Legislative Council.

Tuesday, 27th November, 1923.

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

ASSENT TO BILLS.

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

1, Industries Assistance Act Continuance.

2, Pinjarra-Dwarda Railway Extension Act Amendment.

MOTION—SANDALWOOD, AMENDED REGULATIONS.

To disallow.

Hon. A. LOVEKIN (Metropolitan) [4.34]: Personally I am not ready to proceed with the notice of motion standing in my name, but as I understand some hon. members wish to speak to it I formally move—

That the regulations under the Forests Act, 1918, laid on the Table of the House on the 30th October, 1923, be and are hereby disallowed.

I reserve my opportunity of speaking until later.

Hon. E. H. GRAY (West) [4.35]: I second the motion. It is time the House took a stand with regard to the sandalwood industry. A very illuminating statement from the Conservator of Forests appears in this morning's newspaper. It reads—

> When asked yesterday what was the present position in sandalwood, the Conservator of Forests (Mr. S. L. Kessell) said that arrangements had been made so that orders would be distributed throughout the State proportionate to the amounts which the various centres had been supplying during the last two years. This distribution could not take effect until stocks of wood already pulled had been cleaned up. The four firms holding licenses would make their own arrangements with cutters for the supply of wood.

Hon. J. Duffell: We have all had that before us.

Hon. E. H. GRAY: Then I will merely remark that the statement in to-day's "West Australian" is practically an admission on the part of the Conservator and the Government that they have forsaken the pullers, and that the pullers are absolutely at the mercy of the new monopoly.

Hon. R. G. Ardagh: The arrangement amounts to a violation of the regulations recently published.

Hon. E. H. GRAY: On that ground I protest against the new regulations, and ask the House to disallow them.

Hon. J. Nicholson: Why not read to us what you have before you?

Hon. E. H. GRAY: In my opinion it matters not to whom the monopoly has been granted, whether to one firm, or five firms, or two firms. The monopoly itself is a crime against the State. A new start altogether should be made in the sandalwood industry. The position to-day represents a glaring injustice to the citizens, and means great loss to the State, a loss brought about by Government regulations. Had the Government seen fit to bring down a Bill dealing with the sandalwood question, at least £50,000 would have been saved to the State, and the muddle and chaos to-day apparent in the industry would have been obviated. It will be remembered that in another place there was a full-dress debate on the sandalwood question in connection with a motion for the tabling of papers. All sorts of excuses were put up by the Government for not tabling the papers. The Government declared that such a proceeding would be immoral and unwise. Members of all parties in another place joined in that debate, which was prolonged. The motion was lost by two votes, I believe. Meantime I gave notice of motion in this Chamber for the tabling of the papers. Hon. members will recollect that here we had a sequence of speeches against the Government's action, and in favour of tabling the tenders and other papers. In order to avoid a heavy blow to their prestige, the Government backed down from their original attitude in another place. The papers were produced in the other Chamber, to be seen by anyone who cared to look at them. That change of front was evidence of weakness in the Government. If the arguments used by Ministers in another place were good there, they would be good here too. However, the Leader of this House did not attempt to place the Government's case before us. His colleagues had given way, and the papers had been made accessible.

The Minister for Education: Was not that what you wanted?

Hon. E. H. GRAY: The file relating to the sandalwood question discloses a record of mismanagement, indecision, and weakness covered by effrontery, and shows how the Government yielded to the impertinent and unscrupulous demands of a company which was floated purely for the purposes of a monopoly stunt. The share registers of the two companies concerned disclose every arrangement for quick and silent manipulation of shares. If this were taking place in America, we would say that every preparation had been made for a real good ramp. Now I propose to read, for the information of members, the share registers of the two companies. When speaking on this subject previously, I said that the new company had never done any business in sandalwood, and that really behind the new company was the old-established firm of Paterson & Co., Ltd., both companies being operated by the same officials. I shall now read a comparative statement of the two registers of shareholders—

COMPARATIVE SUMMARY OF CAPITAL AND SHARES OF PATERSON & CO., LTD., AND THE AUSTRALIAN TRADERS & EXPORT CO., LTD., MADE UP TO 31ST MARCH, 1923.

Name of Shareholder.	Address.	Occupation.	No. of Shares in Paterson & Co., Ltd.	No. of Shares in Australian Trading & Export Co., Ltd.
Adams, James	South Fremantle ...	... ...	1,750	1
Hicks, Albert	Subiaco	Dept. Manager ...	250	600
Carter, Raymond ...	Claremont	Clerk	250	250
Dwyer, John P. ...	Perth	Solicitor	...	400
Jenkins, Arthur E. ...	Bunbury	Share Agent	...	1,000
John, G. G.	C/o. Paterson & Co., Ltd. Perth	Manager	16,500	...
John, William P. ...	C/o. Paterson & Co., Ltd.	Merchant	500	[illegible]
John, Sara	Cottesloe	Foreman	100	500
John, Sara, *Trustee for*—				
John, Bertha	Cottesloe	... ...	150	...
John, Marion S. ...	do.	... ...	150	...
John, Minna M. ...	do.	... ...	150	...
John, Sheila E. ...	do.	... ...	150	...
John, Geoffrey G. ...	do.	... ...	150	...
John, Joyce C. ...	do.	... ...	150	...
John, Owen M. ...	do.	... ...	100	...
McSwain, Norman B. ...	C/o. Paterson & Co., Ltd.	Clerk	200	200
Hubble, H. A.	Mt. Lawley	Commercial Traveller	...	2,000
Newman, Eileen M. ...	C/o. Paterson & Co., Ltd.	Typiste	250	500
Paterson, Duncan ...	London	... ...	4,300	4,300
Paterson, J. G.	do.	... ...	1,000	...
Paterson, E. M.	do.	... ...	1,500	...
Paterson, L. S.	do.	... ...	700	...
Pope, Harold	C/o. Paterson & Co., Ltd.	Clerk	300	300
Ramage, J.	do. ...	Dept. Manager ...	500	500
Renner, F. E.	do. ...	do.	500	500
Richards, E. E.	do. ...	Clerk	200	200
Stevens, J. L.	London	... ...	200	...
Rowledge, James ...	Subiaco	Accountant	...	500
Thomas, Frederick R. ...	Perth	Solicitor	...	1,500
Weekley, Wm. J. ...	Perth	Metallurgist	...	3,000
			30,000	30,000

The new company has only 2,000 shares paid up. I propose to produce proof of everything I am saying this afternoon, so that hon. members may be able to check my statements. From the inception there has been an ever increasing pressure exercised by the officials of Paterson & Co., who are also officials of the other company in London; that pressure has been directed at the Premier and the Conservator of Forests. The commissioner sent to China to investigate on behalf of the Government shows in his report that Gilman & Co. are part and parcel of Paterson & Co. They have been behind the scenes all the time, making frantic haste to close the deal. There has been a big controversy over the question of exchange. I will produce evidence that the Government, and of course the departmental officials, against the advice of their own experts, mysteriously recommended that the tender based on a faked exchange should be accepted.

