

BILL—BOAT LICENSING ACT AMENDMENT.

Second Reading.

Debate resumed from the 26th November.

HON. C. G. LATHAM (York) [10.29]: This is a simple Bill. It proposes to delete Section 4 of an Act passed in 1878. That section reads as follows:—

Nothing in this Act contained shall apply to any boat, ship, vessel or steamer making any coasting voyage within the meaning of "The Colonial Passengers Ordinance, 1861."

I understand that because that Ordinance has ceased to exist, it becomes necessary to license these small boats under the Navigation Act. The Minister proposes to simplify this procedure by the Bill now before us. It is certainly patchwork business, and it is time we went through all the old statutes, and brought them up to date. I am sure this particular Act has not been used for some time. I have no objection to the Bill.

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 10.32 p.m.

Legislative Council,

Thursday, 3rd December, 1936.

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

ASSENT TO BILLS.

Message from the Lieut.-Governor received and read, notifying assent to the undermentioned Bills:

- 1, Reciprocal Enforcement of Maintenance Orders Act Amendment.
- 2, Land and Income Tax Assessment Act Amendment.
- 3, Land Tax and Income Tax.
- 4, Electoral Act Amendment
- 5, Justices Act Amendment.
- 6, Child Welfare Act Amendment.
- 7, Metropolitan Milk Act Amendment.

QUESTION—MINING, ADVANCES TO COMPANIES.

Hon. C. G. ELLIOTT asked the Chief Secretary: 1, What advances have been made to or guaranteed for mining companies in Western Australia by the Government and have not been repaid? 2, What are the names of the companies concerned, and what is the amount in each case?

The CHIEF SECRETARY replied: It would entail a great amount of time to ascertain the total advances made out of the General Loan Fund for item "Development of Mining" by the Mines Department from its inception, but it is presumed that the inquiry only relates to the period of mining revival since 1929, and information is given accordingly. 1, See No. 2. 2, Great Bonnie Doon (1935, Ltd.), £587; Block 7 Coy.,

Ltd., £958; Freney Kimberley Oil Coy., N.L., £2,500; Union Plaster Coy. (machinery), £812; Wiluna Ajax Gold Mines, N.L., £250; The Westralia Renown Mines, N.L., £675; Mateo Gold Mining Coy., Ltd., £498. Guarantees—Celebration Mine, N.L., £20,000; Golden Hope, N.L., £5,000. Total advances and guarantees to companies, £31,280.

QUESTION—RAILWAY RATES ON WATER.

Hon. H. V. PIESSE asked the Chief Secretary: 1, Are lower freight rates charged by the Government railways for carriage of water to dry areas? 2, If so, what is the difference in rates? 3, In view of the acute shortage of water, particularly for drinking purposes, at Katanning, Nyabing, and Gnawangerup, and in surrounding districts, could water be carried to these areas at the reduced rates (if any)?

The CHIEF SECRETARY replied: 1, Water is conveyed at Class "M" rates, but when required for stock and domestic purposes a charge of 1½d. per ton per mile operates with a minimum of 2s. 6d. per ton if cheaper than "M" Class rates. 2, See answer to No. 1. 3, Yes.

LEAVE OF ABSENCE.

On motion by Hon. H. Seddon, leave of absence for six consecutive sittings granted to Hon. C. B. Williams (South) on the ground of ill-health.

BILLS (2)—REPORTS OF COMMITTEE.

- 1, Purchasers' Protection Act Amendment.
 - 2, Dairy Industry Act Amendment.
- Adopted.

BILL—INDUSTRIES ASSISTANCE ACT CONTINUANCE.

Second Reading.

Debate resumed from the 2nd December.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West—in reply) [4.40]: I secured the adjournment of the debate on the Bill at the last sitting in order that I might obtain some information on the points raised by Mr. Thomson. I find that in the case of the

Agricultural Bank Act no provision is made to furnish settlers' seasonal requirements. The Industries Assistance Act is one of the measures given over to the control of the Agricultural Bank Commissioners in order that they may assist settlers who have suffered from drought conditions or some other similar circumstances over which they have no control. The hon. member made some remarks as to payment of land rents by the Agricultural Bank or by the Industries Assistance Board. He said he wanted to make some provision which would ensure that that should not be done in the case of farmers who might have to be assisted under the Act by the Agricultural Bank Commissioners as the result of the drought conditions existing at the present time. Mr. Thomson suggested that his reason for desiring such an amendment as he outlined was that those farmers should not be called upon to pay interest on land rents which were paid on their behalf by the Industries Assistance Board. I think that is a fair account of what the hon. member stated. I am advised that the provision in question is retained in the Act for the purpose of protecting securities. The section referred to has not been operated upon since 1930; and it is not intended that amounts covering settlers' indebtedness to the Lands Department on account of overdue land rents will operate generally. It is desired, however, that the provision be retained for the protection of the security in cases which may arise.

Hon. J. Cornell: The difference between the two Acts is that under the Industries Assistance Act the trustees take all the proceeds and do what they like with them. This is not the case under the Agricultural Bank Act.

The CHIEF SECRETARY: Under the Agricultural Bank Act there is no provision for the supply of seasonal requirements which need to be provided for numerous farmers at the present time.

Hon. J. Cornell: Those requirements can be provided up to £2,000.

The CHIEF SECRETARY: Not seasonal requirements.

Hon. J. Cornell: It has been done.

The CHIEF SECRETARY: Not for seasonal requirements.

Hon. J. Cornell: Licens have been released.

The CHIEF SECRETARY: But not for seasonal requirements.

Hon. J. Cornell: A client of the Industries Assistance Board has no say.

The CHIEF SECRETARY: The Agricultural Bank Commissioners are utilising the Industries Assistance Act for the purpose of aiding settlers whom it is necessary to help in various forms so that they may carry on. This is due to difficulties which those settlers are experiencing from the drought. Whatever assistance is rendered by the Agricultural Bank Commissioners under the Industries Assistance Act will be covered in the ordinary way. With respect to land rents, according to my advices there is no intention on the part of the Agricultural Bank Commissioners to take the action suggested by Mr. Thomson; but the Commissioners point out that it is essential the section should remain.

Hon. J. Cornell: That section does not apply to an ordinary Agricultural Bank debt such as land rents. Such a debt is not stopped from the proceeds of an Agricultural Bank client.

The CHIEF SECRETARY: No. The section applies to settlers who come under the Industries Assistance Board. Why try to cloud the issue? I am not trying to do so at all. Settlers who come under the Industries Assistance Board have to comply with the Act so far as they are called upon to do so.

Hon. A. Thomson: That is the reason I have put up these suggestions.

The CHIEF SECRETARY: I am explaining the viewpoint of the Agricultural Bank Commissioners who have to administer the Act.

Hon. J. J. Holmes: We are not dealing with the Agricultural Bank, but the Industries Assistance Board.

The CHIEF SECRETARY: Of course, but the Commissioners of the Agricultural Bank have placed upon them the responsibility of administering this particular Act which, I believe, is the only Act that will allow the assistance being given that is necessary. With regard to the question of the rate of interest to be paid by these clients, the position at present is that only five per cent. is being charged the settler in respect of advances made under the Act. The position, however, is entirely governed by the rate at which money can be found by the board. At the present time money is obtained by the board at $4\frac{1}{2}$ per cent. and the settler is charged five per cent., the difference—one half per cent.—being re-

tained by the administration to cover administration costs. That is the information I have obtained and I thought it was only right I should give it to the House, in view of the hon. member's remarks. So far as six per cent. is concerned, that is not being charged at the present time. If there should be any alteration made in the Act, it is not desirable that we should fix any particular rate of interest, such as five per cent. as suggested by the hon. member. It would be far better, if any alteration is made, that it should be a rate to be prescribed, because from time to time there is a variation in the cost of money utilised for this purpose and, generally speaking, the margin over and above the cost is one half per cent. I have no more to say except to point out that it has been the policy of Governments for some years past to wind up the Industries Assistance Board and allow the Act to lapse as early as possible, but the recent drought conditions have made this impossible and practically the sole use made of the Act at the present time is to make advances for seasonal requirements.

Question put and passed.

Bill read a second time.

Instruction to Committee.

HON. A. THOMSON (South-East)

[4.50]: I move—

That the Committee be instructed that they have power to insert the following new clauses in the Bill:—

New Clause 2:

Section nine of the Industries Assistance Act, 1915 (No. 27 of 1915), as reprinted with amendments in the Sessional Volume of the Statutes for 1931, is amended by deleting paragraph (c).

New Clause 3:

Section twelve of the Industries Assistance Act, 1915, is amended by deleting paragraph (d).

New Clause 4:

Section thirteen A of the Industries Assistance Act, 1915, is amended by deleting the word "six" in the fifteenth line of the section, and substituting the words "not more than five."

New Clause 5:

Subsection (4) of section fourteen of the Industries Assistance Act, 1915, is amended by deleting the words "not less than six" in the fourth line of the subsection, and substituting the words "not more than five."

New Clause 6:

Subsection (2) of section twenty-two E of the Industries Assistance Act, 1915, is amended by—

(i) deleting the words "land rents" in the sixth line of paragraph (b); and

- (ii) deleting all the words after the word "premiums" in the seventh line of paragraph (b) to the end of the paragraph.

New Clause 7:

Section twenty-two K of the Industries Assistance Act, 1915, is hereby repealed.

I am very pleased with the sympathetic reply that the Minister has given. It is admitted that the only means by which assistance can be given to those suffering through the drought is through the Industries Assistance Board, and it has to be recognised that those people will not be able to get out of the control of the board this season. They would be fortunate if they did.

The PRESIDENT: Order! Will the hon. member resume his seat? For the information of the House I had better read the following sentences from "May's Parliamentary Practice," page 368—

The debate on a motion for an instruction must be strictly relevant thereto, and must not be directed towards the general objects of the bill to which the instruction relates, or anticipate the discussion of a clause of the bill, and the mover has not the right of reply.

I quote that for the benefit of the Hon. Mr. Thomson and other hon. members of the House.

Hon. A. THOMSON: That is all I wish to say. The Act has been in existence since 1915. We had hoped that the work of the board had finished and that only a matter of cleaning up the remaining liabilities was left to be settled. But when it is realised that £78,000 has already been advanced and the Premier has budgeted in the Loan Estimates for an additional £700,000, the seriousness of the position will be realised. While it is true that it may be the policy of the Government at the present stage not to charge up the land rents, we know it has been done in the past and if we pass this Bill as it is now, there is nothing to prevent the bank commissioners from putting that policy into effect. It is definitely laid down in the Act as it exists that the rate of interest shall not be less than six per cent. It is with a view to rectifying these anomalies that I am craving the indulgence of the House and asking that the committee be given a direction to discuss the amendments on the Notice Paper.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [4.53]: While I am not going to raise any strong objection, I would like to point out that this is purely a continuance Bill.

Hon. C. F. Baxter: This is a most unusual procedure.

The CHIEF SECRETARY: Yes. The proper course to adopt in a matter of this kind is to make a request to the Government in the usual way that an amending Bill be brought down to provide for certain amendments to be made, giving the reasons. I have no doubt that generally speaking any Government would be prepared to give serious consideration to a request of that kind. It is a very important matter, of course, that farmers shall be able to receive assistance at the present time, and it will be recognised by all members that the Government have at least shown their readiness to do whatever they can.

Hon. A. Thomson: That is admitted.

The CHIEF SECRETARY: The hon. member need have no fear whatever in regard to the question of land rents. I have already pointed out that the provision has not been acted upon since 1930, but it is necessary that provision of that kind should be retained in order that the security held by the bank may be protected. In some cases it would be essential, because if land rents were not paid and the land were forfeited the bank would have no security whatever, no matter what amounts might have been advanced. I do not propose to debate the question at any length. I rose to point out the unusual procedure being adopted on this occasion and suggest that in the matter of a continuance Bill it is not desirable that action of this kind should be taken.

Hon. H. Seddon: It is the first time it has been done in this House. It has been done in the Assembly.

The CHIEF SECRETARY: I am not concerned where it was done or when. I am suggesting that it is an unusual procedure and not the correct procedure in a matter of this kind.

HON. J. CORNELL (South) [4.55]: Unusual circumstances call for unusual proceedings. I understand the only way this Bill can be amended is in the manner suggested by Mr. Thomson. The Government have said that they do not administer the Act. It is entirely administered by the Commissioners. The Government have no political pull over the Commissioners. It is not a question of the attitude of the Government in respect to the administration of

this Act, but whether or not the Commissioners will extend a little more sympathy than has been given regarding some of the provisions of the Agricultural Bank Act. The argument advanced by the Chief Secretary in support of the retention of the provision objected to, that it is necessary to protect the security of the Bank, is very thin. If it is necessary in this instance, it is necessary as far as the Agricultural Bank Act is concerned, but a similar section does not appear in the Agricultural Bank Act. The difference is that when a client goes under the provisions of the Industries Assistance Act, he goes under body and soul. All his profits are handled by the Commissioners in such a manner as they think fit. He is practically a mere cypher.

Hon. J. J. Holmes: Is not that right?

Hon. J. CORNELL: I do not think so.

