

year they paid 48 per cent. of what was due. Many of them are not in happy circumstances. With the group settlers we have in some cases, justifiably because they are still new, found more money for them. Then we have had to supply superphosphate and so on, and although we expect it, they do not pay an appreciable amount of interest. Surely the group settler does not expect to receive any more consideration than any other man, but he gets it. I want to get him on a definite basis. If his capitalisation is too high, let us admit it. Let us put him on the basis where he will be able to stand on his own feet and pay his way. He is not entitled to get what other men do not get, but he does get it. That condition of affairs cannot obtain always, because other settlers will want to know why they do not receive the same consideration. If it could be provided it might be provided, but the State cannot do all that.

Question put and passed.

Bill read a second time.

House adjourned at 12.15 a.m.

(Wednesday).

Legislative Council.

Wednesday, 7th November, 1934.

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

LEAVE OF ABSENCE.

On motion by Hon. J. M. Macfarlane, leave of absence for six consecutive sittings granted to Hon. J. George (Metropolitan) on the ground of ill-health.

BILL—FORREST AVENUE CLOSURE.

Read a third time, and *passed*.

BILL—GOLD MINING PROFITS TAX ASSESSMENT.

Second Reading.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.36] in moving the second reading said: The proposals contained in the Bill aim at the imposition of a tax on the net profits derived from gold by companies operating in Western Australia. At the outset I desire to impress on hon. members the fact that the tax will not apply to individuals or syndicates.

Hon. J. Nicholson: You do not mean a limited liability or no liability syndicate, though?

The CHIEF SECRETARY: No. That is a company. In the case of companies, naturally, there will be no tax if profits are not being made. Under the Land and Income Tax Act syndicates and individuals pay up to 4s. in the pound, less a 20 per cent. rebate, thus leaving a net maximum charge of 3s. 2.4d. in the pound, whereas incorporated companies—including gold mining companies, which represent the vast majority of companies—are taxed on profits at the rate of 1s. 5½d. in the pound. Even with the addition of the proposed tax of 1s. 4d. in the pound, the total tax on gold mining companies will be only 2s. 9½d. in the pound, or practically 5d. in the pound less than the maximum imposed on individuals and syndicates. During the years when the gold mining industry was struggling, the State assisted it in every way possible; and now that it is enjoying prosperity and the price of gold has soared to heights never before attained, it is only right and fair that it should be asked to contribute on a more liberal scale than heretofore to the financial needs of the State. More especially are we entitled to ask this at a time like the present, when the State itself is passing through a stage of economic and financial depression.

Successive Governments have fully realised the value of the industry to the State, and have done all in their power to foster and encourage it in every way. Never have they taken any steps which would tend to indicate that they were treating it as a milch cow to be squeezed dry. Other coun-

tries have not been so considerate. South Africa, for instance, is raising an enormous amount of revenue from the industry. That country imposes a tax on all excess profits from gold mining, whether earned by persons, syndicates or companies, although certain exemptions are allowed if excess profits are less than a certain amount. The amount of tax that South Africa receives from this industry is no less than £6,000,000 a year. The sympathetic attitude adopted by Governments of this State to the industry can be gauged by a consideration of the various measures of assistance that have been adopted.

Expenditure on miners' phthisis compensation since the Act was promulgated totalled £418,165 to 30th June last, and outstanding liabilities were estimated to amount to £344,000. Last year alone the expenditure on phthisis and the relief fund was £76,805. Premiums paid by the Government under the Third Schedule of the Workers' Compensation Act insurance fund totalled £83,155 for the period 1927-28 to 1930-1931. During the past five years 90 miners have been admitted to the Wooroloo Sanatorium at an average cost to the Government of £100 16s. each, the estimated total cost being over £9,000. Expenditure from General Loan Fund for the development of mining totalled £234,148 for the five-year period 1929-30 to 1933-34. In addition, in 1923-24, when the industry was in a particularly depressed condition, the Government of the day agreed to subsidise it to the extent of 4s. per 1,000 gallons of water used from the Goldfields Water Scheme.

Hon. J. Cornell: There is only one fault to be found with the Bill. The money is not earmarked for the relief of disabled miners and their dependants.

The CHIEF SECRETARY: The actual rate charged for scheme water was 7s. per 1,000 gallons, and on account of the subsidy it was reduced to 3s. per 1,000 gallons. The subsidy was paid from the Mines Development Vote. It was continued until 30th June, 1931. During a period of eight years the total revenue paid by the mining companies was £242,080, and the subsidy granted by the Government amounted to £265,717. In addition to that amount of £265,717, the Government paid a further amount of £113,836 during the period mentioned, as a subsidy for supplies of water from other services dependent on

the industry, such as the Goldfields Firewood Company, the Power Corporation, and others. It is a generally accepted idea that the main loan of £2,500,000 for the building of the pipe line to the goldfields, which was redeemed in 1926-27 was paid for out of revenue derived from the mining industry. This was not so. At the date the main loan was redeemed the Goldfields Water Scheme was in debt to the Treasury to the extent of £1,886,338, and this sum was redeemed out of revenue, and consequently by the general community, including goldfields residents, but not by the goldmining industry. This redemption was of great benefit to the State inasmuch as it reduced the sinking fund payments from £77,473 to £2,473 per annum and of course reduced the interest charges proportionately. At the 30th June last the Goldfields Water Scheme was indebted to the Treasury for £1,974,920.

Hon. J. Cornell: That is from Mundaring to the goldfields?

The CHIEF SECRETARY: Yes.

Hon. J. Cornell: Including Northam and all the farming towns en route?

The CHIEF SECRETARY: I do not think so. However, I will make inquiries about that. Miners phthisis payments cost the Government £76,000 last year and it is estimated that a tax of 1s. 4d. in the £ on mining companies' profits will return a sum of £80,000. It is only fair that the industry should be asked to carry this burden. The importance of the gold mining industry to the State was fully recognised, and before deciding to impose any tax every possible precaution was taken to ensure that it would not have any detrimental effect on the industry. The Agent General for Western Australia (Sir Hal Colebatch) conferred with the big mining investors in London and gave them a full outline of the Government's proposal, and we have their assurance that it will have no detrimental effect upon investments in Western Australia. The Government are now convinced that those vitally interested, both in London and here, regard the proposal as a fair and equitable one and consequently have no objection to it. The main features of the Bill are that a tax shall be levied on the amount of the net profits of every company as assessed for duty payable under the Dividend Duties Act.

Hon. G. W. Miles: What about their reserves; will they pay on them?

