

borrow from the bank under the provisions of the Act, although, of course, its actions have been quite bona fide. This Bill has, therefore, been brought forward to exempt the proposed loan from these provisions, and will authorise the council to borrow £4,000 for the purpose mentioned, thereby ensuring that the electric light account, which is now in debit, will be recouped, and the affairs of the council put in order. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

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

House adjourned at 9.20 p.m.

Legislative Assembly,

Wednesday, 12th October, 1938.

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

QUESTION—BUTTER EXPORT.

Arbitration Case.

Mr. DOUST asked the Minister for Agriculture: 1, With reference to the arbitration case, Manjimup Dairy Products Co. versus

Dairy Marketing Board, is it proposed to allow butter exporting firms to give evidence before the arbitrator regarding the cost of exporting butter overseas? 2, If so, will the various firms be notified in time to enable them to do so?

The MINISTER FOR AGRICULTURE replied: 1, An arbitrator was appointed to decide a dispute between the Dairy Products Marketing Board and the Manjimup Dairy Products Company. If it is the view of the arbitrator that any person or firm can give evidence relevant to the dispute he will, I feel sure, afford them an opportunity of giving such evidence. 2, Answered by No. 1.

QUESTION—UNEMPLOYED RELIEF.

Work in Return for Rations.

Mr. SAMPSON asked the Minister for Employment: 1, Is he aware that able-bodied men resent the indignity of being denied work in return for rations—part groceries order and part cash—which are supplied? 2, How many able-bodied men are in receipt of rations? 3, Will he take steps to ensure that work is made available and thus prevent destruction of the morale of men anxious and able to work?

The MINISTER FOR EMPLOYMENT replied: 1, I am not aware that able-bodied men desire to work for their rations only. 2, 428, made up—"A" class, 231; "B" class, 104; "C" class, 93; total 428. 3, The question of providing work and improving conditions of employment has always received the first consideration of the Government. To-day 94 per cent. of the men on the books of the Employment Department are working, as against 64 per cent. when the Government took office.

LEGAL PRACTITIONERS ACT SELECT COMMITTEE.

Extension of Time.

On motion by Mr. Sleeman, the time for bringing up the report was extended for two weeks.

BILL—INCOME TAX ASSESSMENT ACT AMENDMENT.

Introduced by the Premier, and read a first time.

MOTION—LIGHT AND POISON LANDS.

Royal Commission's Recommendations.

MR. NULSEN (Kanowna). [4.35]: I move—

That in the opinion of this House, the recommendations of the honorary Royal Commission on light and poison-infested lands should receive the earnest consideration of the Government.

I am prompted to place the motion before members for their consideration because I do not wish the report of the Royal Commission to be shelved without due consideration. The Commission went to a great deal of trouble in carrying out its investigations and collected evidence wherever possible. Subsequently the position was summed up in accordance with the evidence and the Commission's views were set out in the report that has been presented to Parliament. I hope the Government will take heed of the results of the work of the Royal Commission because I regard as of great importance to Western Australia that the light land and poison-infested areas be brought into production. In viewing the situation as a whole, I shall endeavour to adopt a broad outlook, for I do not desire to be parochial. The subject is too big for that. At the outset, I wish to thank the Government for having appointed me a member of the Royal Commission. The experience I gained in travelling through various parts of the State and noting the conditions prevailing, proved a source of education for me. Members who have read the Commission's report will have noted the recommendations furnished to the Government. I do not think it is necessary to traverse them in detail because I hope every member has read the report and digested its contents. The recommendations will be fully understood, and I hope they will be adopted. I certainly think members should have read the report by this time, and, indeed, if Parliament appoints a Royal Commission and then members fail to read the report of that body, the result in the end can hardly be helpful to the State.

In Western Australia the area within the 10 in. rainfall limit comprises upwards of 117,000,000 acres of light land and poison country. The members of the Commission thought it would suffice if the position were investigated regarding land of that descrip-

tion within 25 miles on either side of existing railways. In carrying out that intention, we started at Esperance and travelled through to Albany, and from there right up to Northampton. In that section of the State we found that about 7,000,000 acres of light land and poison country were occupied and approximately 12,000,000 acres not yet alienated. Western Australia has a wonderful heritage in its agricultural land, but the best is very scattered and the first-class areas are linked up, especially in the South-West Division, with huge areas of second and third-class land. Our investigations led us to the conclusion that the second and third-class land can be successfully developed and we had instances to prove that such areas could be made profitable propositions. The future of Western Australia depends greatly upon the development of the light land and poison country that is at present uncultivated. At the outset of our agricultural development, a great mistake was made when so much of the better-class land was allowed to be taken up here and there, thus establishing small communities. That policy was productive of high administrative costs incurred in the provision of facilities necessary to serve those scattered communities, for which railway services and roads had to be provided. General recognition is given to the fact that the railway system, under which lines have been constructed through huge areas of undeveloped land in good rainfall districts, has proved most uneconomical. In various parts our railways run for miles through virgin country, from which no freight can be secured. If our light lands and poison country were developed, our railways would be converted from a losing proposition into a source of profit. Agriculture is really the sheet anchor of any country, but that applies particularly to Western Australia, which depends so much on its primary industries. Cities are, generally speaking, used for the convenience of the public and if at any time they were devastated or razed to the ground, they could be reconstructed on modern lines. Although such a disaster might occur, the business of the State would still continue, provided the agricultural areas were not destroyed. Destruction in the rural districts would spell real disaster and would mean ruin to the cities that would lapse into decay and the grass would again grow in their streets. It

is essential, therefore, that the light land and the poison country of Western Australia should be developed, so that Western Australia may become one of the greatest producing States of the Commonwealth. If the light land and poison country were developed adequately, two or three sheep could be carried to every cultivated acre. The members of the Royal Commission inspected farms in that type of country and the capability of the areas to carry two sheep to the acre was amply demonstrated. The term "sandplain" is applied usually to land regarded as unproductive, and in the Esperance area the land is now described as "treeless plains" and not "sandplain." In that district we commenced with an inspection of the farm controlled by the late Inspector Spedding-Smith. The holding is within the 20 in. rainfall belt, and there we found pastures well established. We visited Mr. Bow's place, and found it was a credit to any part of the State. We also inspected the pine forest. Mr. Helms was the manager there for many years. He has done more for the treeless plain than any other man who has settled there. Through his pastures he has demonstrated that the Esperance treeless plain will carry two sheep to the acre. In its virgin state it could not carry more than one sheep to 20 acres, and this applies to most plains. Mr. Thick has 200 acres at Dalyup River, and has carried 700 sheep for two years without their having left the place. That is equal to more than three sheep to the acre. In its virgin state, the treeless plain is of no value, and will carry only about one sheep to 20 or 30 acres. The soil is deficient in phosphates and nitrogen, but when super is applied luxuriant pastures of subterranean clover and other grasses grow prolifically. The average rainfall for the past ten years on the treeless plain has been 28 inches annually, the fall being over 11 months of the year. Down there green feed can be had practically all the year round. Travelling north to Scaddan we found the rainfall tapered off to about 17 inches per annum.

There is another important feature about the treeless plain, namely that water can readily be obtained, in most instances, a few feet below the surface. Failing that, it can easily be stored in dams. With a rainfall of 28 inches per annum, no trouble is experienced in conserving sufficient water. The development of that plain in time to come

will be amazing. It is the best sandplain, if it can be so called, in Australia. Members may have thought my earlier statements in the House concerning the latent possibilities of this district were extravagant, but they have been borne out already by results. When that plain is brought into full production, I prophesy that it will carry two sheep, or perhaps more, to the acre. Esperance possesses a fine harbour, with all necessary facilities. I have often extolled the possibilities of the treeless plains, and can visualise the future when big ships will be calling at the port taking away fat lambs, baby beef, pigs, or pork, etc., to the Old Country. If I were my successor, I could picture a very fine scene down there, and the possibilities of the future now that the Royal Commission has made its report. No doubt in time freezers will be established at Esperance, but before that it may be necessary to send stock to Albany. The latent possibilities of this part of the State are clearly shown by the report of the Royal Commission, and indicate that previous remarks on this point were not extravagant. When I spoke to the Chairman of the Commission (Hon. C. G. Latham) about Esperance, he said, "I would not send my worst enemy down there." Since he has visited the district he has reversed his opinion. Some ten years had passed since he saw it, and he had a bad opinion of it then. Now he has seen the improvement that has taken place he has changed his opinion, and I think he would now be more extravagant in the expression of his views concerning the possibilities of this area than I was when I advocated its development on my first entry into the House.

An excellent feature of the Esperance treeless plain is that it is not heavily infested with poison, and any poison that exists can readily be eradicated. There is nothing like as much poison as there is in other parts of the State. We travelled from the Esperance district to Albany, where the country, particularly the Kalgan Plain, is in many ways similar to Esperance. The rainfall is about the same, and the carrying capacity is about equal to that found in the Esperance district. In the case of the Kalgan Plain some difficulty may be experienced with water, and portions may become waterlogged. We inspected some heavily-timbered light land around Albany, where the rainfall is between 30 and 40 inches over a period of ten months. In time to come all this land

will be developed, and will prove a great asset to the State. With few exceptions, the better classes of land around Albany have been opened up. We saw some very fine pastures of subterranean and other clovers, and grasses. A large area of land there could be put to profitable use. Owing to our small population, I can account for quite a lot of our light lands not being worked. So far as I can learn, the general impression has been that such lands are not profitable, and cannot be worked economically. I am now definitely of opinion that in a number of instances our light lands will give greater yields than will our heavy lands, especially those in the lighter rainfall areas. On one occasion I met an American scientist, who said that pastures and other fodder could be grown anywhere provided sufficient moisture was available. We have plenty of land in Western Australia, in good rainfall districts, still waiting to be developed. With plenty of moisture, there is no excuse for people not developing such land. I recently read a pamphlet showing that fodders were now being grown in water. The technical name for the process is hydropovia. Without any soil, but with the use of the necessary ingredients, various experiments have been made in the growth of fodders in water, and it is said now that suitable plants can be developed for commercial use. I am not suggesting that such a method should be adopted in Western Australia, but I want to show that where the supply of water is sufficient vast areas of Western Australian land can be put to profitable use.

The wonderful harbour at Albany provides all that is required for the produce of the surrounding districts. Freezers have already been established there. I think the manager said that last year he had put through about 30,000 lambs. Some of the lambs came from Boyup Brook, a considerable distance away, without suffering any harm whatsoever. He also said that lambs could be carried by road a distance of 260 miles or more without any reduction in weight or deterioration. I hope that, if there is a surplus of lambs that cannot be disposed of in the Esperance district, it will be sent to Albany for freezing purposes. In the earlier days, people followed a mistaken policy when they chose only the heavier land and went out into dry areas. The State would have been developed on far sounder lines if the country had been settled on a

face, and the light lands had been developed along with the heavier lands. A great deal of expense has been incurred in providing railways, roads and other facilities to many isolated places.

Mr. Lambert: The Peel and Bateman Estates were not very convincing.

Mr. NULSEN: The settlement there may not have been convincing at the time, but it represents an asset to the State, and the money has not been lost. Another aspect about the light lands in an assured rainfall area appeals to me. The fat lamb industry can be developed there together with the dairying and pig-raising industry. Already it has been proved that settlers have become self-supporting. They can grow practically all they require on their farms, whereas in the drier areas the cost of living is greater. I used to advocate the settlement of heavy land, but to-day I am convinced that where the rainfall exists the lighter lands are safer.

As the Royal Commission travelled further north, the fat lamb industry became more remote. We investigated all the light and poison lands 25 miles on either side of the Great Southern railway. From Katanning we travelled west into the poison belt at Kojonup. I thought I knew something about poison before I went to Kojonup, but I confess now I have never in my life seen anything like the poison I saw there. It resembled a forest. I am told that to eradicate it would cost at least £2 an acre. The land is good, and if the Government were to give it away on certain conditions it would be doing well for the State. We travelled to Boscabel, and saw some nice little farms there. Although poison is abundant in the district, Kojonup is in a prosperous way. York-road poison seems to be the greatest pest there and stood up like thick scrub. One could hardly walk through it. I could scarcely believe my own eyes and I felt like tasting it—

Hon. C. G. Latham: It would have been all right for a member of the Opposition to taste it!

Mr. Stubbs: Hundreds of acres of that land was sold for 12s. an acre when it was worth only 6d.

Mr. NULSEN: From there we travelled in an easterly direction along the Great Southern, where the rainfall became less, and we got out of the clover belt. Instead of clovers, wheat was being grown on a four or five-year rotation, and oats and barley

and rye as well were grown to be fed off by stock. We were told in evidence that the oats increased the fertility of the land and that quite a number of the farms around there were doing reasonably well. Of course, the personal equation plays a very big part, and we had evidence of that in our travels. There was no question about it, because where two men would be working almost side by side one would be successful and the other engaged in operations of an exactly similar nature, would be a failure, the reason being that the latter had not been able to adapt himself to the industry on which he had embarked. In that eastern belt the main trouble is the lack of water. When we were there water was very scarce and because of that scarcity the dams were not always full. One person had 7,000 acres of light land, and we were informed that he topped the market with fat lambs either last year or the year before. His lambs brought as high as 32s. 5d. each, so that even there where the rainfall is very much lighter than it is in other parts of the State, fat lamb raising was quite a success of any rate, for the man who understood his job. After inspecting that area the Commission proceeded south of the Eastern Goldfields railway and then went in a northerly direction to the Moora country. We remained at Moora one night and I will never forget our experience there, because it was deucedly cold. Yet Moora is not a bad place at all. I rather enjoyed myself, taking it right through, apart from the intense cold that we experienced there. On the next day we travelled westward to Dandarragan, and we passed over more light land country, and we were told that its depth varied from 20 to 30 ft. before it reached the subsoil. If that be the case, an enormous quantity of water would be required to grow pastures successfully. However, most of that land would be used as an adjunct to heavy land farms because it has some value for depasturing stock. We then got to the vicinity of Badgingana, and there we were told that very good crops were grown and that the yields had been as high as 25 to 30 bushels to the acre. Owing to its isolation, however, the holders of the land went in for stock, and the stock that we saw looked particularly well. I had no idea that lupins could grow as we saw them there. They seemed to do very well in the red-

gum country—a sort of sandy loam. We travelled for miles through the lupins, and saw them growing through great areas. The lupins were all uniform in size and the stock that we saw looked very well indeed. We were also told that the lupins increased the fertility of the land considerably, and that after a crop of lupins clovers and other fodders came up freely. Next we went to Mr. Roberts's place and I consider that was about the most beautiful station I have ever seen. The pastures there were really excellent, while the stock could not have been improved anywhere in Australia. The country is slightly undulating and fascinated the members of the Commission. As a matter of fact, it was with regret that I left the place. When I did it was with a most favourable impression of the district generally. I daresay it can be classed as one of the most prolific parts of the State. Next we travelled back to Moora and then went on to Miling, where the light lands are very good, but entirely different from the treeless plains around Esperance. The average rainfall we were told was about 15 inches and cereals are grown such as wheat and oats and good crops result. At one place north of Miling we saw two young fellows who had shown that they had been very energetic indeed during the 11 months that they had occupied their block. In that space of time they had cleared, ploughed and seeded 2,000 acres, and they expected to get a 12-bushel yield. That goes to prove what can be done on light land.

