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

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

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

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

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

Question put and passed.

House adjourned at 9.48 p.m.

Legislative Council,

Thursday, 21st November, 1929.

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

QUESTION—TAXATION EXEMPTIONS.

Hon. V. HAMERSLEY asked the Chief Secretary: 1, Was it not the practice of the Commissioner of Taxation, for many years, automatically to grant the exemption allowed under Section 16 of the Land and Income Tax Act? 2, Has that practice been departed from? 3, When was the alteration inaugurated? 4, Where the Commissioner has failed to assess a person for two years for land tax, but has annually charged him income tax on income derived from that land, can the person claim rebate for the previous two years when his land tax assessment is presented?

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

QUESTION—FINANCE, LONDON.

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

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

BILL—MAIN ROADS ACT AMENDMENT.

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

BILL—SANDALWOOD.

Second Reading.

Debate resumed from the previous day.

HON. J. EWING (South-West) [4.41]: When I moved the adjournment of the debate last night, several members on the other side of the Chamber called "No." My object was not to prolong the discussion; but as a member of the Government who took up the sandalwood question in 1923 I desired to make some remarks on the Bill. Prior to the year 1923 the entire sandalwood industry was in a parlous condition. The Minister has admitted that. At that time the industry yielded the State no revenue, and neither the cutter nor the puller was receiving sufficient remuneration for his work. As the Minister has said, in 1920 the royalty on sandalwood was 5s. per ton, and in 1923 it was £2. During the latter year Mr. Seaddan, then Minister for Forests, took the matter in hand with the Conservator of Forests. The Conservator went into it deeply from the aspect of the exchanges and other complicated questions, and eventually a Bill was introduced, during the 1923 session, to provide for a royalty of £9 per ton, and a price of £16 per ton for sandalwood delivered free on rail at Fremantle. The object of the imposition of these conditions was to stabilise the industry. Knowing how the market in China is controlled, the Government submitted to Parliament the terms of an agreement which had been made. Those terms were greatly to the advantage of the pullers and also of the Government. The royalty of £9 per ton has meant £260,000 to the State during the past six years, and there has been additional revenue to the extent of about £50,000. These are highly satisfactory results. When I held the position now occupied by the Leader of this Chamber, the party of which that hon. gentleman is a member opposed in toto the Mitchell Government's amending measure relating to sandalwood. The Bill was strongly contested both here and in another place. In this Chamber Mr. Gray spoke for several hours in opposition to the Bill. However, Parliament finally decided in favour of the measure. The maximum annual output of sandalwood was thereupon fixed at 6,000 tons, which quantity seemed to represent China's requirements. The position would have been entirely satisfactory had not the Government, and likewise the Conservator of Forests, under-estimated the quantities of sandalwood available on private lands. Since then the situation has been made clear in respect of the Hampton Plains estate and other goldfields localities. Previously the merchants who held the concession from the State bought sandalwood from the producers. The position now is most serious. There are in this State stocks of 7,650 tons of sandalwood, representing a value of £206,388, upon which royalty to the extent of some £64,000 has been paid. That quantity of wood is lying at Fremantle. There is in South Australia 2,000 tons valued at £50,000, and in China there are 3,240 tons of Western Australian wood and 800 tons of South Australian wood, or a total of 13,694 tons available at the present time. Undoubtedly the wood is being affected by the wood produced on private lands. When the Conservator of Forests found that this wood was being used prejudicially to the State and to those having contracts, he tightened up the regulations relating to sandalwood on private lands, charged increased fees, and policed the whole thing as far as he could. Still, it was seen that it could not affect the position. The Premier himself went so far as to say there was pilfering going on, and I think the Chief Secretary said so too, intimating that a large quantity of this wood, which should be paying a royalty of £9, was coming in from Crown lands at a reduced price. The object of the Bill is to stabilise the industry, so that we shall get royalties amounting to £50,000 per annum, and so, too, that the pullers shall get decent remuneration for their labour. The position is very different from what was anticipated when the regulations were introduced in 1923. South Australia has now a very large quantity of sandalwood. This was discovered by cutters from this State, who, on the regulations being tightened up here, went over to South Australia, where the royalty was only 10s. per ton, and started the industry in that State. The result was the production of a large quantity of sandalwood, and that South Australian wood has come into competition with Western Australian wood, and so to-day there are large stacks both in Western Australia and in South Australia. This, of course, prejudicially affects the interests of all those in the trade.

Hon. J. R. Brown: If Paterson were to reduce the price by £2 per ton, it would all be cleaned up in a week.

Hon. J. EWING: It has been arranged with the South Australian Government that there shall be supplied from South Australia during the next two years 2,100 tons of sandalwood. In South Australia the original 10s. per ton royalty has gone, and on all contracts in hand a royalty of £9 10s. per ton has to be paid to the South Australian Government. That has done away with the competition in South Australia, and so the cutters in that State are now coming over here and exploiting our lands.

Hon. J. R. Brown: The position will become worse.

Hon. J. EWING: I do not think so. I have read all the available reports and I am satisfied that an injustice is being done to Western Australia, and the market in China is being injured through the wood procured on our goldfields at a price much below the value of sandalwood, which should be at least £25 per ton. People here have entered into arrangements with the people in Hong Kong, quite outside the merchants. It means that they are avoiding the payment of the £9 royalty in Western Australia. So it is high time the Premier and the Conservator of Forests took this matter in hand. I am awaiting with interest any reply that may be conveyed by the Chief Secretary in regard to the settlement of this question. If the Bill goes through, it will be of benefit to those having contracts. But all those contracts should be thoroughly investigated with a view to seeing whether they really exist, whether they are injurious to Western Australia, and whether the Government are bound to do something to alleviate the position. On the Notice Paper is an amendment to be moved by Mr. Harris with a view to bringing about delay for a period of six months. I am not in favour of that. The Premier and the Conservator of Forests have fully considered the benefits to be derived by Western Australia from reducing the supplies from private lands to 10 per cent. Were that not so, those gentlemen would not have made their recommendation.

Hon. J. Cornell interjected.

Hon. J. EWING: I am not sure. I do not know what the contracts are. I am speaking in the dark, and I rather suspect the hon. member also is speaking in the dark. It is of no use taking the word of a man who says he has a contract in Hong Kong. There can be no question that the Chinese Government are going to get this product just as cheaply as they can. The only reason why others are getting wood cheaper than that secured by the merchants is the fact that no royalty is being paid on that cheap wood.

Hon. J. R. Brown: They are paying royalty, a royalty of £6 per ton.

Hon. J. EWING: That is a totally different thing. I do not want to do an injury to any person who has a contract, or to the cutters engaged in the industry. In this regard I have every confidence in the Premier and in the Government. If what the Chief Secretary will have to say is satisfactory to me, and if no loss will result to those having contracts, and if the State's interests can be preserved, I will readily support the Bill. It is said the sandalwood in South Australia is inferior to that in this State. Yet when we consider the figures, we see it has been a very serious competitor to Western Australian wood. Queensland also is supposed to have sandalwood of an inferior quality. If it is of inferior quality, it will bring only the price it is worth. So it cannot compete with the Western Australian sandalwood, which in my opinion is the best in the world.

Hon. J. R. Brown: That is not correct.

Hon. J. EWING: I have heard what Messrs. Ross and Skuthorp have said. If they can make out their case, no doubt the Premier and the Conservator of Forests will give due consideration to it. But I see great danger in what they want, namely, an extension of six months. It may not take anything like six months to clean up their contracts.

Hon. J. R. Brown: They have a two-years' contract.

Hon. J. EWING: Unless they have the wood cut and ready, it is of no use, because under the Bill they can cut only 10 per cent. of the requirements of Western Australia. But if they get into communication with Hong Kong and make new contracts, we shall be in a worse position than we are to-day. The only thing to be done is to do away with the unfair competition and give China what she wants, namely, the best wood at a fair price. If the private lands are being worked by the cutters or other people with contracts to supply the wood in China, the position will be as bad in three months' time as it is to-day. The Government have taken an action that will tend to bring about what we want, namely, pre-

serve our sandalwood and, if possible, bring about its regrowth so that we may have continuity in the production of that commodity. I will reserve whatever I may have to say regarding Mr. Harris's amendment until I hear the explanation of the Chief Secretary. If it can be shown that the Government would be unwise to delay the matter for six months, I will not support the amendment.

Hon. E. H. Harris: You would not cut them off straightway, would you?

Hon. J. EWING: No, certainly not. The Conservator of Forests is in charge of this work and he knows exactly what those contracts are and what they are worth. If they are good contracts, under which the wood is not supplied at too low a price, I am sure a way will be found out of the difficulty. If the Chief Secretary can satisfy me on that point, I will readily vote for the second reading, reserving to myself the right to support or oppose any amendment moved in Committee.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central—in reply) [4.58]: In reply to Mr. Cornell, I have to say that Crown lands are included in the Bill in fairness to the private property owner. Under the Bill there can be no restriction placed on sandalwood from private property unless the Government first definitely restrict the output from Crown lands. We are not imposing on a private owner any obligations that we do not impose on ourselves. Mr. Cornell says that at present the holder of private property may pull and dispose of sandalwood when he likes, and that the effect of the Bill is going to be that such a right will be taken away from him. That statement is correct, provided the private property owner can find a buyer. The sandalwood remaining on private property is of very inferior quality and is only saleable because of the restrictions on Crown land wood. If the present system breaks down, there will be no sale of sandalwood from private property. So the Bill is really assuring to the private property owner a certain limited sale. It might be erroneously inferred from Mr. Cornell's remarks that it was wrong to take away from the owner of land the right to do what he liked with the sandalwood on that land. He did not say so, nor did he mean so, if I interpret his words correctly. But other hon. members may hold that view. I shall deal briefly with that aspect. It must be remembered that the rights of the individual are subservient to the rights of the community. Were it not so, nearly all the legislation we pass could not have been attempted. One of the most notable instances of the subordination of individual rights to community rights is to be found in the Dried Fruits Act, which has been sanctioned by the Federal Parliament and adopted by the four States of the Commonwealth. Under this legislation each Dried Fruits Board has power, in its absolute discretion to determine where and in what respective quantities the output of dried fruit is to be marketed. The Board can compulsorily acquire dried fruits. The Board can seize dried fruit. In the marketing of dried fruits the powers possessed by the Board are stated in seizure terms right through the Act and to complete the grip on the grower the Board are given dragnet authority to exercise such powers as are now, or may hereafter, be given by any Act of Parliament of the Commonwealth relating to dried fruits. It also has authority to fix the remuneration to be paid to dealers (over one ton) for the sale or distribution of fruits. It can compel contributions from growers towards expenditure. The growers must disclose their output, and the dealers cannot trade until they are registered.

Hon. J. Cornell: No one asked for that Bill.

The CHIEF SECRETARY: The community has asked for the Bill. In this Bill the rights of private owners are affected only to the extent of the limitation of their output, and that is done with a twofold object—the salvation of a great industry, and as Mr. Miles has indicated, the protection of the owners against themselves. We are told that commitments have been entered into and agreements made by agents handling private property sandalwood in this State with people in China. I may say that the Government have all the facts in their possession. Let me inform Mr. Cornell that only one unfulfilled contract is in existence and the Chinese company concerned has definitely stated that it cannot and will not accept any more wood under it.

Hon. J. R. Brown: That is not correct.

The PRESIDENT: Order; the hon. member will have an opportunity later on to ask questions of the Chief Secretary.

The CHIEF SECRETARY: The contract has already been broken and has no penalty clause. This contract further provides that it is only binding on the Western Australian agents provided sufficient wood is available. Mr. Cornell says we should ask ourselves whether 10 per cent. is a sufficient quota. As I have already stated, if the Bill does not become law there is every prospect of no sale from private property. An assured 10 per cent. is worth having. That is the view I take.

Hon. J. R. Brown: It is the wrong view.