The CHIEF SECRETARY: As assessed under the Dividend Duties Act. They will pay on their net profit. The Commissioner of Taxation on receipt of the return of a company's profits under the Dividend Duties Act, will assess the net profits of the company and the amount of the tax, and will serve the companies with a notice of assessment of the tax, which will be payable within 14 days. Provision is made whereby the Commissioner may extend the time for payment, or, alternatively, permit of payment by instalments or within a time to be determined by him. However, there should be no necessity for the companies to approach the Commissioner with a request such as that. It is provided that the initial assessment of the tax will be for the year ended 31st December, 1933, in the case of companies which balance their accounts on December 31st each year, and in the case of companies which balance their accounts at other dates, it will be for the year first ended subsequent to 31st December, 1933. A penalty clause is provided, under which a penalty of 10 per cent. per annum may be charged on late payments. A saving provision is inserted to ensure that nothing contained in Section 6, Sub-section 9 of the Dividend Duties Act will exempt companies from furnishing returns or payments of gold mining profits tax. The tax shall be a debt due and payable to His Majesty and is to be paid before any profits of a company are distributed, by way of a dividend or otherwise. Provision is made for appeals, and if on appeal it is found that a re-assessment is necessary and that payments have been made in excess of the amount due, the Commissioner shall refund the excess payment. The Government may make such regulations as may be necessary or convenient for the purposes of carrying out the Act. This Bill is the Assessment measure only. A separate measure will be submitted to impose the rate of tax. The proposals will not place an excessive burden on the industry, more especially now that it is in such a flourishing condition. For years past, the State has helped the industry in every way possible in order to establish it on a firm and profitable basis, and now that it is in a sound position, it is only

right that the State should reap a proportion of the profit that is being made. I move—

That the Bill be now read a second time.

HON. H. SEDDON (North-East) [4.53]: I do not intend to oppose the Bill, but I wish to offer a few remarks in criticism of it, particularly regarding the method by which the tax is to be imposed. One cannot help recalling a proverb by a very high and revered authority, "Put not your trust in princes or the rulers of men." Not very long ago the Premier, on a suggestion made by a member of this House that the gold mining industry should be taxed, definitely stated that nothing was further from the minds of the Government.

Hon. C. F. Baxter: Many others took the same stand at that time.

Hon. H. SEDDON: Personally I think the Premier was very ill-advised in introducing this taxation. There were other methods whereby the Government might have made up the charges which can be legitimately expected from the industry, without imposing a tax as indicated in the Bill. When Governments retract their words as the present Government did on this occasion, it gives rise to suspicion in those who are finding money for the development of the industry, and perhaps reminds them of the assurances they have received.

Hon. J. Cornell: It behoves them to keep quiet.

Hon. H. SEDDON: Also it is rather peculiar that the tax is being introduced at a time when the State's finances are improving, if we are to judge by the Budget. To say that the companies have been consulted, is no excuse for the change of front on the part of the Government. Another amazing feature is that there are in the present Cabinet four members representing goldfields' constituencies; there are behind them in the Assembly eight members representing goldfields' constituencies; and in this House there are behind the Government four members representing goldfields' constituency. So there must have been some weighty arguments adduced in caucus to lead those members to support the proposal, for some of them to give it their blessing and, with one or two exceptions, for all of them to refrain from criticising

it when the Bill came before their House. Another unfortunate thing about the Bill is its sectional character, since it singles out one industry to be taxed.

Hon. J. Cornell: We may expect a tax on bachelors presently.

Hon. H. SEDDON: That might place some members in an unfortunate position.

Hon. G. W. Miles: The Minister says they are paying less than other companies.

Hon. H. SEDDON: Yes, I should like to go into that a little further. Had I had more time I might have placed a different complexion on it, for I think on analysis it will be found that the position will be materially altered in the future. There is a peculiar complex arising on the goldfields, in that it is complained that the goldfields are not adequately represented by the present Government. There is the illustration of their refusal to provide homes on the goldfields. While the Government could find £35,000 last year, and estimate to provide £35,000 this year, to be placed at the credit of the Workers' Homes Board, none of that money is to be spent on the goldfields. Yet there is more need for accommodation on the goldfields to-day than there has been for many years past, not only in Kalgoorlie and Boulder, but also in the outlying towns. While the Government can pour good money after bad through the Industries Assistance Board, we find certain goldfields districts stagnating for want of adequate crushing facilities. It seems very bad finance when the Government will not accede to requests for increased crushing facilities in certain goldfields districts, facilities that could not fail to bring additional revenue to the Government; while, as I say, at the same time the Government are sending good money after bad through the Industries Assistance Board. The lack of those crushing facilities means lack of production, and in addition the prospectors are subjected to considerable hardship and inconvenience insofar as they have to wait their turn at the existing batteries, and frequently have to follow their ore to far distant points, and spend considerable time waiting around for their ore to go through. We are told that the gold mining companies and investors in London were consulted, and I understand that the Chamber of Mines were acquainted with the proposals the Government intended to adopt. Unfortunately, the result is this: so far as the investors are concerned, they

are in the position that, having been induced to invest money in the gold mining industry in Western Australia, and having got tied up in those investments, they are now beginning to feel the screw being gently applied.

Hon. C. F. Baxter: Are we told this is to be retrospective?

Hon. H. SEDDON: All I am told is that the investors agreed to the proposal, and I say the screw is now being applied. We can be fully assured it will undoubtedly increase with economic pressure. This is the beginning, and we can rely upon it, that having tasted blood—to use a common expression—Treasurers of the future will not be satisfied until they have taken a more generous slice out of the industry. There are certain facts connected with the industry that seem to have been overlooked. Since the depression started, the industry has found employment for thousands of men who were forced off their farms or out of the cities. All these men went to the goldfields and secured employment. There is also the important fact that millions of pounds have come and are still coming into the State to develop its resources that for a long time were latent, and that money is taking a risk which is inevitably associated with gold mining enterprises, no matter how well they may be managed, or how efficiently the preliminary investigations may have been made. That money is coming into the State without imposing the crushing burden of debt on the community by way of sinking fund. It is coming in from private sources; it is not borrowed by the Government. There is one fault I find with the Bill and it is that the money required by the Government is to be raised in the form of a tax. We are told it is for the purpose of reimbursing the Government for the expenditure they are incurring with regard to payments to men being compensated under the Miners' Phthisis Act, and it is also intended to reimburse the Government for certain other contributions to the Mine Workers' Relief Fund. If that is the case, it is quite a legitimate thing to ask the mining companies to bear this impost; but why was it not done by way of increased premium? By that means we could have raised the rate charged to the companies. Once a tax is introduced, there is, as I have said, always a tendency to increase it as time goes by. I quite agree with the Minister that the

industry should bear the full burden of the compensation and, had the tax been imposed in the form of increased premiums in connection with the industrial diseases section of the Act, it would have been a far better method to adopt. There is another aspect we should take into consideration, and it is that had we imposed it in that form, it would have been an additional incentive to the companies to extend and improve ventilation methods and health conditions generally which should be part of our present mining system. I have heard disquietening rumours about the way these conditions have been carried out in one or two instances, although in the majority of cases the managements are insistent on its being kept down to a minimum. Unfortunately, there are one or two instances in which this is not done. If the premiums had been increased, a case could have been sheered home to the management, and pressure brought to bear to effect materially improved conditions. We are told that the tax is for the purpose of meeting the burden imposed on the State. The Bill does not say so. I should like to have seen some reference in the Bill to that fact. There is nothing to say that the money to be derived from the tax is not going into general revenue, and whatever charges are incurred, they will be charged against general revenue.