Hon. C. G. Latham: They expect to get 18 bushels, so they told me.

Mr. NULSEN: That should pay handsomely, provided, of course, they get a reasonable price for the wheat. I could say quite a lot about that district, but I have no doubt other members of the Commission will be able to explain the possibilities of that part of the State better than I can. We returned to Wongan Hills and took evidence from Mr. Shields, who has a light land block. He told us that the average rainfall was about 15 inches. His highest yield was 18½ bushels from 2,000 acres, and over a period of 10 years he had averaged 15 bushels. This was all from a light sand plain area around Wongan Hills. There are not many heavy land propositions in Western Australia that can boast of such a yield over a period of

10 years. The research station at Wongan Hills has an average of 14.10 bushels, but that particular farm is not selected land; it is just typical of the district. I am satisfied that with intelligent farming, and, of course, the personal equation, farmers cannot go wrong in that country, provided the price for the product is reasonably good. As we travelled further east we got out on the fringe where the average yield was only between six and seven bushels to the acre. That is not profitable, but there a selector would be outside the safe area and according to the evidence we received it would probably take 20 or 30 years to bring that land into full production. Continuing further north towards Mullewa, we inspected quite a number of places and found that owing to lack of rain the wheat that had been planted in May had not come through, and there was practically no feed at all. The stock there looked very poor, especially some sheep that we saw. The Chairman of the Commission gave one unfortunate farmer a demonstration in feeding sheep by lopping trees. I suggest that further consideration should be given to the value put upon the land in that part of the State. Judging from what we saw, most of that land was worth very little more than the worst of our very bad lands. Next we proceeded to Mullewa and then on to Geraldton, and on the way passed over quite a lot of sandplain, which, however, we did not inspect. I do not know whether that area is capable of producing wheat or pastures for stock, but I consider it is worth while experimenting there. I have no doubt that most of the light land would be used if we had the population, and further if we could be sure of a market for what we produced, that too would be helpful. We arrived at Geraldton on Sunday and on the next day proceeded to Northampton. At the latter place the rainfall is about 20 inches. We saw some very good crops and noticed also the subterranean clover was well established, while the pastures generally in the district were good. Northampton is a picturesque place and I dare say can be classed as one of the most beautiful spots in Western Australia. Although I have not been to the Old Country, I can visualise Northampton's similarity to many of the country districts of England.

Mr. Patrick: It is beautiful country.

Mr. NULSEN: I have not seen better, and I felt that I would almost as readily live there as I would in the Esperance district. Therefore it must really be very attractive. About 20 miles west of Northampton we proceeded to Drage's farm where the light land reminded me of the Esperance treeless plain. There are wonderful possibilities in that district and there is an excellent rainfall. We were informed that the sandplain extended 35 miles in a westerly direction. If that be so, and also because of what we saw in the way of clovers and other grasses, there are really great possibilities in that part of the State. The only defect is that the country contains York-road and other poison, but there should be no difficulty in eradicating it by cultivation. That was the only place where, since leaving Esperance, we saw shepherd's lucerne. It was in a small patch around a tank and near some sheds which were used for housing machinery and so forth. I say more or less regretfully that we did not see more shepherd's lucerne, for I realise its value. Shepherd's lucerne, however, seems to be meant for the Esperance district. I do not know that it will grow well in any other part of the State. As regards the Esperance district, it is said that if there is shepherd's lucerne around the horse-yard, it will spread all over the farm, whether of 1,000 or 2,000 acres. In other districts it does not seem to spread so extensively.

From Geraldton we travelled to Yuna and other districts, where the rainfall is much lower than around Northampton and to the west to Northampton. There lupins grow well, and I have been informed that the country can be brought into production at a cost of about 30s. per acre. Pastures and that sort of thing can be laid down. It is stated that lupins there increase the fertility of the soil very considerably—even to the extent, which sounds extravagant, of 10 or 11 bushels per acre. That seems very high, but so it was stated in evidence by a reliable settler of many years' standing. I know the settler personally, and can vouch for the reliability of his statements. The district has a rotation of four or five years. The heavier land there was suffering from lack of rain, and the settlers were pessimistic, stating that if rain did not come very soon the crops would be extremely light. Never-

theless, the light land was doing fairly well. According to the evidence, in that district the light lands on an average had the higher yield. The impression derived by the Commissioners generally was that the heavier rainfall in the Esperance and Albany districts is ideal from a fat lamb production point of view. The average yield from light lands in the way of cereals was much better with the lighter rainfall than on the heavier lands. That is the conclusion to which the evidence led the Commission. I should say that Wongan Hills and Miling would be essentially wheat farming or mixed farming areas, more so than the Esperance and Albany districts, which are better fitted for dairying, fat lamb raising, pig raising, and that kind of industry. There is to be found a light lands district which is the poorest according to the evidence gathered by the Commission—wodgil, banksia, and pear country. Such land could never be worked profitably as a unit, but most likely it could be worked profitably as an adjunct to heavier land.

The Commission also went into the question of soil erosion, and put up recommendations. In those recommendations I concurred because soil erosion in the lighter lands of Western Australia will in time be a menace if serious consideration is not given to the checking of it. I have much more information here, but shall not go through it all since there will be other speakers and I have already occupied a good deal of time. However, I wish to have a little to say on one recommendation—for a board to deal with light lands. The Commission suggests that a board be established, having a term of seven years. We also suggest that the chairman be selected from the permanent staff of the Land Board, and that a representative of farmers and also a representative of the Government, selected from the country, be placed on the board. A farmer, we consider, should be selected from each of the land districts. The selection need not necessarily be from one place, nor restricted to one farmer for the whole of each land district. I do not know that one farmer would be conversant with the whole of any district. In the case of No. 1 land district a farmer representative might be appointed at Esperance, and perhaps one at Salmon Gums, or somewhere in the mallee. Those representatives would be permanently appointed for the board's term of seven years, but would be paid only for the days on which they sat

on the board. In the case of No. 2 district, probably two or three farmers could be appointed—one from Albany, one from Ravenshorpe, and one from somewhere in between. This, I repeat, would not increase the cost of the board, because the members would be paid only for the time they sat on the board. The same remarks apply to No. 3 land district.

The Minister for Lands: What would be the duties of the farmer members?

Mr. NULSEN: Their duties are set out in the report. They would not only classify the light lands, but would make recommendations to the Minister regarding conditions and the possibilities of settling the lands. Further, they would give consideration to the personal equation of applicants.

The Minister for Lands: That is impossible.

Mr. NULSEN: It is not always impossible when one knows the people. While on the Land Board in my district I knew all the 500 farmers there and had a very fair idea of their capabilities. Anyone living in the district as I was could acquire the same knowledge. I regret that I have mislaid a map which I had intended to exhibit to members. The selection of farmer members would also apply to the remaining land districts. There might be three, four, or five or even six farmers appointed in each district. Questions of the type of land and conditions would have to be considered. Farmer members would have personal contact with applicants, and would be able to advise the Minister much more advantageously than an official unacquainted with the particular district. In fact, that has already been proved. Such a board would be helpful to the State in general. Government officials stationed in the various districts, and therefore knowing the local conditions, could be selected for appointment to the board. For No. 1 district a Government official could be selected from Salmon Gums. He might be an agricultural inspector familiar with local conditions. Similarly a Government official might be appointed from Albany, and a third from Narrogin. In the case of No. 4 land district, the appointment could be made from Merredin. And so on. In the case of No. 6 land district a selection could be made at Geraldton. This may sound cumbersome, but I think it would prove workable and would conduce to the settlement of our light lands.

I know there is bound to be opposition to the proposal, but one must expect opposition. As a former member of the Esperance Land Board, I am convinced of the value of such boards. But for that board, I do not know what would have happened to the farmers in the Esperance district. I helped the farmers there and handled the whole of their affairs. Often it took me many months even to ascertain the exact financial position of the farmer. Not one of them seemed to have any idea of how he stood. Generally speaking, farmers are bad business men. They should be advised by some reliable persons in their district. The local governing body assisted by the member for the district could do the job. Since working on the Esperance Land Board I have felt that a board on similar lines, with local representatives, would be helpful in the development of the light lands of Western Australia.

The Commissioners inspected a few files of the Lands Department. There we learnt definitely that in some instances prices were highly irregular. I will give an instance from my own district, Fitzgerald, location 1482. This man had 260 acres classified, 130 acres of second-class, 90 acres as salty, third-class, and 40 acres consisting of a lake. He was charged 9s. per acre. That seems ridiculous. The case goes to show that the officers of the Lands Department did not give too much consideration to the quality of the land. Such a board as I have roughly outlined would be of great help in that direction. I appeal to the Minister to give full consideration to the irregularity of land prices. Further, it appeared to me that the greatest object of the Lands Department was to get the highest cash equivalent possible. The officials do not seem to give much consideration to the utilisation of the land, which is much more profitable to the State than immediate cash returns. The present policy should be changed to a policy of equalisation. Production is what the State needs, and we shall not get our outer lands settled as they should be unless we give due consideration to what is fair and equitable. I appeal to the Government to give due consideration to the findings and recommendations of the commission and I hope that they will be dealt with fairly. Before resuming my seat, I desire to pay a tribute to our chairman. The members of the commission travelled over the greater part of the State and I can

assure members that our chairman did everything he possibly could to better the lot of the people farming on light lands.

The Minister for Lands: I am sure he would do that.

Mr. NULSEN: He was also genial and helpful to members.

Member: Did you say genial?

Hon. C. G. Latham: I never even ran the Minister down.

Mr. NULSEN: I am speaking of our chairman as I found him. I personally thank him; other members of the commission will have an opportunity to do so, if they desire. I can account for his being a successful farmer, because he is a hard worker. He kept the members of the commission up to the mark; his questioning of witnesses was so thorough that he left very little for other members of the commission to ask. For that we were all very thankful. I am pleased to have served on the commission. I desire also to pay a high tribute to the other members of the commission. I had an enjoyable time travelling around the country with them. They all worked hard and earnestly to do something to assist the State to develop our light lands. As I have said, until we do develop those lands, we shall not be a great primary producing State, because we have large areas of undeveloped light lands with many miles of railways running through them. I desire also to thank the secretary of the commission. He was very helpful; he worked hard and did his job well. His knowledge of the matters into which we were inquiring was of great assistance to the members of the commission. Coming as he did from the Lands Department, he was an ideal secretary and we are all grateful for his services. He frequently worked at night and sometimes on Sunday, but made no complaint whatever.

I regret the evidence was not printed, because it may prove to be very valuable in the future. Much valuable evidence was obtained from Government departments and from farmers in the various districts through which we travelled. That evidence gave us a general understanding of the position and of the psychology of the farmers.

On motion by Mr. Patrick, debate adjourned.

MOTION—MARKETING LEGISLATION.

As to Unsaleable Surpluses.

MR. NORTH (Claremont) [5.37]: I move—

That in the opinion of this House marketing legislation should be amended to provide power for the various boards to organise the distribution of their unsaleable surpluses.

I hope to interest the House in this motion, because some pressure has been brought to bear by the Press, over the air and from the platform on the ground that we have not hitherto succeeded in dealing with the question of our surplus products on the one hand and our unemployed workers on the other. I shall deal with the motion generally, not particularly. I think if a general motion such as this is carried, we shall be able to achieve some result later on with the aid of experts. I read last night a leading article in the "Daily News" dealing with a statement made by Mr. Bruce, the High Commissioner in London, who said this—

Once the public conscience realised the meaning of a higher standard of nutrition in its effect on health there would be such an insistent demand for improvement in diet that no Government would be able to resist. The benefits from such a change would far outshine the improvements in hygiene and sanitation in the nineteenth century.

The article proceeds—

Details of the latest survey, conducted by the Commonwealth Advisory Council on Nutrition, have recently been made public. This report, dealing with Perth conditions, also said that the lack of purchasing power was a principal issue, and commented: "The community must face the responsibility, as a social charge, of finding means for making good the deficiencies in diet" where such existed.

That is a specific complaint which we have read over and over again during the last few years. Numbers of people get insufficient food; they have not sufficient money to buy enough food. I shall not refer to-night to the question of shortage of money, because that was dealt with by a Federal Royal Commission, and whatever action may be taken as a result of that commission's findings is not a matter within our sphere. I suggest, however, that marketing boards already in existence should be able to deal with surplus commodities that are now being destroyed.

I have before me three Acts to which I shall refer. The first is the Metropolitan Milk Act, Section 36, Subsection 1 of which

empowers the board, among other things, to regulate and organise the supply, sale and distribution of milk to consumers in the metropolitan area. That is all. Nothing whatever is provided for any surplus; the board merely deals with the supply, sale and distribution of milk to consumers at one fixed price. I shall now refer to the Dried Fruits Act, which provides that the board shall have power, in its absolute discretion, from time to time to determine where, and in what quantity, the output of dried fruits in any particular year is to be marketed, and to take whatever action the board thinks proper for the purpose of enforcing such determination. An absolute power is given to the board to market those products as it thinks fit, but no provision is made for the disposal of any unsaleable surplus. I now come to the Dairy Products Marketing Regulation Act, Section 34 of which provides—

The Minister may from time to time, after ascertaining that the supply and distribution of dairy products to consumers thereof in Western Australia will be insured, determine what is to be the quota for the purposes of this Act . . .

The Acts I have quoted confer powers upon boards to organise the sale of the various products to which I have referred, but there are thousands of people in the State who are unable to purchase those products. The aim of the motion is to enable those boards, of their own volition and by their own methods, to organise the distribution of the surplus products on hand from time to time. If this idea appeals to members, then the House will be well advised to pass the motion. If the Bureau of Economic Research which it is proposed to inaugurate is established, that is a body which could very well devise ways and means by which the boards I have mentioned could market the surplus products.