The CHIEF SECRETARY: The opinion is expressed that agents who have been acquiring sandalwood from freehold land should have their interest protected. An investigation of the position will show that these agents are only mushroom concerns who are being made use of by the Chinese, who are out to break down our system which has raised the value of sandalwood from Western Australia from an average of from £15 per ton to £28 per ton. I should like hon. members clearly to understand that the private property owner can sell his 10 per cent. to anybody he likes, and consequently the agents referred to will still be in a position to secure this 10 per cent. of the trade. Mr. Seddon said:—

> We have to deal with the suggestion that certain contracts have been imperilled by the introduction of the Bill. I should like to know what the Government have to say concerning the position that will be created by the passage of this legislation in its present form.

There were two contracts in existence between agents handling private property sandalwood and overseas buyers—one held by Walter Skuthorp is practically completed and will not be affected by the legislation; the other held by Ross and Skuthorp with the Kwong Shing Cheong Sandalwood Association is to all intents at an end, as indicated by the cable received from that Association at the beginning of this week. I shall deal with this again later. Mr. Seddon asks—

> Will an alteration of the quota in excess of 10 per cent. have the result of restricting orders in other directions?

Yes. More work will be found for private property pullers, who may be recent arrivals, and correspondingly fewer orders will be available for old sandalwood getters and prospectors on the goldfields. Mr. Williams appears to be under an entire misapprehension concerning the purpose of the Bill. His remarks are almost wholly directed against the regulations restricting the output and fixing the price which has been in force since 1923. Even if these regulations were repealed and the business handed over to the sandalwood getters with the proviso that they pay £9 a ton royalty, the present Bill would still assist old sandalwood getters and prospectors whom Mr. Williams is out to protect. Although it is an issue entirely apart from the present Bill, it is absurd to suggest that, if the sandalwood market collapses and Government restrictions and support of the industry are withdrawn, any sandalwood will be pulled for the next couple of years, even if the royalty were reduced to 5s.

Hon. C. B. Williams: That is just the Government officials' view. They made a mess of it.

The CHIEF SECRETARY: The present market for private property sandalwood exists only because it serves as a weapon for the Chinese to fight the restrictions and the present high prices. They are out to break the scheme.

Hon. C. B. Williams: Do you know that the sandalwood pullers have not been paid for three months?

The CHIEF SECRETARY: That does not assist the hon. member's argument.

The PRESIDENT: The hon. member will have an opportunity to ask questions in Committee.

The CHIEF SECRETARY: Mr. Stewart says:—

> I do not think the word "pull" should be included. I suggest the clause should be framed to provide—That no person shall remove or sell sandalwood from alienated land except under a license in the prescribed form.

Such a proposal would create very grave difficulties. The evils associated with pulling in anticipation of orders, and the menace of large stocks of sandalwood lying about the country—stocks which could be shifted long distances over night by motor lorry—was shown when the present regulations concerning Crown land wood were first introduced. Clause 4 covers the exceptional case where the wood must be pulled in order to facilitate clearing of land for agricultural purposes, and if the need arises regulations can be framed to meet this position, but whereas supervision of pulling operations

is possible, departmental control of the actual selling, which is a transaction which may proceed miles from where the sandalwood grows, would prove most difficult. Mr. Brown seems to be labouring under the same misapprehension as Mr. Williams, and misses the point that the Bill must inevitably assist the old sandalwood getters and prospectors on the goldfields by restricting the operations of those recent arrivals who are obtaining sandalwood from private property. Mr. Harris says there are about 30 men working on these contracts and they in turn have entered into agreements with the local storekeeper. It should not be forgotten that these so-called contracts will cease immediately and automatically if the market collapses, but if the market is stabilised and the Bill becomes law, the reasonable continuance of these contracts will be assured. Mr. Harris states—

> The Kurrawang Wood Company made an effort to sell a quantity of wood. They could not sell it in China, but brought it back to Fremantle, and sold it to the Combine. That occurred many years ago.

Yes, it did occur many years ago—long before the existing scheme was launched. No parallel can be drawn between conditions many years ago and those applying to-day, as the so-called combine referred to was at liberty to buy at any cheap rate and could consequently under-sell any competitors in China. To-day they are forced to pay £25 a ton on trucks, Fremantle, while their competitors operating on private property can afford to sell at £14 per ton, free on board at Fremantle. "What proportion will be given to prospectors to pull?" asks Mr. Harris. The department has not dealt with this question, as it is obviously impossible to allocate wood from Crown land until we know the total quota, and in our agreement with South Australia private property wood has to be deducted from the total. When the Bill becomes law this private property quota will be known, and the point raised by Mr. Harris can be decided. A circular letter, dated the 12th November, 1929, has been addressed to members of the Legislative Council by Messrs. H. M. Ross and W. Skuthorp, and it is necessary that I should reply to some of the statements in it. The writers say—

> We being the principal persons concerned are of the opinion that the Government should not pass the Bill against private enterprise competing with the monopoly even though the Government is giving the monopoly its full support, as the principle of the Bill is unfair and unjust.

For Ross and Skuthorp to suggest that they are "the principal persons concerned," indicates their outlook on the industry. The principal persons concerned are the old Goldfields pioneers and prospectors (nearly 400 of them) who will be deprived of employment unless the position is consolidated and private property wood restricted by the passing of this Bill. In addition to this, the Government, who stand to lose from £40,000 to £50,000 per annum in royalty, and the merchants, who have bought and paid for stocks exceeding nearly £175,000, will be dealt a staggering financial blow. The collapse of the market may mean that Western Australia will lose £100,000 of this, and the Chinese gain to the same extent.

Hon. J. Nicholson: That will pass the profit over to the Chinese.

The CHIEF SECRETARY: That is what it will mean. Then Ross and Skuthorp say in their circular—

> "The monopoly should not have been granted to any firm in the first place. It was unjust and unfair to the cutters who were then operating. The cutters are not in favour of the present system, and would welcome a change back to the old system and pay the present royalty of £9 per ton . . . . . They are not receiving more for their wood than before the monopoly, for instance, a cutter only receives £12 on rail on the goldfields, and he is limited to a few tons each year . . . . Sixty tons of wood per year at £10 in the old system was far better than 30 tons per year at £12 per ton under the present system . . . . .

The statements set out in the extract I have given are altogether erroneous. In 1920 the royalty was increased from 5s. per ton to £2 per ton, and in September, 1921, a deputation waited on the Minister for Forests and presented a petition signed by a number of sandalwood getters, including Mr. William Skuthorp, urging the Government to reduce the royalty from £2 to £1. In a covering letter accompanying the petition the sandalwood getters stated—

> The price procured by the merchants at present does not permit them to pay more than £11 per ton, and it is the getters and not the foreign buyers or the merchants who bear the burden.

It will, therefore, be seen that in 1921 the price the sandalwood getter received was a net figure of £9 per ton. Since the introduction of the regulations in 1923, this has

been maintained at £16 per ton, f.o.r. Fremantle. Mr. Skuthorp, who professes to be very much concerned for the sandalwood industry here, was responsible for starting operations in South Australia, although he had received an order for 100 tons during the first year under the new regulations, and 44 tons for the second year. His brother received 55 tons for the first year and 32 tons in the second year. Ross received an order for 39 tons in the first year, and 45 tons in the second year. While it is admitted that they are entitled to do so, these men have never considered the industry in Western Australia, but have been out to make the most possible for themselves, irrespective of what harm might result to the Western Australian sandalwood industry. In consequence of the attitude they have adopted, they are scarcely justified in raising the plea of martyrdom at the present time. The writers urge that "in justice to the sandalwood cutters and the public, we are of the opinion there should be a commission appointed to inquire into the position generally." This statement is obviously an attempt to delay the issue at a time when any delay would be fatal to all interests except the Chinese. Possibly without realising it—I do not think they did realise it—Messrs. Ross and Skuthorp have been tools of the Chinese, whose object has been to circumvent the regulations and restrictions, which have raised the export value of sandalwood from an average of £15 2s. for the three years immediately preceding the regulations when the dollar was at an abnormally high figure, to £28 9s., and have stabilised this price, despite a serious fall in the value of the Hongkong dollar. The suggestion that the present Bill will not assist to relieve the position is absurd in view of our arrangements with South Australia, which limit the output of sandalwood from this State to a fixed amount to include both Crown land and private property wood. Without the Bill, practically the whole of our year's quota may come from private property, and be pulled with the help of cheap foreign labour by Ross, Skuthorp and others acting as agents for the Chinese, thus making it increasingly difficult to hold stocks already existing at Fremantle, and resulting in complete cessation of all orders for prospectors and goldfields pioneers. The authors of the circular go on to say—

"The monopoly has had opportunities to clear its stocks, but have been insisting on large profits. Further we have offers from reputable financial firms outside the combine for roughly about 4,000 tons per annum to be procured from Western Australia or any other State. We have ignored these offers, although our contract only binds us to Western Australia."

This paragraph can hardly be taken seriously. It should be patent to even the dullest comprehension that once the output of any commodity is restricted the buyer will investigate, by tentative inquiries, all possible outside channels through which he may secure supplies. At the present time, so I am informed, Ross and Skuthorp are totally unable to find a market for supplies they have in the bush. I shall deal with this at greater length presently. Here is some more from the firm—

No mention is made of compensation to the victims if this Bill is passed, and no provision is made to honour or protect existing contracts of the people who will be victimised or for the disposal of their stocks on hand. A large number of men will be unable to continue under the existing agreements with the contractors who will be victimised, resulting in more unemployment.

We entered into an agreement with the combine, with the full knowledge of the Conservator of Forests and with the approval to restrict our quantity, and to sell through the same channels to protect the industry, and our business has been fair and legitimate even though it is in opposition to the Government policy.

Ross and Skuthorp have ignored the point that private property owners will be at liberty to dispose of their wood to any agent. At the present time they are unable to dispose of any wood, and their reference to more unemployment is ridiculous as they are not in a position to employ any men until they can make further arrangements for shipment. Their reference to "an agreement with the combine" is interesting. At a time when they had difficulty in disposing of their sandalwood overseas, they agreed to sell to the Kwong Shing Cheong Sandalwood Association (which I shall refer to in the course of my remarks as the K.S.C. for the sake of brevity) and discussed the matter with the Conservator of Forests before entering into the contract, with a view to getting information which would help them to protect their own interests. Clause 4 of the contract commences: "Subject to supplies being obtainable." In consequence, even if the contract were valid to-day, the Bill would not leave them open to any penalty.

Hon. H. A. Stephenson: Pretty shrewd!

The CHIEF SECRETARY: When recently in Perth, the managing director of the K.S.C. stated that, as far as the Chinese Association were concerned, the contract was finished, as they were unable to accept further supplies, and shipments that should have gone away under the contract for the last three months had not been sent. Under this contract Ross and Skuthorp were to limit their operations to 700 tons a year. When they were notified that the first lot of 700 tons was completed, and that further operations must stop for the time being, the K.S.C. were asked to accept 200 tons from Walter Skuthorp, a brother of William, who has always worked in close touch with him and uses the same yard at Fremantle and the same shipping agent. The K.S.C. were highly indignant, considering that it was an attempt on Skuthorp's part to get away more wood than specified in his contract. The Chinese finally bought a parcel of 300 tons of sandalwood from Walter Skuthorp at an average price for the 300 tons of £14 on board at Fremantle.

Hon. J. Nicholson: As against what price?