Hon. G. Fraser: Do not those expenses it is proposed to meet now come out of general revenue?

Hon. H. SEDDON: Yes, but why not increase the premiums and let the expenses be charged up to the companies concerned? There are one or two points in connection with the Third Schedule that might be brought to light. For the past few years insurance premiums have been paid to meet the charges in respect of the dust-affected miners. From the accumulated funds there has been money taken into revenue, money raised for the specific purpose of compensating miners, no less a sum than £70,000 during the last four years. The amounts taken into general revenue were—in 1931, £10,000; in 1932, again £10,000; in 1933, £25,000; and in 1934, £25,000. I should like to ask the Minister whether this total has been taken into account in estimating the charges it is intended to impose under the Bill, or whether, on the other hand, it

is intended in the future to take away the £25,000 from the compensation fund.

Hon. R. G. Moore: Or more.

Hon. H. SEDDON: I should like to know whether in the future it is intended that this money shall be taken, or whether the tax will be so arranged that it will meet the charges. If the fund is in such a position that £25,000 is taken for general revenue, obviously the premiums are rated too high, and the industry should be given the benefit of a reduction in the rate charged in the Third Schedule. There is an interesting comment in the Auditor General's report with regard to workers' compensation insurance. On page 32 the Auditor General says—

It will be observed that the credit balance at the Treasury was considerably in excess of what might be required for current use.

The credit balance shown is £134,644, and the Auditor General goes on to say that the fund would benefit if the investments were increased. So it will be seen that the Government are getting nice assistance by having this money at ready call instead of investing it to earn interest. There is also another fund to which the miners are contributing, and that is the Mine Workers' Relief Fund. This is a three-party arrangement towards which the Government contribute one-third, the employers contribute one-third, and the men themselves also contribute one-third. In connection with this, it is interesting to note the growing figures which have been placed before us. In 1933, the fund had a revenue of £19,000 and expenditure of £17,662. In 1934, the contributions were £26,900, and the expenditure had dropped to £14,000, and there was a surplus in that year of £12,700. That fund is in a rather prosperous position. As a matter of fact, the Government contributions for the past two years have been very materially reduced. There have been repayments to the Government owing to the fact that subscriptions have considerably increased. So that when it comes to an analysis of the position, we find that there are three funds, or there will be three, which are being raised for the purpose of meeting charges in connection with miners' phthisis and industrial diseases—the Mine Workers' Relief Fund, the Workers' Compensation premiums, and the tax it is proposed to raise

under the Bill we are discussing. As I have shown, at least two of the funds boast a very comfortable surplus. By way of contributions to the Mine Workers' Relief Fund last year, the employers subscribed £8,845, the Government contributed £8,867, and the employees £8,833. There was, I think, a considerable amount returned to the Government. At any rate, the fund has a comfortable credit at the present time, and the amount shown under the heading of "suspense" is some £20,000. There is another feature of the Bill before us which is rather unsound, and it is that the tax is to be collected on excess profits. I should like to know exactly what that means. If the industry struck increased costs, and the price of the commodity at the same time fell—these two are contingencies which are on the cards for the immediate future—what would be the position? Obviously, the amount of excess profits will materially fall, and one will then find the estimate to be very much astray. Would it then be the intention of the Government once more to take up the burden, or do hon. members think that if there were increased premiums under the Third Schedule, the amount of money raised would be kept more nearly stationary, and we should not stand the chance of a serious fall in the receipts? If there should be such a contingency, would it be met by increasing the rate of the tax or would the Government again step into the breach? If so, then it appears to me that the tax really resolves itself into an impost on companies that have been most efficient. Obviously, those companies whose costs are high, with the result that they do not make excess profits, will escape payment of the tax, whereas other companies that have gone to considerable expense to provide equipment enabling them to keep down costs, and are therefore able to show satisfactory returns, will have to pay. That phase is a serious defect of legislation of this description, and I would recommend the Minister to look into it. As to the position of people on the goldfields, we must recognise that the public generally are paying an adequate share towards the revenue of the country. The mining employees have to pay their taxation, just as do people in other parts of the State. In fact, the people on the goldfields are in a somewhat different position from those residing in the metropolitan area. For instance, the man on the basic wage paid in

the goldfields areas has to make his contribution under the financial emergency tax, whereas the man in receipt of the basic wage in the metropolitan area does not make a contribution under that heading. Then, again, the goldfields people pay rates over the railways that enable the Commissioner to go a considerable way towards meeting expenditure and if the freights charged for the conveyance of commodities from other parts of the State were in like proportion, I do not think the Commissioner of Railways would have much to worry about and the returns would be satisfactory to the Treasurer. In those circumstances, I think I am justified in saying that the benefits, both direct and indirect, that are derived by the State from the gold mining industry are such that we could have allowed the industry a little longer before imposing a tax of this description. It would be far wiser if the mining companies, and those in charge of the management of the mines, endeavoured to induce the Government to meet the situation by increasing the insurance rates, rather than to impose the tax under discussion. I congratulate the Government upon their financial astuteness because it appears to me that they will derive a very considerable sum from this tax. I cannot extend the same compliment to the management of the mines and the directors of the mining companies, who are supposed to safeguard the interests of their shareholders. In addition to the confusion that exists, owing to the mine workers being dealt with under three separate Acts, there is still more confusion under the financial legislation because of the returns that are derived from three different funds. It would have been far better had the Government gone thoroughly into the question with a view to consolidating the whole position. It would have been better for the mine managements to have arrived at some arrangement with the Government whereby the whole burden as well as the administration would have been assumed by themselves, thereby relieving the Government of their responsibilities. At the same time, that would have enabled the fund to be administered and compensation granted on a better and more uniform basis than obtains at present. I have only to refer to the different rates paid to beneficiaries under the three funds to

indicate the anomalies that exist because of the three methods of compensation that apply under existing circumstances. I intend to support the second reading of the Bill, which represents a matter of Government policy. Nevertheless, it occurs to me that the method proposed is not a wise one to pursue to attain the Government's objective, if that objective is to reimburse them for expenditure incurred. On the other hand, if the objective of the Bill is purely to raise taxation, then the Government are to be congratulated upon a very satisfactory Bill, from the financial point of view.