Hon. E. H. Harris: Are you going to prove that it was faked?

Hon. E. H. GRAY: Yes, it is easy to prove that. With pitiable weakness the Government try to wobble forward, drop the single monopoly and present to us by regulation a new monopoly consisting of four firms, bringing into the business Burridge & Warren, at one time employees of Paterson & Co. It is interesting to follow the devious road travelled by the departmental officers in order to urge the final acceptance of the tender. Paterson & Co. have been called in to control 62½ per cent. of the trade, and we are told by the Minister in another place that eventually this new company will get the business; that is to say, the huge profits to be made out of this monopoly are to be con-

fined to the new shareholders on the shares register. Many of the old shareholders of Paterson & Co. living in London are not wanted to take part in the distribution of profits to be made by the new company, who have never dealt in sandalwood, but who are at the disposal of those in the industry for a number of years.

Hon. C. F. Baxter: Do you want foreign investors to get the profits?

Hon. E. H. GRAY: No, but I object to any stunt that will put money into the pockets of people who have not earned it. Hundreds of thousands of pounds that should have gone into the coffers of the State have been wasted.

Hon. C. F. Baxter: Then you would increase the royalty by another £9.

Hon. E. H. GRAY: Why should the Government have tolerated the officials of this company, or rather two companies functioning for each other as circumstances required?

The Minister for Education: What did the companies do?

Hon. E. H. GRAY: I will come to that. Why should all this mystery be made of the exchange? All the debate centred round the exchange. We were told that experience in exchange was required, that only companies with great financial backing could operate so as to master the exchange. After all, what is there in it? I am not an expert in exchange, but it is told to me by several business men that at any time it is quite possible for anyone to arrive at the exchange rate in China by looking at the market rate for silver; that if silver is quoted at 2s. 6d. per ounce, the exchange rate in China will hover around 2s. 1d. I want to explode this exchange fallacy, and show the attempted ramp made by so-called financial experts in China. The Premier, with his vast experience of banking, ought not to be bamboozled by any faked exchange presented to him during this sandalwood controversy. I cannot understand why the Premier did not at once throw out the whole business of the company that tried to put it over the Government. Why should he consult with the people who nearly succeeded in putting over a ramp? The Government ought to have known it was a ramp, and have refused to have anything to do with the company.

The Minister for Education: That was not the opinion of the officials.

Hon. E. H. GRAY: I will quote the opinion of the officials, who said it was impossible for them to retain that rate.

Hon. C. F. Baxter: Do you know any financier who is a master of exchange?

Hon. E. H. GRAY: No, I do not. Certainly I am not. The Premier, however, ought to be, because amongst members of Parliament he is a master of finance. The sandalwood industry has been handed over to a monopoly. The object of the Government who said they were out to protect the pullers has been forsaken, and the pullers have been left to the mercy of the combine. The two firms that, practically, compose the new monopoly, hold the pullers in the hollow of their hands. Only one sort of monopoly should be granted, namely a State monopoly.

Hon. R. G. Ardagh: The State has too many monopolies now.

Hon. E. H. GRAY: In granting this monopoly the Government are practically breaking the oath they took to give equal chances to all persons. I do not say there is anything corrupt about the Government, but I am pointing out that this company did try to work a stunt on the Government against the interests of other citizens, and that in the interests of the pullers the House ought to take action, abolish the new regulations, and introduce measures to protect the industry and the pullers. Also the House should provide for open trading and so let the law of supply and demand operate in the industry. There is money in the industry, else we should not have all these conspiracies to defraud the Government of revenue. The Government have gone a step further, for my latest information is that they have decided upon another monopoly; one firm is to be given the sole monopoly for the distilling of sandalwood oil.

The Minister for Education: That is not so.

Hon. E. H. GRAY: The Minister will have an opportunity to deny it. Also the Government are going to make the pullers help to pay the cost of creating the new monopoly for the distillation of the oil.

Hon. E. H. Harris: In what way?

Hon. E. H. GRAY: By taking from them 8s. per ton out of the £16 per ton they are to receive for their sandalwood. The Government propose—unless they have altered their attitude again; they have twisted on the sandalwood business at every conceivable opportunity—to hand over to the company 1,000 tons per annum. If they forego the royalty of £9 per ton and keep back 8s. per ton from the pullers that will mean a bounty to the new company of £11,800 per annum; quite a respectable present for the company.

The Minister for Education: We want to start the industry.

Hon. E. H. GRAY: But we do not want to throw money away on an industry that can be self-supporting. I should be disposed to hand a little of the money to Rayner & Co., to save them from the jam combine of the Eastern States. This new monopoly proposed by the Government is unjust to the pullers; it proves that the Government do not care anything at all about those men. If the industry is to be subsidised, it should be subsidised from Consolidated Revenue, not from the returns to the pullers. But the industry does not require any subsidy, because there is a steady market for sandalwood oil. I propose to read the extracts I have culled from the file. They are full of interesting information, and they took a long time to get out. Let me say the State lost a very valuable officer when Mr. Lane-Poole resigned the post of Conservator of Forests. If he, with his great experience, had been in charge, we should not have had all this bother over the sandalwood industry.

Hon. F. E. S. Willmott: He was the best boosted man in the world.

Hon. E. H. GRAY: The file will prove that with Mr. Lane-Poole at the head of affairs the State would have been better off than it is to-day. I will read a letter from the Minister for Forests to the Premier, dated the 30th July, 1920, found on page 9 of the old file, and written after the defeat of the 1920 monopoly—

> The only method which seems to me possible to get this result is by a limited output of the known quantity required. The output can be limited by arranging for a Co-operative Organisation amongst the pullers; the quantity required can be ascertained through a reliable agent. The Government would require to assist in the direction of taking delivery either through the Department, or by an Agent here; the sandalwood pulled each year arranged for shipment to an authorised agent in China, for sale probably on a commission basis. Before I definitely recommend this method as being the final solution, I would like to obtain further particulars of the operations of the sandalwood market at the other end. I would, therefore, recommend that Mr. Drake-Brockman, of the Woods and Forests Department, should proceed with as little publicity as possible, and at an early date, to make inquiries and report.