I should like to specify one method that could be adopted, to show that the motion is not mere generalisation. At present, we export butter. We get a price for our butter overseas that is considerably lower than that obtained locally. Why should not our people here who are below the basic wage, or who are C men, be given the privilege of buying butter at the price at which it is sold overseas? Why should not they be enabled to pur-

chase at the export price? Who would suffer? By selling our products overseas at a lower price we are, in effect, dispensing charity, and charity should begin at home. Many people in Western Australia are to-day unable to purchase butter at all; they buy other products, such as margarine and dripping. If they could purchase butter at the lower price, even to a small extent, how could that possibly hurt the local producer? He is clearing his costs by obtaining board prices in the general market. This proposal, if adopted, would increase the consumption of butter locally without spoiling the overseas market. What the objection could be to such a course I do not know, except perhaps that the idea is new.

Mr. Doney: It is always conceivable that the export price may be as high as the local price. The producers do not look for a lower price overseas.

Mr. NORTH: That is not so.

Mr. Doney: Quite frequently so.

Mr. NORTH: When that time comes, we shall be prosperous and able to find employment for those seeking it. We have this problem to solve. We know there are surplus products unsold from time to time. A preacher is broadcasting from a church at Claremont, drawing the attention of the community to the fact that members of Parliament are neglecting their duty in not making arrangements for the distribution of the unsaleable products to which I have referred. Here is an opportunity for the House to support a motion on general lines. No specific method is demanded to attain the desired end, but the passing of the motion would show that the House was agreeable to producers in this State making their unsaleable surpluses available to people in the cities, rather than destroying or burying those surpluses.

Mr. Sleeman: How would that apply to wheat?

Mr. NORTH: Subject to the proposal to fix a home consumption price, wheat is at present one of the commodities being supplied at less than cost price. I do not suggest interference with the marketing system of boards, but when those boards have obtained their prices from the people who can afford to buy, what objection can there be to providing some of the surplus at a lower price, as is done in the case of butter? I

have to mention butter because there are not many instances of commodities being exported under the conditions I have outlined.

Mr. Doney: If those commodities are being sold at any price, they are no longer unsaleable products.

Mr. NORTH: To word a motion to suit all experts in prose is a very difficult matter. I know that the phraseology is not exactly what it should be, but the words "unsaleable surpluses," according to my definition, mean products that would be saleable if all the people of the metropolis were engaged in full-time work.

Mr. Fox: How are you going to put them in full-time work?

Mr. NORTH: I do not think it can be done.

Mr. Doney: Then your motion is worded wrongly.

Mr. NORTH: Mr. Justice Wolff, in his report, told us that we must for all time expect a certain amount of unemployment. Consequently, for all time there will be a certain number of people who cannot buy various commodities at the prices arranged by the marketing boards. We therefore have to decide whether we are prepared to increase local consumption and turnover by making available to the unemployed at special prices those surplus commodities, or leave ourselves open to the charge that we have goods that could be delivered but are not delivered, and that there are products that could be grown but are not grown.

Mr. Patrick: You have in mind perishables, like vegetables?

Mr. NORTH: I have vegetables in mind. Let us consider the idea operating amongst the retail stores, such as the drapery stores. Every few weeks bargain sales are held, and thousands of people who could not dream of buying at the ordinary prices, on which the profit is made, brave the crush on sale days and get their requirements at lower prices.

Mr. Doney: Your motion does not deal with that.

Mr. NORTH: But cannot the hon. member see the analogy?

Mr. Patrick: Those stores do not give anything away.

Mr. NORTH: I should like to remind members that this motion which was submitted on a former occasion, has been designed at this juncture to answer the charges being made against Parliament from the pulpit and over the air. If this House indi-

ates to the various marketing boards that they should, of their own volition, devise means to distribute the surpluses that we know do exist, all will be well. If, on the other hand, this House says it will not permit the boards to exercise that power——

Mr. Thorn: But they have the power.

Mr. NORTH: The boards are not empowered to deal with unsaleable surpluses in the manner I have suggested. The idea contained in my motion is quite foreign in any case to the practice of the boards. They certainly aim at securing a reasonable price to cover the growers' profits, and nobody objects to that, but we do not want to have one half of the community at loggerheads with the producer because of the knowledge that thousands of people are unable to obtain those commodities.

Mr. Thorn: The boards have all the powers embodied in your motion.

Mr. NORTH: Only for marketing and selling at a fixed price in order to give a return.

Mr. Thorn: There is no fixed price.

Mr. NORTH: Then consider milk: why is it that if a retailer attempts to give away milk for the benefit of children, he is liable to lose his license?

Mr. Doney: Are there any unsaleable surpluses of milk?

Mr. NORTH: Milk is being thrown away every day. I could get affidavits from retailers in my district showing that they throw milk away every day. They cannot give it away; if they did so, they would be in danger of losing their licenses.

Mr. Patrick: They do not throw it away. Surplus milk goes to the factory to be made into butter.

Mr. NORTH: I think the House will realise that the question demands consideration. Year by year a larger number of people is finding these commodities are beyond their reach. A grower might have his books audited and show a good profit, and yet he may have been destroying hundreds of pounds' worth of his commodity while, on the other hand, thousands of people have been deprived of that commodity. I have raised the question merely in a general way. I have avoided specifying what ought to be done to overcome the difficulty, but I consider that the House should agree to the marketing boards having this power. The carrying of the motion would be a direction to the Government to make provision for all

marketing boards, present and future, to make available their unsaleable surpluses to the people in need of those commodities.

Mr. Doney: That is a natural part of their functions.

Mr. NORTH: Then the hon. member is making a specific charge against the methods now adopted by the boards. If it is true that they already have those powers, they are deliberately destroying surplus products in the face of the terrible privation being suffered by the people in need of those commodities.

Mr. Doney: Where have you heard of unsaleable surpluses being destroyed?

Mr. NORTH: We might very well borrow from the defence forces the practice of making mutual transfers. If a member of Parliament were transferred to another's electorate he could appreciate how things were done from that angle. Probably he would get a great shock. No doubt I would get a shock were I transferred to the middle of the wheatbelt.

Mr. Sampson: There is more done in other electorates than is dreamt of in your philosophy.

Mr. NORTH: This question has not received proper attention.

Mr. Sleeman: Would you suggest that the member for Williams-Narrogin should be transferred to Claremont?

Mr. NORTH: I am not sure that the producers realise how much harm is being done in the cities through a lack of their commodities.

Mr. Doney: A lack of commodities!

Mr. NORTH: Yes; let me instance dried fruits. If we made a house-to-house canvass in any street in the metropolitan area, except in the select centres of Nedlands and West Perth where conditions are all that they should be, we would find that probably in only one house in six were dried fruits in use at all. Yet it does not follow that the producer of dried fruit is not making a good profit.

Mr. Doney: And it does not indicate that there is an unsaleable surplus.

Mr. NORTH: Mr. Bruce has been telling the nations at Geneva that this question must be thrashed out, and yet it may all be boiled down to the humble case I am putting to the House. The marketing problem is the same the world over; that is, farmers and producers supply goods only in quantities to meet the effective demand of the local

market. They are indifferent to the needs of the poor in the large cities. Yet they could recover their costs, as they are doing at present, and they could increase their turnover without incurring loss if they accepted a lower price for the surplus, such as they are required to do when they export the product overseas. This surely is an instance where charity should begin at home.

On motion by Mr. Sampson, debate adjourned.

BILL—FISHERIES ACT AMENDMENT (No. 2).

Second Reading.

MR. WATTS (Katanning) [5.48] in moving the second reading said: I do not propose to occupy much time in moving the second reading of the Bill, because on the 31st August, as will be found in "Hansard" of that date, I moved the second reading of a measure of very similar intent. The only difference is that this Bill has to be moved in conjunction with another that stands next in order on the notice paper—a Bill to amend the Road Districts Act. The object sought to be attained by the two measures is exactly the same as was sought by the Bill previously moved to amend the Fisheries Act. The situation, of which I gave some details to the House at that time, has not changed. The Fisheries Department has not altered its expressed view as to the impossibility of its dealing with the conditions that arise in regard to fishing in the south coast estuaries previously referred to. Nor has the local authority of that district changed its mind as to the necessity for the Government, for reasons already given to the House, empowering it to exercise some control in this matter, provided that the condition precedent that I mentioned is complied with, namely, the vesting of the area in the local authority concerned. As I said when the previous Bill was introduced, this measure must be supported by details relating to a definite locality to have application to a local authority that seeks its aid, but can have application only if the condition precedent that the area be vested in the local authority be first complied with. Although the application of the measure is of particular interest to me, and to the people of my district at present, there is

coming a time, if it has not already arrived, when it will be of great interest to other districts. Members whose districts include areas similar to those I have described, as a result of which this Bill had its origin, would be well advised to consider whether the local authorities in their areas might not advantageously seek power such as I am proposing in this Bill. As I said, I do not intend to go over the whole subject matter again. I merely propose to say that the Bill, if passed, will enable local authorities, under whose control the Lands Department—I think that is the department—has placed the areas concerned to which the Fisheries Act applies, to be in a position to take over certain functions of the Fisheries Department and regulate fishing in those districts for the benefit, not only of their own people, but also of those they delight to encourage to visit their districts. At present, as I have shown, owing to the great distance from Perth, those functions cannot be handled efficiently by the Fisheries Department and therefore are in imminent danger of not being handled at all. In the circumstances, I have pleasure in moving—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Withers in the Chair; Mr. Watts in charge of the Bill.

Clause 1—agreed to.

Progress reported.

BILL—ROAD DISTRICTS ACT AMENDMENT (No. 2).

Second Reading.

MR. WATTS (Katanning) [6.3] in moving the second reading said: Originally when this matter was to be brought up for consideration, and on the advice of the officer who deals with the drafting of private members' Bills, I did not deem it necessary to introduce a complementary measure by way of amending the Road Districts Act. I find, after discussions I have since had with you, Mr. Speaker, there is a considerable measure of doubt as to whether it was necessary to resolve the matter into two Bills. As you are aware, Sir, out of consideration to your

wishes in the matter, I have caused a separate measure to be introduced. The Bill I now present to the House embodies an amendment to Section 204 of the Road Districts Act by adding a paragraph that simply provides that a local authority may make by-laws for the purpose of implementing the powers it will possess if the measure we have just been dealing with becomes law. I move—

That the Bill be now read a second time.

On motion by Minister for Works, debate adjourned.

MOTION—EDUCATION SYSTEM.

To Inquire by Select Committee.

Debate resumed from the 28th September on the following motion by Mr. Boyle (Avon):—

That a select committee be appointed to inquire into the educational facilities afforded by the State, with a view to formulating practicable recommendations for the institution of a more adequate system of education.

to which Mr. Cross (Canning) had moved an amendment as follows:—

That the following words be added:—“and which will not require children to do any homework.”

MR. THORN (Toodyay—on amendment) [6.5]: I am sorry that the member for Canning (Mr. Cross) saw fit to move the amendment standing in his name. It savours to me of kite-flying. Surely to goodness, we can leave the question of homework to the Education Department. Are we to start instructing the Education Department as to whether or not children should be allowed to do homework?

Mr. Marshall: Merely an inquiry is proposed.

Mr. THORN. Surely it is the business of the department to deal with that phase! The amendment of the member for Canning is just so much kite-flying.

Mr. Rodoreda: The problem is weighty.

Mr. THORN: The issue is not weighty: it is too small for this House to be bothered with. I trust the member for Avon (Mr. Boyle) will not accept the amendment, which does not read sensibly. The member for Avon proposes, by his motion, to deal with a big question, one to which Parliament could give serious consideration. I hope members will not give one moment's con-

sideration to the amendment, which is absolutely ridiculous.

Mr. Withers: Now tell us about the motion.

Mr. Marshall: He cannot do so at this stage.

HON. C. G. LATHAM (York—on amendment) [6.7]: I hope the amendment will not be agreed to. It is not necessary for a subject like homework to be introduced into the consideration of the motion. If it is the policy of the Government that homework shall be disallowed, the Minister has power to issue instructions accordingly. Even if he were to adopt that course, I do not think it would be acceptable to parents. The period of youth, as we all know, is very short. If young people are to make their way in the world, they must be fairly well educated. Every member of this House appreciates the fact that it matters little what the individual does in life, he can do it better if he is educated. If a man is engaged upon street-sweeping, he will be better able to do his work if his brain has been developed by means of education. I would be sorry if the Minister did issue instructions to dispense with all homework. We recognise that there are some children whose intellectual powers are limited, making it impossible for them to cope with homework. On the other hand, there are many who can engage upon homework quite readily. I have a fairly extensive knowledge of the requirements of children, particularly in the country schools, and only in one instance have I ever known a teacher to punish a child because the required homework had not been done. The fact that many children have to undertake certain work about the home is generally recognised, and children are not punished if they have not attended to their homework. The motion deals with a subject of great importance that the House can quite properly discuss at some length. Even if effect is not given to the motion, members will have had an opportunity to express their opinions. The amendment by the member for Canning (Mr. Cross) is rather ridiculous when sought to be attached to a motion affecting a subject of vital importance.

Mr. Warner: The amendment is Gilbertian.

Hon. C. G. LATHAM: It discounts the value of a motion such as that moved by the member for Avon. If the member for Canning can persuade the Minister that homework is wrong, and the Minister, looking to the future, considers that action in that direction would be in the interests of the children, he can issue instructions accordingly. The House would adopt a retrograde step if it agreed to the amendment. The intention of the motion is that a child shall have every opportunity to learn while he yet can absorb knowledge. That is a serious problem. I hope the House will not agree to the amendment.

MR. BOYLE (Avon—on amendment) [6.10]: I cannot agree to the amendment in any circumstances. The Minister for Education saw fit to make a very fine speech on my motion. It was a well-reasoned utterance to which I shall not make any further reference until I have an opportunity to reply to the debate on the motion. That the member for Canning (Mr. Cross) could seek to ridicule the proposition by moving his amendment suggests that such a proposal could emanate only from a mentality such as the member for Canning possesses. I do not wish to be hard on that hon. member.

The Premier: You are pretty hard.

Mr. BOYLE: The member for Canning does not move about the rural areas. If he did, he would not obtrude upon the consideration of a serious motion, which was treated with respect by the House and particularly by the Minister for Education, to whom I am grateful even for his adverse criticism. Such flippant action in seeking to amend the motion by reference to homework, which is an executive function of the Education Department, was unwarranted and insulting.

Mr. Warner: It is a wonder he did not tack on something about the advisability of teaching some of the shags he has over his way.

Mr. BOYLE: I find it hard to credit that the member for Canning was serious in his amendment, or indeed if he is serious regarding most matters. Even if inclined to credit him with being in earnest, I suggest that his zeal could be better applied to some other cause.