HON. J. CORNELL (South) [5.20]: I join issue with many of the statements made by the Chief Secretary in moving the second reading of the Bill. I am afraid his ideas regarding the ramifications of the Goldfields Water Supply Scheme have been limited expressly for the purposes of the Bill. I think his deductions were wrong in his summing up of what the goldfields water scheme had cost the State rather than the goldfields. It should be remembered that the operations of the scheme extend from Mundaring to Southern Cross, and it supplies every little town along the pipe line. At one point it goes as far as Shackleton, and water is conveyed 30 miles on each side of the line in order to supply the agricultural areas. It can be seen, therefore, that the distribution of the water supplied by the scheme is fairly equal as between the goldfields people and those operating in the agricultural areas to which I have alluded. It seems to be generally agreed that the Bill should be passed without question, inasmuch as the Government and representatives of the mining companies are at one on the point. For my part, I think the Bill should not be passed without criticism. I intend to amplify some of the points raised by Mr. Seddon. Against the items quoted by the Chief Secretary as expenditure incurred on behalf of the goldfields, we can easily present a set-off with regard to money absolutely wasted in other parts of the State. For instance, there was upwards of £3,000,000 lost in connection with group settlement.

Hon. T. Moore: Look at the butter you have got as the result of that expenditure!

Hon. J. CORNELL: In many other directions money has been absolutely thrown away, and the people, including those on the goldfields, have to shoulder the burden of that indebtedness for all time. I could go further back still and speak about the money that was thrown into the sea when an attempt was made to construct a dock at Fremantle. There are matters affecting the people on the goldfields that must be taken into consideration, seeing that the taxpayers in other parts of the State are differently situated. As Mr. Seddon pointed out, while the Government are extremely anxious that the men on the basic wage in the metropolitan area and in the country districts should not pay, they are not so considerate regarding the men on the goldfields, who have had to pay a higher rate under the financial emergency taxation legislation. That position arises notwithstanding that the wage is arrived at on the same basis in each instance. It is rather curious that, at a time when mining is prosperous, we should consider a proposal to tax the industry to the extent of £80,000. That represents a sectional tax. When the Government were requested to extend the operations of the Workers' Homes Board to the Eastern Goldfields, they were adamant and would not move. The board advanced as the reason for refusing the application, that the goldfields represented a doubtful proposition. Because of that, the board would not extend their operations to provide homes for the people resident in the Eastern Goldfields districts. If, as the board suggested, the goldfields represent a doubtful proposition, then it is curious that Parliament should be asked to impose sectional taxation on the returns derived from such a doubtful proposition. That seems to me rather anomalous. If the industry is in such a position as to warrant this sectional taxation, then the people on the goldfields are entitled to consideration in other directions in which they have been robbed in a bare-faced manner. How many of the mining companies will pay the tax when it is applied? They will probably be the Great Boulder, the Lake View and Star, the South Kalgurl, the Sons of Gwalia, and the Radio mine at Bullfinch. The Chief Secretary may be able to inform members regarding the position in the Murchison.

Hon. H. Seddon: There will be Wiluna as well.

Hon. J. CORNELL: Yes. That practically exhausts the companies that will pay the tax. Another mine at Norseman is in a rather peculiar position. It has paid a dividend. The company, whose shares stand at £2 on the market to-day, installed a plant that is no good. Now they are issuing 25,000 shares in order to raise capital to provide a new plant. They have done that despite the fact that they have paid a dividend of 2s. From what funds did they pay that dividend? They could not have paid it from profits. Would it not have been better for that mine to have erected the new plant instead of paying a dividend and issuing 25,000 more shares? There are three ways in which the mining industry can be taxed. One is to impose a tax on the output of gold, which is practically impossible of application. That would mean that all gold won would be subject to a tax, irrespective of whether the company were making a profit or not. We can dismiss that method. Then we could adopt the South African scheme. The Government there imposed a tax direct on the mines and did so for 15 years. Then they imposed the tax of which we have heard so much in recent years. The South African Government imposed a tax that really came out of the premium. They endeavoured to approach the position from a logical point of view. They imposed a tax on something that had been created by the community. Here in Australia the 25 per cent. exchange rate represents something that the community are paying for. By reason of the enhanced value of gold, the South African Government decided to impose a tax on that which the community had provided. That was merely fair and reasonable, for it meant that the public generally would have returned to them portion of the benefit to which they themselves had to contribute.

Hon. G. W. Miles: Would you advocate that for Western Australia?

Hon. J. CORNELL: I think there is more justice in that method than in the tax proposed by the Government here. The effect of the Government's action in South Africa was to hand back to the community portion of the value that the community had created. No great hardship would be inflicted by the

adoption of such a method of taxation. It would mean that companies who were probably doing the right thing by using a lot of their profits for the further development of their mines would get the same deal as companies who were not doing the right thing in the shape of further development. I agree with Mr. Seddon that to single out an industry for taxation because of its enjoying prosperity at a certain juncture constitutes a very dangerous experiment. As I have pointed out in my advocacy of the principle of the State taking part of the gold premium, the industry has reached a high state of prosperity largely through the depreciation of our currency, and we would be more or less taxing a false asset. Assume that the Commonwealth Government decided to-morrow, as I think should have been done long ago, either to reduce the exchange rate or to abolish it—exchange after all is a form of special tax—correspondingly the price of gold in this State would fall and correspondingly would the profits, which I assume will be calculated in Australian currency, diminish or disappear.

Hon. G. W. Miles: To abolish the exchange rate would have a bad effect on the primary industries.

Hon. J. CORNELL: But the Government propose to tax something which in a short space of time might disappear. Therefore I submit that the logical and just way would be for the Government to take part of the gold premium. While on the point of applying a special tax to a special industry, there are other industries in the State that even under present conditions could bear a greater load of taxation. Some industries or institutions are paying infinitely better dividends than are the mining companies, but because of the high price of gold the mining companies are to be required to pay a tax on profits, whereas the other concerns are not to be specially taxed.

Hon. G. W. Miles: What other industries are paying high dividends?

