Eastern States that Western Australia was not a State; it was a dependent Colony.

The Hon. G. Bennetts: There will not be many people coming here, because of all the taxes that are being imposed.

The Hon. L. A. Logan: The bookmakers will be frightened away, anyway.

The Hon. R. F. HUTCHISON: As it has been admitted that this is no longer a House of Review, I cannot appeal to members on that ground; but I do appeal to those who have the welfare of the State at heart not to accept this Bill. I only hope that there are enough ethical thinkers who will have the same ideas as did the statesmen of former days, and that they will be responsible for the defeat of this Bill. If we passed this measure, it would certainly please the Reddishes of the community, but I do not think that to do so would be to our credit. Although I know enough about the cement question to discuss it, I shall not do so now. However, I do know that vicious propaganda has been hurled at one of the best Governments this State has ever had, and for that reason I have no love for Sir Halford Reddish. He reminds me of Scrooge when he rubbed his hands together and was so pleased at the downfall of the other person.

The Hon. G. C. MacKinnon: Perhaps he will reform like Scrooge now!

The Hon. R. F. HUTCHISON: It would be worth a term of any Government if we could reform men like him. I accuse the Government of trying to do nothing but camouflage this Bill which contains no protection. It is merely designed to repeal the legislation which was passed during the regime of one of the most solid Premiers we ever had. I therefore oppose the second reading.

On motion by the Hon. F. R. H. Lavery, debate adjourned.

BETTING CONTROL ACT AMENDMENT BILL

Assembly's Message

Message from the Assembly received and read notifying that it had agreed to the amendments made by the Council.

ADJOURNMENT SPECIAL

THE HON. A. F. GRIFFITH (Suburban —Minister for Mines): I move—

That the House at its rising adjourn till 11 a.m. tomorrow.

Question put and passed.

House adjourned at 6.28 p.m.

Legislative Assembly

Thursday, the 26th November, 1959

CONTENTS

CONTENTS—*continued*

The SPEAKER took the Chair at 2.15 p.m., and read prayers.

BILLS (7)—ASSENT

Message from the Governor received and read notifying assent to the following Bills:—

1. Adoption of Children Act Amendment Bill.
2. Traffic Act Amendment Bill (No. 3).
3. Road Districts Act Amendment Bill (No. 2).
4. Municipal Corporations Act Amendment Bill (No. 2).
5. Housing Loan Guarantee Act Amendment Bill.
6. Administration Act Amendment Bill.
7. State Transport Co-ordination Act Amendment Bill.

QUESTIONS ON NOTICE

CLASSROOMS

Proportion to School Population

1A. Mr. GRAHAM asked the Minister for Education:

(1) As at the date of the last check, how many teachers have—

(a) single classes of 50 children or more, but less than 60;

(b) grouped classes of over 40 children; also number of any such over 50 children?

(2) At what date was the last check made?

(3) What is the number of premises not the property of the department being used as classrooms, and how many children are accommodated therein?

(4) How many children are accommodated in premises belonging to the department, but which are not orthodox classrooms, e.g., hat rooms, offices, etc.?

(5) How many of premises as referred to in No. (4) are in use?

(6) What number of additional classrooms is required to accommodate the present school population on the basis that no class exceeds 40 in number, and the school-leaving age is not raised?

(7) What additional number of classrooms is it thought (on the same basis) would be required if the school-leaving age were raised?

(8) What was the increase in school population at the commencement of the current year over and above the close of last year?

Mr. WATTS replied:

(1) (a) Single classes of 51 and over—168.

(b) Group classes of 41 and over—311 (including 15 below).
Group classes of 51 and over—15.

(2) May, 1959.

(3) 42—approximately 1,400 children.

(4) Approximately 800 children.

(5) 42.

(6) 450 rooms approximately.

(7) 60 if raised to 14½ in 1960.

(8) 7,700.

TEACHERS

Availability

1B. Mr. GRAHAM asked the Minister for Education:

(1) How many teachers are now employed—

(a) as permanent;

(b) on supply?

(2) Would any—and if so, how many—additional teachers be required if no class exceeded 40 children, and classrooms were available?

(3) How many new teachers became available at the beginning of this year, (and by how many did they exceed the loss in the previous year by death, resignation, and retirement?

Mr. WATTS replied:

(1) October 1959—permanent 3,350; on supply 696.

(2) Approximately 475.

(3) Permanent staff—438 new teachers available at beginning of 1959. Excess of 214 over 1958 loss of 224.

STATE FINANCES

Examination and Public Statement

2A. Mr. GRAHAM asked the Premier:

(1) Does he recall, when delivering his policy speech, saying something to the effect that, if returned to office, one of his first tasks would be a searching examination of the financial position, to assess the extent to which funds had been dissipated and the future mortgaged, and that a full and frank disclosure of the position would be released?

(2) Has such an examination taken place?

(3) If so, with what result?

(4) If not, why not?

Mr. BRAND replied:

(1) Yes.

(2) Yes.

(3) The result of the inquiry was made public early in July when the financial results for 1958-1959 were announced.

(4) Answered by No. (3).

GOVERNMENT DEPARTMENTS

Financial Position

2B. Mr. GRAHAM asked the Premier:

(1) What was the financial position at the 31st March, 1959, of—

(a) W.A. Transport Board;

(b) State Housing Commission;

(c) Forests Department?

(2) What was the financial position of (a), (b), and (c) above at the 30th June, 1959?

Mr. BRAND replied:

(1) and (2) Funds held at the Treasury were—

	(31/3/1959) £	(30/6/1959) £
W.A. Transport Board	1,164 Dr.	52,260
State Housing Commission	391,302	649,884
Forests Department	214,926	235,702

DESTRUCTION OF DONKEYS

Activities in the Kimberleys

3. Mr. RHATIGAN asked the Premier:

Because of the damage caused by donkeys to properties in the Kimberleys, will he agree to place a bonus on donkeys as is the case with wild dogs, and also will he agree to subsidising the cost of ammunition to those actively engaged in the destruction of these vermin in the North?

Mr. BRAND replied:

From past experience, the payment of bonuses has not resulted in the control of vermin. Organised vermin destruction "drives" by a combination of landholders and staff of the Agriculture Protection Board are proving successful against wild dogs and dingoes. The destruction "drive" against donkeys, covering seven weeks, has just been completed in a badly-infested area of the Kimberleys. Final results have not yet been assessed, but preliminary reports indicate success similar to organised "drives" against donkeys in other areas of the North-West.

During the last three months the Agriculture Protection Board has assisted in providing men, vehicles, and assistance in the purchase of ammunition for the organised destruction of donkeys in the Kimberleys at a cost of approximately £2,145. The Agriculture Protection Board plans to continue this positive approach to destroy donkeys.

CROWN LAND

Acreages Available for Selection

4. Mr. KELLY asked the Minister for Lands:

(1) What stage has been reached in the survey of land to be thrown open in the Hay River and Hay River west areas?

(2) When was the decision to throw open this land reached?

(3) What acreage is involved?

(4) What acreage is to be thrown open at Scott River, Fitzgerald, Cape Riche, North-East Districts, Upper Great Southern and Geraldton district?

(5) What were the dates when decisions were made to have these areas surveyed?

(6) What stage has the survey reached in each instance?

(7) When will the above parcels of land be made available for selection?

Mr. BOVELL replied:

(1) Hay River area—survey completed.

Hay River West area—survey commenced.

(2) The 10th November, 1959.

(3) 60,000 acres.

(4) Scott River area—30,000 acres.
Fitzgerald area—370,000 acres.
Cape Riche area—140,000 acres.
North-East Survey Division—125,000 acres.
Upper Great Southern—25,000 acres.
Geraldton—50,000 acres.

(5) Scott River area—June, 1959.
Fitzgerald area—1957.
Cape Riche area—January, 1958.
North-East Survey Division—July, 1959.
Upper Great Southern—October, 1959.
Geraldton—July, 1959.

(6) Scott River area—Classification and road planning completed; survey instructions issued.
Fitzgerald area—Completed December, 1958.
Cape Riche area—Classification and road planning completed, but survey not yet effected.
North-East Survey Division—One-fifth surveyed, balance should be completed March, 1960.
Upper Great Southern—Classification and road design receiving consideration; survey not yet effected.
Geraldton—Design of subdivision not yet approved; therefore survey not yet effected.
I might add that at Geraldton they have only recently been approved.

(7) Twenty-two parcels of land at Hay River, totalling 9,470 acres will be available for selection on and after the 20th January, 1960; balance of the area referred to in preceding questions will be made available at the appropriate time and when survey is complete.

ELECTORAL DISTRICTS BILL

Special Session

5. Mr. GRAHAM asked the Premier:

Has any consideration been given, or is there any intention, on the part of the Government, to call a special session or hold sittings of Parliament, for the purpose of dealing with the Electoral Districts Bill?

Mr. BRAND replied:

Consideration will be given to calling Parliament together to consider the Electoral Districts Bill and for other purposes.

PORT HEDLAND HOSPITAL

Erection of New Building

6. Mr. BICKERTON asked the Minister for Health:

Will he inform the House of the latest development regarding the new hospital for Port Hedland?

Mr. ROSS HUTCHINSON replied:

Plans are being prepared in the expectation that work will commence next financial year.

HOMES FOR NATIVES

Marble Bar and Roebourne

7. Mr. BICKERTON asked the Minister for Native Welfare:

What additional native-type living quarters can be expected to be erected, and when, at—

(a) Marble Bar;

(b) Roebourne?

Mr. PERKINS replied:

(a) One 3-roomed cottage during the current financial year.

(b) Four 3-roomed and two 2-roomed cottages and one complete septic ablution-sanitary-laundry block this financial year.

Approval to proceed with the Marble Bar-Roebourne building projects was passed to the Public Works Department in September, 1959.

PILBARA PASTORAL INDUSTRY

Government Assistance

8. Mr. BICKERTON asked the Minister for the North-West:

(1) Is he in a position to give further information on matters concerning the pastoral industry in the Pilbara area, as raised at the meeting in Port Hedland early this year?

(2) If so, will he inform the House of the Government's intention regarding assistance to this industry?

Mr. COURT replied:

(1) Not yet.

(2) Answered by No. (1).

WATER DRILLING PLANT

Provision in Marble Bar Area

9. Mr. BICKERTON asked the Minister representing the Minister for Mines:

(1) Has he had an opportunity to investigate further the proposition of having a Mines Department water-drilling plant stationed in the Marble Bar area?

(2) Will he report on the result of his investigations?

Mr. ROSS HUTCHINSON replied:

(1) and (2). Yes. In consultation with Mr. Stewart Stubbs, of Marble Bar—whose proposal it was—different types of plants were considered. A suitable unit of the type envisaged would cost approximately £10,000 and would necessitate the engagement of an experienced man to operate it. In view of the extensive work meanwhile being undertaken by both Public Works and Mines Departments in the Pilbara, and also the illness of Mr. Stubbs as a result of an accident, a decision in regard to purchase of a unit has been deferred.

MANGANESE

Investigation on Upgrading

10. Mr. BICKERTON asked the Minister representing the Minister for Mines:

(1) Has his department carried out any investigations on the upgrading of manganese?

(2) If not, will he have investigations made?

(3) If so, will he table the necessary papers?

Mr. ROSS HUTCHINSON replied:

(1) and (2). Yes; the department's research metallurgical laboratory at the School of Mines, Kalgoorlie, is carrying out in conjunction with the Geological Survey Branch of the department an investigation into the possible economic upgrading of certain Pilbara manganese deposits.

