVEKIN: The amount does not concern me; I have put up the amendment solely to get further consideration for the schedule.

Hon. H. Stewart: You are more likely to succeed if the amount is reduced to 1½d.

Hon. A. LOVEKIN: The people who understand this business declare that the Government will not get the tax they expect to receive, but if the suggestion that they have advanced is adopted, the Government will receive more, and the picture business will not be injured as will be the case if the schedule stands as it is. The Premier promised to give full consideration to the suggestions of the deputation, but I am certain he could not have considered it or he would have proposed an alteration.

The MINISTER FOR COUNTRY WATER SUPPLIES: I take exception to Mr. Lovekin's remark that the Premier has not considered this matter. That is really a reflection on what I have already told the Committee.

The CHAIRMAN: Order! I do not regard Mr. Lovekin's remark as a reflection, but as the expression of an opinion.

The MINISTER FOR COUNTRY WATER SUPPLIES: I regard it as an expression of opinion that what I have already told the Committee is not correct. I will go further and tell hon. members that this matter was considered by the Government this morning, when it was dealt with fully.

Amendment put and a division called for.

The CHAIRMAN: Before the tellers tell, I give my vote with the Ayes.

Division taken with the following result:—

Ayes	..	..	..	..	8
Noes	..	..	..	..	17

Majority against 9

AYES.

Hon. J. Cornell	Hon. A. Lovekin
Hon. G. Fraser	Hon. J. Nicholson
Hon. E. H. Gray	Hon. C. B. Williams
Hon. W. H. Kitson	Hon. J. T. Franklin
	(Teller.)

NOES.

Hon. F. W. Allsop	Hon. G. W. Miles
Hon. C. F. Baxter	Hon. Sir C. Nathan
Hon. J. M. Drew	Hon. E. Rose
Hon. E. H. H. Hall	Hon. H. Seddon
Hon. V. Hamersley	Hon. H. Stewart
Hon. E. H. Harris	Hon. C. H. Wittenoom
Hon. G. A. Kempton	Hon. H. J. Yelland
Hon. Sir W. Lathlain	Hon. J. M. Macfarlane
Hon. W. J. Mann	(Teller.)

Amendment thus negatived.

Clause put and passed.

Title—agreed to.

Bill reported without amendment and the report adopted.

BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

First Reading.

Received from the Assembly and read a first time.

Standing Orders Suspension.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East): I move—

That so much of the Standing Orders be suspended as will enable the second readings of the Industrial Arbitration Act Amendment Bill and the Salaries Tax Bill to be moved at this sitting.

I expected the two Bills mentioned in the motion would have reached this House at a much earlier stage of the session, and I am anxious to move the second readings of the two measures this afternoon so as to afford hon. members some time to study the Bills.

Question put.

The PRESIDENT: There being more than an absolute majority of the House present, and no dissentient voice raised against the motion, I declare it carried in the affirmative.

Question thus passed.

Second Reading.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [5.23] in moving the second reading said: This short but very important Bill is introduced for the purpose of enabling the Arbitration Court to adjust the basic wage, if necessary, at quarterly intervals, to bring it into conformity with the cost of living, as declared by the State Statistician. Section 121 of the principal Act provides that the court shall, on or before the 14th day of June in each year, declare the basic wage, and such basic wage must remain in force for the twelve months commencing the first day of July. In that provision the court is without authority to enable it to review its determination even if the factors in the fixing of the basic wage fluctuate to a material extent, either in favour of the employer or the worker. Therefore, those concerned are compelled to observe the yearly June declaration for the ensuing period of twelve months, although it may not be in the interests of industry and employment to do so.

To relieve that position, the Bill proposes to free the court, so that it may fix the basic wage quarterly, if it so desires. The Bill does not attempt to give the court any instructions but it states clearly that if the court considers that the variation in the cost of living is such that the basic wage should be amended, it will be able to make such alteration. To permit of that, the Bill amends Section 121 of the principal Act by inserting the words "Subject to Section 124A" at the beginning of each of Subsections 5 and 6 of the section, which deal with the operation of the declared basic wage for a period of twelve months, and it also

inserts a new section, to stand as Section 124A, with provision for the review and adjustment of the basic wage during the currency thereof. Therefore, if the Bill becomes law, the annual inquiry and basic wage declaration will be made as heretofore, and thereafter, should any change of one shilling or more take place in the cost of living, it will be permissible for the court to issue quarterly adjustments of what may be termed the June basic wage declaration. In exercise of the proposed new section providing for quarterly adjustments, the court will have absolute discretion and it will move in the matter of its own volition.

The question of the declaration of the basic wage and the duration of the court's decision was debated in this Chamber when the Industrial Arbitration Act Amendment Bills of 1924 and 1925 were under discussion. Those Bills were introduced in another place by Mr. McCallum and in both of them that hon. gentleman sought the approval of Parliament to a proposal that the court should, on its own motion from time to time, make a declaration on the basic wage, provided that if no inquiry were held within one year from the making of a determination, application could be made to the court by any industrial union. When the Bills came to this Chamber, Mr. McCallum's proposal was amended and finally agreed to in the present form of Section 121 which provides for the yearly declaration of the basic wage and the rigid observance of the declaration for a period of twelve months.

The alteration was effected by way of an amendment submitted by Mr. Lovekin who moved for the substitution of the words "once each year" for the words "from time to time" in Mr. McCallum's proposal. In resisting the alteration the then Colonial Secretary (Hon. J. M. Drew) stated in 1924—

I trust no attempt will be made to restrict the powers of the court in this direction. There may be occasions from time to time within a shorter period than 12 months to fix the basic wage. For instance, there might be another war, with a consequent sharp rise in the cost of living. If such a thing should happen within the first month after the fixing of the basic wage under the amendment, the workers would have to wait for 12 months to secure an increase. The whole thing should be left to the discretion of the court, for without good cause the court will not amend the basic wage.

In support of the amendment to substitute the words "once each year" for the words "from time to time" and in opposition to the Colonial Secretary, I said—

This is a far-reaching matter. Contractors in all forms of industry will cover the risk of frequent alterations in the basic wage by adding to the price of their contracts. I will support the amendment, for it means stability.

In dealing with that aspect, I did not anticipate the abnormal times of the present days. In operation, the yearly declaration of the basic wage, without provision for review during the currency thereof, has been found utterly unsuitable. Experience has shown that, in the substantial change in the cost of living which has taken place, it has been quite ineffective in maintaining even a semblance of a connection with the cost of living. Moreover, its rigidity has isolated the costs in industry in this State in comparison with those obtaining in the Eastern States, where the provisions for the fixing of the basic wage are plastic. The basic wage is a very vital factor in our economic and industrial activities and it is essential that it be in proper relation to the cost of living as determined by the constituted authority, otherwise industry is overburdened and unemployment increased. The Bill in no way affects the standard of living as determined by the court but it will allow the court, if it thinks fit, to adjust its declaration so that the purchasing power of the basic wage shall be maintained.

The Bill will bring our legislation into line with that of the Eastern States. Under the South Australian Industrial Code the Board of Industry in that State is empowered, after a public inquiry as to the increase or decrease in the average cost of living, to make a determination declaring what shall be the living wage to be paid to adult male employees and to adult female employees, with full power to fix different rates to be paid in different areas. Also it must hold an inquiry for the purpose of declaring the living wage whenever a substantial change in the cost of living, or any other circumstance has, in the opinion of the board, rendered it just and expedient that the question of the living wage should be re-opened and reviewed; but no such determination is to be made by the board until the expiration of a period of at least one

year—this term was amended in 1921 to six months—from the date of its previous determination.

In Queensland the Industrial Conciliation and Arbitration Act provides that the court may from time to time declare general rulings relating to any industrial matter for the guidance of suitors before it and of boards. It also provides that, without limiting the generality of the power conferred, the court may from time to time make declarations as to—

(a) the cost of living;

(b) the standard of living;

(c) the minimum rate of wages to be paid to persons of either sex (also referred to as the basic wage);

(d) the standard hours.

In New South Wales the industrial laws were amended in 1926 by an Act similar to that of South Australia. The commission in New South Wales may not more frequently than once in every six months determine a standard of living and amend the basic wage.

There is nothing in the Federal Act fixing the basic wage, but generally speaking in all awards that are made by the Federal Court it is customary to provide for automatic quarterly adjustments in accordance with the figures issued by the Commonwealth Statistician. The index figures used by the Federal Court are those of the cities and towns covered by the dispute, and the different grouping of the figures has the effect of making the wage variations other than uniform. In Victoria a system of wages boards operates and there is no State-wide declaration of a basic wage for all industries, but the Commonwealth Statistician's figures are usually followed, and a similar position obtains in Tasmania.

In submitting this Bill the Government are not seeking power to direct the court in the fixing of the basic wage. The court is now saddled with a restriction that it can fix the basic wage only once in 12 months and under the Bill it is proposed that when a fluctuation occurs in the cost of living, the court shall have the right to adjust the basic wage in accordance with the cost of living. This proposed power to the court to use in its discretion is necessary in the present financial and economic crisis, with its consequent violent fluctuations in prices, and by it the court will be given power to adjust

the basic wage at more frequent intervals than 12 months and thus preserve a better balance with industry. I move—

That the Bill be now read a second time.

On motion by Hon. W. H. Kitson, debate adjourned.

BILL—EAST PERTH PUBLIC HALL.

Received from the Assembly and read a first time.

BILL—SALARIES TAX.

First Reading.

Received from the Assembly and read a first time.

Second Reading.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [5.36] in moving the second reading said: Because of the depression and of its associated features the Treasury is not receiving the revenues previously enjoyed and it has therefore become necessary to restrict expenditure in almost every direction so that the limited funds at the disposal of the Treasurer may be used to the best advantage. In keeping with the need to curtail expenditure to the revenue level the Government have found it necessary to submit this Bill to impose a special tax on the salaries of officers remunerated from public funds. In the activities of all firms and businesses there have been many failures and restrictions which have caused grave unemployment to the people involved. Employees remunerated from public funds have escaped distress, and it is not unreasonable to propose that those sheltered by public funds should make some distinct sacrifice to the common weal by way of a tax on their salaries, so that the moneys expended for their employment may not be burdensome on the people of the State. There is now much less work to be done in the departments and, as members know, the Treasury has less money for salaries. For this reason it has become necessary to bring the salaries expenditure into line with the reduced revenue and the ability of the Treasury to pay the remuneration. Members of the public service are not being singled out for unfair treatment. Up to the present they

have been almost alone in the very happy position of receiving undiminished incomes. Unlike employees outside the Government service they have remained undisturbed by the great privations of the depression and the financial shortage, although they are remunerated by the people bearing the full load of the burden. At the expense of the people of the State, they have fixed salaries and positions of a permanent character.

Because of the bad times, almost all salaried people outside the service have been subjected to salary reductions of anything up to 20 per cent., and the heavy fall in prices has arbitrarily reduced the incomes of primary producers and others to a point hitherto unknown. In twelve months governmental expenditure has dropped £2,500,000, and although that decline in expenditure should mean considerably reduced money for salaries, the members of the public service have not yet been called upon to accept a share of the huge reduction. If this Bill be not passed and the emoluments of members of the public service remain as at present, it could be justifiably maintained that the public service was being succoured by the people of the State. We would be taxing the diminished moneys and enterprise of those in industry to maintain a prosperity scale of salaries in the public service. There can be no substantial reason why the outside man should be taxed to preserve a prosperity salaries-level for public servants now that industry is in a precarious state.

Members know that the Treasury cannot expect to collect this year the amount of taxation received last year, and it can easily be understood that the money available for salaries will be much less than previously. It therefore becomes necessary to ration the salaries vote to meet our reduced circumstances. Under the Bill public servants are not being asked to make anything like the sacrifice that has been made by people outside the service. Most of the big firms have had to dismiss employees and reduce expenditure considerably. The incomes of all classes of traders have fallen to vanishing point and farmers, in common with other workers, are losing income day by day. There is every reason why Parliament should expect those who are permanently employed to join in the sacrifices being made by others, and if members of the public service are taxed under this measure, the sum

to be found by the Treasurer will be in the vicinity of the amount available for salaries. The Bill is comprehensive in its application. It is estimated to yield £96,615 per annum or £48,300 for the remaining six months of the present financial year. Under Clause 2 it is proposed to exempt from taxation the salaries of certain persons—His Excellency the Governor, Parliamentarians, and any person who is receiving salary which does not exceed £100 a year.

Hon. A. Lovekin: What about Ministers?

The MINISTER FOR COUNTRY. WATER SUPPLIES: They will come in. For constitutional reasons His Excellency the Governor is not taxable under this measure but, in acceptance of the principle that all should make sacrifices, His Excellency has been forwarding cheques since September last. Although the Governor is appointed by and is the personal representative of His Majesty the King and so is not subject to taxation, his salary or emolument is especially appropriated and paid out of State funds under the Constitution Act. In view of the definition of "salary" in this Bill, in view of the fact that the tax will be deducted from salaries before payment to the public officer and because the Bill expressly provides that the measure shall prevail over any other Act that may be inconsistent with it, it is deemed advisable specifically to exclude the Governor. Otherwise it may happen that the Governor's salary would be reduced by the deduction of the salaries tax and that would raise constitutional questions. Members of Parliament are exempted from the measure because they are already contributing substantially under the recent Act amending the Parliamentary Allowances Act.

Clause 3 defines the persons who will come within the definition of "Officer" and who will be subject to the tax. It includes any person in receipt of a salary payable in pursuance of any special Act or out of moneys annually appropriated, but does not include any person whose salary is ordinarily fixed, either directly or indirectly, by the terms of an award or industrial agreement under the provisions of the Arbitration Act. The term "salary" is far-reaching and appears to cover all remuneration, but it does not include travelling, or relieving, or transfer or similar expenses, or pensions

or superannuation allowances. Clause 4 deals with the computation of salaries and provides that the value of board and lodging, or of board, or of lodging, or of rent of premises provided free of charge to an officer, or of any other similar privilege, shall be included in the salary of an officer having the benefit thereof. The value of those considerations is to be assessed in accordance with any relative industrial award or agreement, or otherwise by the Public Service Commissioner or by a person authorised by the Treasurer. Clause 5 imposes the proposed tax at the rates prescribed in the first schedule. On weekly earnings up to and including £4 10s. the rate will be £3 15s. per cent., £5 per cent. on earnings over £4 10s. and including £6, £6 5s. per cent. on earnings over £6 and including £8, £7 10s. per cent. on earnings over £8 and including £13, £8 15s. on earnings over £13 and including £19, and £10 per cent. on weekly earnings over £19.

Under the first proviso the Governor may by Order-in-Council from time to time reduce the rates of tax in respect of any officer or class of officers, or any section of any class of officers. In the second proviso to the same clause provision is made for the Treasurer, or any person authorised by the Treasurer, to issue certificates of exemption from the tax in cases where the salary of a person does not exceed £252 and if such person has a wife, husband, child, father, mother, sister or brother wholly dependent on him, or of his work has been rationed or he is working part time, and his reduced salary is less than it would be if his full salary were taxed. It is also laid down that the exemptions referred to may be cancelled at any time. Clause 6 makes provision for the payment and collection of the tax. It provides that the tax shall be assessed on each periodical instalment of salary, and on the nearest pound. The proviso to the clause refers to the case of an officer with dependants, and in that particular respect it directs that only such salary tax shall be payable and deductible from the salary of such officer as shall, after making the deduction, leave the salary equal to but not lower than £252. Where his work has been rationed or reduced, and the reduction is less than the tax, only such tax shall be payable as shall make the salary equal to the amount of the full-time salary less the tax on the full-time salary. Clause 7 makes any salary tax

which has not been paid a charge on any future salary from which it may be deducted in one or more amounts as determined by the Treasurer.

In regard to retired officers, Subclause (2) provides for the recovery from an officer who leaves the service of the salary tax which was payable by him before he left the service and which was not duly paid or deducted from his salary before he left the service. By Clause 8 the deduction of salary tax will not affect the seniority or rank of any officer. Under Clause 9 the rate of pension, superannuation, or retiring allowance will not be affected by the deduction of salary tax. Clause 10 makes the amount of the tax a deduction under the Income Tax Act. Clause 11 restricts the operation of the Act to a period of twelve months. Clause 22 permits the Governor to make regulations for the purposes of the Act.

The three schedules are self-explanatory. I move—

That the Bill be now read a second time.

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

BILL—APPROPRIATION.

Second Reading.