Hon. J. CORNELL: I have in mind the brewing industry and the liquor trade.

Hon. G. W. Miles: They are subject to special duties.

Hon. J. CORNELL: Other concerns are making profits and are just as solvent as are the gold mining companies. The letting of houses on the goldfields has become a fairly profitable industry. However, I am not advocating that any industry should be

taxed merely because of the prosperity being enjoyed, but the same set of circumstances that brought prosperity to the mining industry brought prosperity to others also. I submit that a sectional tax can be justified only so long as it is applied for a specific purpose. We are told that the main object of the Bill is to recoup the Treasury for the outlay involved to finance payments under the Miners' Phthisis Act and the Mine Workers' Relief Act. There was a time when the Government paid the premiums under the Workers' Compensation Act, but for some time past the mining companies have been paying their own premiums under that legislation. If the gold mining industry is to be taxed, then for my part it will be taxed for one purpose only and not for general purposes. Under this measure, the tax will be collected and paid into general revenue and used as the Government may think fit. I trust that this House will amend the Bill and provide definitely that the proceeds of the tax shall be paid into a special fund to compensate the men whose health is wrecked by reason of their occupation in the industry.

Hon. G. W. Miles: What difference would it make?

Hon. J. CORNELL: All the difference in the world. We are told that the expenditure in behalf of those men comes from Consolidated Revenue and that the proceeds of the tax will be paid into Consolidated Revenue and that thus the expenditure will be recouped to the Treasury. Let me remind members that one of the main obstacles we in this Chamber had to surmount when the question of compensation for miners' diseases was under discussion was that the money was not available to provide for the payment of adequate consideration. If more money is raised than is needed to meet the annual commitments—

Hon. G. W. Miles: The Government will use it and bring in a Bill afterwards.

Hon. J. CORNELL: This House will have done its duty by endeavouring to build up some reserve fund during the second era of prosperity enjoyed by the gold mining industry, instead of having a repetition of the experience of 25 years ago when nothing was done. On those grounds only shall I support the Bill. In Committee I hope the measure will be amended to provide for the earmarking of the revenue raised to

ensure that it will be applied to the specific purpose. I do not desire to enter into a long dissertation on miners' industrial diseases, but members who represent gold mining districts are fully aware that the weakness of existing legislation is that it does not help the unfortunate miner whose health has become impaired or wrecked. Our legislation has been framed on wrong lines. If we desire to adopt right lines, we should provide for moving men out of the industry immediately they show definite signs of industrial disease, and give them a little compensation. Now is the time for the Council to assert itself and say, "We will pass this Bill, but because of its sectional character, the proceeds of the tax must be earmarked for a specific purpose, namely, for compensating the men in the industry when their health becomes impaired." On those considerations I shall support the second reading.

HON. R. G. MOORE (North-East) [5.43]: When some time ago a suggestion was made in this House that a tax should be imposed on gold, I felt very much concerned and spoke strongly against it. It seemed to me that the object at the time was to impose a tax on all gold produced, and I pointed out that that would be a rather unfair impost because of the peculiar nature of the industry. I pointed out that often when gold had been won, no profit was derived from it, and even when substantial profits were made, much of the money had to be put back in the ground again for development purposes and eventually much of the profit so used was absorbed or lost. I have no objection to the present Bill which proposes a tax on the profits of gold mining companies. It has been suggested that the money so raised should be devoted to recouping the Government for their expenditure under the Miners' Phthisis Act. I should like to see that specified in the Bill as being the purpose for which the tax is to be raised, and to which the money will be devoted. We must remember that the Government are already committed to this expenditure under the Miners' Phthisis Act, and must find the money to meet it. I do not know that it would make a great deal of difference whether the tax went to general revenue and the miners' phthisis compensation

was paid out of general revenue, or whether it was earmarked for one particular purpose, and then used to meet the miner's phthisis account. The rate of tax would remain the same. The amount of money received from the tax will depend entirely upon the profits made. If the profits disappear the tax will disappear. Of what use would it be then to meet the cost of miners' phthisis? The Government must find the money whether the tax is collected or not. I am sorry I have to disagree with Mr. Seddon on one point. Generally I am in accord with everything he puts up. He suggested that it would be better to increase the premiums under the Workers' Compensation Act than to put a tax on gold profits. I am not in accord with that argument. If we increased the premiums under the Workers' Compensation Act, every employer, whether he made a living out of the industry or showed a loss, would be put to increased cost. If a man employs people to look for gold, and his expenses are increased under the Workers' Compensation Act, and he does not find sufficient gold to make a profit, as is usually the case with hundreds of people, an additional burden will be placed upon him that he will find difficulty in bearing. No such burden is found in the Bill before us. It represents a small tax on profits that have already been made. The tax will only apply if there is a profit. I can see very little objection to the Bill. I would, however, have opposed strenuously a tax on gold if had been based on production. As it is the Bill is about as fair a measure as could have been brought down in the circumstances. Mr. Seddon called attention to the fact that the Workers' Homes Board had refused to extend their operations to the eastern goldfields, because the risk was too great. Mr. Cornell has pointed out that the people there only asked for houses of about half the usual cost, and terms representing half the period for repayment. If the Government did not in their hearts honestly feel that the gold mining industry would continue in a prosperous condition for some time, they would not have brought down this Bill. If they thought it was only a flash in the pan, and that in a year or two the profits from gold would evaporate, I do not think they would have taken this course. They are satisfied that the prosper-

ity experienced on the goldfields to-day will appertain for a considerable period. That is the opinion of those more closely concerned with the industry. It is the opinion of a lot of people on account of the capital that is being invested in the goldfields to-day. It is, therefore, astonishing to think that the Workers' Homes Board have adopted that attitude. If the industry is flourishing so well and is likely to remain in that condition in the opinion of the Government, I think the same faith should be shown by the Workers' Homes Board in their operations on the goldfields. There is no place in the State that appeals to me as needing more housing accommodation than that part of it. It has been said in the House on previous occasions that the Government should step in when private enterprise refuses to do the work. That is not a fair way of putting the position. I suppose more money has been spent by private people in housing on the goldfields than anywhere else in the State. During the last three or four years more than £20,000 has been spent on houses there by private enterprise. Of course we cannot get private people to build houses on the basis of the cost being returned over many years. That is a principle followed by the Workers' Homes Board in other places. All we ask is that the board shall extend those facilities to the people on the goldfields.

Hon. J. Cornell: We only ask them to extend 50 per cent. of those facilities.

Hon. G. W. Miles: It is too risky. Even the President forfeited a block of his there a little while ago.

Hon. R. G. MOORE: He did nothing of the kind.