Hon. J. J. Holmes: Proceed where?

Hon. E. H. GRAY: To China. The Minister was advocating a co-operative organisation of pullers. Here is a letter from the Conservator of Forests, Mr. Lane-Poole, to his Minister, dated 29th September, 1921—

> The Hon. the Premier has been misinformed. My recommendations regarding the future policy in connection with sandalwood will be found tabbed red hereunder (page 24). I have no reason to depart from these recommendations. I would remind you that the Hon. the Premier last year initiated the scheme for granting a permit to Paterson & Co., and I carried it through under his instructions with results that you are aware of. If it is his desire that this should be done again I shall, of course, carry out his instructions.

Hon. H. Stewart: What were the instructions?

Hon. E. H. GRAY: To grant a permit to Paterson & Co., that is the monopoly. He says—

> I did nothing of the kind. I asked for more royalty and we got it. Paterson & Co. did not ask for a permit without competition as far as I know.

On page 32 of the old file the Premier minutes to the Minister for Forests as follows—

> I have read the Conservator's minute of the 29th ult., in which he states that I have been misinformed. Acceptance of the second paragraph of this minute would certainly leave you seriously misinformed. I did not "initiate" the scheme for granting a permit to Paterson & Co., last year, or at any time, and the Conservator is fully aware that no scheme existed. In considering the sandalwood industry, my sole concern was to get, by means of higher royalty, more revenue, and I discussed this aspect with Mr. Paterson,

Members will see how Paterson & Co. came into the business.

> who considered royalty could be increased if the tonnage cut were limited. I referred him to the Conservator, with the result that tenders (open, I believe to anyone) were called, but as you are aware none was accepted. When I mentioned the idea to the Conservator, he appeared grateful for the suggestion. From this stage I did not in any way further concern myself with the matter. In granting permits, the Conservator is governed by his acts, and not by any Minister. In the discussions with me, Paterson & Co. did not suggest any advantage to themselves In the end no permit was granted by the Conservator, but we have since received royalty increases by 35s., i.e. 5s. to 40s. per ton.

This is dated the 11th October, 1921. I ask members to follow the operations of Paterson & Co. The file proves there was a splendidly organised effort on their part to capture the sandalwood industry against the best interests of the State. The following notes on co-operation were sent to the Minister for Forests by Mr. Lane-Poole under date the 4th of March, 1920—

> The only objection I think that could be raised to one co-operative society of cutters holding a permit for the whole sandalwood industry is, that new cutters will have difficulty in entering a close corporation of this nature. On the other hand if our object be attained, viz., the restriction of cutting, it would in any case be necessary to limit the number of cutters working in the bush.

On the 1st August, 1921, the Minister for Forests writes—

> I feel the industry could be carried on with private funds, and properly controlled in the State interests, without private ownership.

There is also this letter from the Minister to the Premier—

> Mr. John of Paterson & Co. saw me yesterday and said that Mr. Lane-Poole is in favour of the cutting of sandalwood under permit. If the industry can be got going even under limited output conditions, it would help employment and also bring in some revenue. Will you please ask Mr. Lane-Poole to advise you.

Mr. John was making a mistake. There is nothing on record to show that Mr. Lane-Poole ever suggested this, though he said he would do it if the Premier ordered him to do so. His recommendation was that the report of Mr. Drake Brockman should be adopted, and that gentleman's recommenda-

tion was that the Government should control and hold a monopoly. The following is a letter from Mr. John of Paterson & Co., dated the 14th February, 1923, to the Conservator—

Dear Sir,—In January, 1920,

This letter proves what Paterson & Co. were doing—

I wrote you in connection with a sandalwood permit over a specified area set out on a plan forwarded at the time. My object in again writing is that the industry is in a most unsatisfactory condition, but to try and improve that state of affairs, I would be glad to know if you will issue me a permit to cut sandalwood on the area marked, and on what terms such permit would be issued, and for how many years. I shall be glad to have this information at your earliest convenience. I am, dear sir, yours faithfully, (sgd.) G. G. John.

The PRESIDENT: I take it the arguments of the hon. member are directed to the disallowance of the regulations mentioned in the motion.

Hon. E. H. GRAY: Yes. I am reading from the file in order to set out my case. The Acting Conservator of Forests writes to his Minister on the 9th February, 1922:—

The first course is the simpler, but it entails the granting of a monopoly of the sandalwood trade with such reservations as one considered proper to a single individual or Company, whether the granting of such a monopoly can be considered, is purely a question of Government policy.

This seems to be the stage when the present Conservator takes a hand in the matter. It was about the time when the Premier was going to London, where he would have an opportunity of discussing the question with Mr. Duncan Paterson. On the 15th of February, 1923, the Conservator writes to his Minister—

Attached hereto is an application from Mr. John Paterson & Co. for a sandalwood permit for the whole of the Southern portion of the State. You will recollect that this matter is still under consideration by Cabinet. As Paterson & Co. have been pressing for a decision for a considerable time past, I shall be glad if you would inform me as to whether I should merely send a formal acknowledgment of their letter and state the matter is under consideration, or whether I can give them any indication or what action is likely to be taken in this connection.

Hon. J. J. Holmes: I thought you said Paterson and Co. were advising the Government. Now you say they are pressing them.

Hon. E. H. GRAY: They were advising the Government what to do, and are now pressing them for what they want done.

Hon. J. J. Holmes: It is a case of push and pull.

Hon. E. H. GRAY: The Premier always tries to be fair, but evidently Paterson & Co. are following the principle that nothing is lost in the asking. The Minister for Forests minuted to the Premier on 16th February, 1923, as follows:—

I think this matter is now before you for decision. Action was withheld pending report of Royal Commission, who apparently recommend the application of the provisions of the Forests Act, to the taking of sandalwood. Of course under the Act public tenders must be called, and Paterson & Co. can be so advised.

Then comes the question of advertising for tenders, around which quite a lot is wrapped. On the 1st March, 1923, the Conservator writes to the Premier:—

If local tenders only are invited, a period of 4 weeks between advertising and closing should suffice.