(3) When investigation is completed, papers can be tabled.

NORTH-WEST ROADS

Bituminisation

11. Mr. BICKERTON asked the Minister for Works:

What is the anticipated future programme for the bituminisation of the following roads:—

(a) Carnarvon-Port Hedland;

(b) Wubin-Meekatharra;

(c) Meekatharra-Nullagine?

Mr. WILD replied:

It is not possible to anticipate what the future programme will be for surfacing of the roads referred to in the question.

The relative importance of each of the three roads will need to be assessed from time to time in order that the proper priority of treatment can take place. So far as can be seen at present with regard to (a)—Carnarvon-Port Hedland Road—some flood sections and creek crossings will be sealed as soon as possible, but before any substantial lengths of surfacing can be done on this 600 miles of road, large allocations of money must be provided for construction of the road pavement.

With regard to (b)—Wubin-Meekatharra—some extension of the surfacing work will be carried out north-easterly from Wubin, and it is hoped that it will be possible to surface some miles of the road north and south of Mt. Magnet, Cue, and Meekatharra where there is a concentration of traffic approaching the towns.

With regard to (c)—Meekatharra-Nullagine—it may be possible to surface a few miles northwards from Meekatharra during the next two or three years. It should be pointed out, however, particularly with regard to (a)—Carnarvon-Port Hedland—that the Main Roads Department is still confronted with the expenditure of a further £800,000 to complete the road from Geraldton to Carnarvon, which, of course, is of much greater importance than the road northwards from Carnarvon.

ROAD FROM MARBLE BAR AIRSTRIP

Bituminisation

12. Mr. BICKERTON asked the Minister for Works:

When will the road from the Marble Bar airstrip to a point over the Brockman River be bituminised?

Mr. WILD replied:

It is proposed to provide for this work on the 1960-1961 programme.

DEPARTMENTAL HEADS

Comparison of Salaries with those of Ministers

13. Mr. GRAHAM asked the Premier:

(1) How many officers under the administration of each Minister respectively, are in receipt of salaries in excess of their Minister?

(2) What is the salary of the highest officer under each Minister respectively?

Mr. BRAND replied:

Premier—

(1) Nil.

(2) £3,820.

Deputy Premier and Minister for Education—
(1) 3.
(2) £4,030.

Minister for Railways and Industrial Development—
(1) 1.
(2) £4,770.

Minister for Agriculture—
(1) 1.
(2) £3,740.

Minister for Works—
(1) 2.
(2) £4,100.

Minister for Mines—
(1) Nil.
(2) £3,350.

Minister for Lands—
(1) 2.
(2) £4,030.

Minister for Transport—
(1) 1.
(2) £4,000.

Chief Secretary—
(1) 5.
(2) £4,040.

Minister for Local Government—
(1) Nil.
(2) £3,070.

W.A. NATIONAL FOOTBALL LEAGUE

Grant of Land

14. Mr. GRAHAM asked the Minister for Lands:

What developments have taken place since my last questions, and what is the present position regarding the steps being taken to reverse the decision of the previous Government to grant a number of areas to the W.A. National Football League to be developed by that body into major football grounds?

Mr. BOVELL replied:

The position has advanced to a stage where consideration of this matter is at ministerial level.

"THE KNOLL"

Dedication as a Public Reserve

15. Mr. GRAHAM asked the Minister for Lands:

(1) What area of land is to be set aside for the reserve near Gooseberry Hill known as "The Knoll"?

(2) What progress in the dedication of the area has been made since my question of the 28th July last?

(3) In whom will the reserve be vested?

Mr. BOVELL replied:

(1) Approximately 40 acres.

(2) Instructions have been issued for acquisition of the land by purchase and check valuations are being made so that consideration can be given to prices quoted by owners

(3) National Parks Board.

EAST KIMBERLEY STATIONS

Acreages, Leases, and Marketing of Stock

16. Mr. RHATIGAN asked the Minister for Lands:

(1) Who are the owners and what is the acreage of the undermentioned stations situated in the East Kimberley—

Spring Creek Station.
Ord River Station.
Turner Station.
Nicholson Station.
Gordon Downs Station.
Sturt Creek Station.
Flora Valley Station?

(2) When do the leases of these properties expire?

(3) Where are the stock from these stations marketed?

Mr. BOVELL replied:

(1)

Station	Owner	Area Acres
Spring Creek:	Turner Grazing Co. Pty. Ltd.	68,727
Ord River:	Ord River Ltd.	914,107
Turner:	Turner Grazing Co. Pty. Ltd. ..	704,095
Nicholson:	Nicholson Grazing Co. Ltd.	657,336
Gordon Downs:	Gordon Downs Ltd.	989,434
Sturt Creek:	Sturt Pastoral Co. Ltd.	912,490
Flora Valley:	Flora Valley and Margaret Ltd.	779,051

(2) The 31st December, 1982.

(3) The Land Act does not require lessees to divulge where their stock is marketed. Therefore this information is not recorded departmentally.

CAPE TULIP

Plans for Eradication

17. Mr. W. A. MANNING asked the Minister for Agriculture:

(1) Is he aware that, despite the assistance and encouragement given for its eradication, Cape tulip is still spreading in its rapid and amazing manner over wide areas?

(2) Is it acknowledged that, unless a halt is called to its spread, the whole southern half of this State will be ruined and the cost of eradication will be beyond the financial capacity of the State?

(3) Has he considered a scheme similar to that applied to the eradication of Argentine ants?

(4) Regardless of the answer to No. (3), will he plan and organize an intense drive for next winter?

Mr. NALDER replied:

(1) and (2) It is known that cape tulip occurs over a wide area, but there is no evidence of any rapid or widespread increase since attention has been paid to its control. There is evidence that control measures—if vigorously continued—will not only keep this weed in check but will reduce an infestation to negligible proportions.

(3) The Agriculture Protection Board has carefully considered the possibility of eradication along the lines of the Argentine ant campaign. It was concluded that such a scheme was not practical.

(4) The Agriculture Protection Board plans to continue control measures in co-operation with local authorities and individual farmers. The board does assist by the provision of spray material at Government cost, by the supply of equipment at a subsidised rate and by subsidising the cost of aerial spraying where such a method is preferable to ground application. Research work is being carried out actively with the view of ascertaining more effective means of control than those at present known.

18. *This question was postponed.*

PERTH GIRLS' HIGH SCHOOL

Enclosure of Tennis Courts

19. Mr. GRAHAM asked the Minister for Education:

(1) Has a decision yet been made to enclose the tennis courts recently constructed adjacent to Perth Girls' High School?

(2) Will the work be completed in time for the courts to be available for play at the commencement of the next school year?

Mr. WATTS replied:

(1) and (2) The work can be done only when funds are available. At present such funds could be provided only by curtailing work on some essential classroom project elsewhere, which the department is not prepared to do.

QUEENSLAND CENTENARY CELEBRATIONS

Expenses of Parliamentary Leaders

20. Mr. GRAHAM asked the Premier:

(1) Respecting the centenary celebrations to be held in Queensland shortly, by what mode of travel will he and Mrs. Brand make the journey?

(2) Will either or both of the fares be a charge on the Crown?

(3) What daily allowances or expenses payments will be met by the Crown?

(4) As representation of the Western Australian Parliament was sought by invitation to the Premier, the Leader of the Opposition, the President and the Speaker, and their wives, does he agree that the same considerations should be extended in each case?

(5) If not, why not?

Mr. BRAND replied:

(1) By air.

(2) Both.

(3) The Premier draws the standard ministerial rate of travelling allowance, which at present is £6 6s. per day in the Eastern States. Consideration will be given to Mrs. Brand's position in the light of expenses incurred.

(4) The President and Speaker have not requested payment of air fares. The request of the honourable member has been declined. The President, the Speaker, and the representative of the Leader of the Opposition will receive the standard rate of travelling allowance provided for members of Parliament in the regulations under the Constitution Act; namely, £5 5s. per day.

(5) The Government in which the honourable member was a representative, set precedents for the payment of air fares and allowances to Ministers and wives representing the Government at functions similar to this. I can find no precedent for such payments to the President, Speaker, or Leader of the Opposition. I understand that the President and Speaker intend to use their railway passes for the purpose of visiting Brisbane. The honourable member has the same right. A private member is not under the same necessity as the Premier to minimise the period of his absence from the State.

SUPERANNUATION

Increased Payments to Government Employees

21. Sir ROSS McLARTY asked the Premier:

(1) Has any consideration been given to an increase in superannuation payments to retired Government employees?

(2) What are the classes of pensioners involved?

(3) Has a decision been reached? If so, when will action be taken?

(4) If not, when may a decision be expected?

Mr. BRAND replied:

(1) to (4) The whole question of pensions payable under the various State Superannuation Acts is at present under consideration. The Government is awaiting the submission of a report from the Government Actuary. On receipt of this report, a decision will be made in the matter.

QUESTIONS WITHOUT NOTICE

BUS SERVICES

Forming of Queues

1. Mr. HEAL asked the Minister for Transport:

With your indulgence, Mr. Speaker, I want to ask this question by quoting portion of a letter I received. It is as follows:—

> It is requested to establish separate queues at the two bus stops in Barrack Street between St. George's Terrace and Wellington Streets. Seven buses use the stop (five to Inglewood-Mt. Lawley districts and two to Mt. Hawthorn). People at the head of the queue after having stood for a considerable time find themselves at the wrong end of the queue because two buses have pulled in together. Many elderly people travel on the Mt. Hawthorn bus to the Cleaver Street centre for their meals and quite often board a Mt. Lawley bus by mistake. It is difficult for elderly people to distinguish the difference between Mt. Lawley and Mt. Hawthorn owing to their sight; therefore we ask for greater consideration for the travelling public by establishing at least two separate queues, one for Mt. Lawley districts and one for Mt. Hawthorn.

Will the Minister examine the position with a view to action being taken in respect of this request?

Mr. PERKINS replied:

If the honourable member will let me have that letter I shall have the matter investigated.

PILBARA PASTORAL INDUSTRY

Government Assistance

2. Mr. BICKERTON asked the Minister for the North-West:

Arising out of question No. 8 on today's notice paper, as it is over six months since the meeting referred to was held at Port Hedland, at which the Minister was present, when the majority of points brought forward by the pastoralists was for immediate assistance on a number of matters; and in view of the brevity of the answer given by the Minister, will he inform the House what steps are being taken to overcome some of the problems raised by the pastoralists?

Mr. COURT replied:

Most of the problems at that meeting were problems of long standing. The previous Government found it impossible to make a decision on the position during its term of office. I can assure the honourable member that the whole pastoral problem in the Pilbara district is being actively considered by the Government. It is not a problem which can be dealt with piecemeal. All due despatch is being practised to arrive at some decision which will enable the Government to put forward a reasonable and sound proposition. I repeat that it is not a problem which can be resolved piecemeal.

PERTH GIRLS' HIGH SCHOOL

Enclosure of Tennis Courts

3. Mr. GRAHAM asked the Minister for Education:

In regard to question No. 19 on today's notice paper, and in view of the fact that a sum in excess of £3,000 has been spent on work in connection with the tennis courts for the girls attending Perth Girls' High School and that approximately another £3,000 will be needed to finalise the work, would the Minister further investigate the matter to see whether it would be possible for an allocation to be made to complete the tennis courts? There are approximately 1,000 girls attending the school; and unless the courts are completed, the money which has been spent on them so far will have been wasted.