Amendment put and negatived.

MR. MARSHALL (Murchison) [6.13]: I regret I cannot support the motion, although I sympathise with the member for Avon (Mr. Boyle) and agree with much that he said. In all probability country children are severely handicapped with regard to educational facilities. I cannot appreciate what good purpose the appointment of a select committee would achieve. The motion deals with educational facilities, which include the requisite institutions for the education of children. The motion distinctly refers to "educational facilities," not to the education of the child.

Mr. Sampson: The terms are synonymous.

Mr. MARSHALL: The member for Avon did not disclose during the course of his speech where the education system was faulty. He did not enumerate the shortcomings of the system.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. MARSHALL: I respectfully suggest to the member for Avon (Mr. Boyle) that his motion, and most of his remarks in support of it, relate more to the inadequate facilities being offered to children already receiving education, than to the inefficiency of the curriculum or system of education. If that be the position the select committee could not furnish to this Chamber a report that would be very edifying. Every member is quite prepared to admit—I do not think the Minister himself would deny it—that the facilities for educating our children fall far short of what we would like them to be. On the Education Vote almost every member referred to the urgent necessity for improving the appointments of classrooms as well as the buildings, and for more favourable consideration being given to increasing the travelling expenses for children. The Chamber is in possession of all the information necessary on that aspect of education. If it is desired to appoint a select committee to go into the question of creating a more efficient method of education, the job will be a big one. Our system would have to be compared with that in other States and other countries. If that be the hon. member's objective he should have framed his motion accordingly. Can any member conscientiously say that in his electorate he has the most modern and efficient education system that could be devised, and all the requisite facilities? In

my own electorate the housing of the children and the appointments of some of the classrooms are deplorable. We know all about these shortcomings, and a select committee would get us nowhere in that respect. The Government is unable to do better than it is doing with the money at its disposal. Everything is a question of money. Because of the chronic shortage of funds, the Government must consider public demands from the point of view of urgent necessity. The Minister when dealing with the Education Estimates, and in addressing himself to this motion, pointed out that whilst he was well aware, and his officers were well aware, of the shortcomings no improvement could be effected until more money was available. I fail to see that a select committee would be of any great value. Some members may know that there is room for improvement in the methods adopted by the department for educating children. There is no need to appoint a select committee to tell us that. Continuation classes are needed in many centres of my electorate. A select committee could give very little information concerning the shortcomings in the administration of the Education Department. Most members who take an interest in their electorates know the position full well. When the select committee has reported and recommended those matters which we already know are necessary, of what use would the report be? We shall then have the bald statement from the Minister that, whilst the Government agrees with all that has been said, owing to the chronic shortage of finance nothing more than is being done can be done. I would like to support the motion, and would support it if I believed the report would lead to improvements in the methods adopted to educate the children of the State and in facilities provided for the schools. It is all a question of finance.

The Premier: That is the point.

Mr. MARSHALL: Yes. I am afraid it is impossible to do more than is being done. In his report the Director of Education has tried to influence the Treasurer through the medium of the Minister to make more money available for certain improvements. He desires to give effect to the very subjects mentioned by the mover of the motion. I know that select committees do valuable work. Some of the best reports we have ever received in this Chamber have been submitted by select committees. I am sure the com-

mittee in question would make a good report, but I am equally sure that nothing could be done until the financial position of the State improves.

Mr. Sampson: The recommendation would probably be worthy of consideration.

Mr. Cross: It would be a waste of time.

Mr. MARSHALL: The committee could only give us information of which we are now possessed. The Director of Education has already told us all about it. If the Government has no money and nothing more can be done than is being done, the select committee would only labour in vain. I do not know that any good results could accrue from its efforts. We are in possession of most of the information about the need for more up-to-date facilities and more modern methods. The Director and his officers are also up to date. They know their work and have submitted valuable reports. A conference of school teachers was held about 12 months ago. Very logical and sound advice was given at that gathering concerning the education of our children. The report of the conference is of great value to members, and I do not think a select committee could draw up a better one. Whilst I would like to subscribe to the motion, I fail to see how, even if the select committee made a valuable report, the Government could in the present circumstances, with the money at its disposal, do more than it is doing. It is idle to endeavour to drag out of the Treasury something that is not there. If the Education Vote were increased, some other department would suffer. It would be a matter of taking away from Peter and giving it to Paul. We have no real control over the financing of public institutions or public services. The control does not rest with the Treasurer of this State or of any other State. That is where our trouble lies. Members would be well advised to go to the root of the matter. Having adjusted the position there, they would readily discover ways and means to achieve their objectives. I am sorry I cannot support the motion.

THE MINISTER FOR LANDS (Hon. M. F. Troy—Mt. Magnet) [7.43]: I do not think this motion will carry the House very far. Not many members are competent to inquire into the education system of the State or advise upon what facilities should be provided. They may be able to recommend certain types of school buildings, the

provision of certain classes of schools, etc., but the motion goes further. It provides for an inquiry into the education facilities afforded by the State, and that must include an inquiry into the conduct of the University, because that is a part of the system. Some members of the Chamber may be competent to inquire into the system adopted by the University, but most of us have had no experience of it. Perhaps, we feel that we do not get the best return for our money, but we can get very little information from reliable sources. Even if a Royal Commission were appointed it would have to be well versed on education matters, and perhaps a Commissioner would be the last man in the world to condemn his confreres. Thus I cannot see how such an inquiry would go far. Some years ago a motion was discussed in this House for the appointment of a Royal Commission to inquire into the university system, the object being to ascertain whether we were getting a proper return for the expenditure being incurred. I was asked to take a seat on that Commission and I replied that I would not make one of the personnel. What knowledge would I have had to engage upon the investigation of a system of which I had no acquaintance and which I did not understand. Like many others, I feel that from the University we do not get an adequate return; I feel that the professors are giving too much of their time to matters outside the institution, such as writing for the newspapers and engaging in broadcasts, all of which must occupy a good deal of their time. That is the general feeling of the community; it is felt that the activities of the professors are not directed to the channel for which they are paid.

Mr. Boyle: Why not add an amendment to the motion to that effect?

The MINISTER FOR LANDS: I am not sufficiently well informed. With all due respect to the intellectual qualifications of the members of this Assembly, I feel there are not too many who would be able to engage upon an inquiry of this nature. They would have it put all over them, and so I hesitate to agree to the appointment of a select committee. One quarrel I have with the system is that it cultivates the belief that education is impossible unless it is carried out in beautiful buildings, or artistic surroundings, that culture is otherwise im-

possible. I profoundly disagree with that view. Members will agree that the greatest number of outstanding men in the world's history were never educated at the University or in beautiful surroundings. If we read the lives of men who have done anything in the world, we find that they were not all university men. The great philosophers and religious thinkers were not educated at universities, neither were the great inventors, and by inventors I mean those who have raised the standard of civilisation. The great patriots were not university men either, and the outstanding leaders of to-day are not university men. Take Stalin. He is the son of a cobbler. The Leader in Germany was a house painter and the Leader in Italy is a journalist and a blacksmith's son. Most of the men who are engaged upon the reconstruction of their countries were not University men. When I say that I am not speaking detrimentally of the value of education. The member for Avon complained about buildings. But the education of youth does not depend upon the type of building in which he is taught; his education depends upon the facilities offered and the type of man who offers such facilities to the students. The important factor is the man—the teacher, the character and capacity of the teacher. A little while ago some residents living in a dry area complained that the Minister had not given personal attention to a request to drain the playground, as if the drainage of the playground was the most urgent factor for the children. This was in an area where there had not been enough rain to grow a crop. I am reminded of the school in which I was educated. It was a plain, unpretentious wooden building, but all the same it turned out boys some of whom have rendered useful service in many spheres. I can recall one who became the Premier of Queensland, Mr. Gillies, and Queensland agriculture benefited by his knowledge and capacity.

Hon. P. D. Ferguson: How much did the teacher get in those days?

The MINISTER FOR LANDS: He did not get much.

Hon. P. D. Ferguson: You would not like to go back to those days.

The MINISTER FOR LANDS: That is entirely beside the subject. We are not discussing what the teachers received in those days, but what results were obtained. I

know that such principles as I possess, and such integrity as I possess, as well as any decency of character that I may have, were gained largely from the example set by the teacher at that school. If I may digress still further, I should like to refer to the question of discipline. The teacher I speak of did not spare the rod. I know of no man who used it more often.

Hon. C. G. Latham: He did not use it often enough on you.

The MINISTER FOR LANDS: But when I was leaving for Western Australia he saw me off and his parting remark was, "I suppose I treated you very badly." I replied, "You never spared the rod." He said, "But you did not want to learn anything, and I made you learn." I confess that he did make me learn; I was mentally lazy and he drove me to learning. I believe in discipline, and I am sure human nature has not changed in this generation. Recently in the country I was asked to attend a meeting organised by the Parents and Citizens' Association. I went there reluctantly; I had no excuse to offer for staying away. The head teacher delivered a lecture on psychology and it was an instructive lecture; indeed, a very profound one. He referred to the old principles of education and stated that the new principles enabled the teacher by psychological processes to get the best out of the child. I was very much impressed with the teacher's remarks because they were then very new to me. When the lecture was over, he invited the parents to discuss the question, but being modest they refused to express any opinion. Somebody remarked that, "Mr. Troy might like to offer a few remarks." I hesitated, in view of the fact that I had not had any experience in this new science. Anyway, I was prevailed upon to speak, as unfortunately I can be prevailed upon to speak when I should not do so. I said that I had listened with great interest to what the teacher had remarked about the nature of the child, and that by some psychological process the child's weaknesses, strength and peculiarities were understood, and also that without punishment major results were obtained. I had to confess that that was not my experience. If the head teacher in my time had made excuses for my laziness, I would have played up to him; there is no doubt about that. Psychologically, I would have been a very

willing subject, but the results would not have been very profitable to me. Reverting to the motion, I doubt the competency of a select committee to give a lead in educational matters. I confess that although I began life as a teacher in a very minor office, I know very little of the system, but I am of opinion that what is necessary and what is lacking in our schools to-day is discipline. Discipline is much better for the individual than the easy-going system which results in inefficiency.

Mr. Sampson: The select committee might be able to offer advice on that question.

The MINISTER FOR LANDS: At the present time, if a teacher punishes a child, an inquiry, in many cases, is demanded. The parents, perhaps, will send along a note demanding to know the reason for the punishment. I have known of an inquiry being demanded because a teacher had occasion lightly to cane a child. There is apt to be too much indulgence towards the child at the present time. I know that when I was punished, I did not dare to refer to it when I got home, because a note would have been sent to the teacher next morning to punish me again if he thought I deserved it. Looking back over the years, and having had some experience of life, I must say that, at all events in my case, such a system got better results than any easy-going system could.

Mr. Sampson: Not necessarily.

The MINISTER FOR LANDS: Probably it will be said that these ideas are old-fashioned. I do not think the member for Subiaco (Mrs. Cardell-Oliver) will omit to describe them thus. I shall be told that these ideas are out of date, that mankind has entered upon a new era and has buried the dead past. But there are many things in the dead past that are fundamental—our ethics, our morality, in fact, all that is basic. There cannot be any real progress unless based upon the fundamental principles of discipline and integrity. There is no such thing as a new order that is not based upon some sound experience of the past. I greatly regret my inability to support the motion—not because I do not want an inquiry, but because I do not think we shall get anywhere by inquiring into a system of which we have not had an opportunity to get any knowledge. Members like the member for Nedlands (Hon. N. Keenan), the member for Subiaco, and two or three others

have had some experience. The majority of us are merely plain men of the world.

Mr. Cross: One could not imagine the member for Toodyay (Mr. Thorn) being a member of such a select committee.

Hon. C. G. Latham: You dodged him this evening all right! You kept well out of his way.

The MINISTER FOR LANDS: There is no feud between the member for Toodyay and myself. I do consider that a thorough inquiry is possible. I admit I am lacking in sympathy when I find expensive educational institutions beseeching the Treasurer for more money to be spent on ornate buildings. We do not get results from ornate buildings, but we do from good teaching, good example, and good discipline.

The Premier: And that is where 70 per cent. of our education expenditure goes.

The MINISTER FOR LANDS: Most of the expenditure is for that essential purpose. I would not be impressed by any select committee which recommended to the Government the building of ornate structures anywhere in the country. I want to see efficient education, and I know efficient education can be got anywhere provided the man who can give the education is there. One of the most outstanding magistrates in Western Australia, a gentleman who never had a decision reversed, told me that he never got a day's education in his life beyond that which he obtained from a convict shepherd herding sheep on the Plains. Yet he was one of the best-informed, wisest, and most honourable men I ever met. I stood in great admiration of his character. All over the world there are men who obtained education in spite of great obstacles. Not long ago I read a charming book written by the Rev. A. E. Makepeace, M.A.—I think the title of the book was "What I Could Never Be." That man studied under the slush lights of the streets of Glasgow, in the sleet and snow. He was a remarkable man in consequence. When I was in Queensland a few years ago I was operated on by a doctor whom Dr. Cumpston recommended to me. This Queensland doctor was a Scotsman, by the way, and this Scotsman was a highly capable man who had educated himself in the face of great difficulties. The Scottish race has done things in the world of which it may be proud, but its character has de-

veloped because of great difficulties. It had a hostile, poor country to live in; and there it developed its characteristics.

Mr. Patrick: But it had a hundred years start of England in education.

The MINISTER FOR LANDS: I do not know any Englishman who will admit that. It is a highly ex parte statement.

Mr. Patrick: It is quite correct.

The MINISTER FOR LANDS: I, for instance, come of Irish parents; and my people always told me that Ireland was "the Isle of Saints and Scholars" when England and Scotland were barbarous countries. I am not prepared to accept that. There may be some truth in it. The men I refer to overcame great difficulties, and there always will be men who will do so. Universities will turn out men very valuable to the country; we must not deny that. Those men have their place in the State. But to say that book learning is everything, that reading from books and acquiring knowledge from books is everything, is to speak something very foolish indeed. The majority of men here and elsewhere get their learning in the school of life, in facing life's difficulties, in overcoming obstacles. That it is which builds up character. So I confess that I am not greatly interested in educational institutions which cannot educate without ornate and magnificent surroundings. We sometimes feel that having regard to the amount of money we spend on education, we are not getting a fair return for our money. I remember visiting a certain institution which I will not mention just now, and finding there a lot of students lying out in the grounds. I asked, "Is this a school hour?" I was told, "Yes, it is." Then I asked, "What are the pupils doing out there?" I was informed, "They are learning how to utilise their leisure." I was once at the age of those pupils myself, and I know how easy it is to cultivate laziness. It is time we had an end of those stunts of which we have had too many in our education system. We have too many attempts by certain individuals to engage in stunts. It is this phase one year, and next year it is another, and so on. We are in danger of not knowing whether our community will be properly educated or not. I would be heartily in agreement with the motion if I thought a select committee could do the job; but I am not convinced of that. If a Royal Commission is appointed, we

shall need to appoint another educationist; and that educationist is not likely to disagree with the activities of his own colleagues in a similar sphere. For these reasons I regret that I cannot support the motion.