On the 13th March, 1923, the Conservator again writes to the Premier—

Your approval of the 1st inst. covering a period of one month between advertising for tenders and the last day for their receipt. The insertion of advertisements in the Press has been delayed as a result of verbal instructions received last Friday, *i.e.*, 9/3/23. The Hon. the Minister for Forests now submits for your approval his suggestion that tenders be invited forthwith, and that the last day for their receipt shall be the 29th inst.

On the 14th March, 1923, the Premier approved of this. I should like the Minister to state why page 13 of the file is marked "confidential"? On the 14th March, 1923, the Conservator writes the following minute:—

Please advertise as instructed. Treat as urgent matter.

This is marked as an urgent matter, because it reduces the time for the closing of tenders from one month, as approved by the Premier, to 15 days. On the 15th of the same month the Conservator writes to the advertising clerk:—

Kindly have the enclosed advertisement inserted in the "West Australian" of the 16th and 23rd, and the "Sunday Times" of the 18th and 25th inst.

On the 28th March, the Conservator gives the following instructions:—

The Government advertising clerk is instructed to advertise tenders in the "Kalgoorlie Miner," extending closing date for tenders until 27th of April, 23.

This was done only after a repeated protest by various persons, who pointed out the absurdity and unfairness of giving such short notice. There again the Government gave way. On page 36 of the file the following reference to Burridge & Warren appears:—

Burridge & Warren say their tender is, of course, based on an exclusive permit being issued, as under any other conditions the business is neither profitable nor satisfactory to getters, the Government or merchants. This has been obvious for the last few years, and it is the reason we have not engaged in the business hitherto. It is not altogether impossible to handle the line under existing conditions, but this can only

be done by accepting orders from the Chinese, when rates are at such a low level that the getter is unable to make both ends meet, and we have in the past preferred to keep out of the business rather than exact a small profit at the getter's expense.

This statement was not correct. The real reason why Burridge & Warren did not engage in the industry was that they were bound by Paterson & Co. not to do so until the expiration of a certain period, which had nearly come to an end. They were, therefore, bound to their previous employers.

Hon. J. J. Holmes: Who were they?

Hon. E. H. GRAY: Paterson & Co. On the 31st May, 1923, the Conservator writes to the Minister as follows:—

Herewith further letter received from the Australian Traders and Export Co., Ltd., one of the tenderers for the Sandalwood Permit.

This firm now states that the improved tendency of the exchange enables them to make an offer which is a considerable advance on their original offer. If you are prepared to consider this revised offer it should be read in conjunction with their original tender herewith. I would point out the advisabiilty as far as administration is concerned, of dealing with these tenders not later than the second week in June, as in most cases the existing licenses for the pulling of sandalwood expire on June 30th, and if the license system is to be discontinued, telegraphic instructions should be issued as soon as possible, preventing the issue of further licenses which may cause complications in dealing with a permit holder.

Here is a minute, dated 3rd September, 1923, from the Conservator of Forests to the Minister for Forests concerning Mr. Hector—

The offer contained in Mr. Hector's letter (24/8/23) would, in my opinion, be a very fair one, which might have been worthy of consideration had it been contained in his original tender.

Here is where Mr. Hector comes in—

It forms an interesting explanation of how the figure of 2s. 8½d. mentioned in his original tender was arrived at. I take it no further action is possible in this connection until the matter of these tenders has been fully discussed in Parliament, and a decison arrived at.

Hon. J. J. Holmes: They ran away from the decision of Parliament.

Hon. E. H. GRAY: Yes. The next is a memo. by the Conservator of Forests dated 20th July, 1923:—

After conferring with the Hon. Premier and Minister for Forests on the afternoon of 11th, the Solicitor General and myself waited on the manager of the Commonwealth Bank on the morning of the 12th. As a result of their interview the manager cabled to the bank who act as their agents in Hongkong concerning the desirability of accepting an exchange fixture on goods to the value of £100,000 over 12 months from August 1. The manager of the Commonwealth Bank informed me by 'phone this morning that the reply he received read as follows:—

"Is exchange against export from Australia to China or export from China to Australia. 2s. 6d. is an impossible rate for the former and too high for the latter. We are prepared to quote an exchange either way for delivery extending over one year."

I asked him to obtain a definite quote so that we might know in what way the rate of 2s. 6d. was impossible.

Subsequently I saw the Minister and it was agreed that in view of the cable received it was only fair that the Export Co. —that is the new company—be given an opportunity to prove the bona fides of this offer of an exchange fixture of 2s. 6d.——

This is where Mr. John came on the scene—

Mr. John saw me and I pointed out to him that the manner in which their tender was worded left it open to them by arranging a bogus fixture with a firm in Hongkong to make their rate higher than any other tenderer. He agreed under the circumstances to the advisability of obtaining an assurance that the fixture of 2s. 6d. offer was a genuine fixture which existed between Gilman & Co., and a recognised bank in Hongkong. He promised to cable Hongkong with a view to arranging for the bank concerned to cable an assurance direct to the Government of this State.

This is the commencement of the rigging of the exchange. The next extract is taken from page 92 of the file. This memorandum from the Conservator of Forests proves that, what the Commonwealth Bank would not and could not do, a small company like Gilman & Co., whose share list contained the name of Mr. Paterson of Paterson & Co. as a big shareholder, were prepared to do and to give 2s. 6d. exchange, provided always that one of the two companies should get the business. It reads—

The manager of the Commonwealth Bank informed me by 'phone that he was in receipt of a further cable from Hongkong sent at my request to ask for a definite quote for exchange fixture with Hongkong over a period of 12 months, to the effect that the agents of the Commonwealth Bank in Hongkong are prepared to arrange a fixture against exports from Australia to Hongkong at 2s. 2½d.

The next minute, dated 3rd August, 1923, is from the Conservator to the Minister for Forests, and reads—

From inquiries made since my minute of the 14th July, I have ascertained that an exchange fixture at a rate exceeding 2s. 2½d. for 12 months cannot be obtained by us, and the Australian Traders Export Co., Ltd., has not satisfied me that a fixture at 2s. 6d. can be obtained from any recognised banking institution in Hongkong. Neither tender No. 1——

That is Hector's tender—

nor No. 4——

That is the Australian Traders and Export Coy's tender—

> can be accepted without variation of the terms. In tender No. 1 the apportionment of the price offered between the sandalwood getters and the Government is unreasonable, and in tender No. 4 the exchange conditions are unsatisfactory. In the circumstances it appears to be advisable that no tender as received should be accepted, but that Mr. Hector and the Australian Traders Co. should be invited to offer a royalty per ton on the basis of the permit as already revised, with the addition of the following conditions.