Mr. WATTS replied:

I am not unsympathetic towards the desire of the honourable member to see this work completed—quite the contrary, as a matter of fact—but I have given a lot of consideration to the situation since the time he previously made some reference to it by questions in this House. I have a responsibility first of all to try to accommodate the very greatly increasing number of children who are attending schools, and to provide the ancillary buildings essential for their education. I admit that, in comparison with millions of pounds, £3,000 is not a great sum. Nevertheless, it could provide a classroom, or possibly even a classroom and a half. Until such accommodation can be provided, I find it very difficult to change my view.

However, perhaps when the pressure of the session is over, I will be able to make a complete review of the financial position, because there are two or three matters in the same position as the one mentioned by the honourable member. I will guarantee him nothing, but I will investigate the position.

Mr. Graham: Have a talk to Lew Hoad while he is here.

4. Mr. GRAHAM asked the Minister for Education:

I thank the Minister for undertaking to examine the matter. Would he investigate at the same time in how many cases during the period since the work was commenced on the tennis courts at Perth Girls' High School new and additional courts have been constructed at high schools at other places.

Mr. WATTS replied:

If there are any such cases I will investigate them.

Mr. Graham: There are.

BILLS (6)—RETURNED

1. Betting Investment Tax Bill.
2. Stamp Act Amendment Bill (No. 2).
3. Factories and Shops Act Amendment Bill.
4. Members of Parliament, Reimbursement of Expenses, Act Amendment Bill.
5. Constitution Acts Amendment Bill (No. 3).
6. Workers' Compensation Act Amendment Bill.

Without amendment.

NATURAL THERAPISTS BILL SELECT COMMITTEE

Extension of Time

MR. GUTHRIE: The Select Committee had a meeting on Tuesday, and the only deliberative decision taken was that I was appointed chairman. It was decided that in view of the difficulties this week it would be pointless for the Committee to take evidence, and it had before it certain assurances from the Government that it would facilitate the completion of the Committee's task by converting the committee into an Honorary Royal Commission at a later stage, if necessary. I therefore move—

That the time for submitting the Select Committee's report be extended to the 1st March, 1960.

That I admit, is a date taken in the dark; but I am informed that if Parliament meets in 1960 after that date in the present session it will automatically mean that the Select Committee can ask for a further extension. However, if Parliament is prorogued before that date it can request that it be turned into an Honorary Royal Commission.

Question put and passed.

MONEY LENDERS ACT AMENDMENT BILL

In Committee

Resumed from the previous day. The Chairman of Committees (Mr. Roberts) in the Chair; Mr. Watts (Attorney-General) in charge of the Bill.

Clause 2—Section 9 amended:

The CHAIRMAN: Progress was reported on the clause after Mr. Nulsen had moved the following amendment:—

Page 3—Delete new subsection (1b) (a).

Mr. TONKIN: One's attitude to this clause—which is really the Bill—will be decided by one's attitude either to lenders or borrowers. The framer of this Bill—and if the Attorney-General takes full responsibility for it, then it is the Attorney-General—has indicated that he has greater sympathy with lenders than with borrowers; and in support of that contention, one has only to refer to the fact that in the existing legislation it is regarded as the most serious breach if a lender lends money at an excessive rate of interest. All the penalties provided under the existing law are such that the penalty for lending at excessive rates of interest is by far the heaviest. It is £100 fine or six months' imprisonment—or both.

Previously we regarded the lending of money at an excessive rate of interest as a most serious breach of the Money Lenders Act. The penalty for the general

breaches of the Act was £50. Under the Bill, the penalty will be increased from £50 to £250, but the penalty for lending money at an excessive rate of interest will remain at £100, and no imprisonment.

So the burden has been completely shifted, and the attitude is entirely different. What offence do members regard as the most serious to commit under the Money Lenders Act? There are offences for failing to give a receipt, or a memorandum of contract, and so on. Of all the breaches which can be committed under the Act, I regard that of lending at an excessive rate of interest as far the worst. That may be because I am in sympathy with the borrower. If one is in sympathy with the lender, one will not regard the lending of money at an excessive rate of interest as the worst breach.

Mr. Ross Hutchinson: Surely there are times when your sympathy would lie with the lender. You cannot generalise.

Mr. TONKIN: Yes I can. Generally speaking my sympathies are with the borrower because he is the man in trouble. Because of his special difficulty he is obliged, under the strain of considerable worry, to agree to terms which he normally would not consider. The lender, on the other hand, is in the position of being able to consider in a cool, calm, and collected manner what he is going to do. No-one lends money in a hurry; it is the borrower who borrows in a hurry, and usually in such circumstances that he is unable to think clearly. The lender is always able to think the matter over carefully; and there is no compulsion on him to lend money.

Section 9 of the Act was included specifically for the purpose of protecting the borrower. The Legislature provided that the contract was not to be complete unless the borrower was supplied with a memorandum which set out the conditions of the contract, and which he himself signed. It was not sufficient if the memorandum was supplied after the money was loaned. There is a special provision to ensure that these things should be done before the actual lending takes place, and not at some subsequent date. I refer members to the section concerned. I also refer them to section 9 (1) to which I referred earlier.

That provision was obviously included to protect the borrower. The legislation before us will completely remove that protection; and it states that even if these provisions are not complied with, the loan will be enforceable, and the moneylender guaranteed the repayment of his money and his interest.

The Law Society refers to this as a rigid technicality. But this is something which was deliberately included in order to protect the borrower under the particular stresses to which he would be subject at the time of making his application. We are now asked to sweep this protection away. In whose interests is this being done? It is in the interests of the moneylender.

So I say that if our sympathies lie with the moneylender and not with the borrower, we will sweep away this protection and say to the moneylender, who did not observe these requirements, "You are absolved. We guarantee that you will not be subjected to the penalty which Parliament previously placed upon you. You shall go scot-free."

We should keep in mind that no specific penalty, other than to say that the loan would be unenforceable, was provided in the Act, in respect of a person who did not provide this memorandum. For the other breaches of the Act there are specific penalties; and the Minister's Bill now provides for a fine up to £250 for certain breaches. But with regard to this matter, the borrower's protection was that if the moneylender neglected to comply with these provisions, he, the moneylender, ran the risk of not getting his money back. That provision was included to ensure that the moneylender would be careful to comply with these provisions if he wished to get his money back.

We are asked to agree to retrospective legislation to relieve him from any possible penalty. To say to a man who loaned money at 20 per cent., "We will guarantee to give you 15 per cent. and your money back," is not to impose any penalty on him at all. Why should we do that? Why should we be so sympathetic to the moneylender who, in a number of cases, has deliberately avoided carrying out the requirements of the Act as to say to him, "Despite what you neglected to do, and despite the steps the Legislature previously took to ensure that you would obey the law, we will absolve you from your neglect, and we will guarantee that you can get the money back, and the legal rate of interest as well"?

He was never entitled to more than the legal rate of interest. So he will lose nothing if we say he cannot get the excess. But the borrower is going to lose something. He will lose the protection which the law provided for him, because the law said that he should be made fully aware, before the contract became binding, of the conditions set out in a memorandum.

Mr. Watts: That is still in the Bill.

Mr. TONKIN: I know. But it was in the Act previously as a protection for the borrower; and if the moneylender neglected to observe it, the borrower had his remedy. The retrospective clause will absolve anybody from having made that mistake.

Mr. Watts: No it won't!

Mr. TONKIN: That is how it appears to me. It will impose upon the lender no penalty at all. According to whether one's sympathies lie with the borrower or the lender, so will one view this Bill; because, undoubtedly, it is a Bill for the moneylenders, whereas the original legislation was to protect the borrower. The Money Lenders Act is not an Act in the interest of moneylenders; it is in the interest of borrowers, and it ensures that there shall be no usury. Yet we will get the situation now where the least of the offences under this Bill will be the lending of money at excessive rates of interest. Instead of its being the most serious offence, as it has always been, it will be the least of the offences. If that is not taking the side of the moneylender against the borrower, I do not know what it is.

The other matters are important enough, but compared with the lending of money at excessive rates of interest, they are considerably less important in my view; and for that reason I believe that the penalties ought to be higher for lending money at excessive rates of interest, and also that we should safeguard the interests of the borrower and not the moneylender. This Bill, all the way through, is designed to make conditions less onerous and difficult for the moneylender; and to the extent that it does that, it is taking away something which the Legislature previously conferred upon the borrower. If members read the Act as it stands, they will realise that its purpose is to protect the borrowers and not the moneylenders; but this Bill will reverse the position.

The law was framed for the express purpose of looking after borrowers, who are the people who are in difficulties. Moneylenders are not in any difficulties; they have surplus money to lend, and they lend it in order to get as much interest as they can. For some of them the sky would be the limit. Take these firms that have borrowed money at a high rate of interest in order to use the money in some form of industry, hire purchase, and the like. They are in the business for profit, and they can pay this high rate of interest knowing full well that when they use the money in industry, or business of any kind they can get back from the use of that money far more than they have undertaken to pay.

In the ultimate that excessive interest must come out of the pockets of the people with whom that firm does business; and so all the thousands of people who are buying goods of various kinds on hire purchase are paying excessive rates of interest in order that the original lenders can be paid a rate of interest far higher than they ought to get. As the Leader of the Opposition pointed out last night, a maximum rate of 15 per cent. is surely high enough! A rate of 15 per cent. is a dreadful rate of interest to pay.

Mr. Nulsen: It is too high.

Mr. TONKIN: It is an interest rate which more often than not lands a borrower in difficulties, because he undertakes a contract without a full appreciation of the extent of the burden which the interest is imposing upon him. So he never gets a chance to extricate himself from his trouble.

The CHAIRMAN: Order! The honourable member's time has expired.

Mr. EVANS: Briefly, I express my disapproval of the clause.

Mr. WATTS: The Deputy Leader of the Opposition, in slightly different phraseology, has expressed exactly the same point of view as he expressed on at least one occasion last evening. He started off his remarks by inquiring whether members—and presumably including me—were on the side of the borrowers or the moneylenders. I would suggest that the answer to that question depends entirely on the circumstances.

Mr. Ross Hutchinson: You cannot generalise on it.

Mr. WATTS: I agree. If the only meaning that could be attached to the word "moneylender" was that of the person who has set up in business for a period of time for the principal purpose of lending money at extortionate rates of interest—which I suggest, was the category into which the persons affected by the parent Act when it was passed originally came—I would go so far as substantially to agree with the member for Melville, and my sympathies would be with the borrowers. But I cannot reiterate too strongly what I said on at least half a dozen occasions on the various debates that have taken place on this Bill. In more recent times, and presumably because of changes in the methods which have been used for the raising of funds by commercial and other institutions—in many cases for sound and honourable reasons—there has arisen a class of persons who certainly do not come within the category to which I have recently referred; but who can under the existing law, because of the rates of interest that have been offered to them—and they in their wisdom in some cases and exuberance in others have accepted—be brought within the category of moneylenders.

They are faced with the position that in some cases transactions on their part, in which they may have put such moneys as they have succeeded in saving up over a lifetime of endeavour, will be irrecoverable because of the peculiar circumstances in which the parent Act now stands. In those circumstances I make no bones about it: my sympathies are on the side of the lender. So as I started off by saying, it is all a matter of the circumstances.

Mr. Nulsen: Section 9 is so simple to comply with.

Mr. WATTS: It does not come into it with regard to these people. They had no idea at the time that they were persons who could be classed as moneylenders under the law, or that in those circumstances they would have to comply with it. So it was not simple from their point of view to comply with it. It is simple for us now, and it would have been simple for the member for Eyre and me at any time; but it was not simple for these folk.