MR. SAMPSON (Swan) [8.10]: The Minister's remarks are certainly interesting; but I sometimes think that, looking back, we exaggerate many of the glories of the past and forget the real facts as they existed then. Our teachers of to-day recognise that to lead, and not to drive, is to secure the best that is in a lad. And to what heights of capacity, ability, forbearance and general consideration might not the Minister have arisen had he in his earlier days received the kind consideration which modern education aims to give to the children in our various schools! Personally I am inclined to think that the quiet retiring lad who received that treatment did not get the treatment that was best for him. In my opinion it would have been a much better thing for all concerned if some of the kindly consideration which, I understand, animates teachers to-day, had been bestowed upon the toddling lad who was striving to learn, but unfortunately found this thing called discipline helped to make his early life hideous. Such as he can only look back upon it with a large measure of sorrow and regret. Age has a mellowing effect, and I realise that as one grows older one is apt to take the view that in one's youth things were better than they are now. But that is quite a mistake. I am sure of it. When we realise that in those days—the days when the Minister was a little fellow and I was young—probably the majority of people could not even write and a greater proportion made a mark by way of signature, we must acknowledge that those days were not better days than these. Look at the progress that has resulted from the proper treatment of children in the matter of education! The progress made by the Minister was not due to the shocking treatment he received: any advantages he gained were gained in spite of it. That surely is the case. If we go back to those times and get the figures relating to the death rate of children, we find that in every respect to-day we are far better off. It was only those children who were specially wiry and vigorous that could stand up against "the slings and arrows of outrageous Fortune," and live through it. Of these the Minister evidently was one. There was too much discipline altogether then. What is

discipline? Discipline is something which is exercised to control a naturally wicked boy.

Mr. Cross: There is nothing about that in the motion, though.

Mr. SAMPSON: There was, in my opinion, too much discipline. That can be taken as argument for the carrying of the motion submitted by the member for Avon. Usually, what we want we need most. It is recognised to-day by our fine system of modern education that what is wanted is more consideration, less of old methods, more understanding. We have a good system of education, but to say that we have reached perfection is wrong. We have not reached perfection. Always perfection is leading on before, and we have to work very hard in order to stand up to, and take our place in, competition with other peoples of the world. I like to hear the Minister speak, but I do hope that I shall never again hear him bestow such terms of admiration on the bad old days. They were bad days. Why, the Minister sometimes—if he has told us all the story—had to stop at home because he did not have the fourpence schooling money; and he was not the only one, I daresay.

The Minister for Mines: I daresay he remained at home because he had to stand up to eat his breakfast.

Hon. C. G. Latham: That was because he could not sit down the day before.

Mr. SAMPSON: We know something of the village schoolmaster. I wish I had known this motion was coming on: then I would have been letter-perfect in the description of that worthy.

And still the talk went on, and still the wonder grew,

That one small head could carry all he knew. That is how the teacher was regarded in those old days. To-day, we look around and see the member for North-East Fremantle and hear him explain to the House what is needed. We also hear the Minister for Education explaining what is needed. Better than all, we hear them pointing out that whatever is being done, there is still possibility of improvement. We applaud that. We hope the motion will be passed and that the Minister will forget all the sadness of the past and look forward to the future when, mellowed by time, he will be able to enjoy the remembrance of some of the treatment he received, which I personally think was of no ill advantage to him.

MR. RODOREDA (Roebourne) [8.16]: I regret that I also cannot support the motion. In future, a very strong case indeed will have to be made out for the appointment of a select committee if I am to vote for it. I have noted the results of the efforts of select committees. I have acted on two or three of them since I have been a member, and doubt whether the results they achieved were worth the time and energy expended on them. Any inquiry we might hold into this educational question would, in my opinion, be practically futile. I agree with the mover of the motion that our educational facilities could be improved. I certainly agree that we should receive greater facilities for the money we expend on education. This State is not getting value for the money it is spending on education. We erect elaborate school buildings in the city; the magnificent school at East Perth is an example, but will that particular school have the wonderful effect upon the children about which we heard? We were told that environment would make all the difference in the world to the children. Nevertheless, the children spend most of their time outside that environment; the environment will have no more effect upon the greater number of them than if the school were built of wood and iron. So we find that much of the money provided for education is expended upon elaborate buildings. With the member for Avon, I believe that our country children are not getting a fair deal from the Education Department. I have always held that view. We can afford to subsidise the University to the extent of £34,000 or £35,000 a year, but we allow the children in the outback country to starve for want of an elementary education. Schools in the country, with four or five classes, are conducted by one teacher. How can he teach those children properly? It is impossible. It is enough to break the teacher's heart. He must concentrate either on the lower classes or the higher classes to the detriment of those he neglects. Practically no facilities are provided for country children to secure an education higher than the school they are attending will afford them. I would rather see the University grant expended upon scholarships—50, 60 or more per year—for our country children to enable them to attend schools in Perth, where they can obtain an education higher than that which they now obtain.

I do not think for a moment that this State is able to afford a free University. I doubt whether the State derives a benefit in any way commensurate with the amount expended upon the University. I prefer the position that prevailed when I was a lad going to school. The then Government provided scholarships for deserving boys, or boys who had proved their ability, to enable them to attend the Adelaide University. Those scholarships were tenable for three years and I think amounted to £450. The subsidy of £35,000 to the University would be better expended, in my opinion, upon such scholarships. Let the parents of those students who attend the University pay for the education of their children. It is scandalous that most of the parents whose children are attending the University can afford to pay for the education the children receive.

Mr. Sampson: Why not let the committee inquire into that matter?

Mr. RODOREDA: I believe many students attend the University merely for the sake of the social advantages they derive from so doing.

Miss Holman: You are mistaken.

Mr. RODOREDA: I may be, but I am entitled to express my opinion. More money ought to be provided for technical training. That is the kind of education our children require. We do not want three-fourths of our University graduates to find there is no work in this State for them when they leave the University. Most of our University graduates obtain positions outside the State, some in eastern Australia and some in other countries, yet we pay for their education.

My own experience shows me that during the past few years too much time is devoted in our upper schools to what I might term frills. Many boys and girls who leave school at the age of 14 years have great difficulty in speaking their own language properly, and very great difficulty in composing a well-written letter. They may know all about some abstruse subject, but that will not help them in the battle of life. For instance, a domestic science course is available at these schools. Girls are taught cooking. They are taught to bake a cake and are supplied with the very best ingredients that can be obtained. But when they go home, can their people afford to pay for those ingredients? Some of those pupils should be taught to make a

cake without eggs and with dripping instead of butter. No doubt they could bake a good cake if they were given half-a-dozen eggs and a pound of butter, but the average home in this city cannot afford that sort of thing. Yet, if the girls were asked to make a common or garden Irish stew, they would be lost.

Member: Or a damper.

Mr. RODOREDA: They would not know what a damper is. Our education authorities ought to give serious consideration to the question whether we are getting value for the money expended upon education. A tendency seems to exist right throughout the world to exalt the business of education. There seems to be a concerted urge on the part of educationists to aggrandise their profession, to make it something out of the ordinary, without which the State cannot get on. They want us to carry out new and wonderful ideas, to study psychology. They talk learnedly about inhibitions, repressions, and that sort of thing. I believe that most of the education people get they learn after they leave school. If they get a good grounding in the essentials of education and if they have any ambition, they will acquire all the education they need. I regret I cannot support the motion. I do not think any finding that a select committee might make would have the least effect, but nevertheless I trust the Minister will do his best to ensure that a more practical education is given to our children in the upper schools than is given at present.

MR. BOYLE (Avon—in reply) [8.26]: I desire to thank members for keeping this debate up to such a high standard. The component parts of the debate have, in my opinion, been excellent, even including the personal reminiscences of the Minister for Lands, no doubt painful to him but entertaining to us and, incidentally, coinciding with my personal experience. I also was educated by force majeure, or the stick. I bear no ill-will to those who administered education to me in that way. I make an open confession, which is said to be good for the soul, that I was an incorrigibly lazy boy. The corrective for laziness is the fact that it does not pay, or that the pupil is not allowed to make it pay.

Member: There were some wonderful features in those days.

Mr. BOYLE: To be reminiscent, I had one teacher who was drunk for about half the

week at one stage. That is what we in this state had to put up with in those early times, but that day has passed.

Hon. C. G. Latham: They were very often clever men.

Mr. BOYLE: Possibly—clever enough to manage without work. The Minister's statement in reply was very calm, judicial, well presented and most inaccurate.

The Premier: Do not spoil it.

Mr. BOYLE: His reply was built up mostly of assumptions that he himself proceeded to demolish.

The Minister for Works: If that is so, you would be a very busy chairman of the committee if it were appointed.

Mr. BOYLE: I am speaking after a careful perusal of the Minister's statement and my own speech. Many points in my speech the Minister dealt with fairly and squarely; but I shall proceed to explain that many of his statements were mere figments of his imagination, because I did not deal with those matters. Could I go a little further, I hope without impertinence, and read into the Minister's speech the fact that though the voice was Jacob's, the hand was that of Esau, because his reply was undoubtedly a carefully prepared departmental reply?

The Minister for Education: No.

Mr. BOYLE: I do not say it was wrong to give a departmental reply. The Minister is entitled to secure from his department all relevant information. I know that the Minister is a very busy man. He is administering three departments, any one of which would be enough for an ordinary man. But there are a lot of statements in the Minister's reply that savour of officialdom and are meticulous. I would quote the number of children in the metropolitan area and the country area. He gave the number within a 15-miles radius of Perth as 28,500 and the number outside 27,600, whereas I quoted 30,000. That is a departmental reply and a splitting of hairs. But that goes to prove my case because we find that within the 15-miles radius of Perth there is located 47 per cent. of the population of the State, and that 47 per cent. of the population has 28,500 of its children cared for under a system which I stated I am not cavilling about—that is the system of education as applied to the metropolitan area—whereas outside the metropolitan area there are 27,600 children drawn from 53 per cent. of the population.

Thus there are 900 more children in the metropolitan area drawn from 6 per cent. less of the population. I can say without fear of successful contradiction that the farming areas of the State are the prolific areas as regards children.

The Premier: And the goldfields, especially considering the large proportion of single men there.

Mr. BOYLE: I grant that.

Mr. Styants: What about those C class men in Subiaco?

Mr. BOYLE: I presume the hon. member means those like the C class man with 13 children. That was the discovery of the member for Subiaco; I am not taking any responsibility for it. In trying to prove that the country children numbered less than those in the metropolitan area, I am entitled to advance the argument that the six per cent. extra in the country are furnishing 900 fewer children, proving my contention that there are many hundreds of children in the country areas not receiving any education at all.

The Premier: Over a thousand are doing the correspondence course.

Mr. BOYLE: There are 1,300 in correspondence classes. I shall deal with that point later.

Mr. Watts: Are the correspondence students included in that number?

Mr. BOYLE: I believe they are. One point in the Minister's speech to which I object greatly is the statement that I cast a slur on the department in asking for an inquiry and also in my remarks. In opening my speech I pointed out that I was perfectly satisfied with the administration of the department. I indicated the low cost of administration. I pointed out everything I could in favour of the administration, and I still believe what I said. If the mere fact of my asking for a committee of inquiry with a view to providing more adequate facilities, particularly for country children, is tantamount to casting a slur on the Education Department, then I shall be casting slurs on the department as long as I have a seat in this House.

The Minister for Education: My objection was to the statement you made that it was an inefficient education that 30,000 children received.

Mr. BOYLE: I say it is decidedly an inefficient education. I still say so. That is no reflection on the department.

The Minister for Education: That is the one point I specifically objected to.

Mr. BOYLE: I am pleased to hear that. I would not cast a slur on the department in that left-handed way by praising the department and having it regarded as a slur. I think the Minister has been inclined to stretch a point against me there.

The Minister for Education: I made that very clear.

Mr. BOYLE: Country teachers were alluded to and I was said to have reflected on them. I make a rule of knowing every country teacher in the 3,500 square miles of my electorate. I attend the meetings of parents and citizens, and the headmasters are invariably present. I can assure members there is nothing but unity between the member for the district, the teachers and the people concerned. To put it briefly, the attempt to charge me with hostility to country teachers is something that I certainly must refute. The Minister said that country pupils definitely have an opportunity of taking a post primary course. Have they an opportunity to take a post primary course? The Minister said he would read the report of his chief executive officer—I also have read that report—to show that pupils definitely have the opportunity to take a post primary course. That is one of the points at issue in my motion. I said that outside the metropolitan area there are practically no opportunities for country children to proceed past the ordinary primary course. The Director of Education, on page 14 of his report for 1937, says—

Although it is realised that such a course (post-primary) must be of necessity at present mainly academic, there are certain phases which, with the limited apparatus available, give opportunity for science study. Widening the range in this direction must be one of the aims in this course of study, but the funds necessary must first be made available.

There is the whole crux of the matter. The Minister said that the post-primary course was available. The Director of Education says that the funds necessary must first of all be made available.

The Minister for Education: He was referring to the buildings.

Mr. BOYLE: He was referring to the post-primary education in country schools. The necessary money evidently has not been made available.

The Minister for Education: For buildings, but there are facilities for post-primary education.

Mr. BOYLE: I did not at any time in my speech say there should be more than one University in Western Australia. In most States or Provinces there is one University only situated in a central position. A university is a very expensive institution, as we are finding out. I was pleased to hear the member for Roebourne remark that it was time we took stock of the free education of the University. I have no objection to free education from the kindergarten to the University, but I have a decided objection to that education being provided mainly at the expense of rural children; and that is what is happening at present. I never at any time said that the University was solely a city institution because I pointed out that of every 100 students attending the University, 77 were from the city and 23 from the country. The fact remains that 53 per cent. of the population of this State is furnishing only 23 per cent. of the students at the University, whilst 47 per cent. of the population of the State is furnishing 77 per cent. of the students at the University. In other words, we are training 900 professional students at the University every year and there is no outlet, or very limited opportunity, for the services of those boys and girls. For the country boy or girl, however, there is no opportunity unless parents perhaps sacrifice other children in order to send one boy or girl to the University. Of every 100 students, only 23 can come from the country, notwithstanding that last year this Parliament voted £34,500 for the upkeep of the University.