Debate resumed from 4th December.

HON. G. W. MILES (North) [5.50]: I regret the Government have not attempted to handle the situation due to the economic crisis in a more determined manner. We have just had brought down a salaries tax Bill, and an amendment to the Industrial Arbitration Act. Both those measures should have been before the House four or five months ago. The Salaries Tax Bill should be called the Salaries Reduction Bill, and provide for double the amount of taxation sought to be gathered in.

Hon. G. Fraser: Take the lot!

HON. G. W. MILES: The Government have fallen down on their job. In another place the Premier and the Leader of the Opposition have said the only remedy is to borrow more money. I entirely disagree with that. I claim that the money we have borrowed in the past and spent extravagantly represents the cause of our depression to-day. The Leader of the House said this was a time to act fearlessly, and that the

situation must be faced fearlessly. I cannot commend the Government for acting in that way. I am told that in another place the Opposition say they are there to keep the Government up to their promises. Evidently they do not claim to be there to assist.

Hon. C. B. Williams: I do not know how the Government would get on but for the support of the Opposition.

Hon. G. W. MILES: I want to quote from the remarks of an ex-Leader of the House and an ex-Minister of the State, to indicate that if the Government of this State had the same courage as he had, our position would be greatly improved.

Hon. C. B. Williams: To whom do you refer?

Hon. G. W. MILES: To Sir Hal Colebatch, who said—

I do not think it is profitable at any time to try to place the blame on any particular shoulders, but I feel that we shall not get out of our present difficulties and set ourselves on the right track again until we fully appreciate what has brought about our present trouble. I do not intend to blame any particular Government or political party, because all parties in power, both Federal and State—I willingly include myself as an ex-member of a State Cabinet—are responsible. The twin policy that we have been adopting has brought, and eventually always will bring, to a state of bankruptcy the country adopting it. That twin policy to which I refer consists of extensive borrowing abroad, combined with a high protective tariff.

Hon. G. Fraser: When did he become an authority?

Hon. G. W. MILES: He is a better authority than most members of this House.

Hon. C. B. Williams: That is your opinion.

Hon. G. W. MILES: I also wish to quote an extract from the report of the British Economic Delegation which visited Australia in 1928 and reported in 1929, as follows—

Loan moneys raised overseas can come only to Australia in the form of goods. These goods are subject to the Customs duties provided for under the Commonwealth tariff on importation into Australia, and are in this way taxed to an extent estimated at from 15 to 20 per cent. of their value. The result is that this proportion of moneys borrowed abroad for capital purposes comes to the Commonwealth as revenue and is spent accordingly. This diversion of capital funds to revenue is obviously bad finance.

I mentioned that last year in the course of a debate, and the ex-Leader of the House

took me to task. I said we would not get the amount of loan moneys that it was sought to borrow. When the Loan Estimates come down, I am going to move that a certain amount be struck out as a protest against further borrowing for the time being. Sir Hal Colebatch continues—

Our annual borrowings of recent years have been roughly £40,000,000 per annum. Twenty per cent. of £40,000,000 is £8,000,000, 15 per cent. is £6,000,000. Taking the mean between the two, we find that each year for the last ten years no less than £7,000,000 of borrowed money has been taken into the ordinary revenue of the Commonwealth. For the whole period £70,000,000 of this borrowed money has been taken into Commonwealth Revenue. No country can pursue such a policy without finding itself bankrupt.

Senator Barnes: But that happened under the Nationalist administration.

Senator Sir Hal Colebatch: My friend is so imbued with party spirit—

As my friend, Mr. Williams, is here—

—that he does not seem to be capable of considering a matter on its own merits. I prefaced my remarks by saying that I attacked no party. I even went so far as to say that, because I had been a member of a State Ministry for seven years, I must be held accountable so far as the Ministry could be held accountable for what had happened. The present is no time for saying, "It is his fault, and not ours." It is the time for looking into matters fairly and squarely to see where we have gone wrong so that we may not go wrong again.

That is the attitude of an ex-Leader of this House, who was also a colleague of the present Premier. If Sir James Mitchell would only adopt the same attitude with a little courage and determination, instead of, as he did at the election, making promises he could not fulfil, and if he went about the business of the country and grappled with the situation as it exists, we would not have increasing unemployment, week in and week out, and month in and month out. It was his duty to call Parliament together earlier than he did, and to bring down a salaries reduction Bill to provide for an average reduction of 15 per cent. instead of about 7 per cent., and grading the reduction from 5 to 20 per cent., and a reduction of Parliamentary allowances by double what he has now provided for. He should also have suspended the Industrial Arbitration Act. I hope the Appropriation Bill will be held up until we get as an emergency mea-

sure to provide for the suspension of the Industrial Arbitration Act.

Hon. C. B. Williams: Why not put us back to the year one?

Hon. G. W. MILES: It would be much better for the hon. member if we did go back to then. There should also be an amendment to the Workers' Compensation Act. The Government have brought down a lot of tiddly-winking measures. Evidently they are trying to beat the record of other Governments by the number of Bills and messages brought along. While the Government are fiddling, Rome is burning. We have had an anatomy Bill, a bees Bills, and all manner of minor Bills. Had the Government brought down a Bill to suspend the operations of the Industrial Arbitration Act, and the Workers' Compensation Act, and brought in a salaries reduction Bill on the lines I have indicated, and an emergency tax Bill of 6d. in the pound to cope with the unemployment difficulty, Parliament could have been prorogued earlier. We understand that the Minister now wants to rush through and finish the business this week. I hope the Appropriation Bill will be held up until some more comprehensive measure is brought down, such as I have indicated. We should certainly have an amendment to suspend the penal clauses of the Industrial Arbitration Act, if the Government will not go as far as I want them to. It is better to have 90 per cent. of the people employed at £3 a week than 50 per cent. working at between £4 and £6 a week.

Hon. J. Cornell: Why not a Bill to reduce the rate of interest?

Hon. G. W. MILES: The salaries of bank managers and officers of those institutions generally should be brought down, and the interest rates reduced in proportion.

Hon. J. Nicholson: Have they not been brought down?

Hon. G. W. MILES: The interest rates have not. I doubt whether salaries have come down. Some of the British firms trading in the State have not reduced salaries, but in the case of most Australian firms, all hands, from directors to office boys, have been reduced. Insurance companies should reduce salaries and their rates as well.

Hon. W. H. Kitson: Are not interest rates going up?

Hon. G. W. MILES: Yes, because of the left wing in another part of Australia, and

because that left wing is talking repudiation. That is one of the causes for interest rates going up. Had we faced the situation, and had the Federal Government faced it, instead of having to pay six per cent. for the renewal of our loan, we would probably be getting it for 1 per cent. less. Had the situation been faced, the Federal Prime Minister would probably have been able to re-float our loans over a period of years and at a lower rate of interest.

Hon. E. H. Harris: What would be the object of suspending the penal sections of the Arbitration Act?

Hon. G. W. MILES: That the worker and the employer could come together.

Hon. C. B. Williams: You did not suggest that during the war.

Hon. G. W. MILES: Yes; and it was done. Moreover, the employer found the money. The Government propose to terminate the session this week. Parliament should be kept together until these matters have been dealt with. To some hon. members it may be news that Millars' Company are closing down on the 13th of this month, perhaps indefinitely. That closing down is not due entirely to Australian conditions, but partly to world conditions. The company have large quantities of timber on hand. Sir Hal Colebatch criticises the Commonwealth Government for taking so much of the loan moneys available, but what have State Governments done with the loans they raised in the past?

Hon. J. Cornell: Does the hon. member accept Sir Hal Colebatch as an authority?

Hon. G. W. MILES: In this instance I do. His arguments are sound, and such as must convince any man who has studied finance. It is admitted that State Governments have borrowed money and debited group settlers with interest, three million sterling eventually having to be written off. At Harvey the present Government are building shacks for the unemployed. In order to use timber from the State Sawmills, they are hauling it 100 miles and crediting the railways with the freight, whereas timber is available alongside the site of the shacks. I have previously alluded to the use of American lining for schools. These are only small things, and I regret mentioning them; but someone must mention them. The Premier has stated that the position does not affect the primary producers to so great an extent because for the primary in-

dustries there are no arbitration awards. When wool, owing to artificial conditions, was 3s. and 2s. 6d. per lb., the wool grower had to pay the wharf lumpers at the rate of 9 lbs. of wool per day. Now he has to pay the lumpers the equivalent of 38 lbs. of wool per day per man. When wheat was 5s. per bushel, a lumper's daily pay was equal to five bushels of wheat. To-day the farmer has to pay the lumper at the rate of 10 bushels of wheat per day. If wheat is priced at 2s., it will mean paying the lumper the equivalent of an acre of wheat per day. In this connection I should mention not only the lumper, but also the commission agent, the railway employee, and others. My object is merely to illustrate the case as it affects the man on the land. Had an emergency tax been introduced, we should not have had all these tiddley-winking Bills, and the Government would have been in a position to re-valuate farming lands, which should be done at once. The last valuations were fictitiously inflated. A section of the community even now advocates inflation as a remedy. That would make the position worse for everybody.

Hon. C. B. Williams: Including the unemployed?

Hon. G. W. MILES: Yes. It would mean more unemployed. Pastoral rents should also be reduced, to assist the wool grower.

Hon. C. B. Williams: If his rent were cut out altogether, he could not grow wool at a profit now.

Hon. G. W. MILES: Instead of something tangible being put before the country, the finances have been allowed to drift nearly a million pounds to the bad in five months. How long do the Government propose to allow this drift to continue? It is the duty of this Chamber to take a stand and hold up business until the Government bring down legislation to remedy these evils. Five months of the year are gone. There have been five months of high salaries with a reduction of 15 per cent. in the cost of living. Civil servants are receiving 15 per cent. more than they are entitled to on the basis of the cost of living. We have a Bill to amend the Arbitration Act.

The PRESIDENT: Order: The hon. member cannot, except very incidentally, refer to Bills not at present before the House.

Hon. G. W. MILES: In a general way, Sir, I can surely refer to them.

The PRESIDENT: Merely incidentally. The hon. member has already referred incidentally many times to Bills not before the House at present.

Hon. G. W. MILES: The method of fixing the basic wage is wrong.

The PRESIDENT: The hon. member will have ample opportunity of dealing with that matter when the Bill is before the House.

Hon. G. W. MILES: I wish to refer to a statement made by a Commonwealth arbitration judge yesterday, that the basic wage is wrongly fixed, being for a man, wife, and three children. That basis should be altered. Why should a single man be entitled to such a wage? While the present method of fixing the basic wage continues, there should be a substantial tax on bachelors. That would be only equity. I think I have made myself clear on the Bill. I hope the House will hold up the measure until such legislation as I have indicated is brought down. If the Government have the courage to acknowledge their error and to bring forward proper legislation, they will speedily put the country on the right road, instead of its drifting for another four or five months. The Government will be compelled to meet Parliament again in a month or two, and the session should not be closed until the important matters to which I have referred have received adequate attention.

HON. C. B. WILLIAMS (South) [6.10]: I cannot remain silent after hearing the previous speaker's solutions of the country's problems. We all acknowledge that something should be done. I agree with one statement made by Mr. Miles, that before Parliament adjourns something should be done not only to help the unemployed but to render concrete assistance to the man who grows one of the primary products of this country, a product on which most of us exist. Something must be done to assure the farmer that he will not again put in his crop at a loss. Speaking as a member of Parliament and not as a partisan, I did hope that the present Government would do more for the farmer than previous Governments have done, especially in view of the unfortunate condition of the agricultural industry. Probably we shall have an assurance from the Leader of the House that steps will be taken to enable the farmer to receive the basic wage, as other members of the community do.

Hon. H. Stewart: The farmer has never received it.

Hon. C. B. WILLIAMS: There were times when he received it. Wheat has not always been down in price. The remedies advocated by Mr. Miles seem ever to be aimed at the bottom dog. The hon. member always wants to reduce the wages of the worker. We already have a huge army of unemployed, and according to my view the hon. member wishes to make the position worse.

Hon. G. W. Miles: Have you read the Chief Secretary's article of this morning?

Hon. C. B. WILLIAMS: Reduction of pay means reducing the number of persons employed. Take the case of America, France and England. Those three countries are the biggest owners of gold in the world, and yet each of them has a huge number of unemployed. Even America has to provide millions of dollars for unemployed relief. Why? Because while having sufficient gold in its possession, it cannot make available the credits required by industry. The explanation is that interest rates throughout the world are altogether too high. Because of some conspiracy on the part of those who control credits throughout the world, poverty exists to-day. Our own State grows practically everything we require, except sugar and tea. We have the best of wheat, the best of meat, the best of wool, the best of potatoes, the best of butter, and the best of bread. We have also very profitable and influential breweries. I mention them because some people say beer is also a necessary of life. We produce all these things in plenty, and fruit as well. Yet many of our people never see fruit except in a shop window. The fruit grower, too, is at starvation point, because he cannot sell his product. Such a position is both ridiculous and tragic. The remedy is not to reduce the basic wage, but to enable the wheat grower to get more for his products. If wages are reduced he will get less, because consumption would then be less. The trouble to-day is that we cannot sell our wheat because in other parts of the world people cannot afford to buy bread as we know it in this country. Yet hon. members declare that the status of the worker must come down further, so that Western Australia may continue prosperous. Mr. Miles mentioned people who believe in inflation. Some time ago I said that I was a

repudiationist or anything else that would bring the country back to prosperity and give work to our unemployed.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. C. B. WILLIAMS: In the interests of Australia if the worst came to the worst I would agree to anything rather than see the people out of work and starving. Mr. Miles's remedy for the evils of Australia to-day is the lowering of the wage rate of the country, plus the abolition of the Arbitration Act, and other matters of that kind. He will not touch on the only matter that is causing all the harm in the world to-day, namely, the exorbitant rate of interest charged by the banks of the world. Whilst the prices of all necessary commodities are falling, the price of money is very dear indeed.

Hon. Sir William Lathlain: Money is cheap in London.

Hon. C. B. WILLIAMS: Money at 6 per cent. must be much more valuable than was money some years ago.

Hon. Sir William Lathlain: Because the security offered is not so good.

Hon. C. B. WILLIAMS: In what way have our securities depreciated?

Hon. Sir William Lathlain: Because your party have not met their liabilities.

Hon. C. B. WILLIAMS: We have always met our liabilities. What do we borrow when we do borrow?

Hon. A. Lovekin: Goods.

Hon. C. B. WILLIAMS: When we borrow from overseas, yes; but within our own country what do we borrow? We borrow faith, faith from one another. We are borrowing 28 millions of money to-day. In what form is it? It is in the form of faith on the part of the people who are lending the money; they know they will receive their interest and, in due course, their capital.

Hon. G. W. Miles: And you want to bring down the rate of interest.

Hon. C. B. WILLIAMS: The people of Australia, together with the people of the world, are in a mess, not because the wealth of the world or of Australia is any less than it was. It is probably greater to-day than ever it was, but it is in a few hands and so tied up. Why are we starving? And why are our unemployed so numerous? It is because our wealth is tied up and so is not

available for the creation of work. And our primary producers will not grow wheat when they cannot get a decent price for it. They might just as well walk off their farms and join the ranks of the unemployed. We are borrowing £28,000,000 to-day to re-establish the credit of Australia, and we are borrowing it from ourselves. We are going to hang another million or so in interest around our necks in order to keep faith with our creditors. To-day the note issue of Australia is the currency and credit of Australia. Nobody worries about the gold reserve.

Hon. E. H. Harris: What!

Hon. C. B. WILLIAMS: Do you?

Hon. E. H. Harris: Yes.

Hon. C. B. WILLIAMS: I suppose that is what has made you wear so worried a look lately. The only people who worry about the gold reserve are the people to whom Sir William Lathlain has referred, namely, the people overseas who think their securities are not what they were. But all that the people of Australia see of the wealth of Australia is the note issue turned out by the Commonwealth Printer.

Hon. E. H. Harris: Speeches like yours will not inspire faith.

Hon. C. B. WILLIAMS: The only faith required in this country is that the people of Australia shall have faith in themselves. The Government of the Commonwealth are asking the people of Australia to lend us their faith to the extent of 28 millions in our own paper, not in gold. And what will the people of Australia get for it? They will get back £28,000,000 worth of paper, printed at the same place, plus another million pounds' worth or so of interest on the amount.

Hon. E. H. Harris: And what is it worth?