As the member for Subiaco and I have pointed out, this Bill does not enable the lender to secure interest at more than the maximum rate. It is expressly provided on the one hand that he cannot secure interest at more than the maximum rate; and, in section 4 of the parent Act, power is given to the court to reopen transactions and to decide on this question. If members read section 4 they will agree with what the member for Subiaco said: That in taking an account between the parties the court would almost certainly have regard—and in fact I think it would be obliged to have regard under the relative clause which the honourable member mentioned—to the fact that at some time past, interest above the maximum rate had been charged.

The court would certainly give credit to the borrower for the excessive interest that he had in the meantime paid. When we take all these factors into consideration the arguments which the honourable member put forward hold very little water; because these transactions are not going to be nefarious ones where everybody's sympathies are on the side of the usurious moneylender. Far be it from me to be on that side. The people who will benefit from this Bill, because they are not going to suffer the possibility of their money which they have lent *bona fide* being lost to them altogether by virtue of the provisions that now exist, will be those whom I have mentioned. So I ask the Committeee to reject the amendment.

Mr. ANDREW: I do not want to flog this aspect; but last night I put a suggestion to the Attorney-General which so far he has not answered; and apparently he is not going to reply to it. At present a moneylender can lose the whole of the loan if he contravenes the Act by charging interest at a rate above that fixed in the Act. But even that does not prevent him from lending money at a higher rate of interest. Under this Bill a person will be able to get the whole of his principal back, plus the legal interest; the only money he loses is the difference between the legal rate of interest and the illegal rate of interest which, if he were charging 25 per cent., would be a loss of 10 per cent.

Is it logical to reduce the penalty for people who break the law with impunity? Can we expect moneylenders to have any respect for the law when the penalties are reduced so drastically? This is bad legislation, and I oppose it. The only point the Attorney-General has put forward in support of this measure is that the Law Society has advocated it. He cannot explain, however, why other countries with similar legislation have not introduced the provisions contained in this Bill. A number of lawyers have expressed to me their dislike for this measure. The Attorney-General is seeking to protect moneylenders who are well able to look after themselves.

Mr. Watts: Did you read this morning's paper?

Mr. ANDREW: I do not think that makes much difference.

Mr. Watts: It makes a lot of difference, because it blows your argument to ribbons.

Mr. Hawke: It made some of your arguments look a bit wheezy.

Mr. ANDREW: Moneylenders can afford to get the best legal advice available. They know they are breaking the law, and they will continue to do so because it pays them; and now the Attorney-General seeks to reduce the penalty. I support the amendment.

Mr. FLETCHER: I oppose this legislation. I owe it to the community.

Mr. Watts: You don't owe it to the moneylenders!

Mr. FLETCHER: No, thank heavens! I commend the member for Moore for expressing his doubts so honestly. The Bill seeks to protect a parasitic element of the community which needs no protection. It is extortionate to provide an interest rate of 12½ per cent. or 15 per cent. Members on the Government side accused us of exploiting the pensioners to further our arguments; and I was therefore surprised that the member for Subiaco and the Attorney-General should have referred to the widows and the orphans in the manner they did. If the widows had desired accommodation they should have sought it at the banks.

Mr. Guthrie: The widows to whom we referred were not borrowers but lenders.

Mr. FLETCHER: The member for Subiaco said "borrowers."

Mr. Guthrie: I said "lenders."

Mr. FLETCHER: The impression I gained was that they were borrowers.

Mr. Watts: They were lending money.

Mr. Hawke: The Attorney-General got mixed up with the terms.

Mr. Watts: It is easy to do it.

Mr. FLETCHER: I suspect the Attorney-General is not comfortable in sponsoring this Bill.

Mr. Watts: You suspect wrongly.

Mr. Hawke: He has already done his cruet a few times.

Mr. FLETCHER: The penalties in the measure are not a sufficient deterrent to moneylenders. I know of the case of a man who approached me in connection with his war service home. He had sought accommodation from the moneylenders and found himself in the position of possibly losing his equity in the home because he could not meet his liabilities. I helped him to get the War Service Homes Department to take over the matter. Moneylenders are not necessary to the community, and their activities should not be legalised. The purpose of the legislation seems to be to protect moneylenders. The Attorney-General asks why we did not do something to amend the provision setting out the rates charged. The answer, of course, is that any such legislation would have been thrown out by the Legislative Council. I support the amendment.

Mr. NULSEN: Restrictive legislation is always bad legislation. There are a number of cases pending, and I wonder why this Bill was brought down. Has somebody given wrong advice in relation to section 9? Because if it were not for that section the Bill would not be here at all. Exploitation has been going on by moneylenders for a long time, and I am surprised that the Attorney-General—whose integrity I do not doubt—should seek to protect them with this retrospective provision. These big finance companies know that they are doing wrong, but they are well able to look after themselves. Now they are trying to get money.

I am of the opinion that 23 per cent. is an extortionate rate of interest. The Mayfair Trading Co. borrowed at that rate; and that was a trading concern, working on a credit sales system. Receivers were sent in; so apparently the interest was so high the business did not pay. If it had paid, the Eastern Acceptance Co. would not have taken steps to put in receivers. The Mayfair company had no security and was not doing hire-purchase business, where losses are less than 1 per cent.

I feel there is something sinister in regard to the retrospective clause, while so many court cases are pending at the present time. My sympathy goes out to the shareholders; but I think we should have a very severe penalty in regard to administrators, who know what they are doing, so far as the Money Lenders Act is concerned. The Act is easily understood, and section 9 could be understood by a child.

A flat rate of interest is something which the public do not understand; they do not know the difference between a flat rate and simple interest. Therefore, I feel a flat rate should be abolished. Under general conditions a maximum of 15 per cent. is too high, although it would probably not be so in cases where a person borrowed £5 or £10 for three months. However, where money is borrowed for a period of 12 months, 15 per cent. is extortionate.

The six months' limit under the Justices Act for the commencement of a prosecution is in favour of the moneylender. So far as the Money Lenders Act is concerned, the period should be three years. This Bill is for the moneylender and against the borrower. Originally the general penalty under the Act was £50, but it was raised to £100 or six months' imprisonment or both when an amendment was made to section 11A in 1941. Now, the penalty is only £100; and what is £100 to a person who can get away with 10 per cent. or 20 per cent. interest over a period of two years or more? They are prepared to take that risk. Excessive interest is an abomination.

So far as Gill and Russell are concerned, my legal advice is that this Bill will not affect them at all, because they have not operated over 12½ per cent. It is no use saying there is a difference of opinion so far as the legal fraternity is concerned. This matter has been decided by the courts; and until that is altered—

Mr. Guthrie: Did you read the judgment of the Chief Justice reported in this morning's paper?

Mr. NULSEN: No.

Mr. Guthrie: I suggest you do.

Mr. NULSEN: Widows are not going to suffer in any way at all. There seems to be a definite friendship between our legal friends. It seems that they must defend themselves now; and they are trying to deceive us in regard to their own profession. I hope the Committee will agree to the deletion of subclause (1b) (a).

Mr. HAWKE: I read with interest a report in this morning's newspaper in connection with a case which was heard and decided by the Chief Justice. In that case a company known as the Industrial Salvage Ltd., which is in liquidation, was proceeded against by a company called the Equity Investments Pty. Ltd. of Perth. This Equity Investments Pty. Ltd. charged the other firm 12½ per cent. interest, payable quarterly on the money which it loaned. In almost any circumstances, that would have been a high rate of interest for one company to charge another. I thought there could only have been a very poor security offered, or none at all, by the borrowing firm to the lending firm.

However, as I read down the article, I was astonished to find that the Equity Investments Pty. Ltd. had a mortgage over land in the metropolitan area—in a settled suburb of the metropolitan area—at North Fremantle. When I read that, and read that this lending firm had been so money-hungry as to charge that high rate of interest upon such a good security—

Mr. Guthrie: Do you know the value of land?

Mr. HAWKE: It appears that the member for Subiaco knows all about this matter, and I am beginning to think that the legal firm with which he is associated has probably been advising Equity Investments Pty. Ltd. all the way through.

Mr. Guthrie: We did not.

Sitting suspended from 3.47 to 4.5 p.m.

Mr. HAWKE: The member for Subiaco led us to believe the security taken over land at North Fremantle by Equity Investments Pty. Ltd. was not good security. I was pleased indeed to hear the honourable member suggesting that; because it would appear, from what he said, that Equity Investments Pty. Ltd. was not nearly as careful as it should have been in handling the money invested in the company by shareholders or others. As the debate has proceeded, it appears to me that a number of firms lending money have either been very careless or over-shrewd in their transactions. Presumably, many of them have had legal advice on what they could or might do. Whether that legal advice, in a few instances, has been bad or doubtfully good, it is not possible for me to say.

It is clear that several moneylending firms have manoeuvred themselves—not deliberately, of course—into very difficult, if not impossible situations. Therefore, through various channels—and particularly through the Law Society—they have been able to make successful representations to the Government to have a proposed amendment to the Act brought before Parliament, the purpose of which is to establish for them a legal claim which has not previously existed. In other words, Parliament is being asked to establish for these people a legal claim to recover money where no such legal claim has existed in regard to the money in question.

Another angle to this situation which can be discussed is that moneylending firms which have, in recent months, taken action against borrowers, have had their claims determined against them, for all time, irrespective of what might be done by Parliament. The passing of this undesirable retrospective provision in this clause would not help those companies in relation to the transactions in connection with which court decisions have already been made. Yet the better-informed moneylending companies which have not had action taken against them by borrowers, will be placed in a privileged position compared to those which have already had adverse court decisions recorded against them.

I have no doubt a number of these moneylending firms have had advance information about the intention of the Government to introduce this retrospective provision to Parliament in the hope that Parliament would agree to having it inserted in the Act and thereby establishing a legal claim for these people where none previously existed. I suggest that sort of situation and that sort of action by Parliament—if Parliament were to take such action—would not only be undesirable, but also deserving of severe condemnation. I said before that doubtless a number of these moneylending firms had received advice from legal firms and that some of their advice was either bad or doubtfully good, and so these moneylending firms have, in effect, been led up the garden path.

No doubt they feel strongly critical of the legal firms which advised them, and no doubt the legal firms concerned were largely responsible for sooling the Law Society on to the Government in trying to get this retrospective provision introduced to Parliament; and, if possible, placed in the Act. I said yesterday that if some equitable method of dealing with this total situation could be worked out, I would be prepared to support it. I still think the most effective way of tackling the whole problem would be to appoint a Select Committee, composed of members of this House, or a joint Select Committee, comprised of members of both Houses, to inquire into the matter.

I would have enough faith in a Select Committee to think that within a reasonably short period it would work out a satisfactory solution to the problem. I have no sympathy with moneylending firms, as such, but I would have some practical sympathy for individuals who had misguidedly put their money out at high rates of interest, even although in doing so—as I said yesterday—they were being money-hungry. Until the Government, or someone, is able to produce a set of equitable proposals fairly to meet the total situation, I take my stand very solidly with the member for Eyre in opposing the retrospective provision in this clause.

Mr. TONKIN: I read very carefully the report in this morning's issue of *The West Australian* referred to by the Leader of the Opposition, in which a liquidator, on behalf of Industrial Salvage Ltd., took a case to the court for the purpose of gaining advantage under section 9 of the Money Lenders Act. The points which impressed me regarding this action were, firstly, that it was not a case of a firm trying to take advantage of the law to avoid its just debts, but it was an action by the liquidator, on behalf of creditors of the firm concerned—the liquidator believing that the law was deliberately framed for a certain purpose, and he was entitled to the benefits under that law.