To my mind this is where the Conservator of Forests starts to get boxed up in a tangle. There was no apparent reason why the tender should be confined to these two firms, and certainly no reason exists for giving consideration to a company indulging in the faked exchange, as I have proved so far they did and will furnish further proof as we go on. He says—

> (a) Output minimum 5,000 tons and maximum 6,000 tons per annum. (b) Minimum payment to sandalwood getters £15 per ton.

This is where the exchange business comes in—

> (c) At end of each period of 12 months, average rate of exchange during such period to be determined by Commonwealth Bank, and additional royalty to become payable in respect of the tonnage on which royalty has been paid during that period at the rate of 5s. per ton for each ¼d. by which the average rate of exchange exceeds 2s. 9d. for the Hongkong dollar. (d) Duration of permit five years. The tenderers shall be informed that no offer of a royalty under £10 a ton will be accepted.

The next extract refers to the alterations in the settlement relating to exchange, and represents a memorandum from the Solicitor General to the Conservator of Forests, appearing on pages 79 to 81 of the file and dated the 28th June, 1923. This is a portion of the letter—

> If nevertheless it should be deemed desirable to divide up the area, and call for fresh tenders in the interests of the several firms at present engaged in the sandalwood industry, the result would probably be to reduce the royalty to the Crown and the minimum payment to the cutters. The Solicitor General has looked into the tenders and particularly dealt with Nos. 1 and 4, as it seems to him that one or other of those tenders should be accepted.

This is where they start to make up the price on the Australian Traders' Export Company, Ltd.—

> With reference to tender No. 4 (*i.e.*, the Australian Traders and Export Company's tender) with the concurrence of the tenderer—
>
> | | |
> |---|---|
> | Royalty .. .. | £8 |
> | Payment to cutter .. .. .. | 15 |
> | | £23 |
>
> fixed on the basis of exchange 2s. 3d. or under, and for every farthing increase 2s. 6d. per ton to the Government, and also to the cutter.
>
> To-day (*i.e.*, the 28th June) the exchange is 2s. 4½d., therefore tenders now stand at
>
> | | | | |
> |---|---|---|---|
> | Royalty .. .. .. | £8 | 15 | 0 |
> | Payment to cutter .. .. | 15 | 15 | 0 |
> | | £24 | 10 | 0 |

That refers to the Australian Traders and Export Co. This is the method by which the Solicitor General and others engaged in the business advanced that remarkable price in order to prove it was the best tender. They did that even against the advice of the officials of the Commonwealth Bank and the cables which showed that 2s. 6d. and 2s. 7d. was an impossible rate. In the same communication there appears the following:—

> The tenderer, however, gives an option to have exchange on 12 months operations, or on each shipment, and if you are advised that, say, 2s. 6d. would be a reasonable rate to fix for the 12 months the figures will be as follows:—
>
> | | | | |
> |---|---|---|---|
> | Royalty .. .. .. | £9 | 10 | 0 |
> | Payment to cutter .. .. | 16 | 10 | 0 |
> | | £26 | 0 | 0 |

Then the Solicitor General reports as follows:—

> As regards tender No. 4. If the exchange is fixed for 12 months it is true that should the exchange have fallen at the expiration of that period the rate of exchange for the next period of 12 months might be such that the total amount payable under the contract for that year would fall to £23 per ton; but as against that possibility of a falling in the rate of exchange must be considered the undertaking offered by the tenderer to place orders for the maximum quantity for the first two years, and to lodge guarantees for the first half year's royalty on the maximum quantity.
>
> Clause 7. If tender No. 4 is accepted, it will be necessary, as I have stated, to agree to a rate of exchange for the first 12 months, and if on the advice of the financial experts of the Government, that figure is fixed at 2s. 6d., and there is every reason for the probability of the exchange not falling below that figure during subsequent years, then, in my opinion, tender No. 4 should be accepted.

I cannot explain how they arrived at that decision, which was against the advice of the

experts. It is really a remarkable statement for a departmental officer to make.

Hon. J. J. Holmes: Do you mean that the Solicitor General was asked to advise on a matter of exchange?

Hon. E. H. GRAY: This was a financial matter.

Hon. J. J. Holmes: I thought his duty was to advise on legal matters.

The Minister for Education: That is what he did, too.

Hon. E. H. GRAY: Whatever he did, it worked well in to the hands of the company. On page 87 there appears the following minute from the Conservator of Forests to the Minister for Forests—

> Acting under your instructions, I have further interviewed the Solicitor General with regard to tenders for sandalwood permits. Our discussion was lengthy, based on his previous minute of 28th ult., and consequently dealt chiefly with the relative merits of tender No. 1 (Hector) and tender No. 4 (Australian Traders and Export Co., Ltd.). Tender No. 1 (Hector's) offers £25 6s. 8d. per ton for five years, or £26 6s. 8d. per ton for 10 years plus excess profits on exchange if rate should exceed 2s. 8½d. (Mexican dollar).

Here is another phrase—

> This tender contains the best guaranteed combined price to the Government and to the cutters.

That is Hector's tender.

Hon. E. H. Harris: Who said that?

Hon. E. H. GRAY: The Conservator of Forests communicating with his Minister. Despite that, he proceeded to give an argument as to why it should be turned down. He said—

> The apportionment is, in my opinion, unfair and the tenderer is open to take the minimum quantity of 3,000 tons per annum, if he finds it convenient to do so. Tender No. 4 (the Australian Traders & Export Co., Ltd.) if accepted at the average of the prices quoted for five years equals £23 per ton, plus 5s. per ton for every ¼d. increase of exchange above 2s. 3d., and for the next five years £26 10s. is offered plus 5s. per ton for every ¼d. increase of exchange above 2s. 3d.

They still harp back to the rate of exchange at 2s. 6d., which could not be obtained.

> The company tendering offers to fix the rate of exchange on each shipment, or for each period of 12 months. It is impossible to predict the course of exchange; and consequently there is no guarantee that a rate in excess of £23 per ton will be received, of which £15 will go to the getter and £8 to the Government. The company tendering, however, state that they can obtain from Gilman & Coy., of Hong Kong, an exchange fixture of 2s. 6d. for the Hong Kong dollar over a period of five years, which seems to indicate the probability of a considerable advance over latest quotations, namely 2s. 3½d. or telegraphic transfer of 2s. 3¾d. (7th July). If the option to fix exchange for 12 months is exercised and the rate is fixed at, say, 2s. 6d., it would determine the price at £26 per ton for the first year's operation.