Hon. G. W. Miles: His name is on the list as having forfeited a block.

Hon. R. G. MOORE: He was a wise President and sold the block. I forfeited a couple myself a few years ago. I also built on six of the blocks, and most of them I still retain. I only wish I had 16 instead of six. This Bill is a very good argument to influence the Workers' Homes Board to extend their operations to the goldfields.

Hon. G. W. Miles: No.

Hon. R. G. MOORE: I do not want the hon. member to put any of his money into the business.

Hon. G. W. Miles: As a taxpayer I would be putting it there. The Chief Secretary

said the Crown stood for the taxpayers of the country.

Hon. R. G. MOORE: I will not discuss the financial emergency tax and the basic wage just now.

Hon. C. F. Baxter: You will have plenty of opportunities to do so.

Hon. R. G. MOORE: I expressed my views plainly last year, and if I can be even plainer on the subject this year, I intend to be so. Meanwhile I support the second reading of this Bill.

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

BILLS (3)—FIRST READING.

- 1, Financial Emergency Tax Assessment Act Amendment.
 - 2, Financial Emergency Tax.
 - 3, Financial Emergency Act Amendment.
- Received from the Assembly.

BILL—SANDALWOOD ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [6.0] in moving the second reading said: The purpose of the Bill is to extend the Sandalwood Act, 1929, which regulates the output of sandalwood from private property and Crown lands. Section 5 of the Act imposes a time limit on the duration of the measure, and it is now proposed to repeal that section. The Act was first assented to on the 5th December, 1929, and its duration was limited to the 31st December, 1932. Prior to determination, it was extended to the 31st December, 1934, by a continuance Bill introduced by the previous Government. The Act has now passed the experimental stage, and the control exercised has given general satisfaction and has proved of value to all interests. Its further extension is a vital condition of the agreement entered into between this State and South Australia, and is necessary in order to prevent the industry from reverting to the state of chaos in which it was prior to the passing of the original Act. The only other amendment is a clause defining sandalwood, which was inadvertently omitted from the original Act.

In that measure provision was made for the allocation of 10 per cent. of the total quantity of sandalwood orders to private property owners who receive licenses in the order of priority of application. The industry would undoubtedly have suffered a serious setback if private property owners had not joined with the Government in the restriction of the quantity to be exported.

Similar legislation was introduced in South Australia in 1930, and has now been extended to 1937. The Queensland Parliament passed similar legislation last week, but without any time limit. In July, 1932, this State signed an agreement with the South Australian Government placing the control of the total export of sandalwood from the two States under a committee consisting of one representative appointed by the South Australian Government, one representative appointed by the responsible Minister in Western Australia, and one person representing Western Australian and South Australian companies jointly. The result was that unit control of sandalwood exported from both States became effective for the first time, bringing about an improvement in the prices realised both here and in South Australia. Excess stocks at one time amounted to about 10,000 tons, the bulk of which was stored at Fremantle. They have been steadily liquidated, with the result that the excess now amounts only to about 3,500 tons, of which less than 2,000 tons are stored at Fremantle. A proportion of new pulling equal to half the export total has been maintained, and there is every prospect of the committee being able to increase the ratio of new pulling in the near future considerably and to liquidate all surplus stocks within the five year period. Under the agreement with South Australia the shipment of sandalwood is regulated by actual sales in China, and of the total quantity shipped two-thirds is from this State. One half of this quantity is applied to the reduction of accumulated stocks, and the other half is placed as orders for new pulling. Recently exports have been much lower than in the years immediately following the war, and this is believed to be due to the reduced purchasing power of the Chinese; but,

even allowing for this, the imports of sandalwood into China compare more than favourably with other import lines. Within the past few months the Queensland Government have also arranged to export sandalwood through an export committee, the quantity so handled to be limited to 500 tons per annum. Queensland wishes to secure that orderly marketing which our agreement with South Australia has brought about, and the arrangement has now been confirmed by legislation in Queensland. The agreement with South Australia, covering a period of five years, was signed in July, 1932. It has proved of great benefit to the industry as a whole. The Act has now proved its value. The experimental stage being past, no good purpose can be served by limiting the period of application of the Act.

Hon. G. W. Miles: You reversed that argument when introducing the Dried Fruits Act Continuance Bill.

The CHIEF SECRETARY: Yes, because I recognised that it was an experimental measure. The Act now under consideration has been tested, and its value is generally recognised. I move—

That the Bill be now read a second time.

HON. H. SEDDON (North-East) [6.7]: I fully support the Bill, which I regard as a step absolutely in the right direction. The agreements with other States are entirely to the good, and of material advantage to Western Australia in particular.

HON. J. CORNELL (South) [6.8]: I venture to say that hon. members do not understand the Bill. The Chief Secretary has stated that the Queensland Parliament has a similar measure under consideration. According to the "Bulletin," Queensland is introducing legislation on the same lines. This Bill practically consists of a provision repealing Section 5 of the principal Act. That section refers to the duration of the Act. The Act does not define "sandalwood."

The Chief Secretary: No; but it is defined in this Bill.

Hon. J. CORNELL: The Bill proposes to make the principal Act a permanent statute. When that Act was passed, we understood that it applied to sandalwood only.

The Chief Secretary: That is the case now.

Hon. J. CORNELL: If Clause 2 of the Bill is passed, the Act will apply to, say,

jamwood. Proposed Section 5, in Clause 2 of the Bill, says that for the purposes of the Act the word "Sandalwood" shall mean and include the wood of any tree of the genera *Santalum* or *Fusanus*, and any other species of aromatic wood.

The Chief Secretary: Which is or may be used as a substitute for sandalwood.

Hon. J. CORNELL: Exactly. If the Chinaman wants to smoke jamwood, this Bill will not permit him to do so, but tells him to smoke sandalwood. That is exactly in accordance with what the Sydney "Bulletin" states. The growers of sandalwood in Australia are prepared to go to the extent of preventing users of sandalwood in other countries from using any other wood for the same purpose. What does "aromatic" mean? The dictionary meaning is "sweet-smelling." Under the Bill any sweet-smelling wood proposed to be used as a substitute for sandalwood will be controlled. I hope hon. members understand what they will do in passing the Bill. The measure makes the Sandalwood Act permanent, and declares that certain woods bearing Latin names shall be sandalwood, and that any other species of aromatic wood used for the same purpose as sandalwood shall also be considered to be sandalwood.

Hon. R. G. Moore: Why not?