One of the benefits of the Act was that where moneylenders failed to comply with section 9, the contract became unenforceable and no repayment of interest or

principal could be enforced. The liquidator, believing he was entitled to take this step on behalf of the firm in liquidation and its creditors, took action in court. Once it was ruled that the moneylending firm was in fact a moneylender, it only became necessary to establish that the firm had failed to comply with the requirements of the law.

The Bill proposes to take away that protection. It still required a memorandum and a receipt to be given to the borrower. The Bill states that if this is not done, the offender shall be subject to whatever penalty is imposed under the Act. That is a considerable watering down of the provisions in the Act, which takes a very serious view of a moneylender who fails to comply with the reasonable requirement of the law—which the Law Society termed as a rigid technicality.

I can imagine what would have been the reaction of members who have discussed the matter in this Chamber, if we were told that at some future date the Law Society regarded this provision to protect borrowers as a rigid technicality which ought to be removed, when the legislators were inserting this provision for the protection of borrowers.

Many of the companies which are now in difficulty and pleading the safeguard under section 9, have probably borrowed money at excessive rates of interest, believing that they were able to pay the excessive rates and still meet their obligations. Some of them may have taken a long-term view of borrowing money and trying to avoid their obligations under the provision in section 9. I believe that people who borrowed money at excessive rates of interest intended to repay the money; but because of the excessive interest, they found themselves in difficulties.

Are we to protect people who lend money at excessive rates of interest? It is very unfair that people who have invoked the law and who have had cases decided in court will in no way benefit from the retrospective provision in the Bill; but the shrewd persons who have been sitting back and waiting to see what would occur will receive some benefit.

A law which discriminates in that way is a bad one. It puts a premium on shrewdness and on the possession of inside information. Cases which have been dealt with are to be regarded as being decided. Whatever the decision, the parties have to abide by it. The provisions in the Bill will not help these people, but other people who have been waiting will receive a great windfall if this Bill is passed. That is the objectionable feature.

The Attorney-General made no attempt to deal with the point that the Bill was deliberately framed to help moneylenders, because the penalties for lending money at excessive rates of interest are to become less severe. That requires some answer. Why is there a complete somersault in this respect? I would like any member here who believes that lending money at excessive rates of interest is not the worst offence under the Act, to signify his belief. It is my firm conviction that very few members here would not agree that of all the offences under the Money Lenders Act, the worst was the lending of money at excessive rates of interest.

If that is the position, what is the justification for providing a lesser penalty for this offence? Under the existing law, a person lending money at excessive rates of interest is liable to a fine of £100 and six months' imprisonment, or both. Under the Bill, the penalty is merely a fine of £100; but, in respect of the general offences, the penalty of £250 is provided, as against the existing penalty of £50. There is a complete change of attitude towards moneylenders. It is significant that that has been brought about deliberately by the Government. To me it indicates sympathy for the moneylender. The Attorney-General ought to answer that criticism.

Mr. Watts: It depends on who the moneylender is, as to where my sympathy lies.

Mr. TONKIN: That is not the answer, because this penalty applies to moneylenders generally.

The CHAIRMAN: The honourable member's time has expired.

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

Ayes—21.

Mr. Andrew	Mr. Lawrence
Mr. Brady	Mr. Moir
Mr. Evans	Mr. Norton
Mr. Fletcher	Mr. Nulsen
Mr. Graham	Mr. Oldfield
Mr. Hall	Mr. Rowberry
Mr. Hawke	Mr. Sewell
Mr. Heal	Mr. Toms
Mr. J. Hegney	Mr. Tonkin
Mr. W. Hegney	Mr. May
Mr. Jamieson	*(Teller.)*

Noes—21.

Mr. Bovell	Mr. W. A. Manning
Mr. Brand	Sir Ross McLarty
Mr. Burt	Mr. Nalder
Mr. Cornell	Mr. O'Connor
Mr. Court	Mr. O'Neil
Mr. Craig	Mr. Owen
Mr. Grayden	Mr. Perkins
Mr. Guthrie	Mr. Watts
Dr. Henn	Mr. Wild
Mr. Hutchinson	Mr. Crommelin
Mr. Lewis	*(Teller.)*

Pairs.

Ayes.	Noes.
Mr. Kelly	Mr. Mann
Mr. Rhatigan	Mr. Nimmo
Mr. Bickerton	Mr. I. W. Manning

The CHAIRMAN: The voting being equal, I give my casting vote with the Noes.

Amendment thus negatived.

Mr. TONKIN: No doubt the decision of this Committee will make the moneylenders happy. They could not have anticipated that this would occur; and it would never have occurred had there not been a change of Government in this State. That change has conferred a benefit on one section of the community—the moneylenders.

No-one on this side of the House contends that the Money Lenders Act does not require an overhaul, but it should not be overhauled in the interests of the moneylenders. This legislation should be a borrowers' Act; but now it is more properly named, in view of the decision of the Committee. The Act was intended originally to protect borrowers, and not moneylenders. A period of six months is provided under the Bill during which action may be taken against moneylenders. I contend that a term of three years should be provided to enable action to be taken against moneylenders who lend money at excessive rates of interest, or who fail to comply with the law.

I think, too, that we should take some action to define what is meant by "interest at the rate of", because there seems to be a good deal of difference of opinion in regard to it. This Bill contains nothing to define the meaning. It is very significant that this law is in operation in other States of Australia and overseas; and, as yet, I have heard of no provision such as that which is incorporated in this Bill. It is strange that in the least developed of all the States the need for this legislation should arise first. It rather suggests that there has been someone logrolling somewhere to bring this about, as the member for Eyre more than once indicated.

I hope, too, that something will be done to restore the balance of penalties and to inflict the greater penalty on what is undoubtedly the greater offence—moneylending at excessive rates of interests. As the Bill now stands, it grants a strange concession to usurers.

Apparently a new group of people has grown up in our midst. I am referring to the orphans who are in a position to lend money. Before this Bill was introduced, I was under the impression that when one spoke of orphans one meant those who were in dire circumstances and who needed our help. Apparently, however, we now have a group of orphans who are able to lend money, and this Bill is designed to protect them. What a metamorphosis has happened!

We ought to conduct a quiz session to ascertain in how many of the countries in the world there is a group of orphans who are able to lend money, because Western Australia must be unique in that direction. Who would have thought—and we have seen some marvels in recent times—that in our lifetime there would be so many orphans to lend money that special legislation would be necessary to protect them! Widows and orphans are in a position to lend money on such a scale that special legislation, breaking new ground in Australia, is required to protect them.

I would like to know what the special circumstances are which have brought about this happy state of affairs. Whenever widows and orphans have come to me, it has always been because they have been in some difficulty and wanted assistance—either a place to live in, or some representations made on their behalf. I think that we should let the rest of the world know that the situation is different now. It would be a wonderful attraction to those in other places to think that they could come to a place where this state of affairs exists. In none of the propaganda I have seen has there been anything to compare with it, and I think we would be failing in our duty not to have it included.

This is one of the worst Bills I have seen introduced into this Chamber, and it is most one-sided. It is designed for a deliberate purpose and is in the interests of a certain section, irrespective of the harm that is occasioned to others. It means nothing to the Government that those firms which have already been before the court and had a judgment in connection with breaches of this Act will be in the same position after the passing of this Act as they were before.

Those firms which have for one reason or another not taken any action will now be able to obtain full advantage under the retrospective clause. For their shortcomings in regard to the law, and, in some cases, their deliberate breaches of it, they will suffer no penalty whatever. On the other hand, they will have given to them something they forfeited the day they committed the offence against the law. That is the important point about this clause. A moneylender who has lent money and has neglected to give the memorandum and have it signed, on that day has forfeited his right to the repayment of his money. Now, however, and perhaps many years later, he is to be given that right back.

Mr. Watts: Actions brought since the 1st May, 1959, will be enforceable.

Mr. Hawke: Against the decision which has already been made by the court?

Mr. Watts: That is what the Bill provides for.

Mr. Hawke: Worse still!

Mr. Watts: If he is in the position as mentioned in the clause which you tried to strike out.

Mr. TONKIN: It still means that the knowledgeable section will gain an advantage which will be denied the others.

Mr. Watts: No it doesn't! They will all be in the same boat, unless their judgment was before the 1st of May.

Mr. TONKIN: What about those who have not been to the court at all?

Mr. Watts: They would be on the same basis as those who have after the 1st of May.

Mr. TONKIN: I cannot see how this Bill now is going to override decisions of the court which have already been given and, possibly, acted upon. That would make it worse if that is what it is going to do.

Mr. Hawke: I'll say it would!

Mr. TONKIN: What is the position of those who have acted upon a judgment under the existing law if this Bill is to override the decision of the court? I thought the Bill was bad enough before, but that makes it much worse.

Mr. Hawke: It is a shocker! An absolute shocker!

Mr. Watts: You cannot distinguish between the two.

Mr. TONKIN: If this Bill is passed, I have no doubt there will be some very adverse comments in other States and in other parts of the world, because I have never heard anything like it. One of the basic principles of law is that it should apply generally without exceptions and inequalities. But this law will not be like that. Because of the very nature of things, it will grant advantages and disadvantages, and it cannot be justified. I hope the Committee will finally reject it.

Mr. HAWKE: I am astounded by what the Attorney-General has just said. In other words, he has just told us that the passing of this clause—particularly the retrospective portion of it—will upset court judgments which have been made in recent times. Is that a fair assumption of what the Minister has sought to convey?

Mr. Watts: Since the 1st of May.

Mr. HAWKE: That is an amazing situation; and although you, Mr. Chairman, should be regretting very much the casting vote you gave in Committee a few moments ago, I do not believe you are. This is a wicked situation which we see confronting us. No wonder the Minister for Industrial Development smiled broadly when the move to delete the retrospective provision was defeated. It was about the first time he had smiled during the whole of the afternoon, and he has been most happy since then.

Mr. Court: Surely a man is allowed to smile around the place.

Mr. HAWKE: Yes; but I would prefer the Minister for Industrial Development to smile when justice was done and not when great injustices were done, and not when the law is being bashed down in relation to cases which have already been heard in the courts. There is no possible justification for Parliament to reverse or alter decisions which have been made by judges in courts in recent months.

Mr. Nulsen: He who seeks justice must do justice!

Mr. HAWKE: There is no possible justification for that. In my opinion it would be an outrage for any Government to agree to take such a step, and an even worse outrage for a majority of members in any House of Parliament to support the Government in its deplorable conduct; because deplorable this is, in the very greatest degree. Although I at first thought the Deputy Leader of the Opposition was extreme in some things he said in certain stages of the debate, I am now satisfied he was moderate in his criticism and condemnation of it.

It is a wicked situation that we should be now proposing to put the seal of our approval upon a provision which will rob people of the benefit of court decisions given to them. In the circumstances I hope that at least one member on the Government side of the Chamber will stir his conscience into sufficient activity to cause him to vote against the clause.

Clause, as amended, put and a division taken with the following result:—

Ayes—22.

Mr. Bovell	Mr. Lewis
Mr. Brand	Mr. W. A. Manning
Mr. Burt	Sir Ross McLarty
Mr. Cornell	Mr. Nalder
Mr. Court	Mr. O'Connor
Mr. Craig	Mr. O'Neil
Mr. Grayden	Mr. Owen
Mr. Guthrie	Mr. Perkins
Mr. Hearman	Mr. Watts
Dr. Henn	Mr. Wild
Mr. Hutchinson	Mr. Crommelin
	(Teller.)