Hon. J. J. Holmes: He could not live without them.

Hon. J. CORNELL: I do not know that he could live with them. Unless there is very sympathetic consideration given to men who have to come under the Industries Assistance Board—and many of the best men have to seek assistance—they will be in very grave difficulties. I agree that it is unusual to take the course suggested by Mr. Thomson on a continuance Bill, but the position is that the Government consider that the Act is sufficient as it stands, whereas Mr. Thomson is of the opinion that it is not.

Member: Is there any evidence of harshness?

The PRESIDENT: I remind hon. members that debate on a motion to give the Committee power to insert certain clauses in a Bill should be confined to the question as to whether or not the Committee should have that power. The details of the clauses can be discussed when the power has been granted.

Hon. J. CORNELL: The only way to secure Mr. Thomson's objective is along the lines he has suggested. There are unusual happenings which call for unusual remedies.

Question put and passed.

In Committee.

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

Clauses 1, 2—agreed to.

New Clause—Amendment of Section 9:

Hon. A. THOMSON: I move—

That the following be inserted to stand as Clause 2:—"Section nine of the Industries Assistance Act, 1915 (No. 27 of 1915), as reprinted with amendments in the Sessional Volume of the Statutes for 1931 is amended by deleting paragraph (c)."

Section 9 empowers the Treasurer, for the purpose of affording assistance to settlers and other persons affected by drought or other adverse conditions, to supply seed, fertilisers, fodder, machinery, etc., and to make advances to enable them to pay agistment fees, municipal and road board rates, wages, insurance, etc. Paragraph (c) empowers the Treasurer to—

Make advances to applicants to enable them to pay rents due to the Department of Lands and Surveys when in default of payment their holdings would be liable to forfeiture, or to pay any moneys due to any other Government department or institution and legally or equitably charged or intended to be charged by statute, mortgage or otherwise, upon their holdings.

The object is to strike out paragraph (c). The Minister said no charge had been made since 1930, which is proof that previously the Agricultural Bank authorities, as trustees for the Industries Assistance Board, were definitely charging land rents and compelling the farmers to pay interest at 6 per cent. on the amounts. The Minister also said that the paragraph should be retained in order to preserve the security. The settlers needing assistance are clients of the Agricultural Bank, and surely in a time of stress that compels them to seek assistance for seasonal requirements, it is reasonable to ask for the suspension of those rents. The request is justified by the existing extraordinary conditions.

The CHIEF SECRETARY: I do not raise any particularly strong objection to the new clause. The hon. member said my statement had proved that previous to 1930 the custom had been to pay the land rents of clients and charge interest on amounts. I did not say anything to justify that statement. I said that not since 1930 had the Industries Assistance Board paid any land rents at all. Previous to that it was done to protect the security of the Bank. Surely I made the position clear!

Hon. A. Thomson: It was done in the earlier days.

The CHIEF SECRETARY: We are using the Act to enable us to grant assistance to

settlers in need, and it is not intended to pay land rents on behalf of clients. If the board have to provide the money to pay portion of the land rents to make the security clear, they should have that power. The hon. member should realise the effect of his action.

Hon. J. Nicholson: Would it be beneficial to delete the paragraph?

Hon. G. W. MILES: The deletion of the paragraph would deprive the Treasurer of the power to make advances.

Hon. A. Thomson: It would not.

Hon. G. W. MILES: We should hesitate before accepting the new clause. I oppose it.

Hon. A. THOMSON: If the Government were administering the Act, one might be inclined to accept the Bill without question, but the administration is entrusted to the Agricultural Bank Commissioners and, once the Bill be passed, Parliament will have no control.

Hon. G. W. Miles: You have no confidence in the Commissioners?

Hon. A. THOMSON: I have to consider the settlers who will be compelled to come under the Act. If the hon. member were in the position of some of the settlers and had had experience in the earlier days, he would probably be a little more sympathetic. The new clause would not prevent the Commissioners from making advances. I have heard members criticise Governments strongly for charging group settlers 7 per cent. interest on money obtained at $1\frac{1}{2}$ or $2\frac{1}{2}$ per cent.

The CHAIRMAN: Order! The question of interest is not contained in this proposed new clause.

Hon. A. THOMSON: I admit that. If we do not accept the new clause, the Agricultural Bank Commissioners may say to every client, "You owe the Lands Department so much for land rent, and we propose to make it secure."

Hon. J. J. Holmes: If the Associated Banks pay land rents they charge the client interest.

Hon. A. THOMSON: But they are dealing with farmers who have a margin, and they do not take complete control of the proceeds, as do the Agricultural Bank Commissioners. The Commissioners have absolute power to take the whole of the proceeds and distribute them as they think fit. If a farmer obtains an advance from one of the Associated Banks for seasonal re-

quirements, he is allowed to draw his own cheques and pay his creditors as he thinks fit. Under this measure the Commissioners would have the right to take the whole of the proceeds and let other creditors go short.

Hon. T. Moore: Has that been done during the past few years? Is it the practice to-day?

Hon. A. THOMSON: I draw attention to the fact that prior to this year there were 319 farmers being carried on under the Industries Assistance Act. They were old clients, and we do not know what the Bank Commissioners are going to do when it comes to the distribution of farmers' proceeds 12 months hence. Under the provisions of the Industrial Assistance Act the number was reduced to 319, but now the total has suddenly jumped to over 2,000, and the Premier is anticipating an increase in that number because he has made provision in the Loan Estimates for £200,000, and has stated that another £500,000 will have to be provided. I have no desire to do anything that will embarrass the Government, but it is reasonable to remove from them, shall we say, the temptation to balance the ledger by juggling the figures and saying to those who are in difficulties through adverse circumstances, "Your land rents will be in suspense, and therefore you will not have to pay 5 or 6 per cent. interest." We have given the Bank Commissioners power to say, "This man owes us £40 and we can take it out of the proceeds of his crop," and the Commissioners can allow the farmer to retain so much to enable him to carry on in the succeeding year. This might mean that £20, £30 or even £40 would be in suspense. I remind the House that the land did not cost the Government anything. It was there.

Hon. L. Craig: But the Government made advances on it.

Hon. A. THOMSON: I am dealing with the rents. However, I hope members will support the new clause.

The CHIEF SECRETARY. While the hon. member spoke for a long time, he could have said all he did say in a very few words, and those few words would have been that he did not trust the Government, through the Bank Commissioners, to treat distressed farmers sympathetically under this Act. That is all he said, and it took him a long time to say it.

Hon. A. Thomson: Why should I trust them?

Hon. H. V. PIESSE: It is not my idea of the situation that we do not trust the Government. The amendment is reasonable, and the question is that the Bank Commissioners have been appointed to control this Act. We heard the Minister in another place say that, regardless of Parliamentary or political control, the Bank Commissioners have the power to carry out the provisions of the Industries Assistance Act. We know that under the Agricultural Bank Act now in force, the Industries Assistance Act has been handed over to the Commissioners to administer. I consider they should have full power, but at the same time the Government really have no control over the Commissioners when it comes to a point such as this particular clause deals with.

Hon. J. M. Macfarlane: For how long?

Hon. H. V. PIESSE: I do not know. I do not think the Government would charge 6 per cent. interest. At the same time, for the protection of the Government and the people, nothing should stop the amendment from being inserted in the Act.

The Chief Secretary: It has nothing to do with 6 per cent.

Hon. H. V. PIESSE: I mean the payment of land rents. The Minister for Lands in another place said that as far as the Bank was concerned it would deal with clients in its own way.

The CHAIRMAN: When did the Minister say that?

Hon. A. Thomson: When he introduced the Bill?

The CHAIRMAN: The hon. member must not allude to a debate of the current session.

Hon. J. J. HOLMES: If we are to come in now and impose conditions which may be unreasonable, the Bank Commissioners may say that they will not give any further support. That is what will happen.

Hon. A. THOMSON: My desire is to assist those people who, against their will and inclination, have been brought under the Industries Assistance Act. We had the definite statement by the Minister for Lands when he introduced the Bill in another place that the Bank was going to administer this Act. He definitely said that the Bank would deal with its clients in its own way.

The CHAIRMAN: I again remind the hon. member that it is improper to quote from a debate of the current session.

Hon. A. THOMSON: It is not the Government who are in control, but the Commissioners.

Hon. J. J. Holmes: We gave the Commissioners the power they possess.

Hon. A. THOMSON: The Commissioners of the Agricultural Bank have been given more power than either Mr. Holmes or I would like to submit to.

Hon. G. W. Miles: You have got to submit to the requirements of the Act.

Hon. A. THOMSON: Section 51 of the Act gives the Bank all the protection that is needed. I wish to God Mr. Miles had experienced a little of the difficulties that confront the farmers, for he would then be a little more sympathetic.

Hon. J. J. Holmes: You must remember that Parliament gave the Agricultural Bank Commissioners their authority.

Hon. A. THOMSON: And the interests of the Bank are protected. An Act that was passed 22 years ago is to be used to impose conditions upon settlers who, through adverse circumstances, are compelled to secure assistance. If it were a new Bill I would fight it and keep members up for two or three nights if necessary.

Hon. G. W. MILES: Notwithstanding the threat made by Mr. Thomson, I for one will not sacrifice the assets of the taxpayers as he seeks to do.

Hon. A. Thomson: Bunkum! Read the Bill.

Hon. G. W. MILES: Mr. Thomson has often addressed the House along the same lines. He has asked for the expenditure of more money on various occasions, and then complains about taxation. A private debtor signs a mortgage to a bank or some other institution, and he is bound body and soul. Parliament gave the Commissioners of the Agricultural Bank power to administer the Act, and it was just about time that that power was given them. Taxpayers of this State will live to thank the Commissioners for having the courage to administer the Act as determined by Parliament, and not, as in the past, at the whim of parish pump members of Parliament who used their influence over the heads of the Bank inspectors.

The CHAIRMAN: Order! I hope the hon. member's remarks do not apply to present members.

Hon. G. W. MILES: They may apply to members of another place. It is the duty of this House to protect the assets of the

State, and it is just about time this pandering to the electors in particular provinces was done away with. The taxpayers as a whole have to foot the bill. It reminds me of a remark made by Disraeli years ago when he said, "There are two Englands—the England that leans and the England that earns." The various classes leaned on the Government in England—

The CHAIRMAN: I am afraid the hon. member is leaning on the Chairman's leniency now.

Hon. A. THOMSON: What about the North-West?

Hon. G. W. MILES: I shall reserve any further remarks until we deal with the Appropriation Bill or the Loan Bill. I will then deal with some of these country members who want to sacrifice the assets of the general taxpayers for the benefit of a few poor electors in their provinces. Many of them should have been off the land years ago. We have too many square pegs in round holes to-day, and the sooner we get rid of them the better. I oppose the amendment. If the Committee agree to the amendment, will the Government, who have a majority in another place, accept it? Of course not.

Hon. J. NICHOLSON: I foresee one difficulty in giving effect to the amendment in its present form. Advances that have been made to date under this particular subsection may be absolutely annulled if we agree to the amendment, which contains no reservation safeguarding the position to date. There is a great deal in what Mr. Miles said regarding the danger of deleting a provision that is helpful to the Commissioners.

Hon. J. J. HOLMES: Mr. Thomson's main fear arises from the fact that a majority of Parliament gave the Agricultural Bank Commissioners control, not only of the Bank, but of the Industries Assistance Board. I shall read to members a definition of "Politics" as applied to business. It is: "Politics is the art of obtaining money from the rich and votes from the poor on the pretext of protecting each from the other." I assume that had something to do with the matter when this House took the control of both the Agricultural Bank and the Industries Assistance Board out of the hands of Parliament.

Hon. A. THOMSON: I must reply to Mr. Holmes. I regret the levity with which

members representing the North Province are treating this amendment. When matters affecting the North and North-West are discussed—

Hon. G. W. MILES: They are treated on their merits.

Hon. A. THOMSON: —we give the questions serious consideration and support. When we ask for anything in the interests of the primary producing sections who are up against great difficulties, we invariably find that Mr. Holmes and Mr. Miles—they have not been sympathetic once since I have been in this House—have not given us sympathetic support. I am not seeking publicity, nor am I indulging in cheap politics. I have been in public life long enough to realise the hollowness of the remarks emanating from those hon. members, and I deeply resent the reflection cast upon me. It is not right for Mr. Holmes to make such a statement regarding me.

The CHAIRMAN: Order! I think his remarks applied to a lot of us.

Hon. A. THOMSON: From my point of view, this is a matter of serious importance. I will accept the decision of the Committee, but, whichever way it goes, I shall have done my duty to a large section of the primary producers who, God knows, are up against extreme difficulties.

Hon. J. J. HOLMES: As one of the members representing the North Province I think members will agree that the people in the northern parts of the State are those who have helped themselves in the past—

Hon. L. B. BOLTON: To all they could get.

Hon. J. J. HOLMES: They have not been found sitting on the doorstep of the Agricultural Bank, the Industries Assistance Board, or any other Government department. The people of the North are in greater difficulty to-day than are those working in the South.

Hon. A. THOMSON: And we give sympathetic consideration to their requirements when they are mentioned in this House, which is more than you have given to our requirements.