The CHIEF SECRETARY: As against £26 odd. Hon. members will realise that is a ridiculous figure, which indicates that the wood must have been obtained practically free of royalty from private property owners, and by the employment of cheap foreign labour. This is the only private property wood which has gone away for some months. Let us hear what the K.S.C. has to say on the matter. The cable message lodged at Hong Kong at 8.55 p.m. on the 17th and received in Perth at 8 a.m. on the 18th November, reads—

> Kessell, Conservator of Forests, Perth.
>
> Sandalwood market is in most chaotic condition, and since beginning this year values have depreciated 16 per cent., and if based upon present rate exchange depreciation is 31 per cent.
>
> Principal causes responsible for these unfavourable conditions, are, firstly ever increasing supply from private property; secondly, dumping private wood on market at ridiculously low price; thirdly, because of these two aforementioned factors dealers are adopting hand-to-mouth policy, being afraid at all times of further depreciation.
>
> In view these factors only solution of stabilising market is bring about tighter control on production of private wood. Unless this is done quickly market will probably see further depreciation with consequential effect on deliveries, and this in turn will affect intake of wood Crown land.
>
> Understand that in view of serious effect private wood has on industry, Government has introduced legislation providing restriction.
>
> Regarding our contract, signed twenty-fourth September last year, with Griffin, Skuthorp & Ross, we have cabled them that in view of legislation re private property sandalwood, we release them of all obligations under said contract. Consequently, as far as we are concerned, said contract could be regarded as null and void. (Signed) Sandalwood.

"Sandalwood" is the registered cable address of the Kwong Shing Cheong Sandalwood Association, of Hong Kong and Shanghai.

Hon. J. Nicholson: There would be no liability at all.

The CHIEF SECRETARY: That is so. There is a provision in the agreement "subjection to supplies being obtainable."

Hon. J. R. Brown: They could not cancel the agreement except with the consent of the other party.

The CHIEF SECRETARY: What does the cable say? It says that the sandalwood market is in a chaotic condition due to ever-increasing supply from private property and the dumping of private wood on the market at a ridiculously low price. It says further that the only solution for stabilising the market is to tighten control on production of private wood, and that this must be done quickly to prevent a consequential effect on the intake of wood from Crown land. And finally, they say that they have cabled Giffin, Skuthorp and Ross, releasing them from all obligations under a contract made with them and dated 24th September of last year. The circular says:—

> We have employed a large number of men, both contractors and wages, and for some months had from 50 to 60 men engaged in the industry . . . . The monopoly have been buying private property sandalwood, and are still buying same . . . .

It should be noted that Ross and Skuthorp are to-day not in a position to employ any men on private property sandalwood, and have no immediate prospect of further orders, except perhaps a small quantity to be held as stock before the Bill becomes law. With regard to the paragraph referring to private property buying, this buying by licensees was not altogether defensible, although they claim that it kept others out at the time, and that South Australia was not then a sandalwood producing State. If Skuthorp had not gone to South Australia and started operations there, the stocks could

have been worked off without difficulty. That is borne out by the quantity which has been sent away from South Australia during the last three years, totalling between 7,000 and 8,000 tons. That gentleman was responsible for the starting of operations in South Australia, and he can claim no right to reward for patriotism to this State.

Hon. J. Nicholson: He has been destroying the market for Western Australian wood?

The CHIEF SECRETARY: Yes.

Hon. J. Cornell: You might as well say that Newcastle coal could be put into the same category.

The CHIEF SECRETARY: Here is a threat contained in the circular—

Should the Act be enforced it will only tend to improve the market for South Australia and Queensland sandalwood, and the money now being earned and spent in this State will be obtained and spent elsewhere. Further, it is well known that there are other sources outside the Commonwealth where supplies can be secured and which, if exploited, will be detrimental to the Australian trade.

This paragraph is partly mis-statement and partly bluff. The first sentence is patently incorrect, as this State has an agreement with South Australia concerning the total quantity to be exported from all sources in each State, and the question of a similar arrangement has been taken up with the Queensland Government with every prospect of successful results. A great deal of money has been spent on looking for sources outside the Commonwealth, but without success. The circular says:—

When the hon. the Premier introduced the Bill he referred only to the China market. It is common knowledge that America is a large buyer of sandalwood, obtaining supplies from India. Communications have been received from America to import Australian sandalwood for oil distilling in competition with the Indian.

Skuthorp's attempt to find a market in America has resulted in the offers being referred back by the American interests concerned to local distillers of sandalwood oil for information. In the opinion of the Conservator of Forests, America could not import the class of wood being obtained from private property, distil it into oil and sell that oil at a figure less than double the present price of Western Australian sandalwood oil. Another statement in the circular reads—

There is also a large quantity of wood distilled in Western Australia. The Bill does not provide for the distilling of sandalwood locally.

Since 1924 when the Crown reserved the right to all sandalwood on C.P. land, thousands of tons of this valuable wood has been, and is still being burnt during clearing operations owing to the drastic regulations in connection with the disposal of the wood and the difficulty of selling it.

Ross and Skuthorp's concern for the sandalwood oil industry is rather amusing when read in conjunction with the letter sent by their shipping agent Mr. Giffin, to America, seeking to encourage the manufacture of sandalwood oil in America in competition with local distillers. While the Bill makes no specific reference to excluding from restriction sandalwood required for distillation within the State, the Crown Law Department have advised that it will be possible under the Order-in-Council referred to in Clause 2 of the Bill, to exclude wood required for use within the State, and that will be done. It is hoped that the two companies distilling sandalwood oil in Western Australia will be able to purchase considerable sandalwood from private property and they are investigating the possibility of getting up to 750 tons from private property during the next 12 months. If this wood is available, private property owners will receive the benefit of this market, in addition to the 10 per cent provided under the Bill. In the last paragraph of their first circular, Ross and Skuthorp overlooked the fact, which they have possibly never realised, that since they declined further orders as sandalwood-getters in this State, started out in South Australia, and later in this State on private property, they have lent themselves, perhaps unintentionally to the designs of Chinese interests in order to break our scheme. Messrs. H. M. Ross and W. Skuthorp have issued another circular to members in which the question of contracts is strongly stressed. They say they have made contracts with cutters who have in turn engaged a large number of men in cutting sandalwood. All I can say is that if those men have been cutting sandalwood on a large scale, it must be lying in the bush. I have a return showing the tonnage of sandalwood railed from private property since the 1st January last. The figures in

the names of Ross and Skuthorp are very illuminating—

Month.	Tons.	Cwt.	Qrs.
January	—	—	—
February	33	—	2
March	19	6	—
April	—	—	—
May	—	—	—
June	—	—	—
July	1	—	—
August	—	—	—
September ..	—	—	—
October	—	—	—
	—	—	—
Total ..	53	6	2
	—	—	—

It will be seen that the total railed by the firm for the ten months was 53 tons, 6cwt., 2qrs., while during the last seven months only one ton has been railed. I do not say that the one ton came in one lot; it may have come in instalments by parcel post. Messrs. Ross and Skuthorp state that no warning was given by the Government of this drastic measure, and that they had entered into a contract with a combine in Hong Kong in good faith, and with the knowledge of the Conservator of Forests. That assertion is not justified, as the contract fully protects them. As I have already stated, it contains a clause which makes the carrying out of the contract "subject to supplies being obtainable." The firm with whom they made the contract have released them from it.

Hon. J. R. Brown: That is, if they so desire.

The CHIEF SECRETARY: Although Skuthorp had a number of interviews with the Conservator at the time the contract was made, that officer did not involve himself in any way by advising them whether to enter into a contract or not. He gave them certain advice in their own interests, and possibly by accepting that advice they have protected themselves under the agreement.

Hon. J. Nicholson: By inserting that proviso.

The CHIEF SECRETARY: Yes. Boiled down, the position resolves itself into this. Messrs. Ross and Skuthorp have no binding contract with Hong Kong; they have been released from their contract such as it is; and they are employing very few men, as is evidenced by the fact that they railed only one ton of sandalwood during the past seven months. What will the result be if this Bill is not carried? There will be £175,000 worth of wood in stacks at Fremantle, and more probably elsewhere. This will have to be sold at a sacrifice, and the market will collapse. The Treasury itself will suffer to the extent of at least £40,000 a year, and despite the attitude taken up by my goldfields friends and colleagues, nearly 400 men, prospectors and others, will be thrown out of employment.

Question put and passed.

Bill read a second time.

In Committee.

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

Clauses 1, 2—agreed to.

Clause 3—Licenses:

Hon. E. H. HARRIS: I move an amendment—

That in Subclause 1, paragraph (b), after "land." in line 1, the words "after the 31st March, 1930," be inserted.

My object is to give those who are cutting on private lands an opportunity to clean up their contracts and dispose of their plant. Messrs. Ross and Skuthorp have issued a circular in which they say they will be able to clean up in three months. The Chief Secretary has stated that they have practically no contracts with Chinese in China, but I understand the men they are employing have entered into contracts to supply a certain quantity of wood. Those men should be given time in which to profit by the contracts.

The CHIEF SECRETARY: I am opposed to the amendment. Ample evidence has been afforded that this firm is not employing men now.

Hon. E. H. Harris: They say they are.

The CHIEF SECRETARY: It is not reasonable to suppose that sandalwood is being stacked in the bush just now.

Hon. J. R. Brown: There are 170 tons in the bush now.

The CHIEF SECRETARY: In the present state of the market no one would employ men to cut sandalwood. I am sure no firm would invest money under present conditions in this business. Any period of extension would be dangerous in the circumstances.

Hon. E. H. HARRIS: Apparently the Chief Secretary is not well versed in the

business of sandalwood pulling. Men may have to go out 100 miles to get this commodity, and may be away months at a time. My information is that the people I have referred to are employing men in the bush. The firm has been able to compete with the combine because it has not paid the same royalty as other people have had to pay.

Hon. C. B. WILLIAMS: I support the amendment. I understand that Ross and Skuthorp have an agreement with the firms that they will not put any wood on the market for some time. Practically all the wood from Crown lands for this year has been pulled, and probably no more men are now doing this work on such lands. The Government are therefore not required to supervise the stacks to prevent wood from being stolen. Those who are cutting on private property would have to repudiate their contracts with the men they are employing if they were not given time to clean up the business. Once a man has pulled wood for Ross and Skuthorp he cannot get an order to pull on Crown lands. The trouble is that sandalwood is being bought in South Australia for about £5 less per ton than it costs in Western Australia. The same buyers are operating, and naturally they concentrate more on the cheaper wood. That is the main reason why the position of the trade is as it is in Western Australia. There is no difference in the quality of the two classes of wood. Next year the two States will be working on a fifty-fifty basis. I understand that buyers have now gone to Queensland for sandalwood. Through sheer stupidity, Western Australia will be forced into a corner and prevented from selling any sandalwood. The Chief Secretary said these people could not finance the business. They could finance it in the same way as contracts have been financed in Western Australia—by not paying the suppliers of the wood. South Australia is now demanding an allocation of 2,700 tons as against this State's 3,035 tons. In the following year the allocations will be fifty-fifty. The sandalwood industry gives casual employment to a great many prospectors.

The Chief Secretary: To 383 prospectors.

Hon. C. B. WILLIAMS: The sandalwood pullers themselves are now down to about 104. Next year the cut of 1,000 tons will put many of them right out of the business. It is no use blaming Messrs. Ross and Skuthorp. We should blame the Governments responsible. In any case, the people concerned ought to be allowed at least three months in which to clear up their contracts.

Hon. J. R. BROWN: I support the amendment. If Ross and Skuthorp have no contracts, what is there to fear in allowing the three months? The Chief Secretary said the agreement had been cancelled. The other parties concerned have written to Ross and Skuthorp offering to release them from the contract if the Bill passes; but Ross and Skuthorp say, "No, we will keep on with the contract." Why do the Government refuse the three-months period of grace? If there are no stocks to be cleaned up, why not allow the three months? Our sandalwood getters are being driven out of the State, and the position here will become worse when Queensland awakens to the possibilities of its sandalwood. We know that the sandalwood got here lately is somewhat inferior, the reason being that the cutters have been going through old bush, and even gathering stuff that needs to be bagged. Stocks are being held up to raise prices. Why should the Government be merely the middleman in the business? Why should not the Government do the whole business and thus secure the £10 per ton now going to Paterson and Co. without that firm even touching the wood? Why should not the Government cut Paterson and Co. out?

Hon. J. NICHOLSON: Whatever views I might have formed on reading Messrs. Ross and Skuthorp's letter have been entirely dispelled by the Chief Secretary's clear and illuminating statement in reply.