Hon. C. B. WILLIAMS: Just as much as it will purchase here or elsewhere. There are in Australia plenty of people who have never seen a golden sovereign or half sovereign. If they were to stumble across one they would probably regard it as some barbaric symbol from ancient times. In the eyes of the people who are patriotic to Australia the credit of Australia to-day is higher than ever it was. Our trouble is not that the people of Australia want wages that are too high. That is only a myth. The position in Australia to-day is that the farmer, out of the price he is getting for his wheat, could not feed his

employees, let alone pay them wages. So it is ridiculous to say the cost of production is causing the farmer any trouble. The trouble is to get a decent price for his wheat. And why is the price of wheat down? It is because the Russian people are patriotic to their country. To try to place their country on a better basis than it has been, they are making great sacrifices.

Hon. E. H. Harris: They have to.

Hon. C. B. WILLIAMS: Not necessarily. As a matter of fact they have been reared on sacrifices to their country. Probably we in Australia would not stand for their methods, either past or present; but they are trying to establish credit for their country, and the Australian wheat growers will suffer accordingly.

Hon. J. Nicholson: You are advocating sacrifice.

Hon. C. B. WILLIAMS: Yes. My advocacy is this: the credit of the people of Australia should be pooled in the interests of Australia, and we should not be asked for 28 millions of paper and an extra million or so for turning out the paper. We have had to borrow in the past, and we shall have to borrow again.

Hon. H. Seddon: Has any country ever adopted printing press methods and got through with them?

Hon. C. B. WILLIAMS: I have previously said that the country that owns the gold which is the basis of credit under the system advocated by Mr. Seddon, is just as poor industrially as we are. In America where so much gold is held, an enormous number of people are out of work; in France the Government have just been turned out on account of unemployment; and we know how great is the unemployment in England. Since those are the three countries that control gold, then gold must be useless. If all the gold in America cannot provide work for the American people, what is the use of it? In this State we grow everything that makes for our well-being, yet we have many thousands of people starving. That is the result of the gold standard. It could not be worse if we used the printing press.

Hon. E. H. Harris: Don't be foolish.

Hon. C. B. WILLIAMS: I repeat that it could not be worse. To-day we cheerfully accept the pound note, and not one person in five thousand ever asks whether

it will be met. People take it as a matter of faith.

Hon. Sir William Lathlain: Because we know the gold reserve is there.

Hon. C. B. WILLIAMS: Because we know nothing of the sort. If each and every one of us did not have faith in the value of that note, and if the credit of Australia was not backed up by the Commonwealth Bank, the people of Australia would not be prepared to accept the currency note.

Hon. A. Lovekin: They take the note because they know the wealth of the country is behind it.

Hon. C. B. WILLIAMS: And the wealth of Mr. Lovekin, and of every other citizen, is behind it. But if the whole thing lay in the hands of the private banks nobody would accept the notes; because we know that if it came to a question of paying up it would be a question of getting out without paying up, unless, as fortunately obtains, the Commonwealth Bank were behind the credit. We must listen to one of the cleverest men—the Commonwealth Statistician, who suggests partial inflation. Even the Leader of the Opposition, who as a labour leader is most conservative, lends his support to partial inflation. I am not saying anything about Senator Sir Hal Colebatch, because so far as I could ever learn he was an authority on nothing except getting measures through this Council in the shortest possible time. I have always understood that he was quite diplomatic in that respect.

Hon. G. W. Miles interjected.

Hon. C. B. WILLIAMS: Meeting our mistakes is not the way to get us out of our difficulties. The only real trouble is the moneylender, who has said, "We will lend these people of Australia no more at present. We will make them pay up, and if they cannot meet their liabilities the prices of everything they grow and sell will fall, and we shall reap the benefit."

Hon. H. Seddon interjected.

Hon. C. B. WILLIAMS: The hon. member might explain what is the real reason for the depression throughout the world to-day. It is not the security of wealth, because the wealth is there. It does not disappear to any great extent in the handling of it. What, then, is the answer? There can be only one answer, namely, that those controlling the wealth of the world are mak-

ing undue profit out of it. It can be nothing else.

Hon. J. Cornell: And they want to hold what they have.

Hon. C. B. WILLIAMS: Yes. If the currency were inflated by 20 millions, who would be the worse?

Hon. A. Lovekin: If by 20 millions, why not by 100 millions?

Hon. C. B. WILLIAMS: If work can be created as a result, I say print the notes as fast as you can. What is the use of hoarding wealth? It can lead to nothing but misery: I am only looking for work to be created. We have sat here for several months and the position has become worse week by week. I can see nothing for it except to get the printing press going.

Hon. J. Nicholson: And reduce us to the position of Russia.

Hon. C. B. WILLIAMS: It is no use Mr. Nicholson trying to side-step me by mentioning Russia. Some hon members have advocated a cheaper method of living. But what is the position in many countries of the world where they cannot even buy our wheat because they are down below the breadline?

Hon. A. Lovekin: If we adopt your suggestion, our pound note would very soon not buy a loaf of bread. See what happened to the mark in Germany.

Hon. C. B. WILLIAMS: We must take hold of credit.

Hon. A. Lovekin: That is what Germany did.

Hon. C. B. WILLIAMS: And Germany is more prosperous than we are to-day. They went through their inflation period successfully.

Hon. J. M. Macfarlane: You would have repudiation.

Hon. C. B. WILLIAMS: We should not be repudiating anyone, particularly our own kind. Are we not repudiating the farmers? Are we not going to see them walk off their holdings after years of labour?

Hon. E. H. H. Hall: I blame the Commonwealth Government for the position. Did they not advise the farmers to grow more wheat?

Hon. C. B. WILLIAMS: Yes; they produced more wheat and now they are poorer. The Commonwealth Government wanted to guarantee 4s. a bushel for the wheat.

Hon. E. H. H. Hall: And the States would have to pay it.

Hon. C. B. WILLIAMS: What matter who paid it? The people of Australia would have had to find that 4s. per bushel. Western Australia would have had to pay its share, and it probably would have gone harder with us than the other States. We can talk until we are blue in the face. There is only one solution and the Commonwealth Statistician has pointed it out—partial inflation. It is useless to say that the Arbitration Courts have put Australia in its present position. That is only a fallacy. If the business men of this House who depend on the trade of the workers for their existence would speak candidly, they would tell the House that the reductions that have been effected in wages have been enormous. Mr. Miles wants to cut out the Arbitration Court. The gold-mining industry costs should be going down every week. I have had considerable experience with bargaining and I hope in the interests of the workers the day will never come when we shall have to get back to bargaining. It is pretty hard to put your faith in one man sitting as a judge, but to put workers in the position of having to bargain with employers would mean that the workers would lose every time.

Hon. G. W. Miles: It would only be a temporary measure.

Hon. C. B. WILLIAMS: For what purpose? Why disguise the fact? It would be for the purpose of reducing the workers' wages to a greater extent than is being done by the Arbitration Court. There is only one solution of the present difficulty and it is that the printing press must be set to work.

HON. A. LOVEKIN (Metropolitan) [7.50] I move—

That the debate be adjourned.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [7.51]: I hope the House will not agree to the adjournment of the debate. The Government hope to conclude the session on Friday and it is my desire to avoid late night sittings, so that we may do justice to the work we have before us. I trust members will be prepared to go on with the debates. So far on this Bill there have been only two speeches.

Hon. A. Lovekin: Surely the Appropriation Bill is the last that we should pass.

Motion put and passed.

BILL—LAND AND INCOME TAX ASSESSMENT ACT AMENDMENT.

Received from the Assembly and read a first time.

BILL—LOAN, £2,335,000.

Second Reading.

Order of the Day read for the resumption of the debate from the previous sitting on the second reading.

HON. G. W. MILES (North) [7.52]: I move—

That the debate be adjourned.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [7.53]: I hope members will not be unreasonable and insist on adjourning the debate on the second reading of these Bills. Surely some member is prepared to continue the debate to-night. Let us carry the Bill a step further. If no one is anxious to debate the Bill, why hold it up?

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

Ayes	..	..	..	7
Noes	..	..	..	15

Majority against .. 8

AYES.

Hon. J. Cornell	Hon. J. Nicholson
Hon. V. Hamersley	Hon. H. Stewart
Hon. E. H. Harris	Hon. G. W. Miles
Hon. A. Lovekin	(Teller.)

NOES.

Hon. F. W. Allsop	Hon. J. M. Macfarlane
Hon. C. F. Baxter	Hon. W. J. Mann
Hon. J. M. Drew	Hon. Sir C. Nathan
Hon. G. Fraser	Hon. E. Rose
Hon. E. H. Gray	Hon. C. B. Williams
Hon. E. H. H. Hall	Hon. H. J. Yelland
Hon. G. A. Kempton	Hon. C. H. Wittenoom
Hon. Sir W. Lathlain	(Teller.)

Motion thus negatived.

HON. V. HAMERSLEY (East) [7.58]: I regret the division that has just taken place. Mr. Seddon, who had secured the adjournment of the debate, has been giving

close attention to another important matter connected with the business of the House. As a matter of fact, he has been trying to save this House a good deal of work that otherwise would come before it in open Committee. Therefore we should give him a little consideration, seeing that he is not present at the moment and is desirous of speaking to the second reading. To deny Mr. Seddon the opportunity of further preparation before continuing the debate on the second reading, is not in keeping with the usual practice of this House to give a longer period for consideration, particularly when we have ample time before us. It is rather extraordinary that we should be asked to deal with the Bill this evening. I regret that Mr. Seddon is not to be given the opportunity he desires to speak on the Bill, and it was because of that that I cast my vote in favour of the motion for the adjournment of the debate. However much we may desire to assist the Minister to deal with the business of the session, we should be fair to those who give close attention to the work of the House, and especially to one who has been prevented from being ready to speak to-night because of his work in connection with a select committee.

HON. J. CORNELL (South) [8.2]: I join with Mr. Hamersley in expressing regret that the Minister should oppose the adjournment of the debate.

The **PRESIDENT**: I would remind the hon. member that the question before the House is the second reading of the Bill.

Hon. J. CORNELL: I am well aware of that.

The **PRESIDENT**: Then the hon. member is merely making an incidental reference to another matter?

Hon. J. CORNELL: Yes. The Minister urged that the Bill should be passed to meet the convenience of members and to conclude the session as early as possible. I have sat in this House for many sessions, and I know what happens regarding Appropriation Bills and Loan Bills. Generally speaking, those measures are passed on the last day of the session, and when they come before the House, they fly through. What is there in the Bill that makes it necessary to deal with it straight away? Is it a Supply Bill? Will the adjournment of the debate hang up the business of the country? Certainly not. Time and again the

Premier in another place adjourned the debate on the Loan Estimates in order that the Leader of the Opposition, who was absent through illness, might have an opportunity to speak. Mr. Seddon has been engaged on important work as chairman of a select committee, and that prevented him from being ready to speak this evening. To use a common expression, I think the Minister has the wind up. His fears are imaginary. The Loan Bill will go through. I have read the schedule and I believe that, once the second reading is passed, the Bill will go through without any discussion. I make the suggestion to the Minister that he himself should move the adjournment of the debate, and thus give Mr. Seddon an opportunity to speak to-morrow.*

HON. E. H. HARRIS (North-East) [8.4]: The Bill is for the purpose of raising a loan of £2,335,000 for the construction of certain public works and other services. The Bill was introduced by the Minister on Wednesday last in a speech that lasted for eight minutes, according to "Hansard." Mr. Seddon secured the adjournment of the debate. On Thursday evening he went away, taking with him the evidence that had been tendered before a select committee, of which he was chairman. He had to do work in connection with that committee, which necessitated neglect of other Parliamentary work, including the preparation of his speech on the Loan Bill. Mr. Seddon returned to town, and to-day has been sitting on the committee dealing with various matters of importance. As in the past, Mr. Seddon was anxious to speak on the Bill. The House by the vote cast to-night will deny him that right: As force of circumstances have prevented him from being prepared to speak this evening, Mr. Seddon left his seat a few minutes ago and walked out of the Chamber. I presume he did that with the idea that the House would agree to the adjournment of the debate in order to give him an opportunity to speak to-morrow. The Bill is an important one dealing with the raising of loan funds of over £2,000,000. All the discussion we have had on the Bill is the speech by the Minister. Any other hon. member who desired to speak on the Bill should have that opportunity. I shall not go into the merits of the Bill. Most of Australia's troubles are due to excessive borrowing, and Western Australia has done its share in that

direction. Although Loan Bills have been passed and we have not secured the money, we have spent the funds and are now paying interest on those outgoings. Here is a proposal that we shall raise more money by way of loan, and yet members are to be deprived of the opportunity to discuss the measure!

Personal Explanation.

THE MINISTER FOR COUNTRY WATER SUPPLIES: I desire to make a personal explanation. Members have accused me of not giving Mr. Seddon an opportunity to speak. Nothing was further from my mind.

Hon. G. W. Miles: You were going to block him by replying to the debate.

The **MINISTER FOR COUNTRY WATER SUPPLIES:** When the Order of the Day was read for the resumption of the second reading of the debate, I saw Mr. Seddon leave the Chamber. Seeing that I went to considerable trouble to place the Appropriation Bill and the Loan Bill before the House as soon as possible, some hon. member should be prepared to resume the debate at this stage. I moved the second reading of the Loan Bill on Wednesday last and the debate was adjourned. The Appropriation Bill was in a similar position, and after two members had spoken the debate was adjourned again. Now this evening that Bill has been adjourned still further without a single additional speech. We have more than 20 members present, and not one was prepared to carry on the debate this evening. One member who secured the adjournment of the debate on the Loan Bill happens to be chairman of a select committee. He walked out of the Chamber a few minutes ago although he had the right to resume the debate, and I am blamed for not giving him an opportunity to do so. If the Bill is regarded as of such importance by hon. members, surely one of them should have continued the debate this evening. All I am anxious about is the work of the House. I have done my utmost to keep business before members so as to dispose of it expeditiously, instead of having long sittings night after night. I ask hon. members to assist me in that direction.

On motion by Hon. G. W. Miles, debate adjourned.

BILL—STAMP ACT AMENDMENT

(No. 2).

Second Reading—defeated.

Debate resumed from the 2nd December.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—

East) [8.9]: I have already moved the second reading of the Bill and secured the reinstatement of the measure on the Notice Paper at the second reading stage subsequent to an adverse vote on the floor of the House. There is little for me to add now except to say that the Government depend on the measure, together with other taxing Bills, to help in the task of straightening out the finances. The motion for the second reading of the Bill was defeated on what I regard as a catch vote. Hon. members must realise that the expenditure in which the Government are involved to-day is indeed heavy. This House will add to the difficulty of the position if hon. members refuse to allow the measure to pass, and insist on the attitude they adopted last week. In view of the strong feeling evidenced as a result of the action by the House on that occasion, I hope members will agree to the passage of the Bill now that it has been reinstated on the Notice Paper, and allow it to proceed without any further hindrance. It will be appreciated that the taxation measures have been framed so as to affect pleasure, leaving industry alone as much as possible. Apart from taxation upon what may be described generally as amusements, the only tax that the community as a whole are asked to bear is that embodied in the Hospital Fund Bill.

Hon. G. Fraser: And that is not a hospital tax at all.

The MINISTER: The hon. member is of that opinion, but I hope the House will support the Government in their taxation measures, and enable them to derive some revenue from those who are prepared to buy sweep tickets and speculate in other directions.

HON. J. CORNELL (South) [8.11]: Without desiring to be disrespectful, I must refer to the Bill as a purely pettifogging measure. It represents a direct evasion of the existing laws, which provide that it shall be an offence to conduct an art union or a sweep. The Bill proposes to tax tickets issued in connection

with sweeps or art unions. It should be open play, or no play at all. The infinitely better way, if we are to tax art unions or sweeps, and to wink at the law, would be to tax the gross proceeds and also tax the agencies for Tattersall's and the Golden Casket on their gross proceeds. There would be some sense in doing that, whereas the Bill means that every tiddlywinking sweep, whose prize money represents more than £25, must be promoted with tickets that will have to be embossed. I do not belong to the press gang, but it is well known in the printing world that the most expensive form of printing is embossing. It means that practically every ticket has to be dealt with singly. Suppose a person decides to run a goose club at Wiluna in connection with the forthcoming Christmas festivities, and the prize money is more than £25. That individual will have to send his books of tickets to Perth to have them embossed. Then the tickets will have to be sent back, and the goose club will be arranged. What could be more ridiculous? Why not tax the gross proceeds, instead of adopting the course suggested in the Bill? It could be made an offence not to furnish a proper return showing the gross proceeds. I am afraid the position will be that half of the people will pay no tax at all and the other half will have to carry the burden—this all for a pettifogging £5,000. When the Council rejected the motion for the second reading of the Bill, the Government would have been well advised to drop the Bill altogether. I hope the House will not reverse its decision, but will stand to its guns on this occasion.