Hon. J. J. HOLMES: The people in the North are up against it to a much greater extent than the people in the South. Have members ever heard pastoralists in the North raising their voices and saying that something ought to be done for them? So far as I am aware, the pastoralists have

adopted the attitude that the job was theirs and it was for them to see it through. It will be only when they cannot see the job through themselves that they will come down to the level of other people and sit on the doorsteps of Government institutions begging for assistance.

The CHAIRMAN: Order! This breeze between the North and the South will have to cease.

Hon. L. CRAIG: I think so too, Mr. Chairman. I was just about to say that the issue was becoming rather cloudy. Mr. Thomson has no doubt been imbued with the best of intentions in his desire to do what is right on behalf of the people he represents. The Industries Assistance Board has operated for many years, and it was found necessary to give those in control certain powers. Mr. Thomson pointed out that those on the books of the I.A.B. had dropped to as few as 319, but now there were over 2,000 clients on the books and that the number would probably reach 3,000. When times are bad, is that when we should take away powers that were necessary when the situation was less difficult? The board can be trusted to do the right thing now. They must see that Government funds are protected. I oppose the amendment.

New clause put and a division taken with the following result:—

Ayes	9
Noes	17

Majority against	8
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AYES.	
Hon. C. F. Baxter	Hon. A. Thomson
Hon. C. G. Elliott	Hon. H. Tuckey
Hon. V. Hamersley	Hon. C. H. Wittenoom
Hon. W. J. Mann	Hon. G. B. Wood
Hon. H. V. Piesse	(Teller.)

NOES.	
Hon. E. H. Angelo	Hon. J. J. Holmes
Hon. L. B. Bolton	Hon. W. H. Kitson
Hon. A. M. Clydesdale	Hon. J. M. Macfarlane
Hon. L. Craig	Hon. O. W. Miles
Hon. J. M. Drew	Hon. T. Moore
Hon. J. T. Franklin	Hon. J. Nicholson
Hon. G. Fraser	Hon. H. Seddon
Hon. E. H. Gray	Hon. H. S. W. Parker
Hon. E. M. Heenan	(Teller.)

New clause thus negatived.

New clause:

Hon. A. THOMSON: I move—

That the following new clause be inserted:—
“Section thirteen A of the Industries Assistance Act, 1915, is amended by deleting the word ‘six’ and substituting the words ‘not more than five.’”

The CHIEF SECRETARY: I have already pointed out that at the present time

five per cent. is the rate of interest charged. That is an indication that the Commissioners of the Agricultural Bank are considerate of men who have to make application for advances. Notwithstanding that the Act says that six per cent. should be the rate, only five per cent. is being charged. And this rate depends on the cost of the money to the Government or the Bank in the first place. Does the hon. member say that five per cent. should not be charged? If the hon. member wishes to make any alteration, he should alter it to “a rate to be prescribed.” There is no desire to ask for a higher rate of interest than is necessary to cover what is paid for the money plus the cost of administration.

New clause put and negatived.

Hon. A. THOMSON: In view of the decisions already given by the Committee, it seems to me useless to proceed with the remaining amendments standing in my name, which are all more or less interwoven.

Title—agreed to.

Bill reported without amendment and the report adopted.

BILLS (2)—FIRST READING.

- 1, Federal Aid Roads Agreement.
- 2, Pensioners (Rates Exemption) Act Amendment.

Received from the Assembly.

BILL—BOAT LICENSING ACT AMENDMENT.

Returned from the Assembly without amendment.

BILL—MINES REGULATION ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. T. MOORE (Central) [5.55]:

Since I do not wish to delay the passing of the Bill, I will not speak at any length upon it. Members who have studied the situation know that in this instance they are dealing with men who are working in the most unhealthy occupation in the country. Because of that I think the House should be sympathetic and say that those men shall get what they are asking for in this short Bill. One

member has said that if those men were granted all the things they ask for, they would be likely to kill the goose that lays the golden egg. I should like to know what that means; who is this goose that lays the golden egg?

Member: It is the capitalist.

Hon. G. W. Miles: That is propaganda.

Hon. T. MOORE: I will take the hon. member's word for that. The point is that the men themselves are really those of whom it can be said they are laying the golden egg. Unfortunately they are the geese that are being killed. Members know in what tragic circumstances many of our miners finish up. These men deserve the most sympathetic treatment because they are living in a particularly unhealthy atmosphere. I myself saw what was happening 30 years or more ago. I then saw young men coming into the industry, just as they do to-day. But unhappily they did not last long, and to-day the mines are becoming ever deeper. I know the conditions under which the men work on the mines. It is said that they have been very much improved, but I can say they are still far from being good. One of the leading inspectors in this country is responsible for saying that in one of the big mines the manager has been told that unless conditions alter the mine will have to be closed down. Yet the men are still working there.

Hon. L. B. Bolton: Then the inspector is not doing his job.

Hon. T. MOORE: Of course he does not want to take drastic action because the miners have to live and maintain their wives and families. Let us see how city workers would be affected. Mr. Bolton employs about 100 men. Suppose he kept some of them back for 20 minutes longer than they would otherwise be working in the afternoon. Notwithstanding that they work under particularly healthy conditions, would they not evince great dissatisfaction if they were called upon to work that much longer? His men would not tolerate it. Then, again, if they were allowed to leave the factory only one by one, how long would they take to get away? Their conditions cannot be compared with the conditions of men who are working in the deep levels on the Golden Mile and on the Murchison. At Wiluna the men are working 1,600 feet down. Things are not as good as they might be for the men all through the goldfields. In the city, workers go straight out of their jobs the

moment they have finished for the day. Why should men who work in the deep levels of a mine be singled out for special treatment and be kept down below an extra 20 minutes? The principle is altogether wrong. During the debate we have been led to believe that this is an innovation, that Parliament should not do such a thing, but that it should be left to the Arbitration Court. In actual fact, however, this principle has been on the statute-book for the last 30 years in association with the coal mining industry.

Hon. J. J. Holmes: I think you are wrong in saying that the Act has been in existence for 30 years.

Hon. T. MOORE: I refer to the Coal Mines Regulation Act, which was passed in 1902. It provides for exactly the same principle for coal mines as is now being asked for in the case of gold mines. If it was thought fit to allow this in the case of coal miners, the Act in question being assented to on the 19th February, 1902, it ought not to be too much to ask that it should be applied also to gold miners. Coal miners do not have to work under the same unhealthy conditions as apply in the case of gold mines. Surely this House will not decline to do this for the coal miners who, in turn, are doing so much to enable this country to carry on. If it were not for the miners on the goldfields, working as they are under particularly hard conditions, things would be very bad for this State. In point of fact, the miners are to-day being worked harder than ever. In many of the big mines the piece-work system has been introduced. In the old days men used to do bogging and mullocking by day labour, and did not have to extend themselves. Piece-work was then introduced, with the result that the miners now work very hard. Even under the old conditions to which I have referred a tremendous percentage of miners had to go to the Wooroloo Sanatorium. Mr. Baxter himself knows how many had to do this. If it was thought fit in 1902 to grant this principle to the coal miners, it would be a fair thing for this House to-day to grant it to the gold miners, who are carrying on a great industry. The Act of 1902 says that a person would be deemed, and be held to be employed below ground and in the services of the owner of the mine within the meaning of the Act from the time he commences to descend until he returns to the surface. That provision is similar to what is contained in this Bill. Long ago, when conditions were

not nearly so bad as they are to-day, men succumbed to miners' diseases. Nowadays the mines are down thousands of feet, and it is only fair that the House should consider the claims of the men in this respect. I am sure that many statements have been made by members during the debate that would not have been made had they been more familiar with the mining conditions. They would be doing a fair and honourable thing by the miners if they did for them what was done for the coal miners in 1902. I hope the Bill will be passed.

HON. C. H. WITTENOOM (South-East) [6.5]: I oppose the second reading. I noticed from the remarks of members that quite a number of the mines are working under the bank-to-bank system. Nearly all those mines are comparatively small. Mr. Moore referred to only one large mine, namely, Wiluna. That mine, however, is at the comparatively shallow depth of 1,400 feet.

Hon. T. Moore: It is down to 1,600 feet now.

Hon. C. H. WITTENOOM: Many of the mines on the Golden Mile are down 3,800 feet or more.

Hon. G. Fraser: All the more reason why the men should not be down the mines for so long.

Hon. C. H. WITTENOOM: What about the expense? Most of the other mines are working under the old system. The men are going down in the time of the company and are coming up in their own time. I take it the old system is being continued for the sake of economy and reducing costs. It is very important to the industry itself that costs should be kept down. The margin of profit in the case of these mines is remarkably small. I know of one big mine from which we have been expecting dividends and which is working on a very small margin of profit, the ore handled being of low grade. Unfortunately, it is not going to pay dividends, I presume because of some unexpected increase in costs. Economic hauling is one of the many details of mining that has to be dealt with in this State. It is due to economic working and handling that many mines to-day have been able to treat ore of only 6 to 7 dwts. in value. Not many years ago a mine that had ore going about 10 dwts. could not be worked at a profit. Because so much more knowledge has been gained of economic

working, treatment, etc., many of these shows have lately been able to keep going, and have provided work for hosts of employees. They have attracted miners from all over Australia, America, and other parts of the world. Mr. Elliott referred last night to child labour in the coal mines of Wales and England. That has nothing to do with the case under review. Those days were long ago. The time is long distant when child labour was employed in the Welsh mines. Not long ago His Majesty the King paid a visit to the Welsh mines. That visit was possibly due to some of those factors with which we are dealing now. It was probably due to interference with the management of the mines, or interference on the part of irrepressible unions and on account of certain disturbances in the mining industry. The trouble that occurred altogether stopped the export of coal from England to South America, France and other parts of the world. This stoppage was due to the increased cost of production. Work in the English and Welsh collieries ceased for the time being and I have no doubt that the trouble was due to the management being prevented from reducing costs or keeping them down. I believe that strike cost many millions of pounds directly and indirectly. All traffic ceased, and instead of trains running every hour they could run only once or twice a week. People were dying of cold because they could not get the means with which to keep themselves warm. Some of our mines in this State go down thousands of feet.

Hon. T. Moore: It is pretty hot down there, too.

Hon. C. H. WITTENOOM: The Sons of Gwalia does not go down vertically 4,000 feet, but the shaft is in the vicinity of 4,000 feet long. It would be unreasonable to expect the management to run their cages or skips twice as many journeys up and down the shaft as is necessary. It would also be uneconomic. A remark was made last night that the cost of hauling men was negligible. It is, in fact, a very costly business. It was Mr. Elliott who said the cost was negligible. The Sons of Gwalia mine is down 4,258 feet on the underlay. That is over a quarter of a mile in length. The shaft is 2,840 feet straight down.

Hon. J. Cornell: That would be a long quarter of a mile.

Hon. C. H. WITTENOOM: The Boulder, Ivanhoe and Lake View mines are down between 3,000 and 4,000 feet. The weight of a cage and the complete hauling rope and appliances to work the cage to a depth of 3,000 feet is no less than 6 tons. The cage itself weighs 3 tons, and the winding rope to reach a distance of 3,000 feet weighs another 3 tons, making a total of 6 tons. I should be surprised to learn that the cost of hauling that weight up and down the shaft is inappreciable. Another important item is the time it takes to haul a cage over long distances. In the case of the Sons of Gwalia mine it takes three-quarters of an hour to change a shift. I understand that in the Kalgoorlie mines the time occupied is from 20 minutes to half an hour. This Bill is anything but a small one; it is a very serious matter, as it will, if passed, add very considerably to the cost of mining. Mr. Elliott said that, generally speaking, the men arrived at the plat from a quarter of an hour to 20 minutes before it was time for them to go up. He also said that they frequently arrived at the plat under wet conditions and were called upon to wait while in that condition from 15 to 20 minutes. Why do they go to the plat so long before it is time for them to come up? Surely some arrangement could be made to obviate that loss of time.

Hon. G. Fraser: It would be wasted later, if not then.

Hon. C. H. WITTENOOM: Why?

Hon. G. Fraser: Time has to be allowed for cleaning out smoke from the stope, etc.