As I said before, Gilman & Coy., it is suggested, can finance the tender, whereas the Commonwealth Bank contended it could not be done, and the financial experts were also against it. Yet this little firm could cope with this most difficult of financial problems. The Government experts and the others made a serious mistake in juggling with these figures and trying to make them square with the tender.

[*Resolved*: *That motions be continued.*]

Hon. E. H. GRAY: The Australian Traders and Export Coy., Ltd., took on a new role to lecture the Conservator of Forests and the Government. Matters were evidently going altogether too slow for them.

> You will note that we are prepared to provide security for six months' royalty on the maximum quantity, and this exceeds the deposit called for on the draft permit, which we consider is wholly inadequate. If we are the successful tenderers, we are prepared to lodge a guarantee for the first half year's royalty on the maximum quantity, viz.: £20,375, such guarantee to be signed by Messrs. Duncan Paterson, F. R. Thomas and G. G. John, the directors of the company, or at your option a bank guarantee for the due payment of the first half year's royalty.

It was stated in the "West Australian" of the 17th August by Mr. Warren, attorney for Mr. Duncan Paterson, that Mr. Paterson would not benefit at all if the monopoly were secured by the Australian Traders' Co. Yet Mr. Paterson's name is put forward not only as a director of the company, but as a prospective guarantor. The Australian Traders' & Export Company's alternative tender dated the 28th April, 1923, reads:—

> If preferred we are prepared to delete Clauses 5 and 6 of the foregoing tender, and to pay an increased flat rate both to the getters and to the Government and take the benefit of the exchange. Clauses 5 and 6 convey the idea of a prospective benefit only, not an assured one, and to make matters right with the Conservator at the last moment (in order to defeat another tender), they were wholeheartedly willing to swap the uncertain conditions of Clauses 5 and 6 for something which they described as "an increased flat rate," but still they did not disclose in their alternative tender what this increased flat rate was to amount to.

The Australian Traders & Export Co. again pushed the Conservator in their letter dated the 30th May, 1923. It read—

> Referring to the postscript in connection with our tender No. 15/23, and dated 27th April last, we have received favourable advices in connection with exchange which show that the present rate is 2s. 4½d. to the Hong Kong dollar with every prospect of an increase. This en-

ables us to make the following offer: £25 15s. per ton to the Government and the getters for the first period of five years, fixed on an exchange of 2s. 7d. For any increase in exchange above 2s. 7d. we will offer for each and every farthing by which exchange exceeds 2s. 7d. in Hong Kong and its equivalent in taels in Shanghai an increase in royalty to the Government of 2s. 6d. per ton and this price to the getters by 2s. 6d. per ton. With this increased price, if we may be permitted to do so, we would suggest that the royalty to the Government be fixed at £10 per ton, and the price to the getters at £15 15s. per ton on rails Fremantle, for cutters at present are very desirous of making contracts at £11 15s. and £12 per ton free of royalty. The average net price to the getters for the last three years has been £9 per ton on rails Fremantle, free of royalty. The increase of £2 15s. per ton will also apply to clause 4 covering the poor quality Murchison wood, and we would suggest in this connection that the royalty to the Government be fixed at £6 10s. per ton and £11 5s. to the cutter, for at the present time the cutter is receiving £7 per ton free of royalty. If the Government do not desire any Murchison wood to be taken, then of course our tender will only apply to the other wood and to the total quantity for which the tenders are called. The basis of our tender for the second five years will remain unaltered, i.e., £10 per ton royalty to the Government and £16 10s. to the cutters on an exchange fixture of 2s. 3d. to the Hong Kong dollar.

They had come down 4d.

Hon. H. Stewart: Who are the Australian Traders & Export Co.?

Hon. E. H. GRAY: A new company formed by Paterson & Co. and other persons, who were trying to obtain a monopoly of the sandalwood in this State. The firm also put in a royalty price for Murchison wood. The difference in value between Murchison wood and what is known as Fremantle wood is £4 15s. per ton. In the past Murchison wood has not shown a greater difference than £2 per ton. Yet they proposed to acquire up to 500 tons per annum at £4 15s. per ton below the price to be paid for Fremantle wood. That is another ramp they were working on the quiet—£2 15s. per ton. The Australian Traders stated further that the average price for the last three years had been £9 per ton on rails, Fremantle. According to the Forests Department's figures the average price for the last three years has been £9 14s. 2d. per ton, and it is beyond question that the Conservator obtained his figures from Paterson & Co. On page 89 of the file is a translation of a cable received by the Australian Traders Co. from Gilman & Co.—

If you have been successful, what is the amount of exchange on the basis of 2s. 6d. required for year?

Hon. H. Stewart: What is that doing on the Government file?

Hon. E. H. GRAY: I suppose they supplied copies of their cables in order to push this ramp along.

Hon. C. F. Baxter: "Ramp" is a strong word, is it not?

Hon. E. H. GRAY: If I had a better command of the English language, I would use a stronger term.

Hon. E. H. Harris: You are doing very well.

Hon. E. H. GRAY: On page 90 appears the following from the Australian Traders & Export Co.—

20th July, 1923. We are just in receipt of a cable from Gilman & Co., Hong Kong, and enclose translation of same. You will note from this that they are desirous of learning at the very earliest opportunity the amount we require covered at 2s. 6d. for future operations in sandalwood. We shall therefore be glad to learn when finality may be reached so that we can reply.

Thus the Australian Traders Co. endeavoured to force the hands of the Conservator by means of the exchange bogus fixture.

The Minister for Education: They were not able to do so.

Hon. E. H. GRAY: On the 21st July, 1923, the Australian Traders and Export Co. wrote to the Conservator as follows—

Referring to our letter of the 20th inst., when can we expect you to be good enough to give us a definite reply? Houses in the Far East fix exchanges for very long terms, and if you care to make inquiries, you will find there is no difficulty in making an exchange fixture for 12 months ahead. We would question the wisdom of doing so on to-day's market, but within the last 12 months it has been possible to fix for a year ahead at approximately 2s. 7½d., and no doubt our friends there received a substantial amount on this basis, part of which, i.e., £150,000, they are prepared to allot to us on a 2s. 6d. basis in return for the sole handling of sandalwood in the Far East, otherwise they would not have cabled on the 19th inst., asking the amount required by us, copy of which cable is already in your possession. We gather, however, from their previous advices that they are not prepared to concede to us what are to-day good fixtures, unless we in turn can definitely state that we can secure the business and are prepared to give them the handling of sandalwood in Hongkong and Shanghai, for not less than 12 months.