HON. J. NICHOLSON (Metropolitan) [8.15]: The objection I raised to the Bill previously—

Hon. G. Fraser: Still holds good?

Hon. J. NICHOLSON: Yes, because in the interim the Government have not, so far as I am aware, done anything to indicate an intention to bring in an amendment to the Criminal Code. The observations made by Mr. Cornell were well directed towards this and some other measures that have been placed before us. I share his view. I do not think the Government will receive the revenue they anticipate from this source, a source which clearly is opposed to the provisions to the Criminal Code. On the one hand, we prohibit the holding of sweep-

stakes, etc., as provided by Section 212 of the Criminal Code. Notwithstanding that prohibition, we are asked by this Bill tacitly to admit the right of the people to hold sweepstakes without any attempt being made to regulate them. Surely the first thing to be done was to introduce a measure to amend the Criminal Code! If it is intended to give authority for the issuing of sweep tickets, let it be done by a proper measure introduced for the purpose. Then we could deal with a Bill such as this. But this measure should certainly not precede an amendment to the Criminal Code. I voted in support of the reinstatement of the Bill, hoping that meanwhile the Government would realise the necessity for doing as I have indicated. As that has not been done, I feel impelled to vote against the Bill again. Clause 2 contains the following definition:—

“Sweep” includes every sweep, art union, raffle, lottery or any other scheme or system for the winning of prizes in money or goods by persons purchasing tickets or paying money therein, and in which the winning of prizes depends on the drawing of numbers or symbols indicating the winners of such prizes; provided the amount or value of such prizes exceeds twenty-five pounds.

Then there is an equally wide definition of sweep tickets.

Hon. J. Cornell: That means you could not conduct a sweep at Wyndham on the Melbourne Cup unless you sent the books of tickets to Perth to be embossed.

Hon. J. NICHOLSON: That is correct. To carry out the provisions of the measure, it would be necessary for the tickets to be sent to Perth to be embossed, because there are no facilities in the country for embossing tickets. I submit that the State Government can only pass laws that would have force within their own boundaries. Their laws cannot have the far-reaching effect of including tickets which may be sold or issued in Hobart by Tattersalls.

Hon. J. Cornell: Nor the Golden Casket.

Hon. J. NICHOLSON: That is so. I admit that the Bill contains an amendment to Section 107A which reads—

For the purposes of Section one hundred and seven A to one hundred and seven E (both included) every person in the State who receives money from intending purchasers of sweep tickets under a contract or undertaking, either to purchase such sweep tickets for such persons or to procure on be-

half of such persons the sale to them of such sweep tickets, shall be deemed to sell within the State such sweep tickets to the persons from whom they received money as aforesaid.

Hon. J. Cornell: Which means that Tattersall's agents will be included.

Hon. J. NICHOLSON: It is an attempt to bring in the agents who carry on the business under the familiar sign, “I communicate with Hobart,” or some similar sign. I think the effort to make them liable would prove futile.

Hon. J. Cornell: They do not sell the tickets.

Hon. J. NICHOLSON: Of course not. I might go further: An individual may send his money direct to Hobart without invoking the aid of an agent. Consequently I am afraid that the chief source of revenue anticipated by the Government would disappear, and that the loss of the Bill would not mean much to the Government, particularly remembering that the Government are attempting by a side door to legalise something that at present is absolutely illegal. How could they prosecute any man for holding a sweep under Section 212 of the Criminal Code if this Bill became law? On the one hand, the Government say, “You must not do this”; on the other hand they say, “If you do this, you must pay a tax.” If the Government once received tax on a sweep ticket, how could they prosecute a man for conducting a sweep or lottery? The position would be not only wrong, but absurd. If I thought the Government were likely to reap a wonderful harvest, I would suggest that they hold up the Bill until they passed another measure to amend the Criminal Code. The Minister could probably introduce such a measure to-morrow, and this Bill could be held up for a day so that the other might precede it. I cannot see that this Bill would have any good effect. The moment it became law those who wished to indulge in lotteries or sweeps would find means to overcome the stile, just as they have overcome others. As the Government have not introduced an amendment of the Criminal Code as they were in duty bound to do, I shall oppose the second reading.

HON. SIR WILLIAM LATHLAIN (Metropolitan-Suburban) [8.25]: I supported the second reading and I intend to support it again. Mr. Nicholson is afraid that the source of revenue will disappear,

but I should not be much concerned if it did. He is better informed of the Criminal Code in its relation to this measure than I am. Mr. Cornell made a strong point of the cost of embossing sweep tickets, but the fact remains that hundreds of thousands of pounds go out of the State annually for tickets in Tattersalls, the Golden Casket and other lotteries. While I am aware that we cannot stop it, we can refrain from giving people special facilities to purchase the tickets.

Hon. J. Cornell: They will still be sold and will not be taxed.

Hon. Sir WILLIAM LATHLAIN: It will still be possible to address a letter to Hobart, containing an envelope bearing the other address, which involves time and trouble that a great many people will not take, but when people are given the privilege of stepping off the footpath into a shop and buying a ticket, they are given facilities which are not in the best interests of the community. I am as well aware as anyone that we cannot stop it, but we can diminish the amount spent in the purchase of sweep tickets by decreasing the facilities, especially for buying tickets in sweeps conducted out of the State. If Clause 16 of the Premium Bonds Bill be passed by another place, I realise that it will be very difficult to run sweeps within the State for any object, and in one way I regret that Mr. Lovekin, instead of providing that the interest amounts be balloted for, proposed that they be divided amongst hospitals and parks. It would have been better if it had been provided for them to be devoted to organisations such as the blind institution, orphanages and institutions of a like nature, which will not benefit under the Hospital Fund Bill, and which have relied to a great extent on lotteries for their revenue.

Hon. A. Lovekin: The blind would benefit.

Hon. Sir WILLIAM LATHLAIN: But there are other deserving institutions that have to rely upon the revenue they receive from lotteries and that would not benefit. Still, as the prizes in many instances will not exceed the amount stipulated in the Bill, they will be able to hold small lotteries. I shall support the Government in order that they may get all the revenue they can, but my greater object is to deprive people of facilities to send their money out of the State.

Hon. J. Cornell: Why not introduce the tin hare?

Hon. Sir WILLIAM LATHLAIN: I would put lotteries in the same position as the tin hare; that is, it would be illegal for anyone to indulge in them.

HON. G. FRASER (West) [8.30]: The Leader of the House stated that the vote was a catch one. If he will refresh his memory he will see that the division represented a larger number of members than had taken part in any division during the session prior to that. It was incorrect for him to say it was a catch vote. The total number of members who voted was 21, and previous divisions comprised only 17 or 18 members. Only within the last week did any division exceed 21. No new facts have been adduced by the Minister or any other member who has spoken in favour of the Bill. The matter was discussed in a full dress debate, and the Government were defeated. To-night the Leader of the House has said that if the Bill is carried it will mean an additional revenue of £5,000.

The Minister for Country Water Supplies: I did not mention figures.

Hon. G. FRASER: Some member referred to £5,000. Sir William Lathlain is a super-optimist when he states that the Bill will mean closing the avenues for the purchase of tickets. He also said that people would not take the trouble to write their names and addresses on the tickets. That is what the purchaser has to do, even if he buys through an agent. It would be more comfortable for people to write their names and addresses in their own homes rather than in one of these shops.

Hon. Sir William Lathlain: There might be difficulty in finding a pen.

Hon. G. FRASER: There might be in the hon. member's home, but not in most homes. It would be much more comfortable for them to write for the tickets in their own homes.

Hon. Sir William Lathlain: I do not want to make it comfortable for them.

Hon. G. FRASER: They would even be able to save 10d. on each ticket.

Hon. E. H. H. Hall: The Commonwealth will benefit.

Hon. G. FRASER: Only through the stamps that are purchased. The State revenue requires more consideration than the Federal revenue. I do not agree that the passing of this Bill will close the avenues for the purchase of tickets.

Hon. E. H. H. Hall: The State will get the money all the same.

Hon. G. FRASER: Not at all. Since the price has been increased by a penny there has been a decline in the number of tickets purchased. This means that people are sending direct in order to save the penny.

Hon. H. Stewart: There is hope for the nation yet.

Hon. Sir William Lathlain: Do you think they would be better off if they saved 10d. rather than a penny? They would still have the 10d. to spend.

Hon. G. FRASER: They will not have to save the 10d., unless the Bill is passed. To-day a ticket costs 6s. 4d., and a few months ago it cost 6s. 3d. If the price is increased by 9d., the price will be 7s. 1d., and the people will save the 10d. by purchasing direct. I doubt if the Government will get their £5,000. If the whole amount is collected it will really come from the charitable institutions it is sought to assist. The R.S.L., the Ugly Men's Association, the Children's Hospital and the Perth Hospital run most of these art unions, and will be unable to pass the tax on to the public. They will, therefore, have to bear the burden themselves. Perhaps the Government do not realise they will be getting that £5,000 from these sources. Very few private institutions run sweeps or art unions. The Bill will mean that those who are honest will pay the tax, and those who are not will evade it.

Hon. Sir William Lathlain: Or go to gaol.

Hon. G. FRASER: It will be very difficult to catch them. It would be a simple matter for the promoters to distribute the results without advertising them in the Press. Unless an army of inspectors were appointed they would not be detected. Agents for the promoters could be supplied with result slips at the conclusion of the drawing, and they in turn would advise each ticket holder. Nothing, therefore, would be known officially about the art union. Only those institutions that are prepared to shoulder their legal burdens will be caught. Most of the police I know have quite enough to do without tracking up sweeps and art unions. It may be necessary to appoint a number of other policemen to look after this particular phase of the law. If that is done the Government will not get much rev-

enue as a result of the Bill. It is only a pettifoggling measure, and I hope it will be defeated.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East—in reply) [8.37]: Mr. Fraser has referred to the illegal sale of tickets. That point can be dismissed from our minds. Anyone selling tickets illegally would run a tremendous risk for only a small profit.

Hon. G. Fraser: The street bookmakers take the risk.

THE MINISTER FOR COUNTRY WATER SUPPLIES: That is a different proposition. Bills cannot be brought in at 24 hours' notice. We do not work any faster in the Government than people do in the legal profession. It takes some time to get a reliable legal opinion. The Minister responsible has a scheme almost finished, and that will apply at the end of the year. Permission has been given for the running of sweeps up to the 31st December. After that date sweeps will be under severe control. The Minister informs me there will be a tremendous saving of money from the sweeps, and this will meet the objections of Mr. Fraser. That saving will go to the charitable bodies that are running the sweeps. A Bill will be brought before the House for consideration at the next ordinary session. I am sure that will meet with the approval of members, and will lead to the satisfactory conduct of these sweeps.

Hon. H. J. Yelland: Are you going to legalise the running of sweeps?

THE MINISTER FOR COUNTRY WATER SUPPLIES: I do not say that, but I am sure members will be satisfied with the Bill. No one can say exactly what revenue will be realised from this source. We are told that enormous sums go out to Tattersalls and the Golden Casket. It is only guess work as to what will come in. I agree with Sir William Lathlain that people will not go to the trouble of writing for their own tickets. Most people who buy them do so spontaneously by passing from the footpath into some agent's shop. I am of opinion that this tax will catch the vast majority of ticket purchasers. It is worth a trial because it represents a few thousand pounds in revenue to the State. We are passing through bad times, and every few pounds we can get will be of wonderful assistance. I appeal to members

to pass the measure, and give the Government the opportunity to raise this money which will be put to good use.

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

Ayes	..	..	..	..	11
Noes	..	..	..	..	12

Majority against 1

AYES.

Hon. C. F. Baxter	Hon. Sir C. Nathan
Hon. V. Hamersley	Hon. E. Rose
Hon. Sir W. Lathlain	Hon. H. Stewart
Hon. J. M. Macfarlane	Hon. C. H. Wittencoom
Hon. W. J. Mann	Hon. G. A. Kempton
Hon. G. W. Miles	(Teller.)

NOES.

Hon. F. W. Allsop	Hon. J. J. Holmes
Hon. J. Cornell	Hon. A. Lovckin
Hon. J. M. Drew	Hon. J. Nicholson
Hon. G. Fraser	Hon. H. Seddon
Hon. E. H. Gray	Hon. H. J. Yelland
Hon. E. H. Harris	Hon. E. H. H. Hall
	(Teller.)

PAIR.

AYE.	NO.
Hon. W. T. Glasheen	Hon. C. B. Williams

Question thus negatived, Bill defeated.

BILL—FORESTS ACT AMENDMENT.

Second Reading.

Debate resumed from the 4th September.

HON. H. SEDDON (North-East) [8.48]: This Bill represents the usual raid made annually on the forestry fund. Up to the present this Chamber has, rightly as I think, opposed the measure each year. As a matter of fact, all Governments since the sandalwood fund reached its present dimensions have cast covetous eyes on it, and endeavoured to take it into Consolidated Revenue. While the argument that the sandalwood provision is adequate to meet any demand made on it for the next year or two has always been advanced, the fact remains that the forestry position generally is not very satisfactory. The object behind the introduction of the Forests Act of 1918 was that from the forests revenue there should be taken moneys which would provide for an adequate forestry policy being introduced into the State of Western Australia. The report of the Forests Department shows

clearly the position with regard to the regeneration of sandalwood. When that problem was first attacked by the Forests Department, there was almost entire ignorance as to the conditions of the growth of sandalwood, and as to whether it was possible to carry out the artificial growth of this valuable product. As a result of research work by our forestry officers, a position has been attained when they have very strong hopes that the cultivation of sandalwood can be undertaken in Western Australia under conditions which will make for the continuance of this highly valuable timber. We have to remember that sandalwood has been cut out in almost every country of the world except India. In India sandalwood is practically a Government monopoly. There forestry has attained a high standard and a great deal of work and expenditure has been devoted not only to the regrowth of sandalwood but also to the establishment and maintenance of the forests which are such a source of wealth to that country. Our present position is that we have some 3,000,000 acres dedicated to forestry. That is the quota allotted to Western Australia under the forestry plan devised for the whole of the Commonwealth. We have to remember that the 3,000,000 acres, although the minimum which was laid down as being the State's quota in order that we may have a minimum area set aside for our forestry requirements of the future, will not be anything like adequate to maintain the cuts taken from our forests for so many years past. We should, in fact, have a much larger area set aside in order that we may effect the replacing of those valuable native timbers which are not nearly as fully appreciated as they should be, and whose beauty is only just beginning to be recognised. My belief is that eventually those timbers will claim their place amongst the most valuable and beautiful timbers in the world. The reports of the Forests Department show that last year the expenditure on account of forestry was £107,048. We also find that three-fifths of the net revenue, amounting to £85,145, was transferred to the forestry fund. Hon. members will see that as the years go by we are steadily falling behind as regards revenue going into reforestation compared with the expenditure which we are led by works on forestry to believe will steadily increase, especially during the earlier years of reforestation. In the circumstances, then, for the purposes

of forestry we have every ground for maintaining our attitude and for insisting that this sum of money, amounting to some £35,000, shall be kept in the forestry fund and shall be available for the officers of the Forests Department to carry out their plans. It should be noted that the Bill now before the House covers not only sandalwood revenue for the current year, but goes back to the year 1929, so that the sandalwood fund of last year as well as the sandalwood fund of this year is to be raided in order to make up the £35,000. In the circumstances my contention is that if that £35,000 is added to the £85,000 which we say was put into the fund last year, it would only just meet the expenditure which should be made on reforestation so that the Forests Department may carry out their plans. Unfortunately this raiding of forestry funds is not confined to Western Australia. Again and again we find in works on forestry that almost invariably the Government of a country which sets aside a fund for reforestation plans, under pressure—whether merely temporary or a severe pressure like the one we are experiencing now—come along in need of funds and upset all the calculations of the forestry experts. The Government cramp the work of those experts for all time, because they raid the funds set aside for the purpose.

Hon. J. Nicholson: You mean that they release credits?