I agree with the member for Roebourne that it is high time we had a committee of inquiry. It is high time that we took stock of the education facilities. It is high time, as I pointed out previously, that our system of education was prevented from becoming top heavy, and that we removed the risk of having perhaps an over-educated section in one part of the State, while the poor devils in the other part receive not even an elementary education nor the means of getting it. In my district I have insistent requests from women's organisations, returned soldiers' organisations, parents and citizens' associations, rural organisations and all sorts of

organisations complaining of the lack of education in the country. Are all those people wrong? Are they imagining grievances? I do not think they are; I am in too close touch with them to believe that.

In reply to an interjection by the member for Williams-Narrogin, the Minister said that it was a matter of country versus city bias. There is no bias at all. I am putting up a case for those people who cannot put up the case for themselves. That is why members are returned—to fight the people's battles for them. I decline to be intimidated by a statement that it is country versus city bias. There will always be that bias so long as these injustices remain. Any man who fights an injustice, I suppose, could be accused of bias. The Minister said that no select committee could make a difference between opportunity plus and opportunity minus. I say a select committee should go a long way to discover the cause and offer a remedy for the present lack of opportunity. Unquestionably there is a lack of opportunity between those who live in big centres and those who dwell in small centres. That is pointed out in the American Harrison Fletcher Education Bill. The President of the United States summoned a conference from all ranks of life, and at present there is being passed through the American Federal House what is known as the Harrison Fletcher scheme, which attempts to remedy this state of affairs because of the incipient danger associated with it. People will not suffer these injustices without hitting back, and the hit back will be that they will grow tired of country life, as they are tiring of it. Parents will move to the larger centres and the very evils we are seeking to dissipate will increase and become a national evil. Because of that, I ask for the appointment of a select committee.

If the select committee proves to be of no value at all, it will have tried to do something. To assume that the committee is foredoomed to failure is to assume that all select committees are weak in basis. The Minister said we once had an investigation by professionals and not by amateurs. That question has been dealt with. We had a Royal Commission in 1921 headed by Mr. Peter Board, of Sydney, with Dr. Saw, M.L.C., and Mr. G. F. Pitchford, of Bon Marche

Stores, as members. Members will be interested in a reference to the wheat harvest, which at that period was 11,000,000 bushels. The people for whom I am seeking adequate education facilities, have increased the wheat yield of the State from 11,000,000 bushels in 1921 to an estimated return of 40,000,000 bushels for this year. They raised it to an actual return of 38,000,000 bushels last year. The farmers have done their job and it is merely fair that the State should do something for them. We have heard some talk about opportunities. Here is a small human document that I wish to place before members. Suggestions have been made that the people outback are catered for and that the Education Department has done its best and done it effectively. I have a letter dated the 25th March, 1937, that was written in the interests of a small band of people farming 20 miles north of Kellerberrin. While carving out an existence for themselves, they are also aiding the production of the State. They have furnished hundreds of tons of freight since they have been developing their holdings in an outlying district, and yet from Mr. D. H. Evans, the secretary of the North Kellerberrin Parents and Citizens' Association, I have received the following letter:—

Having purchased and erected a school for our children at North Kellerberrin—

Incidentally they purchased an abandoned farmhouse.

—I thought that as the cost to the parents had been heavy, the least the Government could do would be to refund us the cost of freight, £7 2s. 1d. I think it is about time that the country children had a chance to be educated as well as the city children. I trust that you will do your utmost to have the freight refunded as we have to purchase a rain water tank, which will cost £5 or £6.

The Director of Education replied to my representations that the regulations prohibited the refunding of money to the Kellerberrin people.

The Minister for Works: That is the sort of stuff that would be placed before the select committee. All these hard-luck tales could be mentioned there.

Mr. BOYLE: Is that not an instance that should be brought before the House?

The Minister for Works: Why not submit that to the department?

Mr. BOYLE: It has been submitted to the department, and the regulations were quoted as prohibiting any refund.

The Minister for Works: What could the select committee do?

Mr. BOYLE: Overhaul those regulations for a start.

The Minister for Works: Oh!

Mr. BOYLE: The Minister can ejaculate "Oh!" This talk of immutable laws makes no appeal to me. The North Kellerberrin people bought a miserable house and some timber in addition, and expended £7 2s. 1d. The department will not refund them one penny, although the people wish to buy a tank to supply the children with water. Even school books are not sent to that centre until they are paid for. Surely members will recognise that that is an instance of opportunity minus, with a vengeance. Members find it difficult to imagine how people can be content to remain in such an outlying district when their children are deprived of the ordinary amenities of civilised life.

The Minister for Works: That is another question; an economic problem.

Mr. BOYLE: Yes, of highly indirect benefit.

The Minister for Works: That is so.

Mr. BOYLE: I conclude that the Government will use its brutal majority to defeat the motion.

Mr. Cross: Then why waste your time?

Mr. BOYLE: I arrive at that conclusion on the strength of the speeches delivered from the Government side of the House.

The Minister for Works: I have known of instances of brutal minorities.

Mr. BOYLE: The Minister may defeat the motion, but he cannot abate the rising tide of indignation in the country districts against educational injustice and lack of opportunities for rural children.

The Minister for Works: You should put that stuff up to conferences of parents and citizens' associations.

Mr. BOYLE: I am raising the question in Parliament.

The Minister for Works: It is good sob stuff.

Mr. BOYLE: It is nothing of the sort. That is a very cheap jibe from the Minister, in whose district there has just been completed an £8,000 school. Is the Minister short of educational facilities for the benefit of the children in his electorate? Of course not!

And yet the Minister jeers about cheap sob stuff when I speak about the position of children in the rural areas.

The Minister for Works: But the schools are overcrowded in the metropolitan area.

Mr. BOYLE: That may be so, but the teachers and the necessary facilities are available for the children. Inconvenience is the only trouble here, not lack of opportunity or of essentials. There is an abundance for children in the metropolitan area where there are 13,000 attending private schools alone. If ever a city was over-supplied with educational facilities Perth, is, compared with what is available in the rural areas.

The Minister for Works: All the schools are over-crowded in my electorate, and classes have to be held outside the school buildings.

Mr. BOYLE: I do not dispute the Minister's statement. Nevertheless, the greatest trouble in the metropolitan area is merely a matter of inconvenience, not a total lack of educational facilities. I could take the Minister to my electorate and show him centres where no school or teacher is available, and not the slightest effort is made to provide the children with educational facilities.

Mr. Sleeman: How many children would there be?

The Minister for Works: We are keeping schools open in your electorate where there are only seven children, and we are providing teachers too.

Mr. BOYLE: That is quite so.

The Minister for Works: You forget those things.

Mr. BOYLE: The Minister should not take umbrage to himself because of that. I could take him to one centre north of Merredin where there are 20 children without any educational facilities at all.

The Minister for Works: It would be better if we had larger district schools instead of all these little ones.

Mr. BOYLE: The member for Murchison (Mr. Marshall) delivered a sympathetic speech, and I am quite satisfied that he would support the motion—if the party whip had not been cracked.

Mr. Marshall: That is not fair.

Mr. BOYLE: I believe that the party whip has been cracked.

Mr. Sleeman: You know that is nonsense.

Mr. BOYLE: I realise that members on the Government side of the House are sub-

ject to that iron discipline mentioned by the Minister for Lands. What I am seeking is an educational stocktaking, and surely that is not asking too much. I have a good deal of confidence in select committees.

The Minister for Works: Why?

Mr. BOYLE: I happened to be a member of one that was quite successful. I may be prejudiced, but I regard select committees as the only recourse open to members of Parliament. We cannot appoint a Royal Commission, although we can pass meaningless motions with that object in view. On the other hand, we can make a direct demand for the appointment of a select committee. It is the grandest privilege in the hands of members of this House. That is one reason why a select committee might do immense good. During the debate reference was made by some members to the fact that many of the men who have loomed large in history came from outback centres. That is merely a platitudinous utterance. Do members regard that as something to be desired? Are we to impose disabilities on rural areas in the hope that, by some reverse process of reasoning, we shall evolve supermen? Of course not. If they adopt that attitude, members will help to develop an anti-social feeling in the outer areas. The country people will take notice of the opportunities available in the metropolitan area and larger centres of population. The habit of asking themselves why this is so will naturally grow, and ultimately those people will be encouraged to go where the fleshpots are.

The Minister for Works: They are not anti-social.

Mr. BOYLE: The country people are the most long-suffering on the face of God's earth. We must alleviate their trials and put an end to their sufferings.

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

Ayes	18
Noes	14
Majority for	4

AYES.	
Mr. Boyle	Mr. McLarty
Mrs. Cardell-Oliver	Mr. Patrick
Mr. Doust	Mr. Sampson
Mr. Ferguson	Mr. Seward
Mr. Hill	Mr. Sleeman
Mr. Hughes	Mr. Styants
Mr. Lambert	Mr. Watts
Mr. Latham	Mr. Willmott
Mr. Allan	Mr. Doney

(Teller.)

NOES.	
Mr. Cross	Mr. Rodoreda
Mr. Fox	Mr. F. C. L. Smith
Mr. Hawke	Mr. Troy
Miss Holman	Mr. Willcock
Mr. Marshall	Mr. Wise
Mr. Millington	Mr. Withers
Mr. Pantou	Mr. Nulsen
	(Teller.)
PAIRS.	
Ayes.	NOES.
Mr. Keenan	Mr. Collier
Mr. North	Mr. Wilson
Mr. Shearn	Mr. Raphael
Mr. J. M. Smith	Mr. Tonkin
Mr. Stubbs	Mr. Hegney
Mr. Thorn	Mr. Needham
Mr. Welsh	Mr. Coverley

Question thus passed.

Select Committee Appointed.

Ballot taken and a select committee appointed consisting of Mrs. Cardell-Oliver, Messrs. Cross, Doney and Lambert and the mover, with power to call for persons and papers, to sit on days over which the House stands adjourned; to report on the 2nd November.

BILL—COMPANIES ACT AMENDMENT.

Second Reading.

Debate resumed from the 28th September.

MR. HUGHES (East Perth) [9.10]: The Bill has my support. It is a step towards amending a section of our legislation that is sadly in need of an overhaul. The laws governing the formation and conduct of incorporated companies in this State have fallen into very bad use. Most countries have made revisions of similar legislation from time to time. In the Eastern States, several efforts have been made to improve the company laws. The South Australian Parliament passed a comprehensive amendment, but I doubt whether it will achieve all that was desired. Unquestionably it created a good deal of complexity in the company laws of that State, and has not achieved all that the framers intended for it. I think the main reason for this is that, no matter what is done, people persist in investing their money in the hope of getting a quick return. If they think they can get something for nothing, they cannot make the investment too quickly. When they are shown a good solid investment, they hesitate a long time before putting their money into it. This Bill deals with something that has caused much injury to Western Australia. At present no one could float a company

in London for the purchase of shares in the Mint if the fact were disclosed that the Mint was situated in this State. Through malpractices and frauds that have been perpetrated in London in connection with mining companies in this State, investors have suffered severely. Many of these malpractices have been made possible because of the defects in our company law. By virtue of the creation of a dummy Australian company, the shares in that company have been sold to an English company. People in England have thus been persuaded to buy shares in that English company on the recommendation of the promoters, when they were not aware that the promoters were the vendors. The easiest way to demonstrate that point is to instance one or two companies and show how the people concerned used the defects in our company law to induce investors in London to put their money into mining ventures in Western Australia when there never was a chance of their getting it back. I am not much concerned about the investors, because many of them from their positions in life and their educational qualifications were well able to examine the proposal for themselves. They failed to do that, and the responsibility rested with them. That form of company flotation and that method of getting money from London had a detrimental effect upon the State, to such an extent that it cannot now secure funds for the development of its own industries. That being so, the time has arrived when Parliament should examine the position. On the 26th June, 1932, Mr. Claude de Bernales, and those who were interested with him, registered at the Supreme Court 14 goldmining companies. These are the companies:—

Company.	Capital. £
Riverina Goldmines, Ltd.	150,000
Southern Cross United Mines, Ltd.	200,000
Day Dawn Goldmines, Ltd.	125,000
Leonora Goldmines, Ltd.	200,000
Mars Goldmines, Ltd.	125,000
Wheel of Fortune Goldmines, Ltd.	125,000
Ajax Goldmines, Ltd.	125,000
Black Range Goldmines, Ltd.	125,000
Emu Goldmines, Ltd.	125,000
Lochinvar Goldmines, Ltd.	125,000
Beryl Goldmines, Ltd.	200,000
Starlight Goldmines, Ltd.	200,000
Phoenix Goldmines, Ltd.	200,000
Westralian Tailings Treatment, Ltd.	100,000
	£2,125,000

I venture to say that in most of those 14 companies the only trace of gold found to date is in the names.

The Minister for Justice: That is not so.

Mr. HUGHES: How much did the Starlight produce?

The Minister for Justice: I do not know how much it produced, but I know that a lot of gold has been produced from some of those you mentioned, the Phoenix, for instance.

Mr. HUGHES: I shall be able to show the Minister that a lot more gold has gone into those companies in the last four years than is likely to come out of them in the next 40 years.

The Minister for Justice: That can be said of the mining industry as a whole.

Mr. HUGHES: But it is not right that glowing reports by ex-Government officials should be published in London when the mines will not stand up to those reports to anything like a reasonable extent.

The Minister for Justice: You never know what a mine contains until you develop it. It was considered that the Great Boulder was about to close down ten years ago.

The Minister for Mines: And it was originally floated as a wild cat.

Mr. HUGHES: If the Minister has such faith in those 14 companies he will have no difficulty in acquiring shares in them very cheaply.

The Minister for Justice: I knew of a mine in New Zealand which collapsed at the height of its production, when it was producing a ton of gold per month? How do you account for that?

Mr. SPEAKER: I wonder who is making this speech? The member for East Perth had better proceed.