That is what they were after.

From the above you will see that we are absolutely powerless to do anything until we have something definite from you, and if our tender is accepted we guarantee that the Hong-kong and Shanghai Banking Corporation will then cable you

guaranteeing fixtures on behalf of Gilman & Co. for 12 months at 2s. 6d.

On the 24th July the Conservator wrote to the Minister for Forests—

> I beg to bring under your notice inquiries that have been placed and correspondence received in connection with sandalwood tenders since the 14th inst.

The Australian Traders Co. were pressing the Conservator more and more. The Minister for Forests sent the correspondence to the Premier. On the 28th June the Conservator had pointed out to the Premier that the Solicitor General's statement as to exchange 2s. 4½d. was wrong; the Commonwealth Bank advised that the latest postal advice showed 2s. 3½d., not 2s. 4½d. He also advised the Premier that after the 30th June, persons pulling sandalwood on Crown lands would do so without authority. He added—

> Paterson & Co. regard the recent downward tendency in exchange as merely temporary.

On the question of tenders the Conservator said—

> I base this statement on the contents of a letter of the West Australian Traders and Export Company, Ltd. (It used to be called simply "The Australian Traders and Export Company, Ltd.," but "West Australian" perhaps sounds better now) of 30th May, the offer contained in which is based on an average value of 2s. 5¾d. for five years (as a matter of fact the letter in question quoted 2s. 7d. and not 2s. 5¾d.) In addition to this Mr. John, of Paterson & Co., telephoned me yesterday asking whether tenders had yet been dealt with, and informing me that if the tender were accepted he could now fix for the five years at 2s. 6d. To fix for five years would mean going beyond the conditions set out in the original tender.

The Conservator was very doubtful, and had questioned local banks. On the 7th August the Conservator wrote to the Minister for Forests:—

> Since writing my minute of the 3rd inst., a cable has been received by the Premier's office to the following effect:—"For your information it is possible for Gilman & Co. under special arrangement with us to fix exchange £100,000 2s. 6d. for 12 months against sandalwood logs." Hongkong and Shanghai Banking Corporation. This cable confirms my recommendation of the 20th July by establishing as far as is possible by cable the fact that the 2s. 6d. exchange fixture offered by the Australian Trading Co. is a genuine arrangement between Gilman & Co. and a recognised banking institution. (The Hongkong and Shanghai Banking Corporation.) Despite the confirmation my further suggestions of the 3rd inst. may prove worthy of consideration. I attach hereto a fuller draft of the additional clauses referred to, which it is suggested be inserted in the revised form of permit agreement in lieu of the clauses at present standing against the respective numbers quoted. There would appear to be a certain danger involved in further delaying the matter. Not only have we lost revenue on a considerable tonnage of wood since tenders were first opened, but this wood represents stocks held by other companies which are growing to such size that they may embarrass any prospective permit holders however strong their financial backing. The result of this is that any tenderer may be considered justified in stating that he cannot now offer the Government such advantageous terms as in April last and the position is steadily growing worse.

The Minister for Forests held strongly to the belief, and stated so in another place, that the successful tenderer would be faced with the necessity for finding a large sum of money. Now, according to the Conservator, great anxiety was beginning to be felt for any prospective permit holders, however strong their financial backing. How did the Conservator learn about the possibility of any prospective permit holder reaching an embarrassing financial position? Here is a copy of a letter addressed to the Premier by the Hongkong and Shanghai Banking Corporation, dated 7th August, 1923:—

> We have the honour to confirm our telegram to you of 4th inst., as follows:—"For your information it is possible for Gilman & Co., under special arrangement with us, to fix exchange £100,000 2s. 6d. for 12 months against sandalwood logs." Hongkong and Shanghai Banking Corporation.

Now we have another from the Australian Traders' Association. It is the translation of a cable dated 4th August, 1923, and reads—

> For your information it is possible for Gilman & Co. under special arrangement with us to fix exchange £100,000 2s. 6d. for 12 months against sandalwood logs. Hongkong & Shanghai Banking Corporation.

Then follows a letter from the same company to the Conservator of Forests, Perth. It reads—

> We are in receipt of advice from Messrs. Gilman & Co., Ltd., Hongkong, to the effect that the Hongkong & Shanghai Banking Corporation, Hongkong, have cabled the Government direct reserving exchange on the basis of 2s. 6d. for £100,000 against shipments of sandalwood and spread over 12 months. This cable was despatched by the bank in accordance with your request to us, and you will appreciate that it is absolutely essential that something definite in the matter be arranged promptly, as we assume that Messrs. Gilman & Co., Ltd., will desire to allocate the balance of their exchange fixtures for their general business accordingly. Australian Traders and Export Co., (Sgd.) G. G. John.

Hon. H. Stewart: Does John live in Western Australia?

Hon. E. H. GRAY: He is the managing director of Paterson & Co. as well. Previously to this—on 26th June, 1923—the Australian Traders wrote to the Conservator of Forests as follows:—

> In connection with our tender of 27th April, with regard to sandalwood, we have to advise that we can obtain from Messrs. Gilman & Co., Hongkong, an exchange fixture of 2s. 6d. to the Hongkong dollar for a period of five years. On this basis, therefore, our average price will be £26 per ton for the first five years. Australian Traders and Export Co., Ltd. (Sgd.) J. Rowledge, secretary.

This was signed in the absence of Mr. John. Note how splendidly this all dovetails in with the Solicitor General's letter of 28th June, 1923—two days later.

On the 17th March, 1923, the Conservator records a telephone conversation with Marr, to Minister for Forests, as follows:—

> If the royalty tendered be in excess of £2 per ton, will they get a corresponding increased rebate for distillation purposes. I think you expressed the opinion that no rebate would be allowed if a permit be arranged.

Then the Conservator records this on the same date—

> Plaimar claims they are already paying too much for their raw material. £10 plus royalty, plus £1 per ton would be prohibitive.

Plaimar writes to the Conservator of Forests on the 27th April—

> You will note that we can utilise the roots of the sandalwood tree equally as well as the butt of the tree. The utilisation of the roots will improve the market for the butt of the wood for export, and by our using the whole of the roots of the sandalwood we avoid being a burden to the exporter.