Hon. J. R. Brown: You should hear the other side's rejoinder.

Hon. J. NICHOLSON: One is prompted to be sympathetic towards a man upon whom the passing of legislation may inflict injury. The first thought to occur to members when this Bill came before us was, "Here is an interference with certain property rights." But the more one hears about the subject, the more is one convinced of the absolute need, in the interests of the industry and of the State, for passing the measure. There is as unquestionable a need for this Bill as there was for legislation relating to the dried fruits industry. The information furnished by the Chief Secretary to-day was to me an astounding revelation—I refer especially to the cable message from China. That message shows that even the men in China who are trying to

market this commodity of ours realise that the industry has reached a stage when something must be done to save it not only for Western Australia but also for the China market. If we do not put our own house in order, how can we expect the Governments of South Australia and Queensland to follow us? One must realise that Messrs. Ross and Skuthorp have safeguarded themselves as to their contracts. The people in China with whom they made contracts have released them from those contracts. The words in the contract form, "subject to supplies being available," show that Messrs. Ross and Skuthorp knew they were entering upon a precarious undertaking. I fail to see that these contractors are being in the least hardly dealt by. The Bill provides amply for the giving of due consideration by the Conservator of Forests to any person suffering as the result of the measure passing. The Order in Council might embody stipulations for meeting cases of hardship. Further, there is paragraph (b) of Subclause 1 to be taken into account. In the circumstances I cannot vote for the amendment. I prefer to leave the matter to the Conservator's discretion.

Sitting suspended from 6.15 to 7.30 p.m.

The CHIEF SECRETARY: When it became my duty to take up this Bill my first thought after reading it was as to the necessity for making investigations to ascertain whether any existing contracts might affect the financial position of those men. It was not long before I was completely satisfied by the Conservator of Forests that I need not have any alarm in that respect. There was a contract, but it was only subject to supplies of sandalwood being obtainable; and after communication with the Chinese Association the contractor was able to assure the Conservator that he had released the firm from the contract, and that the market was in a chaotic condition and would continue so while wood was pulled from private property and practically dumped on the market. That was contained in the cable received from the Chinese Association. Originally the firm seemed to rely to a great extent on the fact that they had made contracts and that it would be obligatory on them to carry out those contracts: but latterly it appears they rely on the plea of contracts with the pullers. The fact that they have railed only one ton of wood during the last seven months must be regarded as significant. Who are those contractors that have contracted to pull wood for the firm? How many of them are known? There may be some, but if there are, provision is made in the Bill to meet the case. Under the Bill the firm are entitled to one-tenth of the 4,000 tons. Consequently, if during the last few weeks they have made bona fide contracts with a few pullers, they should be able to meet those contracts satisfactorily. The Conservator of Forests has supplied me with a memo regarding the danger of agreeing to any such amendment as that proposed by Mr. Harris. The Conservator says—

> The effect of such an amendment on the market would be to enable the Chinese to secure large stocks of cheap private property sandalwood, which they are at present buying at £14 per ton on board Fremantle, and enable them to hold off buying the more expensive Crown land sandalwood for an indefinite period. The local effect would be to provide a considerable volume of work in connection with sandalwood getting on private property, and deprive the old sandalwooders and prospectors of the goldfields of a corresponding quantity of orders, as the total to be pulled during the next 15 months from both private property and Crown lands in the State is fixed by an agreement with South Australia.

That is the position, and I feel sure the Committee will recognise that even if during the last few weeks the firm have employed some men to pull wood, there is a pretty large margin in the 400 tons for them to operate upon.

Hon. J. J. HOLMES: I understood the Minister to say he had satisfied himself after full inquiry that there was no breach of contract, and consequently he could support the Bill. In my opinion there is a breach of contract. The freehold owner of land carrying sandalwood bought his land and, with it, the wood on it. To come along now and dictate to him as to how he is to dispose of his wood is a distinct breach of contract.

The CHIEF SECRETARY: We are simply limiting the output, and I think that within the last few weeks the hon. member supported the Dried Fruits Act Continuance Bill, a measure to control the output of dried fruit and actually to seize the fruit and sell it without the owner's permission. The Dried Fruits Act was enacted by the Federal Parliament for the benefit of the industry, and the several State Parliaments fell into line. This Bill limits the output of sandalwood in the interests of the community. It is not to injure the owner, but to benefit

him; for if the Bill does not pass, there will be a collapse of the sandalwood industry, and so the sandalwood on private land will be valueless to the owner.

Hon. E. H. HARRIS: I appeal to the Chief Secretary to give those men an extension of time in which to clean up their wood. There is lying at the siding to-day, 136 tons, and 12 men are working in the bush 16½ miles beyond the Coolgardie townsite. If the Chief Secretary cannot agree to give those men the period I ask for, will he agree to give them a shorter period in order that they may get into communication with those with whom they have contracts, and so allow them to clean up their wood?

Hon. J. R. BROWN: If there is plenty of wood available, there is nothing to be afraid of, and if on the other hand those men have pulled only one ton in seven months, as the Chief Secretary suggests, again what is there to be afraid of? On the other hand, if they have wood and are given the necessary time they will clean up their stock. Sandalwood has been an industry for the last 35 years. Are we now going to break up the whole thing in three months? It would take those men three months to get their wood down. If we are going to cut them right off and give them no chance, it will be very unfair.

Amendment put and a division called for.

The CHAIRMAN: Before the division is taken I announce that I will give my vote with the Ayes.

Division taken, with the following result:—

Ayes	7
Noes	17
Majority against	10

Ayes.

Hon. J. R. Brown	Hon. A. Lovekin
Hon. J. Cornell	Hon. C. H. Wittenoom
Hon E. H. Harris	Hon. C. B. Williams
Hon. J. J. Holmes	*(Teller.)*

Noes.

Hon. C. F. Baxter	Hon. W. J. Mann
Hon. J. M. Drew	Hon. G. W. Miles
Hon. J. Ewing	Hon. J. Nicholson
Hon. J. T. Franklin	Hon. H. Seddon
Hon. G. Fraser	Hon. H. A. Stephenson
Hon. W. T. Glasheen	Hon. H. Stewart
Hon. V. Hamersley	Hon. H. J. Yelland
Hon. G. A. Kempton	Hon. E. H. Gray
Hon. W. H. Kitson	*(Teller.)*

Amendment thus negatived.

The CHIEF SECRETARY: I move an amendment—

That after "1904" in Subclause 4, the following words be added:—"but shall not include any land granted or demised, subject to the reservation to the Crown of sandalwood thereon."

This proviso appeared in the draft of the Bill as it was approved by the Premier but for some unexplained reason it was omitted from the final print. On all land granted under conditional purchase lease or other form of tenure which confers on the lessee the right to the timber, a provision has been inserted in the lease since the 15th February, 1924, reserving the sandalwood on such land to the Crown. Such sandalwood is therefore the property of the Crown in the same way as sandalwood growing on Crown lands, and it was the intention of the Hon. the Premier that, for the purpose of this Bill, the reserved sandalwood on such property be considered as Crown land sandalwood, and not private property sandalwood. The amendment will be of distinct advantage to land holders who own the sandalwood on their property, as the sandalwood reserved to the Crown on conditional purchase locations which may be pulled in the course of clearing will be reckoned in the Crown land quota, and not in the private property quota, thus increasing the total orders which will be available for private property sandalwood. The procedure with regard to the pulling of sandalwood from conditional purchase locations on which the wood is reserved to the Crown is as follows: a settler applies for permission to pull his sandalwood, and provided the department are satisfied that he is a genuine settler and that his improvements exceed the profit to be obtained from the sandalwood, he is granted an order; an inspection is made by the Forests Department to ensure that the sandalwood is all obtained from the locations stated. The conditional purchase lessee than forwards the wood to Fremantle, and is paid at the rate of £16 a ton, and the Government receive the royalty. The purpose of the amendment is to include this wood under the Crown land and not the private property quota, as will be the case if the amendment is not included in the Bill.

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

Clauses 4, 5, Title—agreed to.

Bill reported with amendments.

BILL—PUBLIC SERVICE ACT AMENDMENT.

Received from the Assembly and read a first time.

BILL—LAND TAX AND INCOME TAX.

Second Reading.

Debate resumed from the previous day.

HON. H. J. YELLAND (East) [7.53]: I have no intention of taking up much time over this Bill which comes before us annually to give us an opportunity to discuss the taxation requirements of the Government. Since the present Government have been in power the land tax has been increased tremendously. When I first entered the House it was 1d. in the pound. Five years ago it was increased to 2d. in the pound on the then assessments. Thus the tax was doubled. On top of that there have been re-assessments of land, and the amount received from taxation in this respect has, in consequence, increased considerably in the last four or five years. I have to admit, too, that we have had various advantages removed. For instance, the producer had to pay either the income tax or land tax, whichever was the higher. Now he has to pay both, and consequently the taxation has been increased four or five-fold during the regime of the present Government.

Member: And the exemptions have been removed.

Hon. H. J. YELLAND: Yes. Looking back over the years and the work performed by the present Government, it appears to me that there have been extravagances in expenditure. As it is with the individual who obtains his money easily and spends it easily, so it appears to be with the present Government—the more money they collect, the more do they spend. The present Government have had greater revenue than any of their predecessors, and that apparently has induced extravagance. The party now in power were very critical in connection with the manner in which the finances of the State were then handled. I have taken the opportunity to look up "Hansard" of some years ago, just to ascertain what was the attitude of the party now in power who at that time were in Opposition. In 1917 the Lefroy Government were in charge of the affairs of the State, and according to "Hansard" I find that on the 1st August of that year, the late Mr. Holman, then member for Murchison, called for a return showing—

> 1. The amounts of travelling allowances received by Ministers of the Crown for the years ending 30th June, 1908, to 30th June, 1917, inclusive. 2. The boat, rail, or other fares or expenses received or paid on behalf of Ministers during that time. 2. The amount of allowances, fares, or other expenses paid to or on behalf of officials or others accompanying the Ministers. 4. All other extra expenditure incurred or caused by Ministers travelling in the State or elsewhere during the above-mentioned period.

Hon. E. H. Harris: Do you intend to ask another question?

Hon. H. J. YELLAND: It appears from what I have read that the present party in power, who were then in Opposition, were a little concerned about the extravagance of the Lefroy Government in connection with the travelling expenses of Ministers. The point I wish to make is that during that period the party now in power were loud in their condemnation of the extravagances of Ministers, especially in respect of the manner in which they were utilising the privileges they had, and it is only right now to draw attention to the extravagances of to-day. I have drawn attention to the fact that the land tax has been quadrupled during the period the present party have been in occupation of the Treasury benches. I might perhaps say that the Government would do well to try to effect a saving in the direction to which they themselves drew attention in 1917. I cannot say anything definitely in respect of the amounts that have been paid in the way of travelling expenses, and it is not my intention to call for a return. I do not think, however, that there have been undue excesses on the part of members of the Government in this direction and I merely call attention to them. On looking at the Auditor-General's report, I find that the present Government are enjoying a revenue over and above that which was collected by their predecessors. Dealing with the Government Property Sales Fund, the Auditor-General, on page 13, comments as follows:—

> Under the Financial Agreement Act, 1928, assented to on 30th August, 1928, the Sale of Government Property Act, 1907, was repealed, with a proviso that the money in the Government Property Sales Fund at 30th August, 1928, was to be appropriated by Parliament. All proceeds of sales of Government property from the date mentioned were to be credited to the Revenue Fund

Then it gives a table showing the amounts that have passed into the Treasury through those channels. The report reads—

> The transactions on the Government Property Sales Fund for the year were: Credit balance, 1st July, 1928, £708,511; proceeds of sales of Government property from 1st July, 1928, to 30th August, 1928, inclusive, £2,981; totol £711,493. Voted and other expenditure for the year 1928-29 (see Treasury return No. 32) £184,913; credit balance in the fund at 30th June 1929 (available for appropriation), £526,579.