Hon. J. CORNELL: The hon. member interjecting does not use sandalwood. That wood is used for other purposes than burning in joss-houses. Personally I do not feel inclined to support the Bill. I am prepared to let the Sandalwood Act become a permanent piece of legislation; but I do not consider that without exhaustive inquiry we should place an embargo on any aromatic wood that may be used as a substitute for sandalwood. For the sake of argument, if some person in one of the three States that are parties to the agreement were to convince users of sandalwood in other countries that he had an excellent substitute for sandalwood, he would be prevented from exporting it.

The Chief Secretary: He would be restricted.

HON. R. G. MOORE (North-East) [6.11]: Mr. Cornell's argument is a sound argument for passing the Bill. If somebody wanted to sell jamwood as sandalwood, the Bill would enable the Government to stop him. It is quite difficult enough now

to sell sandalwood at a reasonable price, and in the absence of such a measure as this the position is likely to be made worse. I see no objection whatever to the passing of the Bill. If a synthetic sandalwood should be invented here, I want its export stopped.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central—in reply) [6.12]: Two terms are used as applicable to sandalwood. One is *Santalum*, which we all recognise as meaning sandalwood; the other is *Fusanus*, which represents sandalwood also. There are two schools of botanists, one of which says that our sandalwood is *Santalum*, while the other declares it to be *Fusanus*. Suppose there was a demand for jamwood in China and we could get a big price for it; what harm would there be in limiting the export, so as to avoid flooding the market? I fear there is not much jamwood available now. In the circumstances I have suggested, jamwood would come within the definition of aromatic wood capable of being used as a substitute for sandalwood.

Hon. J. Cornell: For making furniture?

The CHIEF SECRETARY: In that case it would not come within the meaning of the Sandalwood Act of 1929, which provides that private owners of sandalwood shall be licensed as regards export. A similar measure has been passed by South Australia and Queensland.

Hon. J. Nicholson: I am told it is essential that there should be a permanent Act.

The CHIEF SECRETARY: I do not think we should try to pick holes in the Bill and assert that it will prove ruinous to any Western Australian industry. If, unfortunately, it should prove to operate in that direction, we can soon amend it. The definition was overlooked when the original Act was passed.

Question put and passed.

Bill read a second time.

Sitting suspended from 6.15 to 7.30 p.m.

In Committee.

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

Clause 2—Meaning of "sandalwood":

Hon. G. W. MILES: The other continuation Bills we have had before us carried a

time limit, to the end of 1934. Each year for some years past the Committee have adopted the measure, but limited it as experimental legislation. I wonder whether there is any sound reason why this should not be limited in the same way.

The CHIEF SECRETARY: The reason is that it has been tried and has been found very successful. There is no dissatisfaction with it. The bottom has been knocked out of the market through the operations of those pulling timber on private lands and selling it at a low price, so there is no reason why the legislation should not continue until it is repealed; and, in view of past experience, I do not think the necessity will arise for its repeal.

Hon. E. H. ANGELO: Under the Act a regulation was made some years ago prohibiting the pulling of sandalwood in the Gascoyne district except for distillation purposes. At that time, when a protest was made to the Minister, it was definitely promised that all sandalwood for distillation would be taken from the Gascoyne district, while sandalwood for export would be drawn from the other districts. I was pleased to hear from the Chief Secretary that the stacks of sandalwood have been depleted and that shortly there will be no carry-over. However, the promise that was made to take all wood for distillation from the Gascoyne has not always been fulfilled, for a good deal of wood for distillation has been drawn from the goldfields. That being so, and the quantities of sandalwood in stock having been depleted, I ask the Chief Secretary, will not the Government draw from the Gascoyne whatever wood is required for distillation?

The CHAIRMAN: The hon. member is making a second reading speech. He is not touching the clause. He should have made his remarks on the second reading.

Hon. E. H. ANGELO: I am merely asking the Chief Secretary how long that prohibition is to extend.

The CHAIRMAN: But the clause is simply adding a definition.

Hon. E. H. ANGELO: I want to know how this extension of the Act will affect the sandalwood in my district.

The CHAIRMAN: Is the hon. member opposing the clause?

Hon. E. H. ANGELO: Yes, unless the Chief Secretary can assure me that he hopes shortly to be able to remove that prohibi-

tion. Again, how is the clause going to affect the cutting of jamwood in my district, where it is used for fencing? The regulation can prohibit the pulling of sandalwood except for export, and since this definition includes jamwood, will it affect the post cutters?

The CHIEF SECRETARY: I am glad the hon. member has mentioned that agreement. I have a distinct recollection of a promise being made, or something to a similar effect in the report of the Conservator of Forests, that the sandalwood in the Gascoyne district was superior for distillation purposes to that produced in other parts of the State, and that it would be used for that purpose. I will be prepared to go into that with the hon. member. As for jamwood, the clause certainly covers any species of aromatic wood used as a substitute for sandalwood, but is there any probability of jamwood being exported to China? If so, it would be reasonable to bring jamwood under the operations of this measure. Many farmers would be pleased to use some other wood for their posts.

Hon. H. SEDDON: I may be able to assist Mr. Angelo in regard to the use of sandalwood from the Gascoyne district. I understand from the manufacturers that it is necessary to distil the oil from sandalwood under very searching conditions. It has to pass a very severe test in order to qualify for a place in the pharmacopeia, for which purpose it is necessary that two distillations be made, in order to render the oil equivalent to that derived from the Indian sandalwood. That is why a restriction was placed on the Gascoyne sandalwood for distillation purposes.

Clause put and passed.

Title—agreed to.

Bill reported without amendment and the report adopted.

BILL—CITY OF PERTH SUPERANNUATION FUND.

Second Reading.

HON. J. NICHOLSON (Metropolitan) [7.42] in moving the second reading said: In 1928 a measure was introduced by the Perth City Council for the establishment of a superannuation fund. That Bill was introduced, as this Bill has been intro-

duced, in the Assembly and it reached this House and was referred to a select committee, but was not further proceeded with. The Bill on that occasion sought to make provision for the establishment of a superannuation fund by extending the powers of the City Council to make by-laws under Section 179 of the Municipal Corporations Act. The Bill before us, however, is really a Bill to authorise the City Council to establish control, manage and administer a superannuation fund for the purpose of providing superannuation benefits for all its employees. Not all the employees were included in the former Bill, but that difficulty has now been overcome and the proposed scheme, once it is formulated, can be applied to all employees. The Bill has had the advantage of having been considered by a select committee of another place. A copy of that committee's report is before members. It shows that the committee made various recommendations and the concluding part of the report states:—

(a) That subject, as mentioned below, the Bill be passed by Parliament.

(b) No scheme for superannuation should come into force—

(i) until it has been approved by two-thirds majority of the members of the council of the municipality.