Hon. C. H. WITTENOOM: I wonder if the hon. member has ever been down a mine. With modern ventilation and under modern mining methods it does not take three-quarters of an hour to clean out a stope of smoke and fumes. If a shaft is not ventilated by natural means, it is ventilated by compressed air. A quarter of an hour would be quite long enough to allow for the cleaning up of an average stope.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. C. H. WITTENOOM: I was referring to a remark made by an hon. member yesterday that miners frequently arrive at the bottom of the shaft before the shift is over, that sometimes they arrive there a quarter of an hour or 20 minutes before the hauling time commences. The hon. member went on to say that the men are often in a wet condition, and that it is anything but

good for their health to remain for a quarter of an hour or 20 minutes in very wet clothes. It seems to me that if the men arrive at the bottom of the shaft 20 minutes beforehand, there must be something wrong. Why do not they arrange their firing times so as to get to the shaft somewhere near the conclusion of the shift, thereby avoiding waste of their own time if they are contractors, or waste of the company's time if they are ordinary wages men? The real reason of the trouble is that they have to arrange firing at certain times, or perhaps they all have to fire together; and they cannot absolutely arrange the time. Mr. Elliott referred to the working places, stopes and so forth, which are badly ventilated and which take something like half an hour, or even more, to get rid of fumes. That, however, does not matter greatly, because the companies lose 20 minutes or more before the shift starts. If the new system is introduced into mines like the Sons of Gwalia, about an hour and a half, and perhaps more, will be lost in every shift. In spite of remarks to the contrary, I am still of opinion that the Bill interferes with the functions of the Arbitration Court. I shall not deal with that aspect now, as it was fully debated last evening. I want hon. members to bear in mind that the name of the Western Australian mining industry in England is not as good as it might be. I know it is a nasty thing to say, but people in England do not like Western Australia as a field for investment. Such a reputation is most regrettable. It is something we cannot afford. We should let English investors feel that they will get fair treatment here, and that we in Western Australia are endeavouring to keep down mining costs and make the industry a pretty safe thing for investors. I oppose the second reading of the Bill. It is not a good Bill, and not by any means to the advantage of the mining industry of Western Australia.

HON. C. F. BAXTER (East) [7.34]: With the exception of the Chief Secretary and Mr. Holmes, previous speakers in discussing the Bill have dealt with matters that should not be associated with the Bill at all. They have spoken of the working of mines, going back about a hundred years. That does not concern the present situation. For this House it is not a question of the condition of the industry, but a question of which body should settle disputes in the industry. From that aspect, Parliament has established an Arbitration Court, which is

the body to deal with such matters and to go into those working conditions which various members have been so busily discussing in this Chamber. The House cannot possibly be in a position to adjudicate on problems of labour. We should not interfere in any way with such matters while there is a constitutional method of dealing with them. During the course of the Chief Secretary's reply on the Factories and Shops Act Amendment Bill, the hon. gentleman dealt stringently with me, although I do not think he intended it. When his statement appears in cold print, it will seem as though he had said that I had wilfully misled the Chamber. At all events, the statement pointed in that direction. Now, it has never been my habit to mislead the Chamber wilfully in the smallest detail, though I may have made mistakes. I acknowledge as much in the Chief Secretary's behalf. Later I shall show where the hon. gentleman has been badly misinformed. I do not put the responsibility for the mis-statements on his shoulders, because they resulted from information given to him. The Chief Secretary said that there is nothing new in the bank to bank system. He added that actually it had been adopted voluntarily by the companies controlling a number of mines. The first instance he gave was the Boulder Perseverance. That mine certainly works from bank to bank. It employs 165 men underground. It is the one mine in which the custom has existed for any length of time. The whole mine was run by tributers, who instituted the bank to bank system, with the result that the company has had to carry it on. Hon. members with experience of industry are aware that once a system has been introduced, that system cannot be discarded for something less favourable. The Hannans North Mine has ten men employed underground. The bank to bank system operates except in the case of certain day-shift men. There is no bank to bank in connection with the afternoon shift. Now I come to the Paringa Mine, which employs 37 men underground and has no bank to bank system. Sometimes a few men are hauled up before 4 o'clock, at other times after four. The New Boulder North Mine, which the Minister mentioned, has 28 men underground. The men come to the surface by 4 o'clock, but the manager states that only one shift is being worked, and that he does not intend to pay engine-drivers overtime for the few minutes it takes to haul

the men up. The Gold Mines of Australia report:—

Owing to the fact that we are de-watering old workings, the necessity for bailing tank continuously in one compartment arises; further, the reconditioning of the shafts has been and still is in progress; it is therefore essential to haul to the surface those men engaged in the shaft before the whistle. Owing to our restricted capacity for haulage, with only one cage in use, we have allowed the platmen to continue hoisting the men from the lower levels, some of whom reach the surface before the whistle blows—the remainder, and the greater portion, being hauled after the whistle. There is no whistle-to-whistle agreement with the men. We have considered it expedient to carry out the above arrangements during de-watering and shaft-reconditioning operations. The number of men underground is 108.

In the case of the Lake View South Extended, there are no employees in the mine, which is under exemption until May of 1937. It has not been the policy of this company to work the bank to bank system. The North Kalgurli Mine has 158 men underground. They are working bank to bank. The South Kalgurli Consolidated Mine has 174 men underground. The bank to bank system is not in operation on that mine, excepting on the Croesus South Lease, which is worked on a co-operative arrangement with the North Kalgurli, the latter being a bank to bank show. The Chief Secretary mentioned that the Wiluna and South Kalgurli Mines worked on virtually a bank to bank system. The seven mines to which the Minister referred, notwithstanding the fact that the majority of them are not working bank to bank, do not employ in the whole total as many men as the Lake View by itself employs. As regards the Norseman mine, which the Chief Secretary states is virtually operating under the system, the hon. gentleman's information is incorrect. The mines at Norseman are not working under the bank to bank system. Again, the Chief Secretary was unfortunate in referring to the Wiluna mine. That mine employs 739 men underground. The Moonlight Wiluna employs 100 men. They do not work on the bank to bank principle. I quote the following authentic information:—

The whistle-to-whistle principle does not operate on these mines. The first cage load of men is lowered to the bottom level, i.e., No. 3 level, or 630 feet, immediately the whistle indicates the commencement of the shift. A commencement is made to return the men to the surface from the same level at five minutes before the eight hours have expired. This allows

usually only one cage load of men being hoisted before the whistle indicates the commencement of the next shift. The men starting work, and those finishing their shift, are then alternately lowered and raised. The men completing their shift are usually all out of the mine within 10 minutes after the eight hours expire. The cage load of men hoisted before the eight hours expire are usually shaft-sinkers, samplers, and any other men who may be available. No preference is given to timbermen, platelayers, and pipefitters; and all hoisting from the levels is in the same rotation as in descending. On day shift timbermen, platelayers, and pipefitters are sometimes hoisted early, the time depending on the amount of work to be done so that they may obtain and deliver their respective requirements for the next day shift at the collar of the shaft, so that they may be lowered into the mine during the afternoon shift.

That statement covers the systems in both the Wiluna and the Wiluna Moonlight mines. It is not bank to bank, but just the opposite. For the information of hon. members I will give particulars regarding mines operating under the bank to bank system, and also mines not so operating. To show the importance of the records I am quoting, I would like the House to know that the information I give has been obtained from official sources, whose statements cannot be disputed. All those mines that are not operating the bank-to-bank system are as follows:—

	Men employed.
The Australian Mining Trust, Ltd	20
Big Bell Mines, Ltd.	33
Broken Hill, Pty., Ltd.	10
Central Norseman Gold Corporation, N.L.	107
Edna May (W.A.) Amalgamated Goldfields Australian Development Co., Ltd	17
Golden Mile Block 45, N.L. . . .	29
Great Boulder Pty. Goldmines, Ltd., N.L.	7
Imperial Goldmines, Ltd.	312
Kuananalling Gold, N.L.	3
Lake View and Star, Ltd.	8
Lancefield (W.A.), Goldmine, N.L.	910
Mt. Magnet Goldfields, Ltd. . . .	175
N.G.M., Ltd.	55
N.G.M., Ltd.	40
Ora Banda Amalgamated Mines, N.L.	44
Triton Goldmines, N.L.	150
Moonlight Wiluna Goldmine, Ltd.	106
Sons of Gwalia, Ltd	227
Wiluna Gold Mines, Ltd.	700
Yuanmi Gold Mines, Ltd.	112

Those operating under the bank-to-bank system are as follows:—

	Men employed.
Boulder Perseverance, Ltd	165
Consolidated Gold Areas, N.L. . .	10

Men
employed.

Lady Shenton Goldmines (1934), N.L.	40
Marvel Loch Gold Development, N.L.	62
North Kalgurli (1912), Ltd. . . .	158

The number employed in the mines not operating the bank-to-bank system is 3,300 odd, and those in the mines operating the bank-to-bank system 435.

Hon. J. Cornell: Out of a total employed of how many?

Hon. C. F. BAXTER: I have not the total figures.

Hon. J. Cornell: It is only about a third.

Hon. E. M. Heenan: How recent are those figures?

Hon. C. F. BAXTER: I got them yesterday.

Hon. C. G. Elliott: In the majority of those mines the men are on the surface five or ten minutes.

Hon. C. F. BAXTER: I have read the details; I do not know how much the hon. member wants. Mr. Elliott dealt last night extensively with working conditions. This Bill is not concerned with that at all; it is simply a question whether this House is going to constitute itself an arbiter in a purely industrial matter, or leave it to the body constituted under the Arbitration Act to handle such matters. Mr. Drew came into the limelight in this matter. He referred to the fact that the Mines Regulation Act was passed at a later date than the Industrial Arbitration Act and contained provisions regulating the hours. The sections regulating hours both in that Act and the Factories Act were carried into our legislation from corresponding measures in the Imperial Parliament where this type of legislation originated. The legislation was instituted because of the scandals referred to by Mr. Elliott existing in coal mines and factories in the early part of last century in the Old Country. Those sections fix maximum hours and time underground, and have since been altered and amended by the decisions of the Arbitration Court. Surely it is the prerogative of the Arbitration Court to do that, and not of the Mines Regulation Act. For instance, the hours worked in the mining industry are 44; the Arbitration Court was responsible for that. Let us see what has occurred in the past regarding the bank-to-bank system and the body constituted to deal with disputes in the mining

and other industries. In 1920 the bank-to-bank system was granted in the Meekatharra award operating over the Murchison, Yalgoo, Peak Hill and Gascoyne Goldfields, and the area between the 24th and 26th parallels of latitude. In the Northampton award it was asked for by the union, but expressly refused by the court in November, 1923.

Hon. J. Cornell: Why did the court refuse?

Hon. C. F. BAXTER: I do not know. It was asked for by the union under the general goldmining award (it included Northampton) but expressly refused by the court in August, 1927. That award was operating over the principal goldfields of the State.

Hon. J. Cornell: The court always advances reasons for these things.

Hon. C. F. BAXTER: I have not got them.

Hon. J. Cornell: Your information is not complete unless you give the reasons.

Hon. C. F. BAXTER: It was granted in the Meekatharra award by the Industrial Board in January, 1928, following the court's decision in 1920. By agreement in October, 1931, the parties incorporated the area of the Meekatharra award in the general goldmining award, and the provisions of the general award therefore became applicable to this area, Meekatharra coming into line with all other gold mining districts in the State. There was no whistle-to-whistle provision in the general award. The union therefore gave away the whistle-to-whistle at Meekatharra by agreement.

The Chief Secretary: They are not working the bank-to-bank system there?

Hon. C. F. BAXTER: I have given the record.

The Chief Secretary: You say they are not working the bank-to-bank system. The list does not include them.

Hon. C. F. BAXTER: It might not. I have given instances of which there are records. The position is that since the system was refused in 1927 by the Arbitration Court there has not been a move to approach the court. If there is justification for the system, has any member the temerity to say that the court will not grant it? Are we to constitute ourselves a tribunal to say that a system shall be granted which the Arbitration Court, with evidence to act upon which we can never get, will not grant? Why do

not the unions approach the court again? The court is sitting in Kalgoorlie dealing with the mining award, but they have not put this matter before the court and asked it to adjudicate. If the system is warranted I do not think they need worry about the court not granting it. Mr. Elliott suggested—it struck me as rather peculiar when I heard it last night—that the mines had produced 30 million pounds profit. That seemed to me a big amount of money so I started to find out what it meant. Unfortunately for him the position has been investigated in the meantime so that the court now sitting at Kalgoorlie could be supplied with the particulars. The records covering the past 20 years disclose that £19,500,000 has been invested whilst £7,500,000 has been paid in dividends.

The Chief Secretary: To what are you referring?

Hon. C. F. BAXTER: The gold mines. It will thus be seen that only approximately 40 per cent. of the investments has been repaid. This is not profit. No profit can be assessed from gold mining until the capital has been repaid.

Hon. J. Nicholson: Over how many years?

Hon. C. F. BAXTER: I do not know. I only got my information over the wires today.

Hon. C. G. Elliott: That is absurd.

Hon. C. F. BAXTER: The Minister for the department can get the information. I have to search for it wherever I can in a very limited time.

Hon. J. Cornell: The hon. member evidently found a very useful source.

Hon. C. G. Elliott: It is absolutely absurd.

Hon. C. F. BAXTER: I did not interrupt the hon. member when he was speaking last night. I let him continue on his weary way. If he wants to dispute this, let him find out the facts at Kalgoorlie during the week-end.

The Chief Secretary: Give him the facts.

Hon. C. F. BAXTER: I am giving him the facts from the industry. If there are any facts—

Hon. C. G. Elliott: They are having a joke with you.

The PRESIDENT: Order!