Then follow the particulars of the tender—

> The permit holder shall supply to Plaimar Ltd., the whole of the cleaned roots of the sandalwood which is estimated to be 10 per cent. of the weight of the wood pulled and cleaned, on trucks Fremantle. With more careful gathering, a greater proportion of the root could be recovered, the present method of lopping the long roots with an axe and leaving same on or in the ground is being wasteful £14 for roots on trucks, Perth, with royalty 5s. per ton added as at present ruling on wood used for distillation purposes in the State.

On the 20th October, 1923 the Conservator of Forests wrote to the Minister for Forests—

> It is an open question whether licenses on the lines suggested would prove sufficiently attractive for any firm to take them up. Administration will be more involved and difficult under the license system than under a single permit, and in dealing with firms who are offered the opportunity of taking out licenses there will be no room for sentiment, if we are to avoid being landed in a position more chaotic than the present. If a firm shows that it is not financially strong enough to carry the stocks necessary to maintain a regular output its license will have to be either reduced or cancelled forthwith, and stocks seized and held by the Government if necessary. (Sgd.) S. L. Kessell.

The Minister writes as the foot of this—

> Noted and discussed with Hon. Premier and Conservator and Solicitor General.

Here the Conservator is still boosting the single permit on the ground mainly that the licensee (under the license system) might be financially weak. A case of any old argument will do. Shows they are nearing the end of their bluff. Next we have a copy of a minute in the handwriting of the Premier, but unsigned, showing that the Premier wanted to get things fixed up. It reads—

> Royalty payable £25, of the amount £16 to the getter. Only English firms now operating. Licenses to be from month to month, and one-twelfth of total amount of tonnage to be taken. Renewable at the option of the merchant, renewal may be refused if quantity not taken each month. Forest Department to name the district. Quantity to be based on previous export.

Here the Premier's instructions were clear, "Quantity to be based on previous export," but they were totally and completely ignored. The Conservator writes to the Minister for Forests on the 26th October, 1923—

> A guarantee for five years must be given each licensee. The total amount of sandalwood to be pulled from Crown lands will be limited to 6,000 tons per annum.

The guarantee for five years has been dropped, and the license is for three months only. On the same date the Conservator writes to the Minister for Forests—

> I have had some difficulty in obtaining information concerning the extent of operations during past five years by firms tendering. Such information as has been obtained in a series of returns attached hereto.

The series of returns referred to is not on file, and for a very good reason, because the Premier's instructions were disregarded, and Paterson and Company's instructions obeyed. I am not trying to boost any particular firm: I am taking the stand that the whole thing is wrong, that the business should be in the hands of the Government. Next there is a record of an interview Mr. Stewart had with the Premier. The Premier's notes are—

> He is against a monopoly; he says the State can get its proper royalty without; he says the feeling against the monopoly is strong amongst the people concerned, cutters and others.

This is an extract from the Premier's notes to the Minister for Forests dated 26th April, 1923—

> Mr. John Stewart called to see me on the question of the tenders now being called for a single permit. That if 70-80 per cent. of all cutters are members of a co-opera-

tive company they would have a monopoly and could protect themselves.

On page 74 of the file we find a note from the Conservator to the Minister for Forests, transmitting tenders. This states—

> The question of exchange in several tenders is an important one (worthy of considerable attention). It suggests a five-year period, leaving the Conservator free to negotiate. I would suggest that in order to draw up the final permit agreement I be authorised to negotiate with such tender as is chosen by the Cabinet on the points listed hereunder. I would recommend that if Cabinet decided on the acceptance of any tender that such acceptance be subject to the revision of the draft permits on lines satisfactory to Cabinet. (1) The collection and sale of wood pulled under the existing licenses. (2) The ensuring of supplies of wood for local distillers of oil. The demand for wood for this purpose has greatly increased since the permit was drafted, and the importance to one firm of oil distiller is apparently such that they have submitted a tender. (3) The exclusion of wood supplied to local distillers from the maximum and minimum which is based on market requirements. (4) The method of pulling and the disposal of roots (within) the State. (5) A system for the verification of exchange rates which can probably be best done through the Commonwealth Bank.

It will be noted in the last clause that they are falling back on the Commonwealth Bank to verify the exchange. On the 31st October the Conservator wrote to Messrs. Hector, Burridge & Warren, Paterson & Co., as follows:—

> All sandalwood arriving after midnight Wednesday, 31st October, will be treated as having been removed from Crown land under the form of license which will be issued you during the course of the day. Suggest a meeting to confer on Thursday, 1st November.

On the same date the Commissioner stated that all sandalwood arriving or in transit would be treated as urgent traffic and delivered to destination as soon as possible. Again, on the same date, the Conservator wrote to the Commissioner of Railways stating that Paterson & Co., Hector, Burridge & Warren had agreed to accept a license, the "quota being in proportion to the output of such sent us during the past two years." Still on the same date a minute from the Conservator of Forests to Mr. H. R. Gray contains instructions how to act in connection with arrivals of sandalwood after 31st October. Then later on in the instruction Mr. Gray is requested to get into touch with Paterson's representative at Fremantle and decide on a site in consultation with their foreman when arrangements can be made for the foreman to unload and stack this wood on behalf of the department. In face of every thing, note how the Government hang on to Paterson & Co. when the best course to adopt should have been to call all the traders together and endeavour to get all to work in combination in the best possible way. The Conservator's note goes on—

On the 31st October the Conservator of Forests writes to Mr. H. R. Gray—

> It is probable that all wood which has been taken possession of will be consigned to the W.A. Sandalwood Co-operative Co., who have given no indication of taking out a license.

The wish was apparently father to the thought—that the W.A. Sandalwood Co-operative Co. would not apply for a license, and the vultures were already gathered round the company's carcase. On the 1st November the Conservator of Forests writes to the Minister for Forests stating that he has arranged a meeting of Burridge & Warren, Paterson & Co. and Hector for 10 a.m., to discuss ways and means of giving effect to those regulations. He adds—

> It is necessary that I know before this meeting whether you wish any alteration of allocation of orders. I am not prepared to recommend any alteration, but promised Mr. Stewart I would bring his case under your notice.

Then the Conservator of Forests pushes for a settlement—

> I notice that the Hon. P. Collier has given notice of a motion that "the new regulations relating to Sandalwood be disallowed." This has raised a very serious difficulty, which, in the interests of licensees, should be disposed of as quickly as possible. If the regulations are disallowed after licenses have been issued and the licensees have paid out money on the basis set out in these regulations, they may be faced with considerable losses owing to their desire to co-operate with the Government in the control of the sandalwood industry, while firms who have refused to