Hon. members will see that last year the Government received from the Government Property Sales Fund, the amount that was granted to them in 1928-29, namely, £184,913. The previous Government did not enjoy that amount. During this year there has been set aside out of the same fund £154,935, and there is still in the fund over £372,000. Thus it will be seen that last year the Government received £184,913 and this year £154,935, representing in all a considerable addition to the revenue apart from taxation altogether. If hon. members turn to page 7 of the Auditor General's report, they will find some illuminating information. I refer to the details contained under the heading of "Interest charged to Loan." Dealing with agricultural group settlement work, the report shows that the board of assessors, under the provisions of Act No. 34 of 1928, valued 329 holdings, exclusive of stock and plant, at an average of £1,158 per holding, while 1,754 holdings were taken on the same basis, which gave an amount charged up against group settlements of £2,031,132. Added to that, there was expenditure on stock, plant, etc., of £330,000, and another amount, for which no indication is given as to the items to which it applied, of £38,868, bringing the charges up to £2,400,000. That has been charged against group settlements on account of the expenditure of Migration Agreement money. We must remember that that money is available for the first five years at 1 per cent. Dealing with that phase, the Auditor General's report says—

> Interest was charged at a rate of 5¾ per cent. for 12 months on a sum of £2,400,000, being the estimated value of group holdings at the 30th June, 1929.

The report shows that that money was borrowed at 1 per cent. under the terms of the Migration Agreement, and has been charged up against group settlement at 5¾ per cent. The report goes on to show that some of this migration money was used for the land settlement scheme for soldiers. The figures show that the interest charged under that heading was £5,455. Interest was charged for a half year only at a rate slightly in excess of 6 per cent., on £110,000 for the Peel estate and on £70,000 for Herdsman's Lake. Then there was the Albany-Denmark railway extension, in respect of which £14,614 was charged up as interest, representing the difference between the migration money and the amount charged for the work. The interest in that case was 5½ per cent. The same rate of interest was charged regarding the money used for the Ejanding-Northwards railway, for the Kalkalling-Bullfinch railway, and for the Meekatharra-Wiluna railway. All were charged up at the rate of 5½ per cent. The report also shows that the metropolitan water supply received some of the money from the same source, and interest was charged at rates varying from 5½ to 6¾ per cent. for the year. The same applied to the sewerage works in Subiaco, the interest charged varying from 4½ to 6½ per cent.

The Chief Secretary: Was that migration money?

Hon. H. J. YELLAND: So it says in the report.

Hon. A. Lovekin: Surely there must be a mistake there!

Hon. H. J. YELLAND: I want the Minister to let us know. I was not under the impression that migration money had been used for the metropolitan water supply or for the sewerage, but if hon. members look at page 7 of the Auditor General's report, they will find the following statement—

> The practice of charging interest against the Loan Fund and crediting the Revenue Fund was again followed for the year 1928-29. There is no statutory authority for charging interest to the Loan Fund. The charges for the year were:—

Then there appears the table giving the particulars I have just been dealing with.

Hon. H. Stewart: That does not indicate that all of it was migration money.

Hon. H. J. YELLAND: There are a number of matters dealt with. I have not touched on water supply matters; a large amount of migration money has been used for the development of water supplies in the agricultural areas. These have been constructed and completed with the cheap money, and yet the works have been charged

up at the higher rate of interest. The point I want to make is that in these different directions, the Government have been able to carry out work with cheap money and add to their revenue at the same time, to an extent that was not enjoyed by any previous Government. The Commonwealth Government, through taking over our liabilities in connection with the sinking fund on borrowed money, have relieved the State of the necessity of paying £360,000 per year. That money has also gone into the hands of the Government. During the past year the Government have also been paid, on behalf of the sinking fund, another amount of £95,000, and that has been to the advantage of the present Government compared with the previous Administration. It seems to me that, with large sums of money coming from these various sources during the past few years, especially during the past two years, the practice of continuing to impose a tax of 2d. in the pound on land values is not justified. In another place an attempt was made to reduce the tax. I feel that there is a great inclination on the part of the primary producers in particular, seeing that they suffer most from this imposition, to have the burden removed. Then there were other special grants that the Government have received. There was the £300,000 paid to us by the Commonwealth owing to the disabilities the State has suffered under the Federal regime. The grant was set down at £450,000, but up to the present the Government have received £300,000 per annum.

The Honorary Minister: Before the hon. member gets away from the question of migration money, will he point out where there is any indication in the Auditor General's report that that money was used in connection with the metropolitan water supply?

Hon. H. J. YELLAND: I may have misread that table. I have not time at present to look over it again.

The Honorary Minister: Then you may have misrepresented other items, too.

Hon. H. J. YELLAND: I do not think so.

The Honorary Minister: Very well.

Hon. H. J. YELLAND: The Honorary Minister will agree that migration money has been used for the construction of railways.

Hon. H. Stewart: It was used for the Albany-Denmark and the Ejanding-Northwards lines.

Hon. H. J. YELLAND: Yes.

Hon. A. Lovekin: Have you read the references on page 7?

Hon. H. Stewart: There is a paragraph at the bottom of the page.

Hon. H. J. YELLAND: So that the House will have the paragraph before them, I will read that part of the report. It is as follows:—

> Migration money at low interest rates—effect of Loan Charge: The foregoing statement includes three works which are approved schemes under the Migration Agreement, and a portion of the money expended on the works has been supplied to the State at 1 per cent. and 1½ per cent. In the case of two of the works (railways) the revenue fund has been recouped within the year with interest considerably in excess of the amount which it had to meet, but in the third instance (agricultural group settlement) the reverse applies, and the under-recoup from the loan fund on this work considerably exceeds the excess recoup on account of the two railways.

Hon. H. Seddon: The point is that interest has been charged to loan that the Auditor-General says is illegal.

The Honorary Minister: That was not the point. The hon. member said that migration money had been spent for water supply purposes.

Hon. G. W. Miles: He corrected his statement on that point. The Honorary Minister cannot get away from the paragraph that the hon. member read.

The Honorary Minister: I do not want to get away from it.

Hon. H. J. YELLAND. As a matter of fact, I queried those two items, and asked for information. To get back to the question of the extra moneys enjoyed by the present Government, I have referred to the £300,000, and the Honorary Minister will not dispute that fact. I suggest that that money has been spent in directions that have not been in the best interests of the State. Dealing with the excess revenue that the Government have received, without turning up the figures and worrying about a lot of details, the Auditor General's report indicates that the gross revenue at present is about £2,000,000 in excess of what it was about six years ago. If the gross revenue of the State is in excess to that extent it is evident that if we still continue to have deficits, there is a certain amount of extravagant expenditure that it would be well to draw attention to and ask for reports. I could go on and refer to our railways. The earnings have been increasing. We realise

that our railway system has been developed still further and naturally we would expect to find increased expenditure. But when the revenue has increased less than the working expenditure, then something must be wrong, and it is time we took an interest in the subject. The point I want to make is that those who now comprise the Government have cried out in years gone by against excessive expenditure and have stressed the need for economy. Now they have control of the affairs of the State they do not give any indication of their intention to effect economies themselves. I could quote instances to show that what I have contended is a fact. Let me refer to the report made by the Minister for Justice on his return recently from the Eastern States. He spoke of the necessity for economy both by the Government and by the individual. I commend the Minister for having made those remarks, which constituted sound advice, and if he as a member of the Government will start to put the State house in order, we can expect individuals also to economise. The economy of the individual means the economy of the populace, and the economy of the populace means the strengthening of the financial standing of the whole State. But so long as we have this recklessness of individual expenditure, which is common to the whole of Australia, we cannot expect the finances of the State to be put in a satisfactory condition. The Minister said that now was the time for individuals, as well as each Government, to economise, and I would add that the sooner the Government give a lead in that direction, the better it will be. The Bill provides for a continuance of the land tax of 2d. in the pound. In Committee I propose to move an amendment to reduce the amount to that which obtained prior to the present Government taking office. Let the rate of land tax be reduced to 1d. in the pound. We have given the Government the advantage of the increased assessments, and it is due to landholders and to the agricultural industry that the small amount represented by the lower rate should be available to them for the further development of the land. I believe that money spent in the development of the country is far more profitable than money spent in any other direction, and the amount represented to the individual by the reduced rate of land tax would be more beneficial in his hands than in the hands of the Government. If we can increase development by the amount that the saving would represent, we shall be achieving something in the direction of economy. I have directed attention to the attitude of the present Government in the matter of finance. They have had a great deal more money than preceding Governments ever had, but the go-easy method by which money has reached them has probably resulted in the reckless expenditure of the last few years. It is for this House to say that the time has come when economy shall be practised by the Government, as well as by the individual, so that the State may be definitely headed towards prosperity.

On motion by the Chief Secretary, debate adjourned.

BILL — REDISTRIBUTION OF SEATS ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. E. H. HARRIS (North-East) [8.20]: It is generally understood by members that any measure for an amendment or redistribution of electoral boundaries should be preceded by the appointment of Commissioners to submit a report. A remarkable procedure has been adopted on this occasion, and I submit that if it becomes a recognised practice, it may have far-reaching effects. When the Government decided to redeem their pledge to the people of Western Australia and introduced a redistribution of electoral boundaries, they did so by an amending Bill which was dealt with during a special session last year. The amendments submitted provided for the appointment of the Commonwealth Chief Electoral Officer to act instead of the Chief Electoral Officer of the State, if necessary. Section 4 of the parent Act provided for the allocation of the 50 seats in four areas, namely, metropolitan, agricultural, goldfields and mining, but by the amending Bill they were converted into three areas known as the metropolitan area, agricultural area, mining and pastoral area. Section 2 of the Act provided for the appointment of three Commissioners, and Section 5 instructed them to fix the quota for the respective districts. Under Section 8 the Commissioners were charged with the duty of submitting their report on or before a date

to be fixed. The "Government Gazette" of the 4th January, 1929, contained a proclamation charging the Commissioners with their duties. The Commissioners subsequently submitted their report, which was circulated amongst members, and the necessary Bill was duly introduced and passed into law. We are now awaiting a proclamation of the measure declaring the new boundaries. It was generally believed that the Commissioners had thoroughly investigated the facts before submitting their report, but members may recall that shortly after the divisional rolls had been compiled, some serious discrepancies were found in the allocation of numbers of electors to various districts. A striking instance that I quoted in this Chamber was the Leederville electorate which had something like 12,000 to 13,000 electors enrolled, and had been subdivided into two districts—Leederville and Mt. Hawthorn. By certain adjustments it was understood that the number was to be divided roughly equally between the two districts, allowing about 6,000 electors to each. When the rolls were compiled I took some pains to check them, and I discovered that there were roughly 4,000 electors on one roll and 8,000 on the other. Other anomalies were indicated at the time and, although I spoke of some of them in a general way, I was not sufficiently acquainted with the districts to quote the details to the House. I was astonished when the Honorary Minister stood up and said that all the remarks I had made with reference to anomalies were correct, even to the point that one boundary ran through the Home of the Good Shepherd and another through the St. John of God Hospital, while yet another ran through a number of private blocks.

Hon. E. H. Gray: He got the information from the same place as you did.

Hon. E. H. HARRIS: The hon. member does not know where I got my information.

The Honorary Minister: I do.

Hon. E. H. HARRIS: The Honorary Minister does not know, either.

Hon. E. H. Gray: I have a good idea.

Hon. E. H. HARRIS: The hon. member thinks he is Clever Mary. When I was putting the case up, the Honorary Minister asked, by way of interjection, whether I suggested that the Minister knew of it before I did. I replied, "I suggest someone knew before I did." It is quite evident that when the Minister for Agriculture transferred his allegiance from one district to another, he or someone else knew of it, because there was a distinct political advantage. Anyone at all conversant with politics would sooner fight for a seat representing 4,000 electors than one representing 8,000.