Hon. C. F. BAXTER: The costs of mining are very important. One would think by hearing the discussions that take place that every mine in Western Australia was paying big dividends. Only a small percentage are showing a profit. Many

mines are not paying expenses and if the costs of operating are to be increased because some are paying dividends, it will mean that many low-grade mines will be forced to cease operations. The greatest care should be taken, consistent, of course, with good wages and working conditions for the men, which will be granted by the Arbitration Court, to encourage the industry. Otherwise our gold production will be considerably reduced and many employees will be thrown out of work. The industry has been discouraged by several occurrences and very little capital has been invested in the industry in recent years. In this connection the principals of the Sons of Gwalia mine state that if the bank-to-bank system is applied it will make a reduction of $11\frac{1}{2}$ per cent. in the output. If the same ratio applies to low-grade mines I am afraid they will cease operations. The Arbitration Court has this matter in hand and will not penalise the industry. The desire of the court is to keep the industry going, consistently with reasonable conditions for the men. The body to handle this and every other dispute is the Arbitration Court. Parliament established it for that purpose. Then allow the court to carry out the work given them to do. If the court fails, then displace the members of the court. That could be done under the Act. But let them proceed with the work they have been given. They are the people who can obtain the information and they know all about the industry. How can we adjudicate upon something about which we know very little? This House is constituted of 30 members, and are we going to turn to a legally constituted body and tell them we are going to override their work and alter the working conditions of the men? If we are, the sooner we scrap the Arbitration Act, the better. I oppose the second reading.

HON. J. CORNELL (South) [8.1]: This Bill is a very short one, but it deals with matters which should be approached in quite a dispassionate spirit. Boiled down, the issue is—Has the Arbitration Court power to amend Section 41 of the Mines Regulation Act or has it not? If it has, there is no necessity for the Bill; if it has not, there probably is need for the Bill. It appears to me that the contention about encroachment by Parliament upon the functions of the Arbitration Court is somewhat overdone. There are two industries work-

ing under statutes that do more or less encroach upon or circumscribe the powers of the Court of Arbitration. I refer to the workers who come under the Factories and Shops Act and the workers who come under the Mines Regulation Act.

The Chief Secretary: What about the timber workers?

Hon. J. CORNELL: They can be left out of consideration for the moment.

The Chief Secretary: They are in the same category.

Hon. J. CORNELL: There we have two well defined branches of daily activity. There are sound as well as historic reasons why Parliament has encroached upon the Arbitration Court. Those laws came before the arbitration law. Mining regulations were adopted long before there was any idea of settling industrial disputes by arbitration. They were introduced for a definite reason, namely to afford better protection and better conditions for the men engaged in the mining industry. In 1901 the Arbitration Act was passed; in 1906 the Mines Regulation Act was passed. A perusal of the Mines Regulation Act discloses that it has one purpose. The sole purpose is to protect and safeguard those individuals employed for hire in the mining industry. That is the sum total of the Act. The law provides that no man shall work underground in any mine for more than 48 hours in any one week. For good and valid reasons the Arbitration Court has since reduced the hours. Mr. Justice Powers reduced the hours of work underground because he considered that the conditions underground were more conducive to the ruination of health than were the conditions of the men working on the surface. That was his reason for reducing the hours. Since that reduction, the hours have not been reduced by any court. Consequently, an attempt is being made to secure a further reduction. Section 41 of the Act provides that men employed underground shall descend in the companies' time and shall return to the surface in their own time. The effect of the Bill would be that the men would descend underground and return to the surface in the companies' time. Let us consider whether the conditions have altered since the Act was passed. What was the depth of mines in 1906 and how long was needed to change shifts? To-day mines range in depth to over 3,000 feet and longer

time is required to change shifts than when the law was originally passed. I understand that this Bill has been introduced because Section 63 of the Act, though it permits many things to be done, would not permit of the framing of regulations to include the provisions that appear in the Bill. That would be contrary to the existing Act. Consequently the Bill has been introduced and, if given effect to, the legality would not be questioned, whereas the legality of a regulation making similar provision could be contested and, I believe, would be upset. The question of the cost to the mining industry of the bank-to-bank system does not concern me. It never has concerned me. Where the life and limb of the miner is at stake, his welfare must rank first. If any member investigates the conditions of development in South African mining, he will find that almost one hundred million pounds has been spent on the reconditioning of mines to improve ventilation and permit of more economical working. Mr. Baxter, in citing the Sons of Gwalia mine, chose a very unhappy illustration. Any mining man worth his salt would say there was only one thing to be done with the Sons of Gwalia mine and that was to sink a new shaft. It will have to be done sooner or later. That course was adopted on a Johannesburg mine operating down to 8,000 feet in order to abolish the underlay and secure more economical working. A distance of half a mile is involved at the Sons of Gwalia mine in order to descend and return to the surface. If the Sons of Gwalia mine paid smaller dividends and installed a new shaft—provided the values exist—it would work out to the advantage of the shareholders. Because the Sons of Gwalia mine continues to operate with an obsolete shaft, I cannot see why the men should be penalised. Mr. Baxter was also unhappy in his citation of the Arbitration Court's refusal in 1927 to grant the bank-to-bank system. To use the words in the "Industrial Gazette," the members of the court were guided by the financial position of the mines. The court practically refused to grant, not only the bank-to-bank system, but also any increase in wages or improvement in conditions. What was the reason? Not lack of sympathy for the men, but sympathy for the mining industry itself.

Hon. C. F. Baxter: Then the men would probably get the bank-to-bank system if they applied to the court.

Hon. J. CORNELL: The "Industrial Gazette" contains the following remarks by the president:—

We have to decide what is best to do for the present and future. The union ask in their application that wages be increased by approximately 25 per cent. The confidential report which the court has obtained from a competent and impartial public official convinces me that to agree to the union's application would immediately make something like 1,400 members of the union unemployed. This figure does not include those employed on the South Kalgurli mine, and to that number should be added the hundreds of others whose employment would terminate with the stoppage of mining and treatment.

The South Kalgurli mine paid dividends right through the piece. That is why that mine was exempted from the calculations.

Judging by experience in the past as to the numbers of people whose sustenance depended upon each miner I give it as a conservative estimate that to accede to the union's request for an increase of pay would deprive 8,000 people of their means of living.

Those were the reasons advanced by the court for refusing practically all the claims of the union.

Hon. J. J. Holmes: Including the bank-to-bank system?

Hon. J. CORNELL: Yes.

Hon. J. J. Holmes: Then the court has power to grant the bank-to-bank system if it so desires?

Hon. J. CORNELL: The members of the court did not commit themselves.

Hon. J. J. Holmes: Have they the power? That is what I want to know.

Hon. J. CORNELL: I am arguing that they have not. Two years ago the court resolved not only to increase the basic wage, but to grant an industry allowance of 10s. to 12s. a week because the price of gold had increased by 100 per cent. This was intended to give some consideration for the disabilities suffered by the men when the mining industry was in the doldrums. To argue that the court has already refused the bank-to-bank system and should be approached again is beside the question. I doubt very much whether the evidence would disclose that the bank-to-bank request has been prosecuted at all.

Hon. C. F. Baxter: All the more reason why the men should go to the court now.

Hon. J. CORNELL: If Mr. Baxter and other members will consider the mines regulations framed under Section 63 of the Act, particularly in relation to ventilation, they will discover that regulations have been promulgated in recent years that have cost the mining companies twenty times as much as the adoption of the bank-to-bank system would cost. I have already indicated the statement of the Minister for Mines, that under the Mining Act a regulation could not be drafted to provide for the bank-to-bank system such as the regulations framed to govern ventilation. I think the Minister is right. Therefore, the only alternative was—

Hon. J. J. Holmes: To go to the court.

Hon. J. CORNELL: No, to introduce this Bill. Now let me deal with the court. In the Burnside award—during the hearing of that case the present Speaker appeared for the applicant union—the court varied the wet and dry bulb temperature fixed by regulation under Section 63. It also varied the general rules, 22 to 35, with regard to change rooms. It also made some variation in the general rules. The late Mr. Justice Burnside was chairman of that court and it is now notorious that an award was given that was altogether contrary to the evidence. The result was that it closed one or two mines by fixing the wage at 15s. when it should have been 14s. 6d. Since then Mr. President Dwyer has presided over the Arbitration Court and it will be found in a recent award that an applicant union wanted him to deal with wet and dry bulb temperature. Mr. Dwyer, however, said “No, I do not care what the other court did, this is fixed by regulation under the statute and it has the force of law; it should be altered by regulation.”

Hon. J. J. Holmes: Has the court made a bank-to-bank award?

Hon. J. CORNELL: I do not know.

Hon. J. J. Holmes: I understand the court did do so, and so there must be authority to make the award.

Hon. J. CORNELL: The Arbitration Court is the authority to do a lot of things, but I venture to say that many of the things done by the court would not stand a test for 20 minutes in a court of law. It is about time that the workers employed in factories and shops and the workers in the mining industry were lifted from the posi-

tion of being between two stools. We should say whether they are definitely under the Arbitration Court or under the statute that protects them. One section says, “Let the court do it.” Another section says it can only be done by Act of Parliament. The fact remains that the worker gets it where the chicken got the axe. Personally I consider that most of the men employed by the mining industry, that is to say, those who are in authority, are anxious to give the fullest consideration to the men, and they would not be grievously affected if we made it mandatory that the underground worker had to go below in his own time and come up in the employer's time. My experience is that those in authority are very decent chaps and are prepared to do a fair thing. If we took a consensus of the opinion of the men running the shows, we would find that they were prepared to do what was reasonable and fair. Personally I do not care whether the Bill is passed or lost. What I do want to arrive at is where these men stand. Are they in the court or are they out of it? Up to date no hon. member has been able to tell us in what category these men are. I shall support the second reading of the Bill.

HON. E. H. ANGELO (North) [8.20]: Although I did a little gold mining when I was a lad, it is nearly 50 years since I was actively engaged in the industry, and consequently, being practically a layman on this subject, I listened most attentively to the introductory speech of the Chief Secretary and also the other speeches that have been made for and against. I think I can say that I have never heard so many contradictory statements made on any Bill before. We have had supporters of the Bill tell us how little it will affect the employer and what it will mean to the employee. On the other hand, we have had the opponents of the Bill telling us what a bad effect it will have on the mining industry and how little it will affect the miner. It is very difficult, in a case like this, for a layman to adjudicate on the subject, and to determine which way to cast his vote. Being desirous of casting a vote, I have tried to weigh the matter and I have come to the conclusion that this is not a question which we should decide, but that it is a subject which should be determined by some tribunal that has power to call evidence, go thoroughly into the matter, and, after careful consideration, come to a

decision. We have an Arbitration Act which was established by the Labour Party many years ago.

Members: No, not the Labour Party.

Hon. J. Cornell: Sir Walter James was responsible for it.

Hon. E. H. ANGELO: Anyway, it has been well and truly eulogised by the Labour Party. We were told last night by several members that a majority of the mines had already adopted the bank-to-bank system, and that only a few were not carrying it out. Tonight we have heard something totally different. There, again, how can we, who are not actively engaged in the industry, come to a decision? I have arrived at the conclusion that this is a job not for us but for an independent tribunal. I come next to another query that entered my mind on this matter. We heard last night a number of statements that this was a job for the Arbitration Court. Later on Mr. Drew queried that and read Section 41 of the Mines Regulation Act. I always take a careful note of anything said by Mr. Drew; I have done so ever since I have been in this House. Mr. Drew threw a doubt as to whether the Arbitration Court could act under that section. Being interested, I took a copy of the Bill to a legal friend of mine, not a member of this House, a man well up in the legal profession.

Hon. L. B. Bolton: That would, of course, be a reliable source.

Hon. E. H. ANGELO: He is a man who is not in any way connected with the mining industry. After reading the Bill, he considered that Mr. Drew was right. He doubted very much whether the Arbitration Court could deal with this question, because Section 41 was fairly definite on the subject. He agreed with me that this was a matter which should be referred to the Arbitration Court and that Parliament should lose no time in amending the Act in the direction of giving the court the right to settle this question, not for us to settle it, as it is proposed to do by the Bill before us.

Hon. J. Cornell: A roundabout way of doing it.

Hon. E. H. ANGELO: No, the correct way. Instead of asking Parliament, consisting of a number of laymen, without any evidence before them and able only to accept the statements of one side or the other, all different and very contradictory, my legal friend said the proper course was to refer

it to the Arbitration Court, and that we should give the Arbitration Court the power to deal with it. He suggested a remedy whereby we could get the Act amended so as to give the Arbitration Court the power to deal with the subject.

Hon. J. Cornell: I have no wish to be personal, but what did all this advice cost?

Hon. E. H. ANGELO: I have never begrudged payment for good advice. It is the duty of a member who may not be quite capable of grasping a situation to get the best advice he can. My friend suggested that in this Bill we should strike out all the words after "by," in line 13, and insert in their place "adding at the end of Sub-section (2) the following words:— 'or if an award or industrial agreement made and in force under the provisions of the Industrial Arbitration Act, 1912-25, and relating to such person so prescribed until such person is actually returned to the surface.'"

Hon. J. Cornell: We could amend the Arbitration Act for that reason only?

Hon. E. H. ANGELO: Yes.

Hon. J. Cornell: But there are 20 other matters to be dealt with.

Hon. E. H. ANGELO: I asked this legal gentleman how we could deal with this matter, and he said it was open to the Government to amend the Act so as to enable not only this question but all similar matters to be submitted to the Arbitration Court.

Hon. H. Tuckey: It should have been done years ago.