Hon. H. SEDDON: Unfortunately they raid reserves. That is the pernicious result which follows from this idea of continually filching from the forestry fund for Consolidated Revenue, whereas the fund should be preserved. Reference has been made to the fact that the present financial distress justifies us in diverting this money into revenue. As a matter of fact, the Government have taken this money into calculation in making up their Estimates. My contention is that they were not justified in taking the money into calculation, knowing as they did the consistent attitude of this House during the past four or five years.

Hon. H. Stewart: Yes, since 1924.

Hon. H. SEDDON: Therefore the least the Government could have done, if they wished to take this money, was to have made it tentative rather than include it in their Estimates and then adopt the attitude that this Chamber is depriving them of money to which they are entitled, whereas in actual

fact the whole situation does not justify them in taking it. My contention is that this House is quite justified in being consistent, and in dealing with this Bill as we have dealt with similar Bills in previous sessions. Unfortunately, if the expenditure is stopped or diminished and the progress of the department's plans arrested, the effect will be serious. It must be remembered that a forestry plan stretches over a period not of a lifetime but of generations in coming to success. Therefore I consider that this House should strictly preserve the fund for the purpose for which it is intended. We know that in point of fact this money, if it remains in the fund, will be available for the use of the Government, in the same way as other funds are. We know that past Governments have repeatedly made use of trust funds to overcome temporary difficulties, and there is no reason why that practice, which unfortunately shows every indication of being continued, should not be continued provided there is recognised the duty of restoring the money into the fund when it is required. I understand that the policy is to provide the money from loan if it is required for the carrying out of forestry work. I wish to deal with this question of financing from loan on the Loan Bill; but surely to goodness the experience of this and other States as to financing from loan should have taught us a lesson, if ever we are going to learn this lesson at all, regarding the unsoundness and danger of a country which meets its obligations out of loan. Surely if ever there was a time in the history of this State when we should show a determination to meet our expenditure as far as possible out of our ordinary revenues, that time is now. Here is a fund which was specially devised to meet its own expenditure out of its own revenues, and yet we are going to depart from that principle because the Government want additional money. The fact remains that a fund of this description should not be raided even during times of what is, after all, passing stress. Moreover, the Government have not sought out all other avenues of revenue. As I have said here before, the Government cannot be said to have risen to the occasion or to have sought to meet their requirements in regard to revenue while they refuse to impose an unemployment tax. While that tax remains

unimposed, the Government cannot claim to have exhausted every source of revenue in order to meet their obligations. In conclusion I say that the forestry fund is an example of straightforward finance. Let us keep it as such. Let us guard it jealously from being raided. Let us retain in the forestry fund the money which will be most urgently needed in carrying out the forestry plans of this State and preserving and developing forests which will be a veritable source of revenue not only for the present but for a future time when forest products will be far more appreciated than even they are to-day, at a time when forest products will be much scarcer than they are to-day. To interfere with a plan of this description by taking money from the fund to meet the temporary requirements of what is, after all, only a passing phase in the history of the country, is simply to carry on the pernicious system of frenzied finance which has got us into our present position. I trust the House will be consistent and take the same action with regard to this Bill as has been taken on previous occasions.

HON. H. STEWART (South-East) [9.0]: I heartily support the case put forward by Mr. Seddon. For the benefit of those members who were not here in previous sessions when we had forestry legislation before us, I might touch upon essential features of that legislation. Of the two main points dealt with, one is the very vital principle introduced in this Bill, which has not previously been introduced in any of the Bills brought down each year since 1924, namely to eliminate altogether the sandalwood revenue derived from the three-fifths net revenue which under the Act of 1919 should go to build up the trust account for reforestation. The Forests Act of 1919 was passed by this House in a very fruitful session and was looked upon as a thoroughly sound measure. It has stood as an object lesson to the other States of the Commonwealth. Its outstanding feature is that under Section 41 there is a provision that three-fifths of the net revenue of the department, to be certified by the Under Treasurer, shall in every financial year be placed to the credit of a special account at the Treasury and form a fund for the reforestation of State forests; and such fund may be expended by the conservator with the approval of the Minister without any other authority under

the Act, provided a scheme for such expenditure shall be submitted annually to and approved by Parliament. The first feature to which I would direct attention is that this Bill proposes to remove from that trust account, royalties derived from sandalwood. Sandalwood has returned a very substantial revenue in royalties, and past Treasurers have cast covetous eyes on that revenue. Because this House refused to pass the second reading of the Forestry Bill of last session, there was left in the Forestry trust fund this year over £40,000 which probably would not otherwise have been there. Now the present Treasurer seeks to take that amount for Consolidated Revenue, and also the revenue for this year, and indeed to take it for all time. Because although Clause 3 limits the life of the Bill to the 30th June, 1931, in all probability we shall have successive continuation Bills brought down to lengthen the life of the measure. Annually since 1924 the late Government sought to take the sandalwood revenue, except £5,000, which was to be left in the fund. Having secured that right for one financial year, they came to Parliament and asked to have it made a permanent provision. Early last year an Empire Forestry Conference was held at Canberra, and at the end of the report for 1929 of the Forestry Department of Western Australia certain information was given regarding the position in Western Australia. As Mr. Seddon has already said, it is there stated that up to that date a forest area in excess of 3,000,000 acres had been set aside for forestry purposes. In this regard I think we require to recognise the valuable work done by the late Government in permanently dedicating a further area to the State Forests. In reporting to the Imperial Forestry Conference, the Conservator of Forests in Western Australia said—

At present Western Australia is cutting its principal species (jarrah) at the rate of 700,000 loads a year, and the volume of mature standing timber has been estimated by the department at 20,666,000 loads; from this it is clear that, at the present rate of exploitation, supplies will last 29 years. Forest surveys have revealed a very marked deficiency in the lower age classes, so that it is incumbent on the Government to reduce the cut so as to extend the milling operations over a period of years sufficient to enable the lower age classes to reach maturity. The extent of this reduction has been estimated by Mr. Kessell in his general working plan for the jarrah forests of the State, and it is

proposed that this be effected within the next ten years. The benefit to be derived from the reduction of cutting is the permanency of the timber industry. Present supplies will, under reduced output, last 45 years, by which time it is anticipated that the younger age-classes will have reached maturity. Such reduction in itself, however, will not achieve the object of a sustained yield, unless it is accompanied by an active development of regeneration work over the very large area of forest cut over in the past. The regeneration methods adopted during the last few years have given satisfactory results, and their further development and extension is much to be desired.

This work had to be started and gradually extended. The amount required from what was a very substantial trust fund in the first instance has gradually increased, though from the figures shown in the last annual report it is seen that because of the adverse times the amount expended had been somewhat reduced in comparison with the expenditure in the previous financial year. It is very important that the work which has been undertaken in reforestation and the protection of regrowth by fire control methods should not be robbed by a false system of economy, by unbusinesslike raiding of a sound natural resource which is being developed, and in which a scheme is being followed which will give us a permanent source of revenue as well as a permanent source of trading and work. It is very desirable that at least sufficient shall be allowed for this work to be carried on, and that the forestry trust fund shall not be depleted in order to make the financial position of the State look better. In my view, it is fundamentally dishonest to take the money from this fund, put it to Consolidated Revenue, and then take money from some other source, probably from loan funds, in order to carry on this very important work. In addition to the work of re-growth on cut-over forest, in Mr. Kessell's report to the Imperial Forestry Conference, we find this—

A planting programme is necessary to supply the softwood requirements of the State, and while the figure of 1,000 acres per annum which is proposed may be considered adequate at the present time, this programme may need to be increased considerably to meet local requirements following rapid increases in population and development of industries.

This replanting, as well as the forestry work, is keeping a number of people in employment. If money is taken from the forestry

trust fund and in consequence plans have to be curtailed, not only will the industry suffer, but the employees in the industry also will suffer. Forestry particularly lends itself to seasonal occupation. An ex-conservator of forests in New Zealand who was here a couple of years ago told me that the experiments in pine planting in this State, both as to pines suitable to the sandy coastal areas and pines suitable to the laterite areas, such as Mundaring, had proved beyond doubt that it is absolutely sound to extend this work in this State, and that the planting of 1,000 acres per annum is only playing. Therefore I was on safe ground in advocating in this House a couple of years ago that that planting should be extended. If members will look at page 15 of the report of the conservator for 1929, they will find that the expenditure from all funds last year was £157,876. The revenue for 1928-29, excluding revenue from sandalwood was £142,576, less Consolidated Revenue expenditure (excluding sandalwood) £19,166, interest on loan £2,920, sinking fund £267, special Acts £1,020, a total of £23,523. In other words, the net revenue from forestry for that financial year was £119,053. Three-fifths of that net revenue or £71,000, is the amount, in accordance with the principal Act as it stands now, that goes towards reforestation on an approved plan. The financial position of the reforestation fund was this: Balance on the 1st July, 1928, £117,000. Then there was three-fifths of net revenue transferred, £71,000, sundry recoups £8,000, a total of £196,000, less expenditure of £120,000, leaving a balance of £76,647 with which to begin the new financial year on the 1st July, 1929. These figures were given to the House last year and they were responsible for defeating the second reading of a similar Bill. The position is worse this year than it was last year and it will be extremely serious if the proposal contained in the Bill be given effect. This is the position: We started the financial year with £76,647. Three-fifths of the net revenue transferred was £85,000. Why? The amount of £41,000 would have been taken away last year had this House done what the then Government asked. The whole of the sandalwood revenue went in the general revenue of the Forests Department and the consequence was that three-fifths of the net revenue that went into the trust account

was increased last year in comparison with the figures of the previous financial year. Then there were sundry recoups amounting to £7,000, making the revenue for that current year £169,000 against £196,000 in the previous financial year. The expenditure last year was £114,000 as against £120,000 in the year before, showing that the department had not been wasteful. Yet the balance available was only £55,000 in the last financial year. It is obvious that the Forests Department needs the whole of the revenue from sandalwood, even taking into account the reductions in staff and salaries. The department will be in a difficult position if this money is taken away. One asks what is the amount of the royalty from sandalwood that the Government are trying to secure? Speaking from memory, in 1924, when the first request was made for this money to go into Consolidated Revenue, the royalty from sandalwood was about £60,000. For 1928-29 it was £43,000, and in the latest financial year the total was £34,552. Of course the sandalwood market has been sluggish, and in addition revenue has fallen off because there has been the cutting of sandalwood on private property and consequently no royalties for the Government. Then again, South Australia and Queensland entered the export market, though by legislation lately introduced in those States, the export position has been steadied and the States should benefit. The Bill proposes to take all the sandalwood revenue. Previously £5,000 was permitted to remain each year.

Hon. H. Seddon: This House was responsible for that.

Hon. H. STEWART: It is proposed to take £43,000 for the financial year ended 30th June, 1929, and £34,500 for the financial year ended June, 1930, making a total of £77,000. Is it sound business to take this fund and limit the work done by men who have had years of training to fit them to carry it out? Everyone knows that the Government could not possibly hope to spend this money as efficiently as it could be spent under expert supervision. The Government would probably fritter it away. The fund should be preserved inviolate. As a taxpayer, I would prefer to see the Government introducing a comprehensive scheme of taxation rather than this petty dealing with small amounts here and there. In a big way revenue could be raised and

that revenue could be used to provide employment, and if necessary, men could be placed on reforestation work under supervision of the trained officers of the department, instead of perhaps building roads as is being done in National Park. The House will be well advised to reject the Bill on the second reading. It would not be right for me to resume my seat without making some reference generally to the timber industry which is experiencing hard times. The Conservator in his report says that there has been a marked falling off in the export of timber, the quantity for the year being 6,500,000 cubic feet, being a million cubic feet less than the quantity exported in the previous year. The value of timber exported was £800,000 and that represented a falling off of £154,000 compared with the figures of the previous year. Although there has been that marked falling off we still have timber here. Perhaps it is as well that there is a little falling off. Our present resources may thus be spread over 45 years, and by that time the timber coming on will be sufficiently matured and will be available for cutting. The value of timber imported in the last financial year was £197,000, practically speaking a quarter of the value of the timber exported. The import figures were £44,000 less than those of the previous year. The principal countries of origin were America £71,000, the Eastern States 68,000, Sweden £12,000, Norway £12,000 and Canada £5,000. With our small population there is not a demand for enormous quantities of timber, but there is sufficient to warrant our taking into account the development that will take place in the future and providing for the planting of soft woods that are essential. The report also remarks on the fact that the people in the Eastern States are our best customers as they take 1,700,000 cubic feet of timber from our forests. Other countries that are large importers are South Africa, 1,300,000 cubic feet; Ceylon, 1,000,000 cubic feet; New Zealand, 900,000 cubic feet; and Great Britain, 875,000 cubic feet. Although we have heard that the Millar's Timber and Trading Company are closing down their mills and that we do not know when they will open up again, that is no reason why we should not see to it that the forest policy of the State is preserved and continued along sound lines.

HON. SIR CHARLES NATHAN (Metropolitan-Suburban) [9.32]: As a new member of the House, I have listened with interest to the remarks of Mr. Seddon and Mr. Stewart, because I recognise that, in a sense, their remarks were directed towards myself and other new members, who have not previously had an opportunity to ascertain their viewpoints. Perhaps on that account, the House may forgive me if I indulge in a few personal references so that hon. members may realise that, although I have not participated in any discussions on this question in this House before, I have a passing acquaintance with the subject matter of the debate. I have noted with considerable pleasure the attitude of this Chamber in endeavouring to preserve the forests of the State, and to conserve the revenue available for assisting the reforestation policy. During the past 14 years I have been associated with the forest policy not only of this State but of the whole of Australia. In association with the Commonwealth Government, I was interested in the development of the Federal forestry policy, in the establishment of the Council of Scientific and Industrial Research and in the creation of the Federal Forests Products Laboratory. I was partly responsible, with a former President of this Chamber—the President of the Senate, Hon. W. Kingsmill—in the formation of the Forests Products Laboratory in this State. Consequently I claim some knowledge of the subject, and have considerable sympathy for those hon. members who are jealous of conserving our forest resources. At the same time, I think the remarks of Mr. Stewart and Mr. Seddon may be a little misleading, if I may say so, inasmuch as their statements might indicate that this is an attempt to rob the Forests Department of funds placed specifically at the Conservator's disposal for reforestation purposes. I have read the remarks of the Minister and of others, and I have perused the Bill. It seems to me that no attempt is made to attack the general policy of the Forests Department, but an attempt is made, rightly or wrongly, to use certain surplus revenue of a particular branch of the Forests Department—that relating to sandalwood—which the department has not been able to fully utilise up to the present, and which the present Government and the Col-

lier Government appeared to think desirable to transfer to Consolidated Revenue. I am at one with those who would challenge any attack that would seriously prejudice the forests policy, but I think that the circumstances in which the Bill is introduced on this occasion leave room for thought, and we should pause before we adopt the suggestion of Mr. Seddon and Mr. Stewart and throw the Bill out. The requirements of the Forests Department represent one thing, but the needs of the people to-day represent another, and to my mind, the latter consideration is paramount. I have no desire to go over the whole of the ground we seem to cover every time in debates of this description, but I would remind hon. members that the Government to-day are in the unique position of having to scratch around to secure every available source of revenue. They are not forced into that position for their own special purposes. It is because they are attempting to do something to alleviate the conditions that exist to-day. They are forced into that position because they hope that they will be able to find means of balancing, or at least attempting to balance, the Budget and thus enable them to proceed with works and other activities that will increase the avenues for employment and so overcome the period of stagnation that must inevitably become more apparent if present-day conditions continue much longer. I am prepared to admit that the £32,000 may have already been borrowed and utilised by the Government for other purposes, but surely the exponents of sound finance will admit that is not a desirable procedure.

Hon. A. Lovekin: The Government may have borrowed it already.

Hon. Sir CHARLES NATHAN: That may be so, but will the exponents of sound finance suggest continuing those methods? They will not assist in the balancing of the Budget, because it will be a debt to the trust funds.

Hon. H. Stewart: Not if the Bill is agreed to.

Hon. Sir CHARLES NATHAN: Keen as I am in the maintenance of the forest policy, and jealous as I am of the just rights of posterity, I claim that in this instance the House would be well advised to assist the Government by passing the measure. Personally I have no desire to shoulder the responsibility of refusing to pass the Bill and thus make

the difficult task of the Government an almost impossible one. Much as I am in sympathy with the Forests Department and the remarks of hon. members in this Chamber, I trust they will realise that the conditions existing to-day are not the same as in past years when they consistently opposed similar proposals. We should realise that the position to-day is such as to justify the Government in presenting this proposal to Parliament, and so we should hesitate before we make the task of the Administration distinctly more difficult.