Mr. HUGHES: I had no desire to be rude by interrupting Ministers opposite. There were 14 companies registered by the de Bernales group with a nominal capital of two and one-eighth million pounds. All those companies were registered with the same memorandum of articles, and all registered in the name of de Bernales and one or two of his employees, who were required to make up the five shareholders. The first one that was registered was the Riverina. That mine was acquired from leases that had been worked and abandoned. From 1897 to 1906 the Riverina crushed 11,254 tons for a return of 7,076 ozs., which was quite a good return. From 1907 to 1915 it crushed 6,552

tons for 3,438 ozs., which was a lower return. From 1915 to 1928 the leases were abandoned. From 1928 to 1929 the leases crushed 2,809 tons for 1,117 ozs., and from 1930 to 1936 there was nothing recovered. In 1937 the leases crushed 13,822 tons for a return of 5,564 ozs. Up to July, 1938, the leases crushed 7,923 tons for 2,008 ozs. The Government lent money to the company on the security of the machinery and the value of the leases. There were various mortgages, one for £6,000, one for £2,000, another for £2,000, and still another for £3,600. Later on we find that the property was forfeited for non-payment and the Government protected itself by reserving the area as No. 347H. Goldmining lease 998U, now G.M.L. No. 1070, was afterwards mortgaged to the Government to secure the following mortgages: £600, £300, £4,000, £1,000 and again £1,000. The Riverina Goldmines was floated in the first place as a goldmining company with a subscribed capital of £103,000, and the original shareholders were Edward Wilkinson, 494 Murray Street, Perth, accountant, 200 shares; M. Fraser, 494 Murray Street, clerk, one share; L. W. Illingworth, 494 Murray Street, Perth, typiste, one share; T. H. Ineson, 494 Murray Street, engineer, 200 shares; W. T. C. Liddell, 494 Murray Street, 200 shares; H. J. Urquhart, 494 Murray Street, manager, 200 shares; C. A. de Bernales, 494 Murray Street, mining director, 50,198 shares; Australian Machinery and Investment Company, 494 Murray Street, investors, 49,000 shares; A. J. Mellor, sharebroker, 5,000 shares; total, 105,000 shares. So that the whole of these shares except 5,000 which were in the name of Mellor were held by de Bernales or his employees. In the Companies Office there is no record that these were issued for a consideration other than cash. Apparently £105,000 was paid by the shareholders in cash. Thus if the company received £105,000 in cash surely that was enough to permit of development work being carried out on the Riverina goldmining leases. But we know there are ways and means of getting over the requirements of the Companies Act in that direction, and it would be possible for that cash to come in by means of the right hand and go out by means of the left hand without leaving anything with which to develop the leases. So we find that the Riverina Gold Mines,

Ltd., is not going on the London market for more capital, not as the Riverina Gold Mines, Ltd. We find that a London company is brought into existence, a company called the Murchison Gold Development, Ltd. Thus another company is floated in London without saying straight-out that it is to work the Riverina leases. We find this strange thing taking place and the shares of the Riverina company to the extent of £105,000 are shown as being held by de Bernales and his employees. In 1934 the share list is the same with the exception that Australian Mining and Machinery Company shares are given to de Bernales. Then in 1935 we find that all the shares in the company, including de Bernales' shares, and the shares in the Australian Machinery Company have gone to P. O'Dea, solicitor, Warwick House, Perth. The share list on the 31st March, 1935, was as follows:—M. Fraser, 321 Murray Street, Perth, clerk, one share; L. Illingworth, 321 Murray Street, typiste, one share; H. J. Urquhart, 321 Murray Street, manager, 200 shares; P. F. O'Dea, Warwick House, Perth, solicitor, 104,398 shares; E. Williams, Kalgoorlie, mine manager, 200 shares; T. Blatchford, 321 Murray Street, Perth, geologist, 200 shares; total, 105,000 shares. I do not for a moment consider that Mr. P. F. O'Dea paid £104,398 for the Riverina shares. I do not consider that he ever did acquire those shares. Those shares apparently were the property of Mr. de Bernales because they were transferred from de Bernales' different interests and his employees, first to de Bernales, then entirely to de Bernales, and then to P. F. O'Dea. About the same time Mr. Blatchford, who I understand was associated with the Mines Department as geologist, comes into the company with 200 shares. Then the company goes on the market, not in its own name, but in the name of the Murchison Gold Development Company, and the Murchison Gold Development Company acquired shares in the Riverina company to the extent of £129,299. But the shareholders in the Murchison Gold Development Company have paid hard cash for their shares. They subscribe to this company, and receive shares in the Riverina company. I suggest that the reason why these shares were transferred from de Bernales' name to the name of O'Dea in Perth was so that the

people who were asked to subscribe to the Murchison Gold Development Company would not know that de Bernales was the real owner of the Riverina. Thus when boosting the Riverina the shareholders would be deceived into thinking they were buying a mine belonging to someone else. It stands to reason that if he were boosting this mine, and the share list showed that he owned 104,398 shares out of a total of 105,000 shares it would destroy the value of his boost because it would be obvious that they would say "You are boosting this show because you are the owner." Therefore the transfers were made to other people and the investors in London were placed in a false position. I do not know whether this is good business or bad business. Of course there is nothing wrong in de Bernales transferring his shares to different people, although still retaining the ownership of them. But what is wrong is that having got from the London people another £130,000 the Riverina is now capitalised at £234,299 and the mine does not appear to have any chance of paying dividends on that capital notwithstanding the prophecy of the Minister that some day a ton of gold may come out of it.

There is a suggestion that the Bill go to a select committee. What the select committee should find out, in fairness to the English people who believed they were putting their money into Murchison Gold Mines Ltd. but really were putting it into Riverina Gold Mines Ltd., is where the sum of £105,000 went to. If the £105,000 was enough to work Riverina Gold Mines Ltd., why was the second amount wanted? Surely the Riverina Gold Mines had to pay very little to secure the leases. We ought to let those English people who have invested their money here know how much the Government got from Riverina Gold Mines Ltd. for the mortgage against those leases. British investors had some confidence when they saw the name of Mr. Blatchford, formerly a geologist in this State, associated with the company's prospectus. But the expectations held out have so far not materialised. One consequence is that Western Australia stands badly in the eyes of the English financial world as a field for investment. Practically no British capital is available for investment in our goldmining industry, because of such things as Riverina Gold Mines Ltd. having been put over the British

public. We should have some legislation on the lines indicated by the member for Swan (Mr. Sampson) which would prevent the promoters of Murchison Gold Mines Ltd. from covering up their identity in their relationship with the Riverina company. We should have legislation to prevent any company from being registered in Western Australia or being allowed to carry on business here unless its prospectus made full disclosures. Had there been in the case of the Murchison company a full disclosure of the real identity of the owners of Riverina shares, people who were listening to the glowing reports of the Murchison promoters would have been able to see that they were really buying the mine from the promoters themselves. Had they been in the position of knowing what actually was being paid for the mine, they would have seen that they were giving away approximately £100,000 of their purchase money. Then they would have realised that their money would have to return twice the dividend because of the need for more capital. I venture to say that if one had time to make an exhaustive examination of the records at the Companies Office and the Mines Department and to go into the prospectuses issued in Perth and London, one would discover a hundred repetitions of the Riverina Gold Mines case. As a Parliament we should take steps to ensure that people investing their money in Western Australia are not deceived in that way. Associated with this kind of thing are to be found people of high standing in the Old World. Take the directorate of Murchison Gold Development, Ltd., the English counterpart to the Riverina Gold Mines, Ltd. of Western Australia. The directorate comprises John Waddington, chairman of the Great Boulder Pty.; Sir Newton Moore, K.C.M.G., director of Riverina Gold Mines; Mr. A. H. Collier, director of Great Boulder Pty.; Sir William Campion, director of Anglo-Australian Gold Mines, Ltd.; and Mr. C. A. de Bernales, director of Wiluna Gold Mines, Ltd. Apparently social standing and status of directors afford no guarantee of the soundness of a mining investment in Western Australia. I say without hesitation that some of those men should be ashamed to be associated with the Murchison-Riverina transaction. I refuse to believe that Sir William Campion knew that de Bernales was the real buyer. It is hard to believe that Sir William Cam-

pion did not know that de Bernales was the real owner of the shares. He should have told London investors, "When you put your money into the Riverina, you are putting it into a concern of which one of your directors is almost the sole owner." Then investors would not have had anything to complain of; but through having the company registered in Western Australia as the Riverina Gold Mines, Ltd., and floating another company in London for the purpose of purchasing the Riverina shares, with distinguished names on the prospectus, the promoters never gave the London investor a chance. We should protect investors and the State against that type of transaction.

I propose to deal with only one other of these holding companies, and that is a twin company—Southern Cross United Mines, Ltd. That is the local Western Australian company. The Southern Cross Gold Development, Ltd., is the English company. I am sorry the member for Yilgarn-Coolgardie (Mr. Lambert) is not present. I would have liked to show him just how £100,000 was, so to speak, taken from under his nose at Southern Cross while he was bathing at Cottesloe. Recently there was consternation in Southern Cross when the Fraser's Mine closed down and many men were thrown out of work. Fraser's mine had over a number of years produced a fair amount of gold. Prior to 1897 it had produced 48,233 tons which had yielded 20,013 ounces, being 8 or 9 dwts. to the ton. Lease number 13/889, Fraser's Gold Mining Company No Liability, was transferred to the British and Foreign Development Syndicate, Ltd., on the 13th February, 1908. From 1897 to 1901, the lease from 151,771 tons of ore produced 67,870 ozs. of gold. The lease went on producing until 1919, and from 1901 to 1917 it produced from 90,791 tons of ore 66,545 ozs. of gold. That is nearly two-thirds of an ounce per ton. After that, very little gold was won from the group of leases which later on formed the Fraser's mine. From 1925 onwards apparently anybody could have taken up the leases that constitute the Fraser's mine. The member for Yilgarn-Coolgardie could have pegged them out. But we find that on the 25th June, 1932, a company was incorporated here as Southern Cross United Mines, Ltd., again by de Bernales. The original shareholders in

that company, on the 31st March, 1933, were—

	Shares.
Edwin Watkinson, 494 Murray Street, Perth, Accountant	200
M. Fraser, 494 Murray Street, Perth, Clerk	1
L. M. Illingworth, 494 Murray Street, Perth, Typiste	1
T. H. Ineson, 494 Murray Street, Perth, Engineer	200
W. T. O. Liddell, 494 Murray Street, Perth, Manager	200
H. J. Urquhart, 494 Murray Street, Perth, Business Manager	200
C. A. de Bernales, 494 Murray Street, Perth, Mining Investor	149,198
H. J. & F. H. Toomey, 51 Mabel Street, North Perth, Prospectors	1,500
C. H. Beer, Southern Cross	500
S. C. Long, Southern Cross	250
Total	152,250

Again, no contract is filed in the Supreme Court to show that the shares were issued for a consideration other than cash. To all intents and purposes, £152,250 was subscribed to that company in cash. Unfortunately, as I presume you know, Mr. Speaker, to get round that salutary provision in the Companies Act is very easy. If it is desired to sell leases to a company for £100,000, instead of entering into a contract to take £100,000 in shares in exchange for the leases, the company can be formed and the promoters can agree to take 100,000 shares of £1 each. The company can then buy the leases and give the promoters a cheque for £100,000 for the purchase-money; the promoters, in turn, can hand a cheque for the same amount to the company in payment of the shares. Consequently, there is no exchange of shares for cash. I do not say that that was done in this case, because I do not know; but no contract is filed and so, to all intents and purposes, £152,250 was subscribed. This company has the same memorandum and articles of association as has the Riverina company and the other group of 14. On the 31st June, 1934, the share list was still the same; but in 1935 the share list shows that Mr. de Bernales is no longer a shareholder in Southern Cross United Gold Mines Ltd. He has no interest whatever in that company. The 149,198 shares held by him have now become the property of Mr. P. F. O'Dea, of Warwick House, Perth, solicitor, who now holds 151,684 shares in the company. At about that time, if these docu-

ments are taken at their face value, Mr. P. F. O'Dea bought £300,000 of goldmining shares. I have no hesitation in saying that all the solicitors in Perth have not one-third of £300,000 between them. Members laugh: perhaps I should have said not one-tenth of £300,000. Mr. O'Dea is now holding shares to the value of £300,000 in the Southern Cross United Gold Mines Ltd., and the Riverina Goldmines Ltd.

Mr. Marshall: There must be money in the legal profession.

Mr. HUGHES: Perhaps if the hon. member turned out the safes of some legal offices he might find a couple of deeds of trust. I desire to stress—and I do not think I am wrong—that Mr. de Bernales is still the owner of those shares. They were merely transferred into the name of somebody else, but there was no real change of ownership. Members may ask, "Why should he do that? Why should he desire to cover up the fact that he is the real owner of those shares?" I suggest the reason is that he was proposing to go on to the London market to float another company to take over the Fraser's mine, which was owned by the Southern Cross United Goldmines Ltd. We find now, just as we found in the case of the Riverina company, that a company was floated in London called the Southern Cross Gold Development Ltd. The directors of that company are Claude Albo de Bernales, chairman and managing director, Colonel Sir William Robert Campion, Charles Percy Ibotson and Cecil Burton. Associated with that company is Sir William Campion, a former Governor of Western Australia. That company went on to the London market and obtained by subscription from London investors the sum of £241,638. The Southern Cross Gold Development Ltd. has a nominal capital of £360,000, of which £241,638 was actually subscribed. When Mr. de Bernales and his co-directors obtained £241,000 from the London company, they bought the whole 152,250 shares in the Australian company known as the Southern Cross United Goldmines Ltd. In the balance sheet of that company appears the following item—

Invested in subsidiary company, purchase consideration of 152,250 shares of £1 each, Australian currency, fully paid, being the whole of the issued capital of the Southern Cross United Goldmines, Ltd.

So they sold Mr. O'Dea his 151,684 shares for £101,500, and he dropped £50,000 overnight in that transaction! Although this is the fourth annual report and this money, according to the report issued to the people in London, was paid to the Southern Cross United Goldmines Ltd., the shares are still registered in our records to-day as the property of Mr. P. F. O'Dea. If that statement is true, there is now only one shareholder in the Southern Cross United Goldmines Ltd. I now quote Section 48 of our Companies Act—

If any company carries on business when the number of its members is less than five, for a period of six months after the number has been so reduced, every person who is a member of such company during the time that it so carries on business after such period of six months, and is cognisant of the fact that it is so carrying on business with fewer than five members, shall be severally liable for the payment of the whole debts of the company contracted during such time.

Notwithstanding this provision, the company has now only one member. It is therefore carrying on business in defiance of our Companies Act.

Mr. Sleeman: Will this Bill alter that?