(ii) until it has been published in two successive issues of the "Government Gazette," provided that if, during a period of two months after the second publication, twenty owners of rateable land in the municipality demand a poll as prescribed by Section 445 of the Municipal Corporations Act, 1906 (as in the case of a loan), such poll shall be taken as provided by Part 24 of the said Act, and the vote recorded thereat shall determine the question.

(iii) Unless the By-laws embodying the scheme are laid on the table of each House of Parliament, and have not been disallowed in manner provided by the Interpretation Act, 1918.

Mr. Needham dissents from this report.

There is also a note of the evidence taken and a copy of the suggested amendments which have been embodied in the Bill before us. These recommendations follow to an extent the lines of certain proposals made by the select committee appointed by this House in 1928. A reference to the report of the select committee of that year will show certain points of similarity. Members are aware, and it is also shown by the

evidence taken by the select committee, that pension schemes have been adopted by most public bodies and corporations as well as large companies and banks. The number of employees of the City Council is slightly larger than it was in 1928, the total being 705 comprising salaried staff 185, and wages employees 520. Under Section 155 of the Municipal Corporations Act certain provision is made empowering municipalities on the resignation or death of any officer, or upon the abolition of any office, to, in their discretion, cause to be paid to such officer or such of his surviving relatives any gratuity not exceeding the amount of one month's salary for each year of service. That power has been largely availed of by municipalities such as the City of Perth, and evidence was given before the select committee showing the amount that had been paid under that authority from the year 1918 to 1934. The total paid was £14,713. One might suggest that that power embodied in the Act created something in the nature of a benefit fund and it has been looked upon by employees as the means of providing retiring allowances for them. It has been recognised by the City Council that it will be much better to establish a superannuation fund, but to do that it is considered there should be statutory authority. The Bill is merely designed to enable the City Council to do what other public bodies and large companies have done for the benefit of their employees. No actual scheme has been prepared because it was recognised that it would be impossible, and the City Council would not be justified in incurring the expense of preparing a definite scheme, until authority had been given to establish the fund. When the authority has been given by means of the Bill before us, then a detailed scheme will be formulated. The select committee of another place in considering the matter displayed commendable care in seeking to protect the interests of all parties concerned. For example, Clauses 5, 6, 7, 8 and 10 were added on the recommendation of the select committee. Clause 5 makes it clear that no scheme for superannuation shall be approved until certain things are done. A two-thirds majority of the City Council will be essential, a copy of the proposed scheme must be made available for the inspection of ratepayers, and notice thereof must be published in two

issues of the "Government Gazette." Clause 6 gives power to owners of land to demand a poll. They are the people who will be called upon to make contributions under any scheme, and they will be able to inspect the scheme and see how far it will affect them. Clause 7 provides the method of taking the poll and Clause 8 deals with the adoption of the scheme by the council. Clause 10 is a protective clause, providing for an amended application of the Interpretation Act to the Bill. Under the Interpretation Act it is necessary for regulations to be laid on the Table of the House and they may be disallowed within a certain time. These ordinarily would take effect from the date of publication in the Gazette, but under Clause 10 of the Bill any regulation or by-laws passed will only take effect and have the force of law as from the expiration of the time permitted for disallowance under Subsection 2 of the Interpretation Act. Consequently no scheme can have effect until the expiration of that period. I feel sure that the Bill, which has been fully considered in another place, will meet with the approval of members. I move—

That the Bill be now read a second time.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [7.57]: I am in accord with everything that Mr. Nicholson has said with reference to the Bill. The City Council have for a considerable time found themselves in difficulties with regard to adequately dealing with their employees on their retirement. I am satisfied that while the ratepayers will be called upon to contribute their quota towards a superannuation scheme, it may not be so costly as has been the system that has operated up to the present time. There are many who have been in the service of the City Council for a very long time, and it is recognised that a considerable sum of money must be paid to those employees on retirement, especially as "may" has lost its significance and has become "shall." The carrying into effect of the proposal which will be possible if the Bill be passed will do away with a lot of heart-burning on the part of mayor and councillors as well as employees themselves, and the ratepayers will have the satisfaction of knowing that the scheme of superannuation has been put on a satisfactory basis. Ratepayers will have the satisfac-

tion of knowing that what is done will be on the basis authorised and in respect of which they will have a word to say. Mr. Nicholson did not say much about Clause 9, but that provides that the employees will be required to contribute their quota. I feel sure it will be recognised generally that where large bodies of men are employed, some proposal of this description is required. From my experience as a member of the City Council and as a result of discussions I have had with councillors since I ceased to be a member of that body, I know it is generally appreciated that there is necessity for the scheme for which the employees themselves have fought, and the advisability of which councillors themselves have been aware for years past. I have pleasure in supporting the Bill.

Question put and passed.

Bill read a second time.

House adjourned at 8.3 p.m.

Legislative Assembly,

Wednesday, 7th November, 1934.

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

QUESTIONS (2)—CANNING DAM WORKERS' CONDITIONS.

Attitude of Acting Minister for Works.

Mr. SAMPSON asked the Acting Minister for Works: 1, Is he aware that on the 9th October last a request was made by me, as member for the district, to the Minister for Works and Labour to receive a deputation, representative of the Canning Dam workers, to discuss cubicles and extensions thereto? 2, Does he support the reply as forwarded by the Under Secretary for Labour under date the 12th October, in which it was stated that "by direction of the Minister, all matters relating to the working conditions, including that of accommodation of employees at the Canning Dam construction, are covered by an industrial award, and, in the circumstances, it was essential that all negotiations should be conducted strictly between the union and the Minister"? 3, Is he prepared to extend to the member for the district for usual courtesy in respect of receiving deputations? 4, If so, will he advise a date and time when he will be prepared to receive a deputation?

The ACTING MINISTER FOR WORKS replied: 1, Yes. 2, Yes. 3, Yes, but it has never been the practice for members of Parliament to interfere in industrial conditions, especially those which are part of a contract of employment between an industrial union and the Government unless at the request of the union concerned. 4, A deputation from the union on the subject has already been received.

Attitude of Minister for Health.

Mr. SAMPSON asked the Minister for Health: 1, Does he recall that on the 9th October last a request was made to him by me, as member for the district, to receive a deputation to discuss matters relating to the medical welfare of workers and families on the Canning Dam? 2, Is he aware that, in reply to a request for a deputation to the Minister for Works on a related subject, the Under Secretary for Labour forwarded a reply, dated the 12th October, that "by direction of the Minister, all matters relating to the working conditions, including that of accommodation of employees at the Canning Dam construction, are covered by an industrial award, and, in the circumstances, it was