Hon. E. H. ANGELO: It is never too late to mend.

Hon. J. J. Holmes: Will you tell us who this "Mr. X" is?

Hon. E. H. ANGELO: I am satisfied that his opinion is correct. He suggested that, while the Bill was before the House, I should endeavour to get it so amended that the Arbitration Court could be approached to settle not only this argument but all such matters that might arise. I am afraid, in view of Section 41 of the Mines Regulation Act, there cannot otherwise be a safe approach to the court. I shall vote for the second reading, on the understanding that if the particular clause under consideration is left as it is, I shall vote against it. If the Government can amend it so as to enable the miners to approach the court to deal with this and other similar matters, I shall vote with them.

HON. L. B. BOLTON (Metropolitan) [8.32]: It is not my intention to speak at any great length on the Bill. After listening to the debate for and against, I feel disposed to vote against the second reading. I do so because I am definitely of the opinion that the bank-to-bank question should be dealt with by the Arbitration Court, and not by Parliament. The Arbitration Court was created to investigate such questions, to regulate wages and the hours of labour, and to decide conditions of employment. After listening to the debate, I have come to the conclusion that the court has been asked once to decide this question, and on this occasion I think the court should again have been asked to decide the matter before it was brought to Parliament. I am a firm believer in the Arbitration Court, and am decidedly opposed to Parliament fixing wages or hours of labour under any conditions whatever, if it is at all possible for the court to adjudicate. It has occurred to me that, in view of the speeches we have heard, a small proportion only of the men in the industry are working under the conditions set up in the Bill. I believe something like 400 men are working under those conditions, and well over 3,000 are not working under them.

The Chief Secretary: You do not believe those figures?

Hon. L. B. BOLTON: Yes, because I know the source from which they emanated.

The Chief Secretary: They are not complete.

Hon. L. B. BOLTON: They are fairly complete.

Hon. C. G. Elliott: What was the source of your information?

The Chief Secretary: I will reply to that when I close the debate.

Hon. L. B. BOLTON: Perhaps the Minister has more complete information, but I am informed that the figures I quoted are fairly accurate. My contention is that such questions as that involved in the bank-to-bank application should be decided by the Arbitration Court and not by Parliament. That being so, I shall oppose the second reading of the Bill.

HON. H. S. W. PARKER (Metropolitan-Suburban) [8.35]: It has always caused me much distress to hear matters raised in this

House with regard to the mining industry. One is led to believe that the mines are not fit places for any human creature. All the miners, it would appear, die of silicosis; no worker there lives beyond 45 years of age; all in the mines are threatened with dangers of all sorts and descriptions. To me it seems a most dreadful advertisement for Western Australia, the most dreadful we could possibly have. I cannot believe that all these horrors exist.

Hon. C. G. Elliott: You try it for a while.

Hon. H. S. W. PARKER: I have resided on the fields, and have been underground on various occasions. I was down with Dr. Larcombe when he conducted experiments with silicotic dust. I do not suggest that mining is as healthy as farming. It has to be remembered, however, that the farmers work for the full 12 months, and work 14 hours per day. At the end of the year, they owe money and have nothing. On the other hand, the miner enjoys a comparatively reasonable time with the money he gets. True, he is liable to suffer in health. So far as we are able, we endeavour to compensate the miners for the different class of work that they are called upon to perform. I do not think it wise, when mining matters arise, to endeavour to show that the industry is such that no white or black man should be engaged in it. I shall dismiss from my mind remarks that we have heard along those lines. I am no mining expert; I do not suppose any member would suggest I am. I fear that some members who perhaps set themselves up as experts do not, in fact, know much about the industry. But it appears to me that they look at it from the point of view of the individual and not from that of all concerned. In those circumstances, I feel that much of the information furnished to this House is such that, if sifted, would not be found to bear the same construction as we are led to believe. I make these remarks in order to point out how utterly absurd it is to ask this House to decide conditions under which miners shall work. Imagine if the question before the House were taken to a division and ten members were in favour of the Bill being read a second time, and ten were against it. I might then have the power of deciding whether or not the Bill should be passed. All will agree—I am sure every working miner would agree—that I have no right to

exercise such a discretion. The Arbitration Court was set up for the sole purpose of determining industrial matters, and the court has been vested with very extensive powers. It has been suggested that Section 41 of the Mines Regulation Act prohibits the Arbitration Court from dealing with this particular matter. That section provides that no miner shall work underground for more than 48 hours per week, or more than eight hours per day. The Arbitration Court has already fixed 44 hours for that work. The section of the Mines Regulation Act provides the limit, and within that limit the Arbitration Court can act. If the court decided that 40 hours should be worked underground, they could do so, because it is within the limit prescribed by Section 41. The court could say that the men could work one day on and one day off, if deemed fit. The court can do anything so long as the decision is within the limits prescribed by the Mines Regulation Act. For instance, Section 40 of that Act prescribes that no workman shall be employed in or about a mine for more than 13 consecutive days in any fortnight, except in cases of special emergency. The court can do anything it likes, so long as its decision does not mean that the men shall work more than 13 consecutive days in a fortnight; and so it is with Section 41. The court can arrive at what decision it likes so long as men do not have to work underground more than 48 hours in any one week, or for more than eight hours on any one day.

Hon. E. H. Angelo: What about Subsection 2?

Hon. H. S. W. PARKER: Subsection 2 of Section 41 merely says that for the purposes of that section, "a person shall be deemed to be employed below ground from the time that he commences to descend a mine until he is relieved of his work and commences to return to the surface."

Hon. J. Cornell: There is no question of hours there.

Hon. H. S. W. PARKER: It means that the Arbitration Court could say that a man shall not work more than seven hours a day underground, or that from whistle to whistle the period shall be seven hours. That would not be in contravention of the section.

Hon. A. Thomson: There is a request for a 35-hour week.

Hon. H. S. W. PARKER: And it is within the province of the Arbitration Court to agree to that request. At any rate, the

members of that court know infinitely more about the matter than I do, and I shall not express any opinion as to whether the men should work for 35 hours or 40 hours.

Hon. J. Cornell: I doubt your statement that the members of the court know more than you do about it.

Hon. H. S. W. PARKER: The Arbitration Court deals with the evidence, and has an independent president. The Arbitration Court was set up to decide questions like this. The Factories and Shops Act is a striking example. The limit is defined in that Act, and the Arbitration Court can fix hours and conditions of labour within the limits fixed by that Act. The same thing can be done with regard to the mining matter. In 1927 the Arbitration Court did, in fact, fix the whistle-to-whistle arrangement as applying to the Meekatharra district. Shortly afterwards, the union and the employers entered into an agreement to strike out that particular part of the award. In other words, they reverted from the whistle-to-whistle to present-day conditions. It may be that many mines employ the whistle-to-whistle system, but even so that does not provide evidence that they land the men back on the surface by 4 p.m. If we legislate that men must be back at the surface by 4 p.m., the position will be that instead of firing at 3.30 and the men going along to the plats, they will have to be perfectly sure that every man that goes below will have to be back at the surface by 4 o'clock.

Hon. J. Cornell: They do not fire at 3.30.

Hon. H. S. W. PARKER: I will assume that, for the purposes of my argument. It does not matter whether they fire a few minutes before or a few minutes later. The men will have to go to the plat and wait there for five minutes or 15 minutes. We have been led to believe during the course of the debate that the mine management take a delight in keeping the men down below for 15 minutes or so while the skip is lying idle. I made some inquiries about that, and I will not venture to tell members the remarks that were made as to my colossal ignorance in thinking that the mine management would keep the skips idle merely in order to keep the men down below. I was informed that the skips are continually working, that when not hauling men they are hauling tools or materials.

Hon. J. Cornell: Men are not hauled in the skips.

Hon. H. S. W. PARKER: It is extraordinary how accurate some hon. members can be at times. I am not an expert, and when I use the word "skip" I mean cage, and I know that sometimes the skips have to be changed for cages to haul the men. But that would take time and expense. It is obvious that the mines do all they can to bring the men to the surface expeditiously. But as soon as it was whistle-to-whistle it would mean that they would have to fire earlier, so as to assure that the last man would get to the surface by four o'clock.

Hon. L. B. Bolton: Or be paid overtime.

Hon. H. S. W. PARKER: It is a question, not of overtime, but of penalty. The men would still have to wait at the plat. But we can dismiss from our minds the horrors of unfortunate men sitting on the plat. I understand that if they do not like to remain on the plat they can go and sit elsewhere nearby. Anyhow they are being paid while sitting there, up to four o'clock. I agree that like most of us they are anxious to get away from their work. What would be the position if it were put in the Bill that they must be up by four o'clock, whistle-to-whistle? Every man would have to be hauled to the surface by four o'clock, and if one of them were one minute late there would be a penalty of £50 imposed on the mine owners. We can see the reason for this provision—"until he commences to return to the surface." In a big mine it is impossible so to regulate that every man shall get up to the surface by four o'clock. If we make it definite there will be these penalties to be paid. I am ignoring for the moment the fact that under the Arbitration Court award overtime will have to be paid. And there is a minimum period for which a man has to be paid overtime. So if he be a few minutes late in reaching the surface he will have to be paid overtime for the prescribed minimum period.

The Chief Secretary: Where do you find in the Bill that a man must be returned to the surface by four o'clock?

Hon. H. S. W. PARKER: That is whistle-to-whistle.

The Chief Secretary: But where does the Bill provide that a man shall be returned to the surface by four o'clock?

Hon. H. S. W. PARKER: The shift finishes at four o'clock, and if he comes up a minute past four o'clock he will have been down for more than eight hours. If the Arbitration Court should fix the whistle-to-

whistle, a man would have to be back by four o'clock. There would then be no penalty, but only overtime to be paid. But if we fix it by Act of Parliament there is not only overtime to be paid in the case of men being a few minutes late, but also a penalty of £50 against the mine. That is under Section 58 of the Act. So if we put this in the Bill that is what will happen. I trust the House will exercise its wisdom and leave industrial matters to be dealt with in detail by the Arbitration Court.

HON. H. SEDDON (North-East) [8.52]:

I specially refrained from joining in this debate because I wanted to give members a chance to express their opinions. The greatest argument against the Bill is the discussion that has taken place here to-night. We have had opinions offered by members who claim to know the position and by members who make no such claim. This House has been asked to act as the Arbitration Court will have to act if the Bill does not go through. Statements have been made by supporters of the Bill which I could not understand being made by men who have not given very serious consideration to them. The only authority that can adjudicate on the question is the court that was constituted by Parliament for that purpose. I want to make my position clear: Mr. Elliott, Mr. Cornell and I were members of a party formed many years ago whose first plank was that industrial matters should be left to the Arbitration Court. When Parliament established that court to determine all industrial disputes, Parliament very wisely appointed that authority as an impartial authority to carry out this duty. The objection raised by one hon. member as to the jurisdiction of the court has been answered by the court itself. Mr. Cornell in the course of his remarks read out the reason why the court in 1927 turned down their request for a whistle-to-whistle clause. But the conditions to-day are entirely different from the conditions in 1927. At that time the proposal would have caused widespread unemployment. The position in industry to-day is entirely different from what it was then.

Hon. J. J. Holmes: The question has not been raised before the present court, has it?

Hon. H. SEDDON: No, I understand it has not. In my opinion the men have been badly led in not having presented the ques-

tion before the court, for the position to-day is entirely different from what it was in 1927. This House has dealt with matters that are far more competently handled by the court, instead of leaving that authority to carry out its work untrammelled and uninterfered with by Parliament. I take the stand I have always taken which is that these questions must be left to the Arbitration Court.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West—in reply) [8.57]: If this debate has done anything at all it certainly has given a number of members opportunity to express their views on a subject that is very important to the men engaged in the mining industry in this State. And in a way it has given members an opportunity of indicating just how they view the industrial side of an industry such as the mining industry. With all due regard to the statements of the last speaker, I should like to point out that we have an Act that we are endeavouring to amend at the present time, an Act that was placed on the statute-book in order to determine certain conditions for the working of that industry. That industry is in a position very similar to that of the timber industry. For the timber industry we have the Timber Regulations Act, which gives Parliament an opportunity to lay down certain conditions that shall apply. During the debate a lot has been made of the statement that this House should not attempt to fix the hours of labour in the mining industry, implying that we are doing so by this Bill. But this Bill does not in any shape or form fix the hours of miners in the mining industry. Mr. Parker, as he read the essential clause, got a little surprise. He suggested that the Bill was providing that the system to be adopted should be from whistle-to-whistle and that all men should be on the surface by four o'clock. But he cannot put that construction on this clause, because not all the men descend into the mine at eight o'clock. The Bill provides that the men shall continue to be employed from the time they go down until they reach the surface again. The usual practice is that they come up in approximately the same order as they go down. The argument that this measure fixes the hours is a fallacious one, but it is sufficient to cause opposition to it. Mr.

Holmes said that the mines I mentioned were small ones, and that this system did not operate on the larger shows. He said that the smaller mines were not paying, but he did not say that the large ones were.

Hon. J. J. Holmes: I did say so.

THE CHIEF SECRETARY: They are paying handsomely. There can be no argument as to costs through this Bill in the case of the large mines.