HON. J. M. DREW (Central) [9.40]: I support the Bill, and endorse thoroughly the remarks of Sir Charles Nathan. I am indeed surprised that at this particular period in the history of the State, such fierce attacks should have been made on the Bill by Mr. Seddon and Mr. Stewart.

Hon. G. Fraser: Supporters of the Government!

Hon. J. M. DREW: The only phase of their attitude that I admire is their consistency. But there is another phase which must receive consideration. I have heard it stated that last year's Bill was defeated by this Chamber and the explanation was that the Council defeated it in order to embarrass the Labour Government. It was said that the Legislative Council realised that the Labour Government were short of funds, and rejected the Bill to make their position more difficult.

Hon. G. W. Miles: That was not a fair statement.

Hon. J. M. DREW: I admit that; I am explaining what I heard. The speeches of the two hon. members I have referred to will remove that false impression from the mind of any person who may have heard the suggestion I have indicated.

Hon. G. W. Miles: The House should endorse their views this time.

Hon. J. M. DREW: I hope the House will not repeat its attitude of last year. To-night's opposition is ill-timed. It was ill-timed last year because the money sought to be diverted was urgently needed for Consolidated Revenue purposes. Bad as the position was then, it is infinitely worse now.

Hon. Sir Charles Nathan: That is so.

Hon. J. M. DREW: We have listened to speeches advocating wholesale expenditure on reforestation work at a time when there are farmers in the country and men in the

city in the last stages of poverty, and when the Government are on their last financial legs! Is this the time to advocate reforestation, and the regrowth of sandalwood?

Hon. H. Stewart: Only for current work.

Hon. J. M. DREW: What was the object of the Forests Act in the first instance with regard to the raising of revenue? Sandalwood was not taken into consideration at that time. The royalty on that timber amounted to £1 a ton, and that was a very small item indeed. In those days, there was no opposition to a proposal for three-fifths of the royalty to be devoted to revenue purposes. When the royalty on sandalwood increased to £9 a ton, and the revenue under that heading mounted up to more than £50,000 a year, surely it would not be contended that the whole of that money should be reserved for the regrowth of sandalwood. In 1924, when Leader of the House, I introduced a Bill with the object of devoting the whole of the sandalwood royalty to revenue purposes, less the cost of collection. There was much opposition to that proposal. On what ground was that opposition based? It was that the money should be reserved for the regrowth of sandalwood.

Hon. H. Stewart: Nothing of the sort.

Hon. J. M. DREW: I may be mistaken, but that was my impression. Much time was devoted to the contention that there would be great results obtained from the regrowth of sandalwood.

Hon. H. Stewart: Neither Mr. Seddon nor I contended anything of the sort.

Hon. J. M. DREW: I am not talking about those two hon. members. I am referring to the general impression created by the debate.

Hon. V. Hamersley: And I still hold that opinion.

Hon. J. M. DREW: Some hon. members joined in that advocacy in the interests of their particular districts. Over 30 years ago, owing to the pressure brought to bear by some members of Parliament, Sir John Forrest promised to provide for the regrowth of sandalwood, and a substantial sum of money was placed on the Estimates. That money was absolutely wasted. Subsequently another attempt was made to promote the regrowth of sandalwood, but no results were obtained. Little tangible result was secured by the Labour Government as the result of the efforts of the Conservator of Forests. In times such as we

have to-day, when we are confronted with a depression the like of which we have never experienced before, at a time when no former Government had to face such a position as that confronting the Government of to-day, are we to hand all this money over to the Conservator of Forests, and allow him to use it for the regrowth of sandalwood or for reforestation purposes?

Hon. J. J. Holmes: It would be better to spend it in the forests than at Blackboy.

Hon. J. M. DREW:: There are many men in the country districts who want assistance but cannot get it, because the Government have not the money necessary. In the face of such conditions, if any attempt is made to defeat the Bill, it will create a bad feeling in the country. People will be under the impression that a false atmosphere has been created regarding the condition of affairs in Western Australia. That will be inevitable if, in face of the conditions that obtain to-day, the Council insists on a large sum of money that could be utilised in assisting development and in relieving unemployment, being devoted to forestry purposes. I hope members will withdraw their opposition to the Bill and provide the Government with this source of revenue. It was regrettable to me an hour ago to have to oppose the Government's taxation measure, but I opposed it on principle. I would not have opposed it had the Government introduced other legislation so that they would not have stultified themselves by their proposals in the Stamp Act Amendment Bill. But here we have an opportunity to assist the Government with the money that has been accumulated in the fund, and now is the time to render them assistance which they will greatly appreciate and which is greatly needed.

HON. J. CORNELL (South) [9.46]: It can truly be said that this Bill has become a hardy annual. It is the seventh consecutive Bill to amend the Forests Act as regards sandalwood. In 1918 the Forests Act was passed under which three-fifths of the royalty was earmarked for a fund for reforestation purposes, and the balance paid into Consolidated Revenue. In 1924 new sandalwood regulations were imposed that increased the royalty on sandalwood from about 20s. or 30s. to £9 per ton. To the credit of the present Premier and the pres-

ent Minister for Forests, they made no bones about the object of the new royalty; it was to increase the revenue. The then Opposition opposed the increase of royalty, and Mr. Gray led the van in this House. But the very first act of the Labour Government when they took office was to bring down a Bill, similar to this, to take the whole of the sandalwood royalty into revenue. This House protested. What it did for five consecutive years was to allow the then Government to take into Consolidated Revenue the whole of the sandalwood royalty minus £5,000, which was to be paid into a fund for the reforestation of sandalwood. The evil, if any, was committed in 1924, when the House decided that the principle of the Forests Act should be departed from. In 1918, when the Act was passed, no one ever thought that the sandalwood royalty would be increased to £9 per ton. As I said, the evil, if any, was committed when the principle of allowing any of the three-fifths royalty proposed to be paid into the fund was departed from. For five years this House agreed to the Government of the day, in prosperous times, taking the whole of the sandalwood royalty, minus £5,000 a year.

Hon. H. Stewart: We always protested and then we warned them.

Hon. J. CORNELL: I have read something about a lady who protested too much.

Hon. H. Stewart: We acted in the fifth year after having warned the Government.

Hon. J. CORNELL: Last year a similar Bill was introduced to empower the Government to take the whole of the sandalwood royalty into revenue, and this House defeated the Bill on the second reading. Mr. Drew remarked that it had been rumoured that the House took that action in order to embarrass the Government. I do not think that was so, but I believe the action of the ex-Premier in holding the big stick over this House in relation to its amendment to the Land Tax and Income Tax Bill had a lot to do with the defeat of the Forests Act Amendment Bill.

Hon. W. H. Kitson: What is the difference between the two statements?

Hon. J. CORNELL: I think the Premier was going to do great things if this House had stuck to its amendment to the Land Tax and Income Tax Bill. This House, however, retreated, and then rejected the Forests Act Amendment Bill. To be consistent, in bad times if the House cannot agree

to give the Government the whole of the revenue asked for, then it would be only decent to give the Government what we gave the previous Government, namely, the whole of the sandalwood royalty, minus £5,000 a year. In all the circumstances, I think the reforestation of sandalwood to the extent of £5,000 can very well stand over until we turn the corner and reach better times. Therefore, I shall support the second reading.

HON. G. W. MILES (North) [9.52]: I oppose the second reading as I have consistently opposed similar measures each year. I congratulate Mr. Drew on his consistency because it was the policy of the previous Government and of the Government before that to use as much revenue as they could and then borrow money which eventually will have to be recouped to the forests fund, for the reason that we shall not have the requisite money for reforestation purposes. The remark Mr. Drew made about the rumour that the Council rejected the Bill last year in order to embarrass the Government—he has since withdrawn the statement—

Hon. J. M. Drew: I did not make it.

Hon. G. W. MILES: The hon. member said he heard the rumour.

Hon. J. M. Drew: So I did.

The PRESIDENT: I understood Mr. Drew to say he heard the rumour, and he then denied it.

Hon. G. W. MILES: If there is any truth in the rumour, the Council should be consistent and treat the present Government as it treated the Labour Government.

Hon. J. Cornell: You are making it worse now.

The PRESIDENT: Mr. Drew referred to the rumour in order to deny it.

Hon. G. W. MILES: Sir Charles Nathan, who is supposed to be an authority on sound finance, would induce the House to take the money from the sandalwood fund for Consolidated Revenue and later borrow money for reforestation work. That is the very thing I indicated in my speech on the Appropriation Bill that has brought this State and the Commonwealth into their present position—high finance—borrowing money for work that ought to be paid for out of revenue.

Hon. J. Cornell: But it will be reproductive.

Hon. G. W. MILES: The Government have no right to borrow money for work that ought to be paid for out of revenue. When the Forests Act was passed it was provided that the money should be paid into a fund for reforestation purposes. The Forests Department could use that money to create work for the unemployed much better than the Government could do it. I hope the House will reject the Bill.

HON. W. J. MANN (South-West) [9.55]: I regret that I shall have to oppose the Bill once more. I have endeavoured to support the Government's taxation measures throughout the session, but I believe it would be wrong to follow the Government on this occasion. I congratulate the present Government on one phase of their forest policy. They are showing an inclination to eliminate from forest reserves those portions that are not carrying marketable timber, and never will do so, and make them available for selection.

Hon. H. J. Yelland: For agricultural purposes?

Hon. W. J. MANN: Yes. The people of the South-West have long desired that that should be done, and I believe there is a reasonable chance of its being conceded before long. Our hardwood timbers are a much greater asset to the State than many people recognise. One has only to go to other countries to hear stories of the difficulties experienced through a lack of hardwood timber forests. We should be loth to do anything that will in any way whittle away our forests or bring about their denudation. I should like the Government to have the use of this money, but I believe they could utilise some of the funds very effectively in providing some work for unemployed in the forest districts. There are some hundreds of experienced timber men out of work—men who have spent the whole of their lives in the forests. They are to be found in every town in the South-West and many of them, I regret to say, have come to the city. I believe the position will become even worse. We have been told that the timber companies have accumulated large stocks, that the market is dull, and that they have about reached the end of their tether as regards cutting for stock. After Christmas it is expected that some of the mills that have been carrying on in a

small way will have to close down. If the Government set about utilising this fund for the employment of experienced timber men who are cut of work to engage in reforestation, instead of paying them sustenance, as they are doing now and will have to do in future, the Government would be doing the men a kindness and doing the State a service. Something will have to be done either to find employment for the men or provide them with the necessities of life. There are tens of thousands of acres of plain country that would respond if planted with pinus pinaster and other softwoods. At present we have very little in the way of soft-wood forests. We have some young areas coming on but they are limited in extent. I do not think it would be a difficult matter to utilise the unemployed of the district, those who are still left, for this particular work. It would be a far better method of perpetuating our forests than if we took this money away and used it for general purposes. I am sorry I cannot support the Bill. I would willingly have done so had I not believed that the money could be used to better advantage. For that reason I must vote against the second reading.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [10.1]: I support the Bill with mixed feelings. My sympathy is all towards reforestation in all its forms. I do not desire to see the denudation of our hardwood forests nor to see the growth of sandalwood interfered with. Whilst I recognise the need for reforestation I have also to remember that the finances of the country have gone to the bad in five months to the extent of about £1,000,000. The Government are charged with the task of trying to balance the ledger during the current financial year. I understand the Premier has agreed with the other Premiers to make this attempt. If this House will not assist the Government in this direction, we shall be doing wrong, because this is one of the means by which they hope to bring about the desired result. That is why I will change my vote from the vote I gave on a previous occasion. When the royalty was arranged to be placed aside for the purpose of the reforestation of sandalwood I supported it. Now I find that, in order to assist the Government, I must change my views for at least one year. Another place looked upon

the matter with a good deal of gravity. There were only three speakers on the second reading, the Premier, the Leader of the Opposition and the member for Swan. The Leader of the Opposition congratulated the Premier on the probable success with which he would meet in getting the Bill through this year, because his own Government failed to do so last year. I am persuaded that the attempt to grow sandalwood is as yet in the experimental stages. The Leader of the House gave us information to the effect that for four or five years the propagation of the seed was not successful owing to the lack of rainfall. Last year when the rainfall improved there was some measure of success, but there was nothing of a tangible nature. The department are carrying on experiments, but they are not far enough advanced to engage in the reforestation of sandalwood on a large scale. Already they have shown that they do not need all the money that is available each year. In 1925-26 they spent only £3,267, in the next year £3,253, in 1927-28, £4,613, and in 1928-29, £2,862. I am therefore convinced that the needs of the people at present are greater than the need for reforestation, although that too is of great importance.

HON. E. H. H. HALL (Central) [10.4]: Last year I voted against the Bill, but this year I will vote for it. With Mr. Drew I think that circumstances alter and govern cases. The state of the finances requires that members shall, where they possibly can, make available revenue to the Government who are charged with the conduct of affairs, and who must go to the relief of those people sorely in need of it. Last year the Labour Government may have required the money, but not nearly so badly as do the present Government. The Government are not asking for borrowed money. This is money which has been won by industry. In short, without apologising for the attitude I took up in helping to defeat the last taxation measure, I will reverse my vote on this occasion because I realise the Government need every penny they can get to help the people of the State.

HON. A. LOVEKIN (Metropolitan) [10.6]: I oppose the Bill, not so much on its merits as upon principle. We all realise the state of the finances. Were the Govern-

ment possessed of any statemanship they would have brought forward a scheme to balance the finances in such a way as to cover the whole area. Instead of doing that, they bring down a number of footling Bills, eight or nine little taxing measures, that in the aggregate will not yield sufficient to support the unemployed for the next 12 months. If this were a business concern and the owner had a large overdraft at the bank, and the bank called it up, he would not in the first place have undertaken to square the whole of his overdraft within the first 12 months. He would probably have told his banker that he would for the future live within his means until he had liquidated some of his liabilities. He would have earned £1 but spent only 19s., and would gradually have reduced his indebtedness.

Hon. J. M. Macfarlane: To-day the banker would tell him to live within his means; he would not be telling the banker of his intention to do so.

Hon. A. LOVEKIN: The Premiers met and agreed to square everything off in 12 months. Not one put forward any scheme showing how this was to be done. They all returned to their States and have begun fiddling about with little Bills here and little Bills there, getting £5,000 out of one and a few thousand pounds out of another. Now the Government want to grab this sandalwood trust fund. Instead of all these things they should have come down with a scheme to cover the whole area. If a business man had been handling the position, he would have begun by seeing what economies he could effect. He would cut down here and cut down there, and effect economies with due regard for the welfare of his business. Then he would have said to himself, "I have some extraneous matter preying upon me in the shape of an unemployment difficulty. I must, therefore, meet that as well as my interest and working expenses. I must have a scheme that will cover the whole position." In a State matter he would have begun with the man who was earning £1 a week. He would have said to him, "We are all in the same position. We all have to contribute. Every person in employment must do something. We will begin with you and request you to contribute 1d. or 2d. in the £1." In that way there could have been brought about a graduated tax upon the whole community, and an amount would

have been derived sufficient to balance affairs during the year and provide for the unemployed.

Hon. E. H. H. Hall: He would not have had to get the approval of 80 men.

Hon. A. LOVEKIN: If some such scheme had been put before 80 fairly intelligent men, they would have grabbed it with both hands.

Hon. E. H. H. Hall: Question.

Hon. A. LOVEKIN: Instead of that we have these irritating taxes, numerically large but yielding nothing. When the session is over and the Government have all the taxes they can get, where will they be with the unemployed and with the help they must render to the man on the land? I oppose the Bill with a view to forcing the Government to realise that we want some broader comprehensive scheme to balance the ledger. So far as one can gather to-day, no attempt is being made in that direction. Every other sentence of the policy speeches of the Government provide for nothing more than borrowing. We have a loan Bill before us for £2,000,000 odd, with a possible commitment of 1¾ millions from the Loan Council. Notwithstanding we are going to be allowed to borrow 1¾ millions, we have a loan Bill providing for an expenditure of over £2,000,000. We ought to stop borrowing. Every million we borrow now is going to make the position worse next year, and add so much to the interest and sinking fund account. That is why we should have a sane comprehensive scheme to balance our ordinary income and expenditure account. Are we not going, in many ways, in the right direction to make the position of the country infinitely worse than it is? Are we not going out of our way to get an undesirable reputation overseas? By this Bill we are going to take what practically amounts to a trust fund, and if, as Sir Charles Nathan said, we want money for reforestation purposes, we shall have to borrow it. Then there is the University Bill. The Government have already received £21,000 into revenue from the estate of the late Sir Winthrop Hackett.