Noes—20.

Mr. Andrew	Mr. Lawrence
Mr. Brady	Mr. Moir
Mr. Evans	Mr. Norton
Mr. Fletcher	Mr. Nulsen
Mr. Graham	Mr. Oldfield
Mr. Hall	Mr. Rowberry
Mr. Hawke	Mr. Sewell
Mr. Heal	Mr. Toms
Mr. J. Hegney	Mr. Tonkin
Mr. Jamieson	Mr. May
	(Teller.)

Pairs.

Ayes.	Noes.
Mr. Mann	Mr. Kelly
Mr. Nimmo	Mr. Rhatigan
Mr. I. W. Manning	Mr. Bickerton

Majority for—2.

Clause, as amended, thus passed.

Clause 3—Section 11A amended:

Mr. HAWKE: No doubt some members on the opposite side are anxious to see the Bill go through, and in view of the poisonous nature of parts of the measure, I can sympathise with their anxiety. I move an amendment—

Page 5, line 35—Delete the word "fifteen."

If my amendment is carried, I shall move to insert other words.

Mr. WATTS: I must oppose the amendment. If my memory serves me aright, the point was made earlier that because

of the phraseology of the clause it would be possible to prescribe a maximum rate greater than 15 per cent.

Mr. Hawke: This is just the Government to do it.

Mr. WATTS: I am not prepared to allow any misunderstanding on that point. In no circumstances would I agree to that.

Mr. Hawke: You might be outvoted

Mr. WATTS: The rate of 15 per cent. was inserted by the late Mr. Charles Cross. The reason why 15 per cent. is mentioned here is because it is in the parent Act; and it is considered it should remain the maximum rate of interest. But I am disinclined to permit the possibility of anybody prescribing a rate greater than 15 per cent. If the Leader of the Opposition will agree to withdraw his amendment, I shall be only too happy to move an amendment which will prevent anybody from prescribing a greater rate of interest than 15 per cent.

Mr. HAWKE: I certainly accept the suggestion of the Attorney-General; not that in doing so I undertake to support the rate of 15 per cent. in every instance. However, I am anxious to ensure that the great anxiety on the part of some members of this Government to advantage moneylenders shall not provide an opportunity to set down, by regulation, a maximum interest rate greater than 15 per cent.

The Attorney-General said that he would never agree to a higher maximum rate than 15 per cent., and I quite agree that he would never support such a proposal. However, I remind him that he is only one Minister in a Ministry of 10. Some members in this Government would agree to a maximum rate of 20 per cent.; and one of them at least, whom I am not able to see clearly at the moment, would agree to a rate of 50 per cent. in certain circumstances. I agree to withdraw my amendment for the time being—not permanently—in order to allow the Attorney-General to move the amendment he has foreshadowed.

Amendment, by leave, withdrawn.

Mr. WATTS: I move an anmendment—

> Page 5, line 34—Insert after the word "interest" the following:—
>
> (not exceeding fifteen pounds per centum per annum).

Mr. HAWKE: I move—

> That the amendment be amended by deleting the words "fifteen pounds" and inserting in lieu the words "twelve pounds ten shillings."

If my proposal, or the Attorney-General's amendment, is agreed to, there will be some time between now and when the Bill is dealt with in the Legislative Council for any small tidying up to be done in regard to the legal phraseology, if that is necessary.

We live in an age when the number of money-hungry people in the community seems to be greatly on the increase. One of the detrimental effects of this development is that companies and persons who need money, and are not able to get it in the normal course of business, have to get it from sources which charge the highest possible rate of interest. Consequently, the people who borrow become heavily burdened with the liability of having to repay the debt at some future date; and they become burdened, until such time as the debt is repaid, by the high interest charges.

I would have thought that the person who received 12½ per cent. interest—that is far too high from my point of view—was receiving a very good return on his money. There may be special circumstances which would justify some higher rate of interest; but I would not be prepared to agree to the borrower accepting the will of the lender in that situation, even though the borrower was willing to pay the higher rate. We know that borrowers pay a high rate of interest only because of the pressure of some circumstance.

I may be prepared—perhaps next session—to agree to a proposal which would allow some higher rate than the maximum of 12½ per cent.—if that goes into the law—to be charged provided some well-constituted authority of justice could hear the application for a higher rate of interest than the maximum, and if it agreed, in all the circumstances, that the higher rate should be approved.

However, in this proposed law we are setting down Parliament's view as to what should be the the general maximum rate; and it is not the right of Parliament to set down a high maximum rate because there will be a few special risky cases where that maximum will be justified. I think we should try to set down a maximum rate which, in a general way, would be fair and reasonable, and beyond which, except in the special circumstances which I outlined a few moments ago, we should not go. Under the system I suggested, something higher than the maximum might be approved by a constituted authority of justices.

Mr. WATTS: I hope the Committee will not agree to this amendment. As I indicated when I spoke last time, a provision was inserted in the Money Lenders Act in 1941, stating that the maximum rate of interest shall be £15 per centum per annum. The proposal we are now dealing with has been inserted in the Bill with the object of enabling the Governor, if my amendment is accepted, to declare a lower rate than 15 per centum by regulation. If my amendment is accepted there can be no other reason, but as the clause now stands it is capable of another interpretation. If the amendment is agreed to a

rate of interest greater than 15 per cent. cannot be prescribed. As the Act stands, and with the amendment, the only thing the Governor could do would be to prescribe a rate of interest lower than 15 per cent.

Without due inquiry into the situation, I would not like to say what would be the effect of the Leader of the Opposition's amendment to my amendment. The question of its effect upon commercial enterprises and transactions that have taken place from day to day would have to be closely looked into; because I understand that a flat rate of interest of 8 per cent. becomes more than 12½ per cent. when it is calculated in the normal way. In consequence, many transactions might be—I will not say that they would be—open to question. Another thing is that we would have the unfortunate position of section 3, as this clause will become, prescribing 12½ per cent. and the rest of the Money Lenders Act prescribing a maximum of 15 per cent.

I hope the Committee will be satisfied with the assurance that, if my amendment is agreed to, a rate of interest in excess of 15 per cent. could not be prescribed. Therefore any regulation that is gazetted would have to declare a lower rate, but that could only be after the most careful examination of its effect on the transactions I mentioned, and also other paragraphs in the parent Act. I hope the Committee will not accept the amendment on the amendment. I am not unsympathetic towards it, but I want to know what I am doing; and at this stage I do not know exactly what the effect might be.

Mr. HAWKE: I am sure the Attorney-General has not given this matter the careful consideration which he should have given to it; otherwise he would not have said what he did say. The Attorney-General would lead us to believe that if the amendment on the amendment is accepted the Government will be rushed into prescribing a regulation immediately, or in the very near future, for a 12½ per cent. maximum. That is not correct.

Mr. Watts: That's a lovely theory!

Mr. HAWKE: If the Attorney-General reads the clause with his amendment, he will see what I mean.

Mr. Watts: Is your idea to leave the final 15 per cent.?

Mr. HAWKE: I would have no option, unfortunately.

Mr. Watts: When you withdrew that amendment to 15 in the last line you said "temporarily."

Mr. HAWKE: Indeed I did.

Mr. Watts: I imagined you wanted to get that word struck out later on.

Mr. HAWKE: That would be my anxiety.

Mr. Watts: If you did, my problem would then arise.

Mr. HAWKE: No, it would not; because if, later on, I were to move the amendment which I have withdrawn, and the Committee were to agree to it, 12½ per cent. would immediately become the maximum as the result of a decision of Parliament.

Mr. Watts: Exactly; and that is where my problem would arise.

Mr. HAWKE: The Minister would have no problem if Parliament made the decision.

Mr. Watts: Yes I would, because I do not know what effect it would have on existing transactions.

Mr. HAWKE: If Parliament makes a decision, it is Parliament's responsibility; and all the more so if Parliament makes a decision against the advice of the Attorney-General. However, I am prepared to do some horse-dealing with the Attorney-General, if that is the right word. If 12½ per cent. is accepted by him, and by the Committee, I will not subsequently move to reduce the 15 per cent. to 12½ per cent.

Mr. Watts: If that is so, I will accept your amendment.

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

Clauses as amended, put and passed.

Clauses 4 and 5 put and passed.

New Clause 2:

Mr. WATTS: I desire to insert a new clause in the Bill to stand as clause 2. This clause is designed to provide for a minimum penalty; and where there is a penalty of £100 in the Act, it is to be not less than £50; and where there is a penalty of £500, it is to be not less than £100; and with a provision that notwithstanding the provisions of the Justices Act, these minimum penalties cannot be reduced. The amendment was put on the notice paper following a suggestion by the Leader of the Opposition. I move—

That the following be inserted to stand as clause 2:—

S. 5 amended.

2. Subsection (4) of section five of the principal Act is amended—

(a) by adding after the subsection designation, "(4)" the paragraph designation "(a)";

(b) by adding after the word, "not" in line five, the words, "less than fifty pounds nor";

(c) by adding after the word, "not" where secondly appearing in line eight, the words, "less than fifty pounds nor";

(d) by adding after the word, "not" in the last line, the words, "less than one hundred pounds nor"; and

(e) by adding the following paragraph—

(b) Any minimum fine that may be imposed under the provisions of this section is irreducible in mitigation, notwithstanding the provisions of section one hundred and sixty-six of the Justices Act, 1902.

Mr. NULSEN: I do not agree with minimum penalties; I think they are a reflection on our magistrates and judges, because they are not able to use their discretion. However, I reluctantly agree to them on this occasion.

New clause put and passed.

Title put and passed.

Bill reported with amendments and the report adopted.

ORDERS OF THE DAY

Postponement

Mr. W. HEGNEY: Mr. Speaker, would I be in order in moving that order of the day No. 10 be now taken?

The SPEAKER: The motion would be to postpone orders of the day Nos. 2 to 9 until after order of the day No. 10.

Mr. W. HEGNEY: Very well. I move—

That orders of the day Nos. 2 to 9 inclusive be postponed until after consideration of order of the day No. 10.

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

Ayes—20.	
Mr. Andrew	Mr. W. Hegney
Mr. Bickerton	Mr. Jamieson
Mr. Brady	Mr. Lawrence
Mr. Evans	Mr. Moir
Mr. Fletcher	Mr. Norton
Mr. Graham	Mr. Nulsen
Mr. Hall	Mr. Rowberry
Mr. Hawke	Mr. Toms
Mr. Heal	Mr. Tonkin
Mr. J. Hegney	Mr. May *(Teller.)*
Noes—23.	
Mr. Bovell	Mr. W. A. Manning
Mr. Brand	Sir Ross McLarty
Mr. Burt	Mr. Nalder
Mr. Cornell	Mr. O'Connor
Mr. Court	Mr. Oldfield
Mr. Craig	Mr. O'Neil
Mr. Crommelin	Mr. Owen
Mr. Grayden	Mr. Roberts
Mr. Guthrie	Mr. Watts
Dr. Henn	Mr. Wild
Mr. Hutchinson	Mr. I. W. Manning *(Teller.)*
Mr. Lewis	
Pairs.	
Ayes.	Noes.
Mr. Kelly	Mr. Mann
Mr. Rhatigan	Mr. Nimmo
Mr. Sewell	Mr. Perkins

Majority against—3.

THE SPEAKER: The Ayes have it, and the question is resolved in the affirmative.

Point of Order

Mr. BRAND: Mr. Speaker, what was your decision on the motion?