Hon. E. H. Gray: It would depend.

Hon. E. H. HARRIS: I suggest that the electors throughout that district are of the same kind.

The Honorary Minister: Not the same kind as the hon. member who makes that suggestion.

Hon. E. H. HARRIS: That might be a matter of opinion. Later on I might go to that district and contest the seat against the Honorary Minister. Let me direct attention to the fact that, by an Act of Parliament, we authorised the appointment of Commissioners to submit a report as to how the boundaries should be altered. It was even provided in the Bill so dramatically lost in this Chamber a few evenings ago—the Electoral Provinces Bill — that before boundaries could be altered, three Commissioners should be appointed to draw up recommendations and submit them to Parliament. I want to know what authority or power there was for three citizens to submit a report on which the Government have acted and accepted the responsibility for introducing this amending Bill. Five of the 12 district boundaries enumerated in the measure before us last session have been wholly altered, and no fewer than seven have been partly altered. After introducing the Bill, the Chief Secretary laid on the Table a file of correspondence indicating the manner in which the measure had originated, and it is with that file I wish to deal. A careful perusal of it has shown that the first correspondence passed from the Solicitor-General to the Chief Electoral Officer. Then there was correspondence between the Under Secretary for Law and the Chief Electoral Officer, the Chief Electoral Officer and the Surveyor-General, the Chief Draftsman and the Surveyor-General, and then the Surveyor-General and the Chairman of the Commissioners, with inquiries and notes to be submitted to the Premier. The final communication was read by the Chief Secretary. It was dated the 11th November and was addressed to the Minister for Justice. It was signed "Your obedient servants, J. A. Northmore, Judge of the Supreme Court, Chairman; J. A. Camm, Surveyor General, and H. R. Way, Commonwealth Electoral Officer." These are the names of the persons

who were appointed the Royal Commission. As Commissioners they had authority which they exercised and they did their duty by submitting their recommendations to Parliament. The question then arises whether they were a Kathleen Mavourneen Commission, or whether, having discharged the duties entrusted to them, their services ended and their powers ceased. When the Bill to provide for amending the boundaries of the Legislative Assembly was before that Chamber, exception was taken to it because it made no provision for altering the Legislative Council boundaries. The desire to refer it to the Commission was ruled out of order. When the Premier moved the second reading of the Redistribution of Seats Bill an amendment was brought forward to the effect that the Bill should be withdrawn because it made no provision for altering the boundaries of the Legislative Council provinces. A dispute arose, and in moving the amendment to the motion "That the Bill be now read a second time," the member for Katanning (Mr. Thomson) wished to insert "That all the words after 'that' be struck out and the following inserted in lieu—'In the opinion of this House the report be referred back to the Commissioners for further consideration when the electoral boundaries have been brought up to date by a proper house to house canvass.'" I quote that because after a long and acrimonious debate the Speaker, in a considered judgment, ruled regarding the Commissioners as follows:—

> Since the hon. member handed up his amendment to me, I have had consultation with the authorities bearing upon this subject, and in consequence I am prepared to rule the amendment out of order. The Act creates Commissioners with a certain duty to perform, and when that duty is performed the Commission has ceased to exist, it functions no further. We cannot, therefore, refer the matter back to the Commissioners. Members who were present during the discussion of a similar Bill will remember that an attempt was made to send it back to the Chief Justice, then the Chairman of Commissioners. It was a useless course, for no results came of it.

A member then interjected, "It was not done by Parliament," and the Speaker continued—

> It was done by Parliament, it is true, but whether it was done by Parliament or by the Government, it would be contrary to the Act to send this measure back to what is already a Commission which has ceased to function.

The Speaker's ruling was disagreed with, but subsequently by a vote of the House was upheld. I argue that the Commission had done its work in regard to the boundaries. Five out of the 50 have since been altered and seven have been partially altered. After a long debate, the Speaker said—

> Before members vote I should like to take some notice of the contentions of the mover and seconder of the motion. By way of suggesting that the Commissioners had not ceased to function upon the matter under consideration, I have had handed to me a copy of the "Government Gazette" of the 4th January, 1929, in which the following is found:—

The Speaker then quoted the terms of the proclamation of the appointment as indicated in the "Government Gazette." He said—

> That is the important point so far as this motion is concerned. (2) To fix the 14th day of February, 1929, as the date on or before which the Commissioners shall forward their report to the Minister to whom the administration of the Electoral Act, 1907, is for the time being committed.
>
> Their work and its duration were fixed by the authority handed to me by the seconder of the motion. The report was made, and according to Section 9 of the Electoral Districts Act——

The Speaker then quoted the Act, Section 9. His concluding remarks were—

> That has been done. In the circumstances I do not think I need say any more. It is true the Commission may be appointed permanently, but they could never be revived, except by the Governor in Council in a manner similar to that of the appointment contained in the "Gazette" that has been handed to me. I hope members will realise how foolish it would be to go back on everything that has been done, and to set aside, not only the authority issued to the Commissioners, but the Act of Parliament itself under which they were created.

I take the Speaker as an authority and this Parliament backed him in his decision. I submit the only way in which we can amend the electoral boundaries is by the Government appointing Commissioners to redistribute them exactly in the same way as was provided in the Bill to alter the boundaries of the electoral provinces. It may be argued by the Minister that the Government may appoint whom they like. If we pass this Bill on the recommendation of certain persons who have ceased to have any authority, or who have no authority by Act of Parliament, we may some day have other persons appointed to revise the electoral boundaries. This revision would be submitted to Parliament perhaps in a skeleton form and subsequently other persons may submit to the

Government a proposal that they should revise the 50 boundaries or rectify the many serious anomalies, such as the Mount Hawthorn and others——

Hon. H. Stewart: That is nothing to Wagin and Katanning. Look at the lack of community of interest there.

Hon. E. H. HARRIS: I am not acquainted with the anomalies of Wagin and Katanning.

Hon. H. Stewart: They should be rectified if anomalies in the metropolitan area are rectified.

Hon. E. H. HARRIS: Apparently some serious alterations have been made concerning the Greenough district. The Minister in introducing the Bill suggested it would rectify some technical matters. One or two of the amendments seem to be purely of a technical nature. If any amendments are to be made to the boundaries as outlined by the Commissioners, I suggest that three new Commissioners be appointed to do the work. We should, however, consider seriously before we pass a Bill which accepts the recommendation of three persons who have ceased to have the right to function.

Hon. J. Nicholson: Were they the same persons who formed the other Commission?

Hon. E. H. HARRIS: Yes. I submit they had no power to make any recommendations or to vary any work they did before.

Hon. C. B. Williams: What is wrong with it? You have been speaking for an hour. Is it right or is it wrong?

Hon. E. H. HARRIS: The hon. member may be dull of comprehension. He has just wandered into his seat. If he had been here when I read the extract from the papers, he would have understood the position.

Hon. C. B. Williams: I am not dull of comprehension.

The PRESIDENT: Order! The hon. member will have an opportunity of speaking later. I wish Mr. Harris would proceed with his speech and take no notice of interjections.

Hon. E. H. HARRIS: These three gentlemen had no more authority or power, unless it could be argued that the Government, after receiving their official report, could call in any three persons to make amendments to it, and on the strength of this ask Parliament to alter the arrangement of the new distribution of seats. Unless I receive some satisfactory explanation from the Chief Secretary, I do not know that I shall vote for the second reading of the Bill.

Hon. J. Nicholson: The ruling of the Speaker makes it difficult to explain away.

Hon. E. H. HARRIS: Yes. I have not asked for your ruling, Mr. President. Perhaps before the debate is concluded you, Sir, may be asked for an expression of opinion upon the subject.

HON. J. CORNELL (South) [8.45]: This Bill deals with a major and a minor issue. The matter dealt with is really a minor issue, but how the parties got the authority to deal with the minor issue is the major issue. In a way it would ill become this House to discuss the boundaries of the electoral districts of another place. But the manner in which this Bill has come before us may be used as a precedent, and subsequently have a boomerang effect on the boundaries of this Chamber. I submit that the Title of the Bill is wrong. It should actually be "A Bill for an Act to Rectify the Shortcomings of the Commissioners."

Hon. J. R. Brown: But that would not look well in print.

Hon. J. CORNELL: However, that is the purpose of the Bill.

Hon. J. Nicholson: But were the shortcomings those of the Commissioners, or of some other persons?

Hon. J. CORNELL: They were the shortcomings of the Commissioners, and before I sit down I shall demonstrate some further shortcomings on their part. The Bill may be cited as "The Redistribution of Seats Act Amendment Act, 1929." Technically there is such a Bill, but not actually. There can be no such Bill until the parent Act has been proclaimed under Section 9, Subsection 1 of the Electoral Districts Act. Thus we are setting out to correct anomalies in an Act that may never actually be an Act.

Hon. E. H. Harris: It may not be proclaimed.

Hon. J. CORNELL: True. This Bill presupposes that the parent Act will be proclaimed, because the Bill sets out to correct the Act. The House has nothing to thank me for as regards that declaration, because members of this Chamber are not interested. Hon. members elsewhere may view with misgiving the proclamation of the parent Act. I am desirous of ascertaining how the Commission did their work and by what authority they acted. The Electoral Districts Act provides, amongst other things, for the appointment of a Commission to redistribute the electoral boundaries of another place. It sets out the quotas, and gives other direc-

tions for the Commissioner to follow. It states how the Commission shall be constituted, and by whom the Commissioners shall be appointed. The Governor is to appoint the Commissioners, and the Commissioners must work in accordance with the Act. Section 8 of the Act provides—

> The Commissioners shall on or before a date to be fixed by the Governor forward to the Minister to whom the administration of the Electoral Act of 1907 is for the time being committed their report upon the division of the State into electoral districts, with the name and boundaries of each proposed district, and the number of electors therein as nearly as it can be ascertained, together with a map, signed by them, showing the boundaries of each such proposed district.

When the Commissioners do that, they have done their work. Section 9 of the Act says—

> The report (of the Commission) shall be laid before both Houses of Parliament forthwith after the making thereof, if Parliament is then in session, and, if not, forthwith after the next meeting of Parliament; and a Bill shall be introduced for the redistribution of seats for Parliamentary elections in accordance therewith, and for the readjusted boundaries of electoral provinces——

That is where the Commissioners got out; they said they had no power to do that.

> ——and if such Bill is duly passed and assented to, it shall come into operation as an Act on a date to be fixed by proclamation.

The Government appointed the Commission. The Commission did their work. We have their report. That report was presented to Parliament. Following on that report, a Bill was introduced to give effect to the Commission's findings. Those findings were embodied in the Schedule setting out the electoral districts and defining their boundaries. The maps showing the boundaries are clear. Parliament's approval of the Commission's findings is set forth in an Act. That Act is well on the stocks and has remained unproclaimed. Now we are asked to amend it. As Mr. Harris has pointed out, His Honour the Speaker in another place ruled, when the Bill was before the Assembly, that so far as the Commission were concerned, the presenting of this report ended their functions. Section 10 of the parent Act, which mentions various things, directs specifically that a redistribution of seats by which the State can be wholly or partially divided into electoral districts shall be undertaken by the Commissioners whenever the Governor may so direct by proclamation, "but such proclamation shall only be issued on a resolution being passed by the Legislative Assembly in that behalf."

Hon. E. H. Harris: That has never been done.