Hon. J. Cornell: We are treating them handsomely in refraining from taxing them as we could.

THE CHIEF SECRETARY: The large mines have the plant, the engine is in working order, and the engine driver is there to work it. It is a custom in the industry that ore is not drawn from the mine after firing, and that the shaft shall not be used. Everything is in readiness to shift the men, but the job is not done.

Hon. J. Cornell: There is a definite reason for that.

THE CHIEF SECRETARY: The men are waiting on the plat. I thought at first that Mr. Wittenoom knew something about the practical side of the industry, but I think now he does not know as much as I do. The coal mining industry has had the bank-to-bank system for about 34 years, and yet we find members objecting to the Bill because it will bring this system into vogue in the case of about 10 per cent. of our mines. Mr. Baxter quoted certain mines which worked the system and others which did not do so. He also quoted the number of persons engaged in the mines, totalled up the columns and said there were 3,000 men working on the one hand and 400 on the other. He inferred I had deliberately misled the House when I said that only about 10 per cent. of the mines would be affected by the Bill. He said that many years ago an Arbitration Court award was given providing that the bank-to-bank system should prevail at Meekatharra and on the Murchison. I asked if it prevailed to-day, but he could not reply.

Hon. C. F. Baxter: I did reply.

THE CHIEF SECRETARY: He said his information came from official sources. No doubt it did. Evidently it was given in good faith, but it is not complete. He knows he only quoted half the number of men employed in the industry.

Hon. W. J. Mann: Can you give the complete figures?

The CHIEF SECRETARY: No, but over 7,000 men are employed by the mining companies.

Hon. J. J. Holmes: This proves that it is the job of the court to decide.

The CHIEF SECRETARY: Not at all.

Hon. E. H. Angelo: All 7,000 would not be underground.

The CHIEF SECRETARY: Perhaps not. A lot has been said about profits. Mr. Wittenoom said that low-grade shows could not be exploited if this Bill were passed; that we must have regard for reasonable economic working; that we must provide for a return of the capital and a profit on it; but must have no regard for the health of the men who are 3,000 feet below the surface.

Hon. A. Thomson: He did not intend to convey that.

The CHIEF SECRETARY: What did he say?

Hon. A. Thomson: He did not wish to convey that impression.

The CHIEF SECRETARY: He said we must have regard to the cost of working.

Hon. J. Nicholson: He was discussing the matter from the economic standpoint. He said he was in favour of fair conditions for the men.

The CHIEF SECRETARY: But that did not include this particular system.

Hon. A. Thomson: He said the court should decide.

The CHIEF SECRETARY: Yes, and other members have used the same arguments. They have said that if we imposed this condition upon low-grade propositions they would not show a profit.

Hon. J. Cornell: What about the Marvel Loch Company?

The CHIEF SECRETARY: I am advised by experts of the Mines Department that the cost under this Bill will be negligible. As I have pointed out, the engine is in running order, the driver is on the spot, and the shaft is not being used. The men are waiting down below, and in most cases cannot wait anywhere else. Because of the fumes following the firing, it is impossible for the men to stay where they were. They must get away before the firing commences, and men cannot return until some time after the firing has finished.

Hon. H. S. W. Parker: The firing could be done earlier.

The CHIEF SECRETARY: The custom varies in different mines. I understand that firing takes place from half an hour to three-quarters of an hour before knocking-off time. The men cannot go back into the face. They therefore gravitate to the plat where the air is more pure, but where they are still taking certain risks.

Hon. J. Cornell: They would be fined if they went back.

The CHIEF SECRETARY: Yes. Many of these things are already provided for by law, and would be taken into account by the court in dealing with any award. The opposition to the Bill is based first of all on economic arguments. We must have regard for reducing mining costs. That gives no consideration to the men who are compelled to gravitate to the plat and wait there for a quarter of an hour or 20 minutes, wet to the skin, standing in a draught before coming to the surface, as described by Mr. Elliott. The shaft is not being used, but all the facilities are there for bringing the men to the surface. No one can argue with any justification against the claims of the men.

Hon. J. Nicholson: All this shows how much better it is that the court should deal with the matter.

The CHIEF SECRETARY: The Mines Regulation Act was originally passed to provide certain conditions in a broad way.

Hon. J. Nicholson: That was passed before the Arbitration Court was established.

The CHIEF SECRETARY: No, afterwards.

Hon. J. Nicholson: The Act was passed in 1892 before the court was established.

The PRESIDENT: The hon. member has already addressed the Chair on the subject.

The CHIEF SECRETARY: Such arguments will not take us very far. One member asks why the men did not get to the shaft before knocking-off time. I suppose they are expected to stay in the face whilst the firing is going on. Some members have declared definitely that this is a matter for the Arbitration Court, that we should have nothing to do with it. The Mines Regulation Act already fixes many of the conditions with which the court can deal. Other members say we must consider this question from the economic point of view and the cost to the mining companies. Most of the low-

grade ore shows are in the hands of very substantial companies. It is because they have substantial capital behind them that they are able to put down the plant they now have, work the ore as it is worked, and obtain the results they are now getting. The arguments that have been used against this Bill will not get us anywhere. The men who are working in the industry want this system brought into vogue. I think most of the employers desire it, and most of them have got it in operation. Those who are responsible for working some of the larger mines would probably agree to the principle, but because of the economic aspect, and perhaps because of the instructions they have received, they do not care to put it into operation.

Hon. J. Cornell: A couple of the mines could afford to sink another shaft.

The CHIEF SECRETARY: Yes. This is a provision that could well be agreed to. No doubt members have made up their minds on the subject. I, therefore, leave it to the House to decide whether the Bill shall go through or not. In view of the fact that this applies to a great majority of our gold mines, there is no reason why it should not apply to the balance.

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

Ayes	9
Noes	12

Majority against .. 3

AYES.

Hon. E. H. Angelo
Hon. J. Cornell
Hon. J. M. Drew
Hon. C. G. Elliott
Hon. E. H. Gray

Hon. E. M. Heenan
Hon. W. H. Kitson
Hon. A. Thomson
Hon. G. Fraser
(Teller.)

NOES.

Hon. C. F. Buxley
Hon. L. B. Bolton
Hon. L. Craig
Hon. J. T. Franklin
Hon. V. Hamersley
Hon. J. J. Holmes

Hon. W. J. Mann
Hon. J. Nicholson
Hon. H. S. W. Parker
Hon. H. Tuckey
Hon. G. B. Wood
Hon. G. W. Miles
(Teller.)

PAIRS.

AYES.
Hon. T. Moore
Hon. C. B. Williams
Hon. H. V. Piesse

NOES.
Hon. C. H. Wittenoom
Hon. H. Seddon
Hon. A. M. Clydesdale

Question thus negatived; Bill defeated.

BILL—LOAN, £3,212,000.

Second Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [9.20] in moving the second reading said: The purpose of the Bill

is to give the Government authority to raise money for carrying out the programme detailed in the Loan Estimates, and to provide for further advances to the Revenue Fund towards meeting the accumulated deficit. The Bill, which is a necessary preliminary to the actual flotation of loans on the market, does not authorise the expenditure of the money raised, but merely provides the authority to raise the amounts which are required. As hon. members are aware, it is the function of the Commonwealth to raise on the market the State's loan requirements according to the terms which are approved by the Loan Council. The proceeds of such raisings are credited to the General Loan Fund, which, under our laws, is constituted from loans raised under the authority of Loan Acts. Since the functions of the Loan Council do not over-ride the requirements under State and Commonwealth laws, it is therefore necessary, so long as we continue borrowing money, to pass a Loan Act each year. Following on the procedure adopted in previous years, the amounts set down for the various works are based on the estimated requirements to 31st December, 1937, having regard also to the unexpended balances of previous authorisations. This ensures that there is a sufficient authorisation in hand to enable the programme to be carried on until the granting of further authority.

The Bill now before the House seeks authority to raise a total amount of £3,212,000, of which £2,412,000 is for Loan works, and the balance of £800,000 for deficit purposes. The corresponding amounts authorised by last year's Act were £2,327,000 and £300,000, respectively. However, during 1935-36 there was a surplus of £88,378, and the £300,000 was used to clear portion of the deficit accumulated in previous years which was not fully covered by Loan authority. The accumulated deficit on the 30th June last, after allowance had been made for last year's surplus, stood at £5,228,147. When this sum is offset by an amount of £4,673,000 temporarily advanced from the Loan Fund to the Revenue Fund, in accordance with the authority given by previous Loan Acts, the balance of the accumulated deficit at 1st July, 1936, was £555,147. The authority now sought for deficit purposes, namely, £800,000, will provide for this balance of the accumulated deficit, together with £244,853 towards the anticipated deficit for the current year. The whole of the

accumulated deficit has been financed by Treasury bills, which are treated as a short-term debt of a temporary nature. At some future date, those bills will have to be funded into a long-dated loan. When that occurs, the terms of the Financial Agreement will come into operation, and not only will the State have to provide a 4 per cent. Sinking Fund, but much higher rates of interest will be payable as well. The present rate of interest on Treasury bills is $1\frac{3}{4}$ per cent. It is doubtful, however, if a funding operation could be carried out at less than $3\frac{3}{4}$ per cent. or even 4 per cent. During the last financial year the Commonwealth raised two loans. The first of these was floated in November for an amount of £7,500,000, at the issue price of £99 15s., bearing interest at $3\frac{3}{4}$ per cent. over a period of 14 years. When our share of £809,060 had been debited with discount and expenses, totalling £8,341, there was left available for Loan works a sum of £800,719. The second loan floated in June was for an amount of £9,000,000, of which a sum of £600,230 was earmarked for Western Australia. The issue price of this loan was somewhat lower than that of the previous November, being £98 10s. Interest, however, was the same, namely $3\frac{3}{4}$ per cent., and the term 15 years. After allowing for discount and expenses amounting to £13,844, there was left available for Loan works a sum of £586,386. When last year's Bill was before the House, it was mentioned that the interest rate of 3 per cent. on the loan raised in November, 1934, at an issue price of £99 15s., was the lowest since the commencement of the Financial Agreement. Since then, rates have gradually risen, and the terms for the next flotation, which are $3\frac{3}{4}$ per cent. at £97 10s., are higher than the preceding loan, namely, $3\frac{3}{4}$ per cent. at £98 10s.

The gross public debt at 30th June last was £90,344,055, inclusive of short-term debts in Australia and London which were as follows:—

		£
Australia	5,850,000	
London	2,998,014	
Total	£8,848,014	

To date, total flotations amount to £107,069,608, comprising £60,604,468 raised overseas, and £46,465,140 raised in Australia. Redemptions total £16,725,533, of which £14,328,254 represents loans redeemed over-

seas, and £2,397,299 Australian redemptions. The sinking fund at 30th June, 1936, amounted to £569,184, leaving a net debt of £89,774,871—an increase of £1,708,510 on the corresponding figure for the previous year, namely, £88,066,361. The gross programme approved by the Loan Council for this State for the current year is £2,350,000. Actually, the amount available for works is £2,317,000, as the aforementioned sum includes a Commonwealth grant of £33,000 towards deficits. The expenditure, according to the Loan Estimates, is £2,316,963. These Estimates of Loan expenditure are based on the amount necessary to keep the present number of men employed on relief works. In this connection, while it has been gratifying to observe that the numbers requiring this assistance are decreasing each year, the cost of providing materials is steadily rising, and wages costs represent a correspondingly reduced proportion of the total. For instance, since 1932-33 the total cost per man per week, i.e., wages and materials, has increased slightly more than 22 per cent., while the cost of materials has increased 130 per cent. Those are interesting figures, showing what the Government are up against in providing work for the unemployed. It will be realised, of course, that the estimates are based on the approved Loan programme, and the accomplishment of this programme is necessarily dependent on the ability of the Loan Council to raise the necessary money. The Commonwealth Government has made available grants of £34,600 and £50,000 for mining and forestry. While these sums amount to only about half the grants made available last year, we have been informed by the Commonwealth authorities that next year's grants will be further reduced. The Commonwealth is making available to the States, through the local Government authorities, the sum of £1,000,000 in allocations of £100,000 per annum. Western Australia's share is £6,650 per annum. This money is to be applied towards the provision of interest and sinking fund on loans raised by local Government bodies. It is stipulated, however, that the State must also make a £ for £ subsidy towards the use to which such moneys are applied. Loan expenditure for 1935-36 was £2,464,168. The estimated expenditure for the current year is expected to be £2,412,409, including £95,446 spent from Loan Suspense in 1935-36. The provision for Railways and

Tramways (£475,000) is approximately the same as last year. The programme of over-taking belated repairs is being continued. To the 30th June last, the total amount expended on this account was £520,516. It has been previously explained that this money is by way of an advance from the Loan Fund only, and that annual appropriations from revenue would be made to recoup Loan moneys. Of the amount expended to the 30th June, £327,920 has already been recouped, and it is now proposed to recoup a further sum of £100,000 during the current year. Similar annual appropriations from revenue will be continued until the total amount charged against Loan has been cleared. Provision for rolling stock, which includes payment for six rail cars, has been increased from £6,807 expended last year, to £120,000. Unless the five-year construction programme is proceeded with to bring our rolling stock up to date at a total cost of £273,000, it will be impossible for the department to cope with traffic. An amount of £60,000 has been earmarked to provide for the construction of the Cue-Big Bell railway, which the Government are constructing under an agreement made with the American Smelting and Refining Company for the purpose of developing the Big Bell mine. It is also proposed to expend an estimated amount of £75,000 on trolley bus services. A provision of £18,000 has also been made for a feeder cable for the Colin-street substation, and switch gear for the Murray-street substation. As there are sufficient funds held in suspense and in London to meet our commitments to 30th June next, in respect of the East Perth power station, it is not proposed to make any provision on that account this year. Last year actual expenditure on Harbours and Rivers amounted to £281,962. The estimate for the current year—£221,000—shows a decrease of £60,962. A provision of £3,000 has been made for the completion of the Ashburton jetty, which was destroyed by a cyclone in 1933—a decrease of £19,763 on last year's expenditure under this heading.