The SPEAKER: I am glad the Premier has reminded me of it. The voting was 20 in favour of the Ayes; and 23 in favour of the Noes. In error, I gave my decision in favour of the Ayes, when the House had decided in favour of the Noes.

Mr. W. Hegney: You do not make an error.

Mr. HAWKE: Mr. Speaker, how was this decision recorded?

The SPEAKER: The decision was, of course, recorded correctly, showing that 20 members voted for the Ayes and 23 voted for the Noes. If I was mistaken in my decision, then the House has decided the matter for me.

Mr. HAWKE: Seeing that we are approaching Christmas, and seeing that I am in a generous mood, I accept your decision, Mr. Speaker.

The SPEAKER: I thank the Leader of the Opposition for his generosity.

Mr. BRAND (Premier): I move—

That orders of the day Nos. 2 to 10 be ~~taken after~~ orders of the day Nos. 11 and 12.

Mr. W. HEGNEY: Mr. Speaker, I oppose this motion.

The SPEAKER: I will not allow any debate on this, because it is a procedural motion. I did not allow the Premier to speak on a similar motion moved by the member for Mt. Hawthorn.

Mr. W. HEGNEY: If I move an amendment that certain orders of the day be postponed, but not in conformity with the Premier's motion—

Mr. Ross Hutchinson: You are not the Government.

Mr. W. HEGNEY: —would that amount to a motion for adjournment?

The SPEAKER: Yes.

Mr. MAY: On a point of order, Mr. Speaker, the member for Mt. Hawthorn cannot move his amendment, because the Premier's motion has not been seconded.

Mr. I. W. MANNING: I second the motion moved by the Premier.

The SPEAKER: What was the point made by the member for Mt. Hawthorn?

Mr. W. HEGNEY: If I moved an amendment to the Premier's motion, would that amount to an adjournment motion?

The SPEAKER: I do not know what the amendment proposed by the member for Mt. Hawthorn is; and, in any case, I cannot allow any debate on this procedural motion.

Question put and passed.

BILLS (2)—RETURNED

1. Road Closure Bill.
2. Reserves Bill.
   Without amendment.

BOOKMAKERS BETTING TAX ACT AMENDMENT BILL

Council's Requested Amendment

Amendment requested by the Council now considered.

In Committee

The Chairman of Committees (Mr. Roberts) in the Chair; Mr. Brand (Treasurer) in charge of the Bill.

The CHAIRMAN: The Council's requested amendment is as follows:—

No. 1.

Clause 2, page 2—Delete all words after the figures "1954" in line 11 and substitute the following:—

(i) On so much of that turnover as does not exceed twenty-five thousand pounds, at the rate of two per centum;

(ii) on so much of that turnover as exceeds twenty-five thousand pounds but does not exceed fifty thousand pounds, at the rate of two and one-quarter per centum;

(iii) on so much of that turnover as exceeds fifty thousand pounds but does not exceed seventy-five thousand pounds, at the rate of two and one-half per centum;

(iv) on so much of that turnover as exceeds seventy-five thousand pounds but does not exceed one hundred thousand pounds, at the rate of two and three-quarters per centum;

(v) on so much of that turnover as exceeds one hundred thousand pounds but does not exceed one hundred and twenty-five thousand pounds, at the rate of three per centum;

(vi) on so much of that turnover as exceeds one hundred and twenty-five thousand pounds but does not exceed one hundred and fifty thousand pounds, at the rate of three and one-quarter per centum;

(vii) on so much of that turnover as exceeds one hundred and fifty thousand pounds, at the rate of three and one-half per centum;

Mr. BRAND: I propose to agree to this amendment. It will be seen that it constitutes a very different sliding scale from that included in the original Bill. In fact, it introduces a new sliding scale on the basis of current turnover which has some advantage over the existing and original intentions of the Bill first introduced.

Point of Order

Mr. HAWKE: I am not trying to be obstructive, Mr. Chairman; but on a point of order I would like to know whether we are dealing with the two Bills in their correct order of priority. Should we not be dealing with the second one first?

Mr. BRAND: I gave some consideration to this matter. The Council has definitely amended this Bill.

Mr. Hawke: That is not the point.

Mr. BRAND: In the second Bill the Council has requested certain amendments. The Leader of the Opposition asks whether we should not be considering the taxing measure first. The amendments suggested by the Council have yet to be made by this Assembly, and I feel we should agree to the scale first and then deal with the suggested percentage on turnover.

Mr. Hawke: I do not mind, if the Chairman has no objection.

Committee Resumed

Mr. BRAND: The Government decided that further consideration should be given to the matter following the amendments made by that Chamber. It will be seen that an extra bracket has been included, the first of which is a £25,000 turnover, the minimum bracket in the original Bill being £50,000 turnover. It has been suggested by the Council that there should be a tax of 2 per cent. at £25,000 turnover. It is not the Government's intention to accept, but to endeavour to amend it, and increase that percentage by ¼ per cent., making it 2¼ per cent. at the first £25,000 turnover; then, in brackets of £25,000, to increase the amount to £125,000 as indicated on the notice paper. The sliding scale will give way to a flat rate for the balance of the increase on turnover of 3½ per cent., which was the proposal in the Bill when first introduced here. Members will see that the smaller bookmaker will be expected to pay 2¼ per cent. turnover tax, as against the flat rate of 2 per cent. in the parent Act.

Some relief will be given to those even on the brackets of £50,000 and £100,000 until such time as the effective percentage tax reaches the maximum of 3½ per cent. It will mean that a man with a £700,000 turnover will still pay 3½ per cent. turnover tax as was originally intended. I move—

That the amendment be agreed to.

Mr. HAWKE: As I understand it, this amendment provides for, "on so much of the turnover as does not exceed twenty-five thousand pounds, at the rate of two

per centum." There has been no amendment moved in regard to that by the Treasurer.

The CHAIRMAN: The Treasurer is moving the whole of amendment No. 1.

Mr. BRAND: If I may explain, Mr. Chairman, I have made a mistake. I was under the impression that I was dealing with the Betting control Act Amendment Bill.

Mr. Hawke: That is the Bill which should be before the Committee.

Mr. BRAND: Could I, Mr. Chairman, move that we now proceed with the Order of the Day No. 12 as that is the Bill I thought I was dealing with?

The CHAIRMAN: It will be necessary to report progress.

Progress reported to a later stage of the sitting.

(Continued on Page 3698.)

BETTING CONTROL ACT AMENDMENT BILL

Council's Amendments

Schedule of 11 amendments made by the Council now considered.

In Committee

The Chairman of Committees (Mr. Roberts) in the Chair; Mr. Brand (Treasurer) in charge of the Bill.

No. 1.

Clause 3, page 2, line 26—Delete subparagraphs (i) to (iv) inclusive of proposed new paragraph (f) of subsection (2) of section fourteen and substitute the following:—

(i) On so much of that turnover as does not exceed twenty-five thousand pounds at the rate imposed by subparagraph (i) of paragraph (e) of section two of the taxing Act;

(ii) on so much of that turnover as exceeds twenty-five thousand pounds but does not exceed fifty thousand pounds at the rate imposed by subparagraph (ii) of paragraph (e) of section two of the taxing Act;

(iii) on so much of that turnover as exceeds fifty thousand pounds but does not exceed seventy-five thousand pounds at the rate imposed by subparagraph (iii) of paragraph (e) of section two of the taxing Act;

(iv) on so much of that turnover as exceeds seventy-five thousand pounds but does not exceed one hundred thousand pounds at the rate imposed by subparagraph (iv) of paragraph (e) of section two of the taxing Act;

(v) on so much of that turnover as exceeds one hundred thousand pounds but does not exceed one hundred and twenty-five thousand pounds at the rate imposed by subparagraph (v) of paragraph (e) of section two of the taxing Act;

(vi) on so much of that turnover as exceeds one hundred and twenty-five thousand pounds but does not exceed one hundred and fifty thousand pounds at the rate imposed by subparagraph (vi) of paragraph (e) of section two of the taxing Act;

(vii) on so much of that turnover as exceeds one hundred and fifty thousand pounds at the rate imposed by subparagraph (vii) of paragraph (e) of section two of the taxing Act.

Mr. BRAND: I want to apologise to the Committee for the error which I made, as the Leader of the Opposition was, no doubt, confused regarding the Bill which should be taken first. I was under the impression that this was the Bill I was dealing with.

Mr. Hawke: I was not confused; I thought you were taking the wrong Bill first.

Mr. BRAND: That is right. It will be seen that we are now proposing to introduce a new sliding scale on the basis of current turnover; and, as I have intimated to the Committee, this matter was discussed at great length when the sliding scale of taxation was previously before this House. I think it was the Deputy Leader of the Opposition who pointed out certain difficulties which would arise in regard to the proposals then being considered; and following a discussion in another place, proposals were accepted which amended the Bill to provide for a new sliding scale.

The Government gave further consideraton to this matter and decided that it could accept the proposed scale providing that the percentage tax could be slightly increased. Therefore, in accepting this scale, I want to make it quite clear to the Committee—as it was made clear to the Legislative Council by the Minister in charge—that we do not accept the turnover tax proposed, and intend at a later stage to move for amendments which will increase that percentage of tax.

It is also intended to include one extra bracket—that is, a lower bracket at the level of £25,000 turnover. It is proposed that the rate of tax should be 2½ per cent. In the proposal before the Committee at the present time the tax is 2 per cent. I want to make it quite clear that I am not accepting that proposal.

Mr. Hawke: Is it 2½ per cent. or 2¼ per cent?

Mr. BRAND: It is 2¼ per cent. on £25,000. Relief will then be given to the smaller bookmaker who has a turnover of £25,000 or less; and the proposed sliding scale will give the man with a £50,000 turnover—and, I think, £100,000 turnover—some relief over and above the original proposal. I feel we are reaching a reasonable compromise. I move—

That the amendment be agreed to.

Mr. HAWKE: I am not at all clear as to what the Treasurer is aiming at. He has moved to accept amendment No. 1; and I have an idea he does not wish to accept the whole of it, but only, at this stage, to accept paragraph (i). The amendment before us contains seven brackets. After listening carefully to what the Treasurer had to say, I understood he advised us that the Government did not intend to accept the seven brackets and have seven separate rates. I could have misunderstood what he said.

We should know exactly where we are going and what is proposed. If the Treasurer moves that we agree to the Legislative Council's amendment No. 1, which sets out seven brackets of turnover, then I do not intend to oppose it. However, I think the Treasurer might wish to accept the first part of amendment No. 1. In order to make the position clear, I would ask the Treasurer to say a few words on the matter.

Mr. BRAND: It is proposed to accept the seven brackets contained in the amendment. They deal with the actual turnover. When dealing with the taxing measure the Government proposes to increase the actual turnover percentage tax. At that stage I think the position will become quite clear. It is proposed to accept the turnover set out in this amendment; but when dealing with the next Bill, the tax rates will be 2¼ per cent. for the first £25,000; 2¾ per cent. for the second bracket; 3¼ per cent. for the third bracket; 3¾ per cent. for the fourth bracket; 4¼ per cent. for the fifth bracket; 4¾ per cent. for the sixth bracket; and 3½ per cent. on turnover that exceeds £150,000.

It was decided to do that because, as was pointed out originally, anything over 3½ per cent. tax on a turnover of £150,000 up to, say, £700,000 could involve a huge sum of money and make it impossible for any bookmaker with such a huge turnover to carry on. It has been found since the legislation was introduced that a 3½ per cent. flat tax was a considerable imposition to carry. I think that explains the situation regarding the sliding scale and the Government's intention as to the increased percentage tax which will apply.