Hon. J. CORNELL: In the first place the Assembly carried a resolution which brought the Commission into being. The Commission completed their labours and submitted their report. Parliament adopted the report without amendment. Some months after the report had been accepted, the Electoral Department of this State discovered the shortcomings of the Commissioners, and the absolute failure of some of the new departures to give even a degree of satisfaction to anybody. One mistake was that a non-existent road was fixed upon as a boundary. When these anomalies had been discovered, someone asked the Commissioners to function again and make the necessary alterations. I have no objection to their making the alterations but I want to know how they got authority to make alterations. I submit that they had no authority, and that under the Electoral Districts Act, once the Commission completed their work and submitted their report, and Parliament accepted the report and put it in the form of a Bill, the Commission ceased to exist. The procedure is the same under Section 10 of the Electoral Districts Act. That section requires a resolution of the Legislative Assembly. Such a course has not been adopted. During the passage of the Bill it was my fate to be precluded from joining in the discussion. I then discovered another glorious omission in the work of the Commission. They have added to Beverley, Pingelly and Wagin a part of Yilgarn. The day the report was presented I took it home, for I am one of those who believe that if one is to fight an election successfully one has to keep one's ammunition pretty well up to date. When I made a comparison of the South Province roll with the transfer made by the Commission from Yilgarn to Beverley, Pingelly and Wagin, I made a certain discovery. I ask hon. members to turn to the reference, on page 7 of the Commission's report, to the agricultural areas. They will find that there is not one elector transferred from Yilgarn to Pingelly. The election in which Mr. Williams was successful dropped 40 Legislative Council electors in the Karlgarin district, which has been joined to Pingelly. Not one elector has been transferred from Yil-

garn or Karlgarin to Pingelly. I also gave attention to the Newdegate and Phillips River districts, which have been put into Wagin. I did not take into calculation any new settlers who had been enrolled. I found that there were 367 electors transferred from that part of old Yilgarn to Wagin. There are two glorious illustrations of the manner in which the Commission did their work. Other anomalies could be found, but I will rest content with the illustrations I have given. To me it is astounding that such anomalies could have occurred, and I can only come to one definite conclusion, that the necessary recourse was not had to our electoral office. I think that Mr. Harris, if he were to speak again, could point out that in the case of the transfer from Kalgoorlie to Hannans the electors are not there. And so the story might go on all the time. I should like the Chief Secretary, in his reply, to give the House some definite understanding of what technical authority the Commission had for altering the seven electoral districts which Parliament originally agreed should be the law of the land.

Hon. E. H. Harris: Twelve electoral districts.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central—in reply) [8.59]: Mr. Harris said that a remarkable procedure had been adopted in connection with the origination of the Bill. To my mind there is nothing remarkable about that procedure. On the contrary, it is an ordinary and commonplace procedure. The Chief Electoral Registrar, in preparing the rolls, discovered what he considered to be various errors; and he got in touch with the Surveyor General, Mr. Camm, who had been a Commissioner in connection with redistribution of seats. Mr. Camm then employed his chief draftsman to investigate the position. As a result of that investigation, many ridiculous technical errors were discovered. Mr. Camm, having satisfied himself on that point, adressed a letter to the chairman of the Electoral Commission, Mr. Justice Northmore. The Commissioners met and recognised it was advisable that those errors should be corrected. They then addressed a letter to the Minister for Justice, and in consequence of that letter the Government decided to bring down the Bill. Whether the Commissioners still have statutory power to do what they did I do not know. However, it is for Parliament to decide whether or not to pass the Bill. Even if the Commissioners have not still their statutory authority, I take it they could discuss the question and then make a recommendation. If it were not a question of mere technical errors of the most ridiculous kind, I should say that perhaps Parliament should not permit the Commissioners to review the situation; but I think it has been clearly shown that these errors ought to be corrected. The Government have no feeling whatever in the matter. Personally I know nothing about it. I have not been approached by any of the Commissioners, nor do I think has any other member of the Government, except perhaps the Minister for Justice who may have communicated with them in reply to their letter. At all events, the Bill is here and it is for the House to determine whether it shall pass. Blunders have been committed, some of them probably typists' blunders, or typographical blunders, and I think they ought to be corrected. The House, I hope, can take a common sense view and ask whether those palpable errors should be allowed to remain.

Hon. J. Nicholson: They should not constitute a precedent.

The CHIEF SECRETARY: I should say that since they are ridiculous errors, they ought to be corrected.

Hon. J. Nicholson: In view of the ruling of the Speaker of another place.

The CHIEF SECRETARY: I do not think we are bound by that ruling.

Hon. J. Nicholson: No, I do not say that.

The CHIEF SECRETARY: It must be remembered that the original Bill is no longer a Bill; it is now an Act since it has been assented to by the Governor.

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

Ayes	17
Noes	4

Ayes.

Hon. C. F. Baxter	Hon. A. Lovekin
Hon. J. R. Brown	Hon. W. J. Mann
Hon. J. M. Drew	Hon. G. W. Miles
Hon. J. T. Franklin	Hon. H. A. Stephenson
Hon. G. Fraser	Hon. H. Stewart
Hon. W. T. Glasbeen	Hon. C. H. Wittenoom
Hon. J. J. Holmes	Hon. H. J. Yelland
Hon. G. A. Kempton	Hon. E. H. Gray
Hon. W. H. Kitson	*(Teller.)*

Noes.	
Hon. J. Cornell	Hon. E. H. Harris
Hon. V. Hamersley	Hon. J. Nicholson (*Teller.*)

The PRESIDENT: There being the necessary constitutional majority, the question passes in the affirmative.

Question thus passed.

Bill read a second time.

In Committee, etc.

Bill passed through Committee without debate, reported without amendment and the report adopted.

MOTION—RAILWAY CATERING.

Debate resumed from the 12th November on the following motion by Hon. H. Stewart—

That all papers relating to the existing agreement for railway catering be laid on the Table.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [9.10]: Mr. Stewart, in moving the motion, and other members in supporting it, criticised the catering arrangements on the Western Australian railways. It has been the practice since the inception of these services to lease railway refreshment rooms, and up to the present—so I am informed by the department—no serious dissatisfaction has been expressed with the system. Restaurant cars were previously run, but owing to the heavy loss experienced and the expectation of a better service from private enterprise, these services also were put up to tender. The leasing of refreshment services is arranged by public tender, each service being open to unrestricted competition. Under such a system, the department has no justification for declining to accept the highest tender, provided the tenderer is considered satisfactory. At the same time, where the disparity is not great the lease is given to the tenderer whose service is calculated to give the best result, as in the case of Beverley last year, where the present lessee's tender was accepted in preference to a higher offer.

Hon. W. J. Mann: You require to do the same in some other places also.

The CHIEF SECRETARY: In some instances, however, although lessees have given excellent service, they have set such a low value on the rooms, as compared with other tenderers who have also given satisfactory service, that the department has had no option but to pass them over. As regards the standard of catering generally, this to a very large extent rests with the lessees themselves. Although the conditions of a lease stipulate that the refreshments shall be of the best quality, well cooked and properly and cleanly served, it is difficult in the absence of specific complaints for the department to ensure that that standard is maintained.

Hon. C. F. Baxter: Do not the heads of the department travel?

The CHIEF SECRETARY: They do travel, and on the whole very few complaints have been received by them. On the other hand congratulatory references from sporting bodies, interstate travellers and others, are not uncommon. After all, it must be remembered that on the quality of the refreshments provided depends the patronage afforded the service. Most lessees are alive to this fact. It should not be overlooked by those who are prone to criticism that lessees of refreshment services have not at their disposal the facilities for preparing and serving meals that exist at other eating houses. Nor have they the regularity of custom which other caterers enjoy. At most stations the time allowed for refreshments is limited, and at rush times it is a matter of doing the best for all rather than meeting the convenience of a few. As regards the charges for refreshments, it is not considered that these are unreasonable. At rooms where a set meal is served a charge not exceeding 2s. for breakfast and 2s. 6d. for lunch or dinner is stipulated, whilst light refreshments must be sold at prices not exceeding those ruling in the district. No instance of overcharging is within the knowledge of the department. If members consider they have been overcharged, it is their duty to report the matter to the Commissioner.

Hon. G. W. Miles: Ministers should be compelled to have their meals on the trains.

The CHIEF SECRETARY: On the restaurant cars a slightly higher tariff is permitted, and justifiably so when regard is paid to the conditions under which meals are prepared and served and the uncertainty as to the patronage which will be forthcoming on any particular trip. It is within the knowledge of the department that very often

a good deal of the food is wasted, owing to the lack of customers. From the department's experience and the low tenders received, there can be little profit to the lessee from these cars. Dealing with the specific points mentioned by Mr. Stewart, the sparser population of this State makes comparison with Victoria or New South Wales impossible, and there can be no analogy between prices which ruled in Victoria many years ago and present conditions in this State.

Hon. H. Stewart: I compared the position of Victoria 30 years ago with the position in this State to-day.

The CHIEF SECRETARY: The hon. member's remarks regarding a "main contract," suggests that one contract covers the bulk of the services, whereas separate leases exist in each instance. The dining car on the Albany express was replaced by a buffet car owing to the poor patronage which was afforded the dining car, and in the belief that the reduction of charges made possible by this means would be welcomed by the travelling public. The buffet car being a lighter vehicle also reduced the weight of the train. Respecting the York stall, this is one of the instances in which the previous lessee set such a low value on the rights as to compel the Department to reject her tender. The case is fully dealt with on the file. Mrs. King (the previous lessee) tendered £26. The successful tenderer offered £70. As the latter had given satisfaction at other places, there was no ground for disregarding the marked disparity in the tenders. As the lady is being employed by the present lessee at what is understood to be her own valuation of the net income of the stall, she has not been harshly treated and her retention at the stall should not affect the quality of the refreshments dispensed. Mr. Cornell, in his remarks, referred to the running of the restaurant cars prior to the present contractor taking them over, and states that Mr. Dungey had been refused permission to increase the charges from 2s. 6d. to some higher figure. As Mr. Dungey, prior to the termination of his contract, had been charging 3s. 6d. for dinner and 3s. for breakfast on the cars and 9d. for tea with scone, sandwich or pie at the refreshment rooms which he controlled, it is obvious that Mr. Cornell is under some misapprehension in the matter. The high prices charged and the unsatisfactory service given were in fact responsible for the cancellation of these contracts.

Hon. J. Cornell: Will the Minister tell me for how long Dungey was permitted to make those charges?

The CHIEF SECRETARY: I cannot be expected to give that information offhand. The compulsory purchase of meal tickets for Interstate passengers was introduced to bring this system in line with the Commonwealth Railways, and to enable the caterer to give better service by having some idea of the number to be catered for. The system was also responsible for a reduction of charges. With reference to the service of tea at refreshment rooms, the department has already taken steps to improve the methods that have hitherto been employed at some of the rooms, and will continue to give this matter attention. The question of setting aside portion of refreshment rooms for women has had the consideration of the department, and lessees have been asked to co-operate to that end. In the majority of cases, however, the accommodation available does not permit of this being done, and a considerable capital expenditure would be involved in effecting the necessary structural alterations to make separate accommodation possible. Touching Mr. Fraser's comments in reference to the lack of refreshment services on the South-Western line, refreshments are available at Pinjarra, Brunswick Junction, Picton Junction Boyanup, Donnybrook, Kirup, Bridgetown, Busseton and Margaret River.

Hon. G. Fraser: I said you could not get a meal.

The CHIEF SECRETARY: Anyone who wants more than is provided at any of these refreshment rooms, is a glutton. The lessee of the Pinjarra room was recently relieved of the necessity of providing a set meal at that station, but only because the patronage extended to the room did not warrant the continuance and expense of this convenience. Mr. Hall referred to the room at Yalgoo. This also is a case in which the disparity in the tenders received prevented the department from accepting the previous lessee's tender in preference to a caterer who had also given satisfaction, and who offered a much higher rent. The conditions of Railway refreshment rooms and restaurant car leases provide that the lessees shall afford the Commissioner every reasonable oppor-

tunity for inspection, and regular inspections of the rooms and stock are carried out by the department's officers. There is no objection to the papers being laid on the Table of the House, but they will occupy a good deal of space as each service is the subject of a separate file.

The Chief Secretary laid the papers on the Table.