Mr. HUGHES: This Bill will help to prevent such companies as the London company being formed without a true disclosure of the local company, and vice versa. When this company was floated, the directors lent to what it called its subsidiary, the Southern Cross United Goldmines Ltd., the local company, the sum of £171,521. Therefore, by purchase and loan, the London company put £273,021 into the Fraser's goldmine at Southern Cross. The company did so on the basis of a prospectus issued by Mr. Urquhart and Mr. Blatchford. Mr. Blatchford was ex-Government geologist of this State. Both those gentlemen reported in glowing terms on the possibility of Fraser's mine. Such a report, of course, justified the London people in putting their money into it; but, having put £273,000 into Fraser's gold mine, that mine—instead of returning half an oz. to the ton as was expected by the two independent geologists, both of whom were shareholders and apparently employees of de Bernales—returned 2 dwt. to the ton and had to be closed down. That left the London company in this position: The shareholders had subscribed £241,000, and had scrip for £272,000. They resorted to what after all is a very smart piece of business. They decided to make some money.

Apparently, they had read some of the speeches of the member for Claremont and decided there was a currency shortage. They determined to put an end to the shortage, so issued what they called convertible notes for five years at 10 per cent. These were registered convertible notes, secured by a specific charge over the company's shareholding in the Southern Cross United Goldmines Ltd. What they did was this; they said to investors, "The Southern Cross Goldmines Ltd. was a mining company in Western Australia. We bought the whole of the shareholding for £101,500. If you will give us £100, we will give you a currency note, convertible, bearing interest at 10 per cent. for five years." All the people had to do was to give £100 for a currency note and in five years they would get back their £100 plus £50.

Hon. C. G. Latham: What was the security behind those notes?

Mr. HUGHES: A first charge over all the shares of the Southern Cross United Goldmines Ltd., Western Australia.

Hon. C. G. Latham: What were they worth?

Mr. HUGHES: Lately I have heard a lot about efficient plus and efficient minus. As the English company lent the local company another £171,000 and lost it, I should say that the Southern Cross United Goldmines Ltd., was decidedly efficient minus. The holders of those notes did not have to wait long. I understand the term "convertible" to mean that if the holder of one of the notes could find another mug to take it off his hands, he was at liberty to dispose of it. The accounts show that for these notes the company received £76,780, but that there are arrears of interest owing on the notes to the extent of £1,900. Already the company has failed to pay interest on those convertible notes. The company's balance sheet now shows that against the £241,638 share capital they garnered £78,788 by the sale of the convertible notes. The balance sheet also discloses sundry creditors for £1,377 and the following assets:—

Investments in the local Fraser's mine at Southern Cross—

which is not working and which produced 2 dwts. to the ton when it did work—

—£273,000. Cash at bank, £1,800.

The preliminary expenses for floating the company in London amounted to £14,385, and the underwriting commission and broker-

age to £9,381, so that preliminary expenses and brokerages amounted in all to £23,666. Although the company never mined an ounce of ore, but simply carried on its administrative offices, it shows a deficit for working expenses of £23,000. The capital subscribed by the shareholders to the Southern Cross Goldmines and the amount spent on the purchase of the 10 per cent. convertible notes are gone. The investors never had a chance, because the people who reported on the Southern Cross United Goldmines evidently did not make a true and faithful report. Naturally, questions are being asked in London to-day about those transactions. Mr. de Bernales, who apparently scooped a very handsome sum—about £200,000—from the London investors for the purpose of gold-mining, did not invest that money in gold-mining. He invested it in an arcade in St. George's-terrace, thus causing work for people appointed to a Royal Commission. He also invested it in the Piccadilly Arcade. He takes the money from the suckers in London ostensibly to put it into the goldmining industry; but, as soon as he can do so, he invests it in city buildings. I am sorry the Bill does not go further. Legislation should be passed to review those transactions; some court of equity should be established so that people who are induced to enter into these transactions by means of juggling between the real owners of shares and dummy companies, one in Western Australia and one in London, can be protected. Mr. de Bernales deceived the London investors. The money received as a result of that deception should be returned. If that course were followed, we would rehabilitate Western Australia as a mining country in the eyes of London investors. Instead, we are to-day a discredited State. Western Australia is not now considered by London investors to be an avenue for investment. London investors put nearly £300,000 into Fraser's mine, which is now idle. Someone got at least £100,000 as a first rake-off. If the information could be obtained, it would be interesting to know how much was paid for mining machinery. I quote those two instances, but they are two instances out of hundreds. However, they show the need for a Bill such as the member for Swan has had the courage and the energy to bring forward. His Bill will rectify some of the anomalies in our Companies Act by which the public is prevented from ascertaining

the true position and so induced to invest their money in what Americans call "phoney" securities. While they are defrauded of their money, incalculable injury is done to the State. Although the Bill by no means does all that is required in the revision of our company law, it is a step in a direction where reform is badly needed. I hope the measure will be passed so that at least something may be done for the protection of people in other parts of the world, and for the preservation of the name of Western Australia as a place where honest investments can be made.

HON. C. G. LATHAM (York) [10.1]: The Bill has my support. Since it was brought before the Chamber points have been raised by outside interests that leave some doubt in my mind whether we shall be doing a fair thing to certain companies that are operating to-day. I know the member for Swan (Mr. Sampson) does not desire to injure any legitimate organisation. His idea is to prevent go-getters from preying upon unsophisticated people and depriving them of their hard-earned cash. Quite a number of letters have reached members of Parliament from an investment company stating that the Bill does not go far enough. I hope the hon. member, when replying, will express his willingness that the Bill be referred to a select committee, so that all aspects relating to it may be investigated. I agree with the Minister for Justice that the measure will not amend the Companies Act generally. An expert would be required to effect the necessary amendments in that legislation as a whole. When he gave evidence before a select committee last year the Crown Solicitor said it would take him some time after going through the Companies Act to advise upon any amendments, and he indicated that this would occupy him for at least 12 months. Meanwhile, something must be done in other directions. If anything else were required to convince me that something ought to be done, it was the inquiry by the select committee in the dying hours of last session. I am surprised that the Government has not already moved in this direction. The matter arose in the first place from the Government side of the House. The inquiry clearly exposed the conduct of certain people who may be classed as "get-rich-quick" individuals. We might have expected from the Government

some legislation to protect the community from go-getters.

The Minister for Justice. That could be better dealt with by separate legislation.

Hon. C. G. LATHAM: This Bill deals only with one section of the Companies Act. I have looked up the Acts passed in other States of Australia and have noticed that in some States separate Bills have been brought down. I am assured that this measure will not affect other parts of the Companies Act. It deals only with people who are canvassing from house to house, and from place to place, trying to dispose of shares. An amendment has been forecast by the member for Katanning (Mr. Watts) that will give some security to legitimate companies. If agreed to, it will ensure that the Registrar shall put his hallmark upon the prospectuses of undertakings, or the operations of companies that wish to dispose of their own shares. I believe the Minister is as anxious as I am to stop the go-getter. He must be aware of many instances in which the life savings of people have been lost through company promoters, and others who have been trying to sell shares in pine plantations, tobacco plantations and the like.

The Minister for Justice: You saw that a man in England had been sentenced, under the Imperial legislation, to seven years' imprisonment for the same sort of thing. He was found guilty of share-pushing.

Hon. C. G. LATHAM: Was it not a fair sentence? Why should he be permitted to take down the public?

The Minister for Justice: He did so.

Hon. C. G. LATHAM: The member for North-East Fremantle (Mr. Tonkin) last year convinced the House that certain individuals were taking people down. I am not concerned about those who buy certificates or shares in a legitimate company that offers them a reasonable chance of security for their subscriptions, even if they do not return a profit. Last year we were informed of cases in which people were persuaded to exchange good sound securities for other so-called securities that were worthless. That sort of thing must be stopped. I would be surprised if members raised any objection to this Bill. All I ask is that it should be referred to a select committee, so that an inquiry may be held and we may learn whe-

ther this legislation will carry us as far as we would like to go. I feel sure, through the investigations into the affairs of one company, as evidenced by the report of the select committee appointed last session, that we should do something in this direction. I am aware that those concerned in the inquiry were able to keep within the law. We had that advice from the Police Department and the Crown Law authorities. Nevertheless, we know the business was a tricky one. We have no right to allow people to do that sort of thing even within the law. If the law is not strong enough, we ought to amend it, and thus prevent people from being deprived of their money by these very doubtful means. Despite the threatening letters that many members of Parliament have received, I intend to support the Bill. Members are protected under privilege in respect to their conduct in this House. Possibly those who are sending out the letters may not be aware of that fact. Whether we are right or wrong, we shall be protected from those who are writing letters threatening what they will do if we pass this Bill. I am anxious that no legitimate company shall be interfered with in the conduct of its business, and hope the Bill will be referred to a select committee.

MR. SAMPSON (Swan—in reply) [10.7]: I thank the Minister and members who have spoken in support of the Bill. Although the measure has been referred to as one that only tinkers with the Companies Act, everyone has acknowledged that such an amendment is greatly needed. Every member who has spoken on this subject, namely, the Minister for Justice, the member for Nedlands (Hon. N. Keenan), the member for West Perth (Mr. McDonald), the member for East Perth (Mr. Hughes), and the member for Claremont (Mr. North), has supported the measure.

Mr. Sleeman: You should thank members who have not spoken.

Mr. SAMPSON: Those who did not speak may have refrained from doing so because of the lateness of the hour. No one has questioned the justification for the proposed amendment to the Companies Act. To ascertain how the position is viewed in Sydney, Melbourne and Adelaide, I sent the following telegram to the Parliamentary Draftsmen in those three States:—

Have introduced Bill to adopt that portion your Companies Act relating to share hawk-

ing. Kindly advise whether those affected raised objection when your Bill was before Parliament.

From Adelaide I received the following reply:—

Persons affected raised no objection to enactment of share hawking provisions. Suggest consider provision for following defect in South Australian law. Share hawkers induce persons to exchange shares in established companies for shares in companies pushed by hawkers. Practice cannot be prevented under present law.

From Victoria I received the following reply:—

For comments hawking provisions 1937 Bill, see "Hansard," 24th August, 1937, pages 815-818. Writing forwarding 1938 Bill. Passed second reading, not yet in Committee.

I have received that information which is very valuable. From Sydney I received the following reply:—

Yes, opposition to hawking clause vigorous. Martin, Minister for Justice.

Subject to the House approving the second reading, I intend to move that the Bill be referred to a select committee. The subject has been well discussed and there is no need for me to say anything further.

Question put and passed.

Bill read a second time.

To Refer to Select Committee.

MR. SAMPSON (Swan) [10.12]: I move—

That the Bill be referred to a select committee.

THE PREMIER (Hon. J. C. Willcock—Geraldton) [10.13]: I oppose the motion. We have all the information that we need on the matter.

Hon. P. D. Ferguson: The Minister did not say so.

The PREMIER: Yes, he did; he said we knew all about the subject. We know how long it will take effectively to draft a Bill to amend the Act. That is not an easy matter, and a select committee would be unable to get any information about it. Members may be under the impression that select committees do not cost anything, but they cost a fairly considerable sum. I am inclined to agree with the member for Roebourne, that while some select committees have given useful information, a good number have been appointed only because

members voted for them out of goodness of heart. They did not like to oppose the motion. I believe that applied to the motion previously passed, although I am not entitled to reflect on a decision of the House. Therefore, I shall take that remark back before I am called to order. The practice of appointing select committees to investigate this, that and the other matter involves expense to the country, and members should consider their responsibility in this direction. I do not want to be a party to wasting the revenue of the country. I do not wish to agree to something that I believe will not be of any great benefit; certainly the expense would not be commensurate with the benefit to the country. We can spend the money much more advantageously in other directions than on inquiries by select committees. I want the House to consider the attendant, and in many instances, unnecessary expense of making inquiries by select committees. I do not say that there is no need for a select committee at any time. A good case may be made out for one, but on many occasions a feeling of good fellowship for the mover is the deciding factor in the voting, rather than the intrinsic merits of the case. I do not want to see money wasted on such inquiries. We hear of people talking about the boards, commissions, and select committees that are appointed and we are criticised on that score. Yet, when a proposal for a select committee is tabled, members are prepared to support it, although they know that on the merits it should not be appointed.

The Minister for Works: They want to pass two or three now.

The PREMIER: We should take a more responsible view of our duty as members. As Treasurer I have a definite responsibility to see that the money of the State is not wasted. The value we receive from some of the inquiries is not commensurate with the expenditure. I do not say definitely that no select committee should be appointed. Some may be justified, but I am sure that many of the select committees agreed to last session, when we had almost a record number, were appointed only because of the personal popularity of the mover, who asked other members to support him. That was the only argument in favour of the appointment. We should show a greater sense of responsibility. I do not believe that a select committee could secure any information on this Bill that

would warrant the expenditure. Therefore I oppose the motion.

Question put and negatived.

In Committee.

Mr. Sleeman in the Chair; Mr. Sampson in charge of the Bill:

Clause 1—agreed to.

Clause 2—Interpretation:

Mr. WATTS: "Dividend" is defined as including interest. I can find no reason for that and should like to have an explanation from the hon. member.

Mr. SAMPSON: Dividend includes interest in matters relating to the payment on bonds. It is an equivalent term, although bearing a different name.

Hon. C. G. LATHAM: I move an amendment—

That the following definition be inserted:—" 'Sale' or 'Sell' where not contrary to the context includes 'exchange.' "

This is intended to prevent share hawkers from taking shares in exchange for shares in the company they are representing. The object is to prevent the occurrence of what was brought before us last year by the select committee.

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

Progress reported.

House adjourned at 10.22 p.m.

Legislative Council,

Thursday, 13th October, 1938.

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

BILL—NORTHAM MUNICIPALITY LOAN AUTHORISATION.

Read a third time and *passed*.

BILL—LOCAL COURTS ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. J. NICHOLSON (Metropolitan) [4.35]: When Mr. Heenan explained the purpose of this Bill, it occurred to me that the proposed amendment is, with the exception of the provision for exemption of £25 in two cases, simply a repetition of the Act as it stands. The proposal is to extend the exceptions I have mentioned by a considerable amount, and the question that naturally arises when an amendment of this nature comes before us is whether the alteration is in the interests of the general community. Personally, I am inclined to view the alteration as being detrimental to the community. The exceptions provided by the Act are liberal, much more liberal than are the exceptions in the English Act, from which we derived the provisions of our original Local Courts Act. I desire to quote Section 49 of the Ordinance for the Recovery of Small Debts and Demands (37 Vict., No. 21)—

Every bailiff or officer executing any process of execution issuing out of the said courts against the goods and chattels of any person may by virtue thereof seize and take any of the goods and chattels of such person (excepting the wearing apparel and bedding of such person or his family, and the tools and implements of his trade to the value of five pounds, which shall to that extent be protected from such seizure) . . .

Hon. G. Fraser: In what year was the Act passed?