Mr. TONKIN: I approve of the inclusion of these brackets so that the tax can be imposed differently on the different grades of income, because it would be unfair to do it in the way originally suggested. The amendment establishes what the brackets are to be, but not the rates to be imposed; and it determines that instead of the four sections previously proposed there will now be seven sections to carry the different rates of tax. The incidence of the tax will not now fall so heavily where it previously did, but I believe the Government intends raising the amount of money originally suggested.

Mr. Brand: Almost; only £8,000 less.

Mr. TONKIN: I hope the Government will shift the burden of the tax so that it can still be borne. Apart from a purely punitive tax, it is a fundamental requirement that the rate of the tax is such as can be borne. I hope there has been sufficient Treasury investigation to satisfy the Government that the rates to be imposed on the various categories can be borne and will not result in the introduction of improper practices in an endeavour to avoid the tax. No-one minds a fair rate of tax, but we must fight against the imposition of any tax so high as to be punitive in intention, unless the Government desires to put these people out of business.

In 1910 the Commonwealth Government passed the Bank Notes Act, imposing taxation on notes issued by private banks. The intention, which was achieved, was not to derive revenue but to make it impossible for the private banks to continue issuing their own notes. If the Government intends to tax the bookmakers out of existence, it will find that those who contribute the revenue will close up and their places will be taken by others, who will make no contribution to revenue but will carry on businesses almost as large.

In this morning's Press we read that the Premier of Victoria realises that off-course betting must be legalised, and he made a forthright statement in that regard. Similar action is being taken in Great Britain although we do not know what it is to be; so it is clear that any Government which wants to make proper provision and keep betting within the control of the law must refrain from imposing a rate of tax which will defeat its objective. Many Governments now realise that this class of betting must be catered for in some form, although there is still a difference of opinion as to whether it should be done by means of bookmakers or of totalisators.

When dealing with this question, we must consider the rents—usually under lease—which the bookmakers are required to pay, as well as the amount of money involved in the stamp tax, and what they will have to pay on their turnover. On the books and taxation returns made available to me by a couple of bookmakers, I have calculated that they will have nothing left at all under these proposals and will therefore not continue in business. They will hand in their licenses when

their leases run out, in possibly two or three years' time; but in the meantime they are up for £30 or £40 per week rent.

Mr. Brand: Weren't they unwise in entering into leases beyond December, 1960, knowing the situation?

Mr. TONKIN: Possibly; but a bookmaker would have no option but to agree to the terms; because the owner would say, "Take the lease for five years, because if you do not, I know someone who will." In those circumstances the bookmaker, having calculated his profit, would gamble on the probability of the legislation being continued, and I think that would be a fair gamble. It must be remembered that the majority of this business is done in bets of perhaps 2s. 6d., and on such a bet the stamp duty imposes a 5 per cent. tax. So much of the bookmaker's turnover as is constituted of those small bets is involved, and on top of that he has to pay the rate set down in the Act, so on a major part of his business in some cases the turnover tax will actually exceed 8 per cent. Then there is the stamp tax as well, and so I think the position will be impossible for some groups. We must not impose a tax which takes all that a bookmaker earns.

Mr. Wild: Do you agree that as the small bookmaker does not get the hot money of which we have heard he is in a better position to stand the tax?

Mr. TONKIN: I assume the Minister is thinking that the bookmaker who previously took large bets will now refuse them and will decrease his turnover and consequently the rate of tax; but the rate of tax is fixed on a turnover already achieved.

Mr. Wild: I was referring to the 5 per cent. extra which you said he will have to pay. The small bettor is not well informed and generally leaves his money with the bookmaker at the end of the year.

Mr. TONKIN: Undoubtedly the profit on the small wager is higher than that on large wagers and so there is a bigger margin on which to make a profit; but then there is the higher tax, because a £50 bet would carry the 6d. investment tax, which the bookmaker will pay; and the 2s. 6d. bet will carry the 3d. investment tax, which the bookmaker will also pay. He will carry that as well as the stamp duty on those bets.

All these taxes are to take money from the bookmaking business, some of it for the Treasurer and some for the racing club. It all comes from the same source. If it comes from the punter there will be that much less for the bookmakers to handle, and so indirectly it will come from them. In some cases it will come directly, because they will pay it.

I think experience will show that the proposed taxes are excessive; and there will be little satisfaction, later, in saying, "I told you so!" I hope the Government will get some knowledgeable person, either from the Treasury, or elsewhere, to give an impartial view on the figures. I have studied taxation returns compiled by reputable accountants and copies have been sent to me by them direct.

Mr. Wild: Is there not on the bottom a statement "from figures as supplied to me"?

Mr. TONKIN: Yes; but the figures supplied to them are figures verified in accordance with the turnover information supplied to the Treasury. A bookmaker might take the risk of not including a bet in the turnover; but if it is a winning bet, he is in trouble if it is not included in his books. I do not believe there are many, if any, bookmakers who under existing conditions would be prepared to take the risk of losing their licenses or being prosecuted for not writing down bets taken; so I accept the present turnovers as being close to the mark. I have my own ideas on what will happen in the future.

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

No. 2.

Clause 3, page 3, line 15—Delete paragraph (c).

Mr. BRAND: This amendment is almost consequential, because the paragraph is rendered unnecessary by the acceptance of the new sliding scale, which will be related to the current turnover instead of the tax being assessed on the previous year's turnover. Therefore, I move—

That the amendment be agreed to.

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

No. 3.

Clause 4, page 5, lines 32 and 34—Delete all words after the word "section" in line 25 down to and including the word "section" in line 29.

The CHAIRMAN: I draw the attention of the Committee to the fact that there has been a printer's error in the wording of this amendment made by the Council as shown on the notice paper. In the first line it should read, "lines 25 to 29" instead of, "lines 32 and 34."

Mr. BRAND: Paragraphs (c) and (d), which are involved in this amendment, relate to Eastern States racing and trotting events. The removal of these words will, in fact, confer upon the Consolidated Revenue Fund and the Treasury, a substantial gain of £53,000, which would have been paid to the W.A. Turf Club. The proposed allocation to the W.A. Turf Club, based on its operations for a full year, under the original Bill was to have been £120,000; but that amount will now be reduced to £74,000.

The Committee will recall that, under the original Bill, it was proposed that the Commissioner of Stamps, as soon as possible

after the end of the financial year, should ascertain the amount of off-course turnover for that racing year respectively applied to races held in Western Australia and also in the Eastern States; and, for the purposes of distribution of investment tax, determine the respective proportions of turnover for each racing year, based on the previous year's turnover.

From that money it was proposed the Commissioner of Stamps could make certain allocations to the racing club. It was proposed that from the income obtained from the investment tax, the Treasury would take 55 per cent., and 45 per cent. would be paid to the clubs. However, all reference to that has now been deleted, and the money derived from off-course betting on Eastern States racing—or at least under the form proposed—will now come to the Treasury.

I regret this proposed amendment by the Council. I would have preferred a situation where the percentage to be distributed—or the proportion to be allocated to the W.A. Turf Club and the W.A. Trotting Association—would be laid down in the Act. Now, of course, it will be provided that an extra £53,000 will be paid into Consolidated Revenue, leaving the W.A. Turf Club—as I understand the position—with a financial problem. It was argued in this Chamber that the Western Australian Turf Club would do extremely well if the Bill ever became law. However, by the amendment, the W.A. Turf Club will have a deficit, in effect, of £53,000. The allocation to the W.A. Trotting Association will remain the same—namely, £58,000—but the Consolidated Revenue Fund will receive £118,000; the W.A. Turf Club, £88,000; and the W.A. Trotting Association, £58,000. However, I feel, at this late stage, it is too difficult a matter to argue and I reluctantly accept the Council's amendment. I move—

That the amendment be agreed to.

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

No. 4.

Clause 4, page 5, lines 32 to 34—Delete the passage "the sum of— (a)".

Mr. BRAND: This is a consequential amendment made by the Council. As all reference to the formula applying to Eastern States turnover has been deleted, the words, "the sum of", are superfluous. I move—

That the amendment be agreed to.

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

No. 5.

Clause 4, page 5, line 38—Delete the word "and."

No. 6.

Clause 4, page 6, lines 1 to 5—Delete paragraph (b).

No. 7.

Clause 4, page 6, lines 6 and 7—Delete the words "such sum of the moneys mentioned in paragraphs (a) and (b) of this subsection".

No. 8.

Clause 4, page 6, lines 38 to 40—Delete the passage "the sum of— (a)."

No. 9.

Clause 4, page 6, line 44—Delete the word "and."

No. 10.

Clause 4, page 7, lines 1 to 5—Delete paragraph (b).

No. 11.

Clause 4, page 7, lines 6 and 7—Delete the words "such sum of the moneys mentioned in paragraphs (a) and (b) of this subsection."

Mr. BRAND: The same comments which I have made in respect of the previous amendments apply. I move—

That the amendments be agreed to.

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

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

BOOKMAKERS BETTING TAX ACT AMENDMENT BILL

Council's Requested Amendment

Amendment requested by the Council further considered from an earlier stage of the sitting.

In Committee

The Chairman of Committees (Mr. Roberts) in the Chair; Mr. Brand (Treasurer) in charge of the Bill.

The CHAIRMAN: The Council's requested amendment, on which progress was reported, is as follows:—

Clause 2, page 2—Delete all words after the figures "1954" in line 11 and substitute the following:—

(i) On so much of that turnover as does not exceed twenty-five thousand pounds, at the rate of two per centum;

(ii) on so much of that turnover as exceeds twenty-five thousand pounds but does not exceed fifty-thousand pounds, at the rate of two and one-quarter per centum;

(iii) on so much of that turnover as exceeds fifty thousand pounds but does not exceed seventy-five thousand pounds, at the rate of two and one-half per centum;

(iv) on so much of that turnover as exceeds seventy-five thousand pounds but does not exceed one hundred thousand pounds, at the rate of two and three-quarter per centum;

(v) on so much of that turnover as exceeds one hundred thousand pounds but does not exceed one hundred and twenty-five thousand pounds, at the rate of three per centum;

(vi) on so much of that turnover as exceeds one hundred and twenty-five thousand pounds but does not exceed one hundred and fifty thousand pounds, at the rate of three and one-quarter per centum;

(vii) on so much of that turnover as exceeds one hundred and fifty thousand pounds at the rate of three and one-half per centum;

Mr. BRAND: Now that the Committee has agreed to the new sliding scale of tax on turnover, it is necessary for the Committee to make an amendment to the percentages of tax which I outlined during the discussion on the previous measure. In view of the lateness of the hour, I ask that progress be reported.

Progress reported.

ADJOURNMENT—SPECIAL

MR. BRAND (Greenough — Premier): I move—

That the House at its rising adjourn until 11 a.m. tomorrow.

Question put and passed.

House adjourned at 6.14 p.m.

Legislative Council

Friday, the 27th November, 1959

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CONTENTS—*continued*

The PRESIDENT took the Chair at 11 a.m., and read prayers.

QUESTIONS ON NOTICE

TAXES AND CHARGES

Impositions by Previous Government

1. The Hon. J. M. THOMSON asked the Minister for Mines:

(1) Will the Minister please supply detailed information regarding taxes and charges imposed by the previous Government during its 1953-59 term of office—

(a) (i) What new taxes and charges were imposed; and

(ii) from what date were they operative;

(b) (i) what taxes and charges, existing at the date of assumption of office — 1953 — were increased during the period; and