The PRESIDENT: Order! We have not yet come to the University Bill. We are discussing the Forests Act Amendment Bill.

Hon. A. LOVEKIN: I understand that. I have given this as an example of how we shall get into a worse position if we take

revenue moneys and repay them hereafter by loan. We will injure the State by taking revenue moneys and subsequently borrowing in order to make them good. Mr. Bruce, when in London during 1927, was practically carpeted by the bankers and brokers there; and one of the complaints put up to him, and pressed, was that we were borrowing money and using it for revenue purposes. If that was the ground of complaint then, how much stronger will be the complaint in the London market when we say that, having taken money already into revenue, we are going to take it out for another purpose and subsequently go to London for a loan. I oppose the Bill, not on its merits but on a principle, and in the hope that the rejection of the measure will force the Government to reconsider the whole financial position and bring forward some broad and comprehensive scheme.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East—in reply) [10.17]: As I stated in moving the second reading, there is an amount of £5,876 in the hands of the Conservator of Forests, which amount he states is ample for the requirements of the next two years. A great deal has been said about reforestation. In fact, we have two things to consider to-night: principle and reforestation. I have given the House some little information regarding economies already effected by the Government, and others that are being effected. On the 30th June next the Government's economies will show a marked effect. Surely hon. members can wait until then. Are we going to take a stand on principle or on reforestation and thereby debar ourselves from supplying the wherewithal to those who are in dire distress? Are we to stand on principle or reforestation while people starve?

Hon. A. Lovekin: This represents ten weeks' food.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: Even ten days' food is important at present. Hon. members should realise the tremendous responsibility they are taking on their shoulders in rejecting taxation measures.

Hon. H. Stewart: The effect of passing the Bill will be to throw forestry employees out of work.

Hon. E. H. Harris: Does the Minister suggest that this money will be applied expressly to feeding the unemployed?

The **MINISTER FOR COUNTRY WATER SUPPLIES**: It will help.

Hon. E. H. Harris: And yet the Government are spending money at Nornalup.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: The money being spent at Nornalup will help us in the years to come.

Hon. E. H. Harris: In the sweet by and by!

The **MINISTER FOR COUNTRY WATER SUPPLIES**: How many years will it take for money applied to reforestation to become reproductive? Can it be said that we have passed the experimental stage in sandalwood reforestation? Such wonderful strides have not been made in that respect. We shall have to wait long years before getting any return, and at present we are in dire need of the wherewithal to employ our people on reproductive work. Hon. members, in objecting to the Government's financial proposals, are creating a queer situation and taking a tremendous responsibility.

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

Ayes	..	..	..	17
Noes	..	..	..	7
Majority for				10

AYES.

Hon. F. W. Allsop	Hon. W. H. Kitson
Hon. C. F. Baxter	Hon. Sir W. Lathlain
Hon. J. M. Drew	Hon. J. M. Macfarlane
Hon. J. T. Franklin	Hon. Sir C. Nathan
Hon. G. Fraser	Hon. E. Rose
Hon. E. H. Gray	Hon. C. H. Wittenoom
Hon. E. H. H. Hall	Hon. H. J. Yelland
Hon. V. Hamersley	Hon. C. B. Williams
Hon. G. A. Kempton	(Teller.)

NOES.

Hon. E. H. Harris	Hon. H. Seddon
Hon. A. Lovekin	Hon. H. Stewart
Hon. W. J. Mann	Hon. J. Nicholson
Hon. G. W. Miles	(Teller.)

PAIR.

AYE.	NO.
Hon. J. Cornell	Hon. J. J. Holmes

Question thus passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; the Minister for Country Water Supplies in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 41:

Hon. H. SEDDON: I move an amendment—

That in Subclause 2 the figures "1929" be struck out, and "1930" inserted in lieu.

The amendment will give the Government the sandalwood revenue for one year instead of two years.

Hon. H. STEWART: I support the amendment. The Minister spoke as though the money in the fund was intended for carrying out the replanting of sandalwood, whereas the fact is that the money is for the current policy of general reforestation, and is spent mainly on salaries. Depletion of the staff at a time when fires occur may result in a loss of far more than the amount of the sandalwood fund. Under the retrospective operation of this clause, the fund would open the financial year with a debit of £22,000, which would have to be made up partly from the Forests Department's revenue and partly from moneys supplied by the Government from other sources.

The MINISTER FOR COUNTRY WATER SUPPLIES: I hope the amendment will not be carried. I have not the fullest information on the subject, but there must be grave necessity for the insertion of "1929" instead of "1930."

Hon. G. W. MILES: The grave necessity is to deceive our creditors! We are taking this money from the sandalwood fund into Consolidated Revenue, leaving the Forests Department without the means of carrying on. No doubt next session's Loan Bill will include an item for reforestation purposes. The accounts of all Government departments should be put on business lines.

Hon. J. M. MACFARLANE: According to the Minister, the Conservator of Forests has enough funds to carry on for two years.

Hon. H. Stewart: The Minister is drawing a red herring across the trail.

Hon. J. M. MACFARLANE: The Minister makes that definite statement.

Hon. H. Stewart: The figures prove the statement to be wrong.

Hon. J. M. MACFARLANE: There is a limitation in the Bill, and to me, reforestation of wheat is more important for the time being than reforestation of sandalwood. I support the clause as it stands.

Hon. H. STEWART: Without saying anything that is untrue, the Minister can say that the £5,000 available for re-planting of sandalwood is ample. But the figures of the Conservator of Forests show that his revenue will disappear entirely, and that there will be a deficit of £22,000 in the forestry fund if this clause is carried without amendment. If the amendment is carried it will leave only £22,000 in credit with which to begin this financial year; and the expenditure during the year will be approximately £114,000. So the money to meet current expenses will have to be found from Consolidated Revenue.

The MINISTER FOR COUNTRY WATER SUPPLIES: Mr. Miles is a bit wide of the mark. What is to be gained by the amendment? It will not leave any of the money in the Forests Department, will not make any difference whatever regarding the fund. There is no justification for the amendment.

Hon. H. STEWART: The clause will authorise the collection of £43,000 from the previous financial year, and £34,000 from the current year, or £77,000 in all. Since there is only £55,000 showing in the account at the beginning of the current financial year, it will leave a debit of £22,000 in the fund, whereas under the amendment they will get the sandalwood revenue for the current year, £34,000, and the £43,000 which was earned in the previous financial year and went into the general forestry revenue. The amendment will mean that instead of Consolidated Revenue benefiting by £77,000, it will benefit to the extent of only £34,000, and will leave £12,000 in the fund.

The CHAIRMAN: There seems to be a little confusion. The Bill provides that all royalty from sandalwood shall be taken into Consolidated Revenue for two years. The amendment, if carried, will mean that that revenue will be taken into Consolidated Revenue for only one year.

The MINISTER FOR COUNTRY WATER SUPPLIES: I do not know where Mr. Stewart gets his figures. At present the fund contains £22,000, and the estimate for the current financial year is £10,000; so the total amount is £32,000. Those are

the figures supplied to me by the department. I hope the amendment will not be agreed to.

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

Ayes	5
Noes	18

Majority against	..	13
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AYES.

Hon. E. H. Harris	Hon. H. Seddon
Hon. W. J. Mann	Hon. H. Stewart
Hon. G. W. Miles	(Teller.)

NOES

Hon. C. F. Baxter	Hon. Sir W. Lathlain
Hon. J. M. Drew	Hon. J. M. Macfarlane
Hon. J. T. Franklin	Hon. Sir C. Nathan
Hon. G. Fraser	Hon. J. Nicholson
Hon. E. H. Gray	Hon. E. Rose
Hon. E. H. H. Hall	Hon. C. B. Williams
Hon. V. Hamersley	Hon. C. H. Wittenoom
Hon. G. A. Kempton	Hon. H. J. Yelland
Hon. W. H. Kitson	Hon. F. W. Allsop

(Teller.)

Amendment thus negatived.

Clause put and passed.

Clause 3, Title, agreed to.

Bill reported without amendment and the report adopted.

BILL—UNIVERSITY BUILDINGS.

Second Reading—Amendment Six Months, defeated.

HON. A. LOVEKIN (Metropolitan—on amendment) [10.40]: I am sorry if I have to keep members at some length this evening, but the Minister desires to clear the Notice Paper, and I suppose it is only fair that we should all try to help him. But I do hope it will not be at the sacrifice of the business of the country. In the interests not only of the University, but also of the State, I propose to vote for the amendment moved by Mr. Seddon. I might properly term the late Sir Winthrop Hackett the founder of the University of Western Australia; at any rate he was the great benefactor of the University, and it is largely through him that we have any University at all in Western Australia. I knew the late Sir Winthrop for many years, and I had many intimate discussions with him from time to time. He was a man of whom it

might be said that he possessed super-vision; alternatively he was the white-haired boy of the gods who control Dame Fortune. He was even a greater optimist than is the present Premier, Sir James Mitchell. He came to this State a comparatively young man without means to any extent, and went to the North to gain colonial experience, as most of us did when first we arrived in Australia. He was a gentleman of very scholarly attainments, and he was gifted with a strong sense of Irish humour. On one occasion when he was down in Perth from the North and could not get back, he received a telegram from his employer instructing him to return immediately because lambing was about to start. In his humorous way Sir Winthrop replied, "Postpone lambing for a week or two." Dame Fortune came in there, for the lambing, I am told, in that locality proved to be late by about three weeks. Then he came to Perth and entered into partnership with the late Charles Harper in the "West Australian" newspaper. In those days it was a very small paper, not published daily, and the circulation was about 300. The advertisements were very few and very low in price—about 4d. an inch. Hon. members will imagine that the partners did not grow very fat on the earnings of the paper. But the paper, small as it was, was always well written. The late Sir Thomas Campbell, a former President of this Chamber, was editor at the time and he and Mr. Hackett wrote most scholarly articles. In the partnership agreement there was another piece of good fortune. Without any possible outlook in any particular direction, two clauses were put into the deed of partnership, one being that Mr. Hackett should be remunerated according to the circulation of the paper, and the second that either partner in the event of death, should have the right to buy out the other at valuation. The future could not have been foreseen at this juncture, except by someone possessed of super-vision. Any way, that was the arrangement. Shortly afterwards the goldfields broke out and it was at that time that I had many intimate conversations with Mr. Hackett at the Bungalow, the residence of the late Lord Forrest.

The PRESIDENT: Order! All this is very far removed from the subject matter of the Bill.

Hon. A. LOVEKIN: I propose to connect my remarks with the Bill. I desire to show that it would be inadvisable for the University to pursue the course proposed by further tempting Providence. I was relating the good fortune that had been experienced by the newspaper up to that time, and I hope to show that, had it not been for those strokes of good fortune, the University would never have existed.

The PRESIDENT: Could not the hon. member's story of the endowment of the University be reduced in length?

Members: Hear, hear!

Hon. A. LOVEKIN: Certainly it could, but as I am the only one living who knows all these facts, I thought it would be interesting for members to hear them. Soon afterwards the goldfields broke out. There used to be these meetings on Sunday morning at the Bungalow and it was there that Mr. Hackett developed the idea of the establishment of a University. It was at the back of his head and evidently had been there for some years before, because he often used to say that an uneducated democracy was something that was unthinkable. From that juncture he set his mind on doing what he could to found the University. The goldfields brought a large number of people here and the circulation of the paper increased. Mr. Hackett's salary also increased by reason of the additional circulation, and finally, to cut the story short, he became, not the junior partner, but the dominant partner in the concern. Later Mr. Chas. Harper died and Mr. Hackett exercised his right under the agreement to purchase the late Mr. Harper's interest. Then, some years afterwards, Mr. Hackett, who had then become Sir Winthrop Hackett died, and whilst the war was in progress Mr. Langler became managing editor. By some mischance the paper had not sufficient newsprint to carry on, and the manager went to a competitive concern. The manager put his cards on the table and said the "West Australian" had only three days' supply and could not get any more for three months. Paper had to be obtained at any cost.

The PRESIDENT: Order! Will the hon. member connect his remarks with the Bill.

Hon. A. LOVEKIN: I am trying to show that the endowment of the University was obtained by fortuitous circumstances.

The PRESIDENT: The hon. member's remarks do not appear to have any bearing on the University Buildings Bill.

Hon. A. LOVEKIN: It is proposed to take away part of the endowment money and use it for building purposes. It is proposed under the Bill to sell some of their endowment investments and use the proceeds to put up a building.

The PRESIDENT: It is difficult to see how the history of the "West Australian" newspaper affects the position.

Hon. A. LOVEKIN: If you think I should not do so, I will not proceed along these lines. My object was to show that the University has had great fortune, and that it should not tempt fortune any further by going on with the erection of new buildings at the present time. If this course is pursued the University may lose a lot of endowment money and perhaps bring the institution to grief. If the paper had had to stop because of its inability to get newsprint there would have been no University. But the management again experienced good fortune by being able to secure newsprint. There was another piece of good fortune and it was that the price of the paper was increased from 1d. to 2d., the agreement being that there should be a reversion to 1d. when times improved. When that period arrived, however, the agents declared they would not sell the paper for less than 2d.

Hon. E. H. H. Hall: On a point of order. Is the hon. member in order in giving us all this detail? I would draw attention to the lateness of the hour and the oppressiveness of the atmosphere. Therefore I protest against this long rigmarole to which we have been listening.

The PRESIDENT: I have the hon. member's assurance that he will speedily connect his remarks with the Bill.

Hon. A. LOVEKIN: My object is merely to show that the University has had remarkably good fortune. There came another blessing in disguise when the newspaper strike occurred.

The PRESIDENT: Order! I cannot allow the hon. member to go into all these details. Will the hon. member proceed with his argument for or against his acceptance of the University Buildings Bill.

Hon. A. LOVEKIN: I will not give any more details but will generalise by saying that the University in numerous ways was most fortunate. Eventually the paper was

sold for £600,000 and the University and the Anglican Church benefited considerably from the sale. That was the nucleus of the University endowment. Had it not been for all these fortuitous circumstances, there would be no University to-day. Under the Bill it is proposed that the University shall dispose of some of the securities on a falling market in order to raise £60,000 for new buildings, and that the Government are to supplement the amount by £21,000 plus £5,000 interest on moneys raised from estate duties. I am going to suggest that the University would be foolish if, to-day, it parted with its securities, notwithstanding the Government's guarantee that they will make good any loss. It is not beyond the bounds of possibility that the wheat industry may not any longer be of value to Western Australia. If we are to lose that avenue of revenue, I ask where will the University be? As members evidently do not wish to listen to me in the way I wish to present the case, I will deal with it from the point of view of the State. The Government received £21,000 from the estate of the late Sir Wintthrop Hackett and it is now proposed to repay that money, which has been spent, with a payment of £25,000, on which will be payable interest at the rate of 5 per cent. In addition, the Government are to make a gift of £60,000 to the University in order that the new buildings may be erected. That means that the Government will provide a total of £85,000. It is understood that the State is not to pay that money straight away, but is to provide so much each year. In the meantime, the University is to sell some of its assets and pay for the work, and the State is to recoup the University when loan money is available and bear any losses that may result from the disposal of the University endowment.

Hon. V. Hamersley: Has the Federal Loan Council been consulted?