HON. H. STEWART (South-East—in reply) [9.26]: I understood that another hon. member desired to speak, but as he is not here I have no wish to labour the matter unduly. One naturally expected that the Railway Department would ask the Government to say something in defence of the system. The Minister, in replying, said that apparently there had been no complaints, and that the system was satisfactory. I assure the Minister there have been many complaints. Since I brought forward the motion, believing when I did so that the catering arrangements in connection with the railway system were disgraceful, I have had a number of communications from people whom I had never seen or even heard of before. I have been called out from this Chamber to the telephone and congratulated upon my action, and told that an inquiry into the railway catering arrangements was long overdue. The other day a man walked into my office, and he, too, congratulated me on bringing forward the motion. I had never seen the man before, and after our conversation I said to him: "If what you have imputed is true, the matter is a fit subject for inquiry by a Royal Commission." I told the gentleman that if people like him who held such views and had had such experiences, were prepared to give evidence before a Royal Commission, some good might come of it. I was putting out a feeler to ascertain whether he would be prepared to do that. He hummed and ha-ed. I said to the man, "At any rate, you have given me your name and address." I did not anticipate that sort of thing when I brought the motion forward at the outset. Since then, on every train I have travelled, the guard and conductor and other railway men to whom I had not previously spoken, have congratulated me on moving the motion. These man know a lot more about it than I do. They tell me that an inquiry is long overdue, and that the catering business is a subject for talk throughout the railway service. On top of that, a number of private citizens have spoken to me. Only to-day a gentleman who travels all over the State spoke to me in the Terrace and said: "I am awfully pleased that you brought forward a motion regarding railway catering." I did not expect anything of that sort. In view of the letters that have appeared in the Press and complaints voiced in the Legislative Assembly, it is obvious, particularly when I refer to the other statements that have been made to me, that an inquiry is long overdue. Then again, I claim that the Railway Department should include in their time tables information as to what people can get when they travel by train, what charges will be levied, and what can be demanded at the refreshment rooms. When the Chief Secretary says that there have been no specific complaints, I am astounded. We have four or five railway districts with various inspectors, district engineers and so forth. It ought to be part of someone's duty at head office, when drawing up the contract, to make adequate provision for the protection of the public, for the refreshments to be served and the rates to be charged. It should be the duty of some other officer, or officers, to see that the conditions of the contract are fulfilled up to the hilt. I have nothing further to add except to express my great astonishment at the assertion that a sporting body had indicated to the department their pleasure at the catering arrangements. Such a result may have been possible on a special train on the Kalgoorlie-Perth line, or on a train, in respect of which some other special conditions may have obtained. I heard recently from people who travelled on the Reso tour through the South-West, that the catering arrangements were satisfactory, but those arrangements were carried out by the department. In view of the information that has been given to me and the statements that have been made, I cannot understand how any section of the travelling public, unless special conditions obtained, could express satisfaction with the railway catering in this State.

Question put and passed.

BILL—COMPANIES ACT AMENDMENT.

Recommittal.

On motion by Hon. J. Nicholson, Bill recommitted for the purpose of further considering Clause 3.

In Committee.

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

Hon. J. NICHOLSON: When the clause, which relates to the memorandum and articles of association of co-operative companies was dealt with before, we agreed to insert a paragraph as follows:—

(b) Before declaring a dividend out of the profits for the then last financial year of the company, the directors may in their discretion provide for the payment of a dividend upon the shares held by shareholders during any one or more of the three preceding financial years in respect of which no dividend has been declared: Provided that such dividend shall be payable to the persons registered as the owners of such shares at the date of the declaration of such dividend.

Considerable discussion ensued as to the wording of the clause, and it was felt that the position should be made clearer. As a result of a discussion between Mr. Lovekin and myself, I am now in a position to do that, and I move an amendment—

That in line 5 of paragraph (b) after "shares" the words "which had been issued and were" be inserted.

That will mean that no dividends are to be declared for the three preceding years unless in respect of shares that had been issued and were held by the shareholders of the company.

Hon. H. STEWART: The amendment as read by the Chairman yesterday contained the word "That" at the beginning of the paragraph, which was correct. By error it had been omitted from the Notice Paper, and the Minutes have perpetuated the error.

The CHAIRMAN: In my copy the word "That" is not included. If the hon. member desires to insert it, I suggest that Mr. Nicholson should temporarily withdraw his amendment.

Hon. J. Nicholson: I ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Hon. H. STEWART: I think it will be found that the word "That" appeared in the manuscript handed in. I move an amendment—

That at the beginning of the paragraph the word "That" be inserted.

Amendment put and passed.

Hon. J. NICHOLSON: I now move my amendment.

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

Bill again reported with further amendments.

BILL—ABORIGINES ACT AMENDMENT.

Second Reading.

Debate resumed from the 19th November.

HON. J. NICHOLSON (Metropolitan) [9.50]: This Bill seeks to amend the Act in order to give certain further powers to the Chief Protector of Aborigines. The people who will be affected, it will be acknowledged, are the direct responsibility of the State. Generally speaking, the aborigines and half-castes can hardly be classed as persons possessed of a high mentality or a high moral sense. The fact that they do not possess the same benefits of education or the same conceptions and ideals of life that we may do makes it all the more necessary for us to seek to discharge our duty by extending to them the fullest measure of protection consistent with reason. From time to time much has been said about the treatment of aborigines and the methods of treatment that ought to be adopted. We as a race believe in recognising our obligation to the native people who are not possessed of the strength of character which shows itself in the white population, and the Government, recognising the State's duty to those people who may be of a weaker calibre than ourselves, have taken the right step in introducing this measure. Last week-end I had the privilege of visiting the native settlement at Moore River, and I must acknowledge my indebtedness to the Honorary Minister for the opportunity he afforded me to see the work being carried on there. I have noted with satisfaction and gratification, as other members must have done, the interest evinced by the Honorary Minister in the discharge of his duties under this Act. His work is attended with a great deal of anxiety, and it is largely his desire to do

something better for the native people that has prompted the introduction of this measure. I think it will be freely acknowledged that the Honorary Minister has displayed an interest in the aborigines unsurpassed by any of his predecessors, and we should acknowledge the efficient work of the officer holding the position of Chief Protector. At the Moore River settlement I saw sufficient to satisfy me that, despite all that has been done, much still remains to be done to perfect the work upon which the Aborigines Department are engaged. Years ago it was found necessary to appoint a Chief Protector to care for the aborigines, and I think there is an increasing responsibility on us to ensure that measures are adopted and powers are given to the Chief Protector that will enable him to make the protection of aborigines a little more perfect than it is at present.

Hon. C. F. Baxter: The conditions at Moore River do not fit in with those of the North.

Hon. J. NICHOLSON: The hon. member is probably quite right. Much depends upon the discretion with which the powers are exercised. They must necessarily be given to meet the varied conditions, but they can be carried out in such a way in the different districts as to meet the needs of the particular localities and the varied conditions where the people may be situated.

Hon. C. F. Baxter: Over-zealous officers may have too much power.

Hon. J. NICHOLSON: The hon. member may feel it would be dangerous to give too much power, but unless power is given it would probably result in destroying that authority which the Chief Protector now feels called upon to exercise.

Hon. C. F. Baxter: I will enlighten you in the Committee stage.

Hon. J. NICHOLSON: It is only right that every phase of the subject should be considered. What I have seen at Moore River shows how increasingly difficult the management of the natives has become. The difficulties are increased largely by the presence of so many half-castes. We see them in varying colours. The true aboriginal is becoming gradually lost by the assertion of members of our own community. There is a blending of the bloods which impresses itself upon anyone who visits the settlement. When I first went there it occurred to me that it was situated in a part where it was not likely to be most successful. I learnt from inquiry ,however, that this area was selected because it was the place to which the natives used to resort. It was a recognised camping ground, and was also looked upon by them as a good health resort. No doubt the Government in selecting that part were exercising wise judgment.

The Honorary Minister: That was one of the main reasons for the establishment of the settlement there.

Hon. J. NICHOLSON: It was very gratifying to see what was being done to help the natives in times of sickness. A hospital is established there, and I think will be regarded by everyone with favour. It should serve a very useful purpose in helping to cure the natives from disease, and alleviate sickness and distress such as has been prevalent for a long time amongst them. It is relieving a difficulty which was pressing for a long period. I am informed that the hospital, which was opened last week, is the only one for natives in the southern portion of the State. One can realise, in view of what the Honorary Minister informed us as to the increase in the number of natives and half-castes, the necessity for establishing such an institution. The building was erected almost entirely by native labour. I understand that only one or two white men were employed. It reflects credit on the skill of these men that they were able to complete the construction of such a building so perfectly. In Committee I intend to move an amendment to Clause 2, Subclause 3, dealing with the definition of half-caste. Half-caste is defined as a person being the offspring of an aboriginal parent on either side, and includes the offspring of such parent. Under the Act the definition is not so wide. I am informed it is desired to meet the position that has arisen because of difficulties that have existed consequent upon the increase in the number of half-breeds amongst the aboriginal population. The limitation in the Act carries the definition of half-caste down to that of quadroon. Between black and white, the offspring of a black and white would be a half-caste, a Mulatto. If a half-caste and white be mated then the progeny would be quadroon or quarter black, whereas if we get a quadroon and white mated, their progeny would be octoroon.

Hon. J. R. Brown: That does not always follow.

Hon. J. NICHOLSON: I admit that, so far as indication afforded by colour is concerned. I was struck when visiting the Moore River settlement by the fact that a number of children showed a distinct white tendency, obviously more white than black. As hon. members know, there is a great sensibility amongst many half-castes who have a greater proportion of white blood than of black blood in their veins. They resent being called aborigines. There is reason for considering the feelings of these people, especially when a stage is reached where the proportion of white blood is very much greater than that of black blood. We do not want to keep such persons in the blacks' camp, or for ever class them as aborigines if it is possible to raise them to a higher sense of responsibility and to a recognition of their being something other than mere aborigines. With that end in view it occurs to me to suggest an amendment by making the clause read, "the immediate offspring of such person." The amendment inserts the word "immediate" in the interpretation of "half-caste." I have also given notice of an amendment in Clause 17, one of the most important clauses of the Bill. Many of the other clauses are really intended to make the existing position clearer with regard to aborigines and half-castes. Clause 17, however, proposes a new section, numbered 33a, having reference to the position of aborigines relatively to the Workers' Compensation Act. In the course of his second reading speech the Honorary Minister, replying to an interjection, said there was a liability under the Workers' Compensation Act in respect of the aboriginal just as a liability existed in respect of one of our own race.

The Honorary Minister: Where the aboriginal is an employee.

Hon. J. NICHOLSON: That is so. I think Mr. Holmes stated that the point had been overlooked. I quite agree that it was overlooked when we were considering workers' compensation legislation. It should have been noticed at the time. The fact remains that there is a claim as the Workers' Compensation Act now stands. No one ever intended that the aboriginal, in view of his circumstances, should have such a claim. Our aborigines cannot be classed as equal to, say, the Maoris, a fine race among whom are to be found many highly educated men, and who may reasonably claim the same rights as members of our race. Knowing the habits of aborigines, we have to be sensible in regard to these matters. I shall move an amendment seeking to partly remedy the mistake or omission which occurred when the Act was passed. My amendment is as follows:—

Add, at end of proposed new Section 33a, the following words:—"and such payment shall be deemed to be in full satisfaction of all claims (if any) competent to such aboriginal or half-caste under the Workers' Compensation Act, 1912-1924, against an employer."

I do not suggest that that will be a perfect protection, but it is the best amendment possible. I think it will be admitted that if an aboriginal were to receive the compensation payable to a member of the white race in the case of certain accidents, the position would be absurd. One wonders what in the wide world aborigines would do with the amounts paid to them, and the problem sometimes of ascertaining who were relatives might be mystifying. Altogether the present position is so extraordinary as to make it essential to do something in the direction indicated by the amendment, which I hope will find acceptance at the hands of the Honorary Minister. In other respects I think the Bill should be accepted by the Chamber, and I hope it will receive endorsement. I support the second reading.

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

House adjourned at 10.17 p.m.