Hon. G. W. Miles: You had a good man in charge of that work.

The CHIEF SECRETARY: I am glad to hear that. Work on the new harbour at Geraldton will also be completed during the current year, and an amount of £20,000 is

being provided, as compared with an actual expenditure of £48,636 last year. As against these decreases an increased amount has been provided for the Point Sampson jetty. The provision this year is for £40,000, as compared with an actual expenditure of £18,950 during last year. A further sum of £5,000 has again been provided for additions and improvements generally in the North-West. The whole of the water supply, sewerage, irrigation and drainage requirements of the State, including the Canning Reservoir and the Metropolitan Sewerage works, are included in the estimate of £1,196,500 covered by this section. This is a decrease of £21,239 on the actual expenditure of £1,217,739 incurred last year. With regard to town water supplies, the principal work to be carried out will be the further improvement to the Geraldton water supply, and improvements to the Narrogin water supply reticulation system. Improvements will also be made on the new stock route into Wyndham, and elsewhere, by the provision of watering places and additional storage. Expenditure last year on sewerage and drainage requirements for Perth and Fremantle amounted to £436,234. This year's estimate is £375,000—a decrease of £61,234. The main gravitation sewer to dispose of Perth sewage to the ocean outfall was completed last year. Further progress was made last year with sewerage reticulation in the Claremont-Cottesloe district. Both these, and the treatment works at West Subiaco, will be completed this year. Work on the No. 5 section of the Maylands stormwater drain, which was commenced last year, is expected to be finished this year. The No. 4 section has already been completed. Progress will be continued with the provision of sewerage reticulation pumping stations, and main sewers in the Maylands-Inglewood and Victoria Park areas. Other sewerage works in hand will be the construction of a pumping station at East Perth, and a raising main to join the main gravitation sewer for the disposal of Perth sewage. In the metropolitan area, the principal work carried out in the water supply section last year was in connection with the Canning dam construction; the commencement of a contour channel to convey water to the metropolitan area; the construction of a 24-inch main from Queen's Park to Melville reservoir; and the completion of (1) the Buckland Hill reservoir,

and (2) the enlargement of the King's Park reservoir. This year the principal work will be associated with the progress of the Canning dam construction; the completion of the contour channel to the metropolitan area, together with the provision of a 42 inch steel main from Gosnells to Cannington, and the replacement of a 24-inch cast-iron main, in the fourth and fifth sections of Stirling highway, with a 30-inch cement lined steel main. With regard to the goldfields water supply, considerable work was carried out last year in the renovation of main conduits. The Marvel Loch and Coolgardie-Norseman pipe lines were commenced, while work on the Sawyer's Valley tank, the Yellowdine water supply, and the Tammin pipe line was completed. An increase of £56,325 on last year's expenditure is provided in this year's estimate, namely £375,000. Portion of this estimate will be expended on the extension and improvement of town reticulations, and on the improvement of agricultural branch mains. Many of these are in a very bad state, having been in operation for many years. A provision has also been made for works on other mining water supplies. To the Eastern Goldfields is allocated £3,000, and to the Murchison £5,000. Last year's corresponding expenditure was £8,334 and £3,018 respectively. These amounts will provide for works on the Leonora, Mt. Monger and Reedy town water supplies. It is again proposed this year to make provision for expenditure on account of water supplies, irrigation, and drainage in the agricultural areas. The principal work being carried out is the Goldfields water supply link to Barbalin. Considerable anxiety has been felt in the district this year as a result of the failure of the rains, which, during the past few seasons, has emphasised the danger to which settlers, who rely on the rock catchment scheme, are exposed. With the connection of the dam to the pipe line, the district will be assured of a permanent water supply. The estimated cost of the work is £65,000. Although the amount of £20,000 provided for the development of the goldfields this year is £6,619 less than the sum expended last year, the amount will be supplemented by a grant made by the Commonwealth for prospecting. Provision has been made for the erection and reconstruction of batteries. The expenditure on the development of agriculture last year totalled £227,910. This

year's estimate is £179,548—a decrease of £48,362. Decreases are as follows:—

	£
Development of Agriculture, Lands, etc.	23,308
Group Settlements	518
Forestry	30,000
Assistance to Industries	7,289
Total	<u>£66,115</u>

Against this, increases are anticipated in assistance to land settlement for soldiers and abattoirs. The increases will probably be £17,179 and £574 respectively. "Development of Agriculture (Lands)" covers land clearing and settlement at Nornalup, Nanup, and Albany, as well as the reconditioning of holdings. This has been adopted as an unemployment relief measure for single men. Although such work will not be immediately reproductive, it has undoubtedly added to the value of the areas reconditioned. These operations, however, will not be extended, but will be gradually closed down.

Expenditure, too, on the group settlements is being gradually curtailed. Last year an expenditure of £19,548, not covered by a loan authorisation, was incurred in respect of abattoirs. This amount was charged to the suspense account. Actual expenditure was £28,917, and this sum covered the cost of extensions carried out at the Midland Junction and Kalgoorlie abattoirs, as well as additions and improvements to the Wyndham Freezing Works. Accordingly, while the provision for abattoirs shows an increase, the actual position is the reverse. The amount provided this year includes a sum for further extensions to the Midland Junction premises. Expenditure on roads and bridges, public buildings, etc., during 1935-36, amounted to £216,614. The estimated expenditure for the current year is £135,500, a reduction of £81,114. The decrease is accounted for by a reduction of £82,902 in the provision for roads and bridges. The amount provided under this heading will be expended on roads not covered by the Federal aid roads scheme. Partly in an endeavour to stimulate activity in the building trade, the small loans scheme was inaugurated under the administration of the Workers' Homes Board, in 1933. Up to the 30th June last, £25,550 had been provided to this end, and a provision of £3,000 has been made for this year. Water Supplies and buildings at Moola

Bulla Native Cattle Station; the purchase and reconditioning of settlements; the native hospitals at Broome, Wiluna, and Kalgoorlie, and building extensions at the Moore River Settlement and the East Perth Girls' Homes have also been provided for. The provision for public buildings, namely, £50,000, shows a reduction of £24,791 on last year's expenditure. This amount will be utilised for buildings generally. Included in the vote "State Hotels and Tourist Resorts" is a provision of £10,000 for the rebuilding of Caves House at Yallingup. Then £3,000 has been provided for expenditure on the installation of refrigeration plants, hot water services, and sewerage at certain State Hotels. Of the loan of £10,000 granted to the Rottnest Board of Control for improvements on the island, £8,000 was drawn last year, leaving a balance of £2,000 to be provided, if necessary, this year. A sum of £3,500 is required to enable the State Ferries to supplement the South Perth service by the addition of a new ferry.

The Bill includes provision for the sum of £270,000 for the purchase of a new vessel for the State Shipping Service. This vessel, which will be constructed by Messrs. Harland and Wolff at a tender price of £266,000, will be completed in about 14 months. The new ship, when completed, will replace the "Kangaroo." It will provide better facilities for our North-West and Northern ports, and enable the State Shipping Service to institute a four-weekly service to Wyndham and Darwin. This should prove beneficial to trade generally and to the working of the Wyndham Meatworks. It is now essential to have legal authority to raise the money, in order that there shall be no hitch in obtaining the necessary finance. The proposed method of financing the purchase of this vessel is similar to that adopted for the "Kangaroo." As progress payments are required by the shipbuilders, the money is to be advanced by a life assurance company. Commonwealth stock will then be issued to the company for the amounts so advanced. Interest will be at $3\frac{1}{2}$ per cent. We are required to take out an endowment policy for the amount borrowed, maturing in ten years. At maturity, the policy will be cancelled, and the Government stock returned to the National Debt Commissioners by the assurance company. Annual premiums are deemed to earn interest at $3\frac{1}{2}$ per cent. This method of finance has been approved

by the Commonwealth High Commissioner after due investigation.

The estimates of loan expenditure are based on the approved loan programme, but members will bear in mind that the accomplishment of this programme will depend on the ability of the Loan Council to raise the necessary money. At the Loan Council meeting last June we anticipated that we would be able to budget for a revenue surplus of £6,000, the assumption being that the Commonwealth grant would again be £800,000. As a result of the Grants Commission's recommendations, however, the grant, as members are aware, was reduced by £300,000. This had the effect of converting an estimated surplus into a deficit of £294,000. Then, again, another unforeseen contingency arose on account of the drought. Officers of the Agricultural Bank have made various estimates of the amount required for drought relief. The latest estimate, made after a recent and careful survey by the Commissioners, is £800,000. Our loan requirements, then, will have to be increased by, approximately, £1,094,000, namely, £294,000 for the deficit and £800,000 for drought relief. When an application was made to the Loan Council at the recent meeting, it was agreed that our approved programme could be increased by £1,000,000. However, the provision of this money is entirely dependent on the ability of the Loan Council to raise the total amount necessary to meet the approved programmes of the States. If no help can be secured, or if our loan programme cannot be increased, it will be necessary to finance the deficit out of the programme already approved. The materialisation of such a contingency will render inevitable a very drastic curtailment in our loan expenditure.

Hon. L. Craig: Where will the extra million come from? Not out of the loan being floated now; that has been allotted.

The CHIEF SECRETARY: It will come out of a further loan to be raised. At the next meeting of the Loan Council to be held in February a determination will be made, in consultation with the Commonwealth Bank authorities, of the amount to be raised by a further loan, and our portion will cover the present financial year to the 30th June next and a certain amount to carry us over a few months of the next financial year. I have given all the information that I consider necessary, but if members require anything further, I should like

to have notice of it as early as possible in order to allow time to furnish replies. I move—

That the Bill be now read a second time.

On motion by Hon. H. Seddon, debate adjourned.

BILL—GERALDTON HEALTH AUTHORITY LOAN.

Second Reading.

THE HONORARY MINISTER (Hon. E. H. Gray—West) [9.53] in moving the second reading said: This is a short measure designed to assist the Geraldton health authority and the Geraldton Municipal Council. Some two years ago the Geraldton health authority, with laudable enterprise, decided to embark on a scheme for sewerage the town with the septic tank system. Later it was discovered that that system could not be extended to Marine-terrace and a row of properties behind that terrace, and the health authority adopted a scheme to instal deep sewerage with an outfall to the ocean to serve that area. The scheme was estimated to cost £9,000, and the money was borrowed from the Commonwealth Bank at a minimum rate of interest of £3 7s. 6d. per cent., and a maximum rate of 5 per cent. The health authority received a grant under the Commonwealth scheme of employment, and the result is that there is now a balance of £4,000 odd in hand. Under the Health Act the money may not be used for other than health purposes, and the council desire authority to use it for municipal services and useful works.

Hon. L. Craig: Are the works stipulated, or will the council have a free hand?

The **HONORARY MINISTER**: The works are not stipulated in the Bill, but the council have drawn up a programme. If the money cannot be used by the council, it will have to be reinvested in order to earn the necessary interest and sinking fund charges which can then be met as they fall due. The proposal has been carefully examined. If the Bill be passed the council, under the Municipal Corporations Act, will have to approve of the expenditure by a majority vote and secure the consent of the ratepayers. Thus every safeguard has been provided. The council have works to put in hand, and the money should be made available.

Hon. J. J. Holmes: I consider the House is entitled to know on what works the council intend to spend the £4,000.

The **HONORARY MINISTER**: I have not that information. The Municipal Corporations Act lays down the procedure to be adopted, and the consent of the ratepayers has to be obtained. Had the money been expended under the Health Act no permission would have been necessary, but seeing that the money is required for municipal purposes, this measure is necessary. I move—

That the Bill be now read a second time.

HON. J. J. HOLMES (North) [9.58]: There is no objection to the Bill. I assume that the Municipal Corporations Act stipulates the works upon which a municipality may embark. The Minister has told us that a surplus of £4,000 remains in the hands of the health authority, and permission is sought by the Bill for the municipal council to expend the money in whatever manner it is thought desirable. We are entitled to know how the council propose to spend the money when it passes into their possession.

Hon. L. Craig: Surely that is governed by the Municipal Corporations Act.

Hon. J. J. HOLMES: If that is so, I have no objection to the Bill.

On motion by Hon. H. Seddon, debate adjourned.

House adjourned at 10 p.m.