Hon. A. LOVEKIN: One of the great objections the London financiers have to Australian methods of finance has been that we have borrowed money, taken it into revenue, and spent the loan funds for revenue purposes. When Prime Minister, Mr. Bruce promised that it would not be done again, and recently the Premiers, when in conference, and later when they sat on the Loan Council, agreed that all money bor-

rowed in future should be for immediately reproductive work. The work to which the money is to be applied under the Bill may be reproductive, but is not such as indicates any tangibility. One of the worst actions that the State could take at present, from the standpoint of the effect created in London, would be to replace from loan the £21,000, with the interest charges as proposed, and provide an additional gift of £60,000. That would be one of the worst advertisements our methods of finance could have at the present juncture. I am not opposed to money being provided for the University. I do not think Consolidated Revenue should profit from legacies or gifts to public institutions. At any rate, that money should never be taken into revenue. On the other hand, the money under discussion, having been taken into revenue, should be refunded to the University with interest. Under the proposal, with interest compounded, the Treasury will be called upon to find about £357,000 in 30 years or so. On the other hand, the £21,000 involved could be repaid to-morrow, if the Government so desired, from the Treasurer's advance account, and nothing could be said against it. This is a most inopportune time to start new buildings which, as Sir Walter James stated, must be beautiful, and on which the aristocracy of labour must be employed. We have been told that the average wage paid to the men on the work has been over £6 a week. We are not justified in erecting buildings involving labour of that description, when so many thousands of our people are walking about the streets or in the country areas seeking employment and suffering the pangs of hunger. We should be content to remain as we are for the present. We have continued for years without the proposed buildings, and there is still the Irwin Street premises available for University work. If we provide the £21,000 from revenue, we could let matters rest at that for the present. It has been suggested that it will not make for economic conduct of the University work if the institution is divided into two sections, one at Crawley and one at Irwin Street. On the other hand, we have before us a list of persons who have been trained at the University during the past ten years. The list was provided

to us to indicate the work that has been done by the institution. I have no fault to find with that but I suggest, on the results indicated in the list, that the work of the University could continue for some years yet under the conditions that obtain at present. The list shows that the University in ten years has turned out three inspectors who are engaged in the Education Department and receive over £600 per annum; three gentlemen who are employed in the Government chemical laboratory; one who has gone to the Registrar General's Department; 11 who are employed at the Public Works Department; 18 who have undertaken work at the Agricultural Department, and one who is employed in the Railway Department. Then again, there are two who are employed at the City of Perth Electricity and Gas Department, two with the Vacuum Oil Company, one is the Government Psychologist, while another is the Government Petrologist. Then eight of the graduates have joined the University staff, and 11 have obtained good positions in other States or countries. Finally, there is Mr. Yelland, who is the only graduate to become a member of Parliament.

Hon. G. W. Miles: And he graduated in the corrugated iron buildings.

Hon. J. M. Drew: How many of the teachers in the Education Department graduated at the University?

Hon. A. LOVEKIN: I have not any particulars regarding the teaching staff.

Hon. G. W. Miles: One of them is unemployed at Fremantle, and is walking around looking for work.

Hon. A. LOVEKIN: In these circumstances, and in view of the list I have submitted of the results disclosed in ten years' operations at the University, cannot we leave matters alone for the time being?

Hon. H. J. Yelland: That list applies only to those graduates who have taken up prominent positions. There are thousands of other graduates who have passed through the University.

Hon. A. LOVEKIN: I do not wish to depreciate the work of the University at all. I have merely referred to the list that has been furnished to us as indicating the graduates who have passed through the University and have done something in various positions. I stress the point that for another few years, until the financial stress is over, we should be content to continue with the

two sections of buildings for the University instead of proceeding with the complete plan and having the buildings located solely at Crawley. I do not think this is the time that we should involve ourselves in any such expenditure, particularly when we view the possibility with interest compounded over a period of 30 years.

Hon. H. J. Yelland: How long do you suggest we should delay building operations?

Hon. A. LOVEKIN: Until the period of financial stress is over.

Hon. H. J. Yelland: Five or ten years?

Hon. A. LOVEKIN: It may be that long.

HON. J. M. MACFARLANE (Metropolitan-Suburban—on amendment) [11.10]: I do not propose to speak at any great length, but I feel I must make my position clear in view of the definite opposition I presented to this proposal when it was first mentioned. At first I was entirely opposed to it, because I did not think it was a business proposition. I am of opinion, seeing that an agreement was entered into between the Collier Government and the University to carry out this work, that the present Government, on account of pressure brought to bear by the University authorities, have seen fit to endeavour to honour that undertaking. With that end in view, the scheme outlined in the Bill has been adopted. I agree that it is as good a proposition as could be arranged in the circumstances. The Irwin Street site will be suitable for building purposes, and the scheme, under which the University will be able to proceed with the building programme and concentrate the work at Crawley, should bring about better results. What objection I had to the scheme was largely on account of the proviso to Clause 5, under which the Government agree to make good any losses sustained by the University in the disposal of their securities to enable them to carry out the building operations. That phase has changed, seeing that I have received an intimation from the Leader of the House that he has given notice of his intention to move to delete the proviso. That being so, the last vestige of my opposition to the Bill will disappear. I am pleased that my position is such that I have to reverse my previous opinion. I shall oppose the amendment and vote for the second reading of the Bill.

HON. F. W. ALLSOP (North-East—on amendment) [11.13]: I shall not support the amendment, but will vote for the second reading of the Bill. We cannot afford to allow Western Australia to stagnate. We must provide employment, and one means by which that can be done will be the erection of the buildings at the University. The Government will not have to find the money at the present juncture but will have to make good the amount in future years when the financial position may have rectified itself. In the meantime, the University authorities will be able to raise funds and will be recouped in due course. Surely it is better to provide work than to pay sustenance. Those men who will be employed in the erection of the buildings will be able to earn wages, and the Government will be saved the cost of their sustenance. The erection of the buildings will facilitate the work of the University. No other State in the Commonwealth owes so much to science as Western Australia. The sulphide and telluride ores taken from the mines in the Kalbarrie and Boulder districts was refractory, and the companies could not possibly treat it. The results of scientific research, mostly undertaken on the other side of the world, were availed of to overcome the difficulty. About 50 years ago two young doctors from universities in Scotland started research work on cyanide of potassium. They knew that a strong solution, which was dangerous to use, would dissolve gold slightly, but not on a commercial basis. Ordinary water used to dissolve the cyanide salt contains nine parts of free oxygen to every million parts of water. The doctors discovered that a strong solution eliminated the oxygen or rendered it negative, but that, with a weak solution, the oxygen remained active and helped to dissolve the gold. This discovery resulted from the research work of those two Scottish doctors, Dr. McArthur and Dr. Forrest. The result of their labours has been to add £400,000,000 of gold to the world's yield. On the Golden Mile over £100,000,000 worth of gold has been recovered, and 62 per cent. of it has been taken into solution by cyanide of potassium or sodium. When science has done so much for Western Australia, can we contemplate stultifying the University and denying it proper housing for those important branches of science

—agriculture, physics and chemistry—leaving it to carry on its exhaustive work in a ramshackle building lacking adequate accommodation? Western Australia has benefited from the work of the University, not only in its mining industry, but in its agricultural industry. Chemistry has revealed the benefits to be derived from the use of superphosphate and other fertilisers, which have resulted in the production of immense wealth, and the least we can do is to support the University to the end that the erection of the new buildings might be completed as quickly as possible. If the proposals contained in the Bill related to the arts course, I would not be keen on supporting the Bill at the present juncture, but chemistry, physics and agricultural science are three of the most important branches of science upon which the progress of the State depends, and consequently I am wholeheartedly in favour of the Bill. In Western Australia there is wealth all around us. A lot of it is latent; to a lot of it we are blind. By training students in the chemical laboratories, we shall be turning out men who will continue the research work that has proved so valuable in the past. Chemical research has been of great benefit to the State, but lately research work conducted in other parts of the world has done the State considerable harm, because it has resulted in the production of fabrics which are a substitute for wool for ladies' dresses, hosiery and other articles of apparel. How can we overcome the harm done by research abroad? The Germans were the most scientific of the nations involved in the great war. Britain seemed to have no hope against those scientific methods until she settled down to combat them with scientific investigation, and when she did that, she won the war. So we in Australia will have to combat the scientific work of other parts of the world with scientific research here. Wherever we look may be seen evidence of the value of science as applied to industry. Consider what physics has done for the butter industry. It has given us the cream separator, and has made possible the export of butter in cool chambers. Nearly every member of this Chamber is indebted to the science of physics for the spectacles he wears, which increase his efficiency by about 30 per cent. Consider the tremendous scope for scientific research in the agricultural

and pastoral industries. Professor Wils-
more was recently reported as follows:—

“Australia’s position is desperate,” declared Professor N. T. M. Wilsmore when stressing the necessity for greater efforts in the direction of chemical research and a substantial decrease in the cost of production of wool and wheat. The wool industry, Professor Wilsmore said, was seriously menaced by the discovery and manufacture of clothing from artificial fibres. A large proportion of the world’s population was now clothed with products from wood pulp instead of wool. Textile fibres, natural and synthetic, belonged to a branch of industry in which chemical research had led to great advances in the past and might be expected to lead to still further advances in the future. The wool industry must arm itself with the weapons of scientific research to meet this menace. In the production of both wheat and wool, cost must be lowered. It was nonsense to provide bounties and bonuses for those engaged in industry.

According to reports, we have not yet touched the possibilities of the wool industry. We are groping in the dark. When scientific research work is brought to bear on the industry, it will restore Western Australia and the Commonwealth to the proud positions they occupied when wool was commanding a high price. I believe that since wool was placed on the market, 55 per cent. of our wealth has been derived from that commodity. I consider that with scientific investigation we could double the value that the wool production attained a year or two ago, not the peak prices, but prices that were considerably higher than those ruling to-day. If we have trained men to continue the research work, we shall be able to develop our latent wealth in the pastoral and agricultural industries and raise the State once more to prosperity. Sir George Julius, chairman of the Commonwealth Council of Industry, recently stated that if scientific investigation was warranted, it was warranted at the present time, and that one good discovery would add tremendously to the wealth of the nation. Years ago when in Victoria, I engaged in metallurgical work to treat crude arsenical ore, and turned into wealth a good many thousand pounds worth of ore. After the flotation process has been completed and is working at the Wiluna mine, there will be a good deal of arsenic in the concentrates obtained from the flotation, and I understand that A. Victor Leggo & Co. intend to establish works to recover and refine the arsenic

at Wiluna. That is all due to scientific investigation. If scientific investigation had been applied to much of the legislation that has been passed, we would have saved a tremendous amount of money. We need a few good metallurgical chemists to experiment for a week or two with the product of Lake Clifton. I have seen the stuff and have roasted it. I know what it is like when it is cut out of the lake. It contained 40 per cent. of moisture. When it is baked in the sun, it gets a crust on the outside, and when the crust is taken off, the substance still contains a high percentage of moisture. It is almost impossible to dry it in the atmosphere. When it was put into a furnace its glutinous nature makes it form into rock-like lumps instead of roasting into a powder. It is almost impossible successfully to roast it in the furnaces that were used. Had a few scientists investigated the matter, the Government would have been saved tremendous expenditure. A few scientific men should have been called in to advise upon the Peel Estate, for they could have told the Government that the salinity of the soil, in many parts, was such that it was impossible to hope for success. We have not availed ourselves of the science that we have at our door. Yet some members would stultify the University by denying it the up-to-date buildings, required to facilitate the work of three of the most important branches of science.

HON. C. H. WITTENOOM (South-East—on amendment) [11.25]: I oppose the amendment on the ground that the ex-Premier definitely committed the Government to the amount of £25,000 for the buildings now being erected. Members may have noticed a photograph in Saturday’s issue of the “West Australian” showing the very fine buildings, two or three storeys high, almost ready for roofing. Those are the buildings towards which the late Government promised £25,000, and that promise has been endorsed by the present Premier. Therefore I do not think we can do other than honour the undertaking. Otherwise, where will the £25,000 be obtained to pay for the building? It is not as if the University authorities had proceeded no further than to get plans and specifications, but the work of construction is considerably advanced. Therefore, we cannot possibly agree to the

amendment. When I spoke on the second reading, I said I intended to oppose the Bill. Since then I have considered the matter carefully and discussed it with some of the authorities, and I now intend to support the second reading. In Committee I shall agree to at least half of the Bill, but the latter half I have no intention of supporting. I feel that we are in honour bound to carry the second reading, but I cannot see any course other than to oppose the amendment.

Amendment ("six months") put and negatived.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; the Minister for Country Water Supplies in charge of the Bill.

Clauses 1-4 agreed to.

Clause 5—Cost of buildings to be paid to University by Government with interest:

Hon. G. W. MILES: I move an amendment—

That paragraph (b) be deleted.

The country is not in a position to guarantee the £60,000, though I suppose we shall eventually have to pay the £25,000.

The MINISTER FOR COUNTRY WATER SUPPLIES: The Government are finding no money, only the interest. One great advantage to be derived from the expenditure will be the employment of labour, for the next two years, which will save the Government £800 a week in sustenance. If the building is not completed the Irwin-street site will remain lost to the Government.

Hon. H. J. YELLAND: The £25,000 must be paid forthwith to complete the present buildings. If that money has to come out of loan the Government will have to pay 6 per cent. interest, which at the end of 30 years will amount to £45,000. If the new buildings were erected in ten years' time, at the end of 30 years the Government would have paid at least £105,000 in simple interest, and would still have the original capital to find. Under the Bill at the end of 30 years the principal would be repaid and the Government would be freed of obliga-

tion. The Premier has told me privately that this is one of the soundest financial arrangements he has entered into.

Hon. G. W. Miles: We are going behind the Loan Council.

Hon. H. J. YELLAND: I do not know that there is any justification for that remark.

The Minister for Country Water Supplies: The Crown Law authorities say that is not so.

Hon. H. J. YELLAND: Mr. Miles will be taking out of the hands of the Government the opportunity to carry on this work. If it is a violation of the Loan Council agreement then the Bill will fall down of its own weight. The figures I have given should speak for themselves.

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

Ayes	..	..	..	..	6
Noes	..	..	..	..	15
Majority against ..					9

AYES.

Hon. E. H. H. Hall	Hon. G. W. Miles
Hon. V. Hamersley	Hon. C. H. Wittenoom
Hon. G. A. Kempton	Hon. H. Seddon
(Teller.)	

NOES.

Hon. F. W. Allsop	Hon. Sir C. Nathan
Hon. C. F. Baxter	Hon. J. Nicholson
Hon. J. M. Drew	Hon. E. Rose
Hon. J. T. Franklin	Hon. H. Stewart
Hon. G. Fraser	Hon. C. B. Williams
Hon. W. H. Kitchin	Hon. H. J. Yelland
Hon. Sir W. Lathlain	Hon. W. J. Mann
Hon. J. M. Macfarlane	(Teller.)

PAIR:

AYE.	NO.
Hon. J. J. Holmes	Hon. E. H. Gray

Amendment thus negatived.

The MINISTER FOR COUNTRY WATER SUPPLIES: I move an amendment—

That the proviso to paragraph (b) be struck out.

It is considered in some quarters that the Government should not run any risk whatever.

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

Clause 6—agreed to.

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Tuesday, 9th December, 1930.

Clause 7—Power to realise funds and investments in Hackett bequest; Replacement of funds:

The MINISTER FOR COUNTRY WATER SUPPLIES: I move an amendment—

That all words of the clause after "five," line 2, be struck out, and the following inserted in lieu:—"the moneys necessary for the completion by the University of the said buildings at Crawley, known as the Hackett Buildings, and for the erection of the further building mentioned and provided for in Section 4 of this Act, the Senate is hereby authorised to sell and realise upon so much of the funds and investments now controlled by the University, and known as the Hackett Bequest, as may be necessary to raise a sum of money equal to the aggregate sums of principal and capitalised interest mentioned in Section 5, and to use such sum for the purposes aforesaid: Provided that, as and when the payments provided for in Section 6 are made by the Government to the University, the Senate shall, as soon as practicable, use and apply such payments to restore the moneys realised by such sales and realisation, and thereby make the same again subject to the present trusts applying to the Hackett Bequest."

Several members thought the clause as printed interfered with the Loan Council arrangement. That is not so, but the clause is not as clear as it might be; and the Crown Law Department suggest the amendment I am moving.

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

Preamble, Title—agreed to.

Bill reported with amendments.

House adjourned at 11.49 p.m.

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

SWEARING-IN OF MEMBER.

The member for Forrest (Miss Holman) took and subscribed the oath, and signed the roll.

QUESTION—SHEARERS' STRIKE.

Convicted Persons' Release.

Mr. ANGELO asked the Attorney General: 1, Will he tell the House the reasons that prompted the Government to liberate some twenty shearers, who had been sentenced to gaol in Carnarvon, after a few days' incarceration? 2, Is he aware that several of these persons have been before the Carnarvon Court again for misdemeanours? 3, What action do the Government intend to take in the circumstances?

The ATTORNEY GENERAL replied: 1, The imprisonment which they were undergoing was in default of payment of fines and it was therefore open to the Government to remit under Section 170 of the Justices Act, 1902-1920. The offence was that of disorderly conduct in a public place, and the circumstances very doubtfully supported such a charge. Whatever the men did was done in connection with an industrial dispute, and on the men undertaking to take no further part in the dispute they were released. 2, Have heard so. 3, No action. It is a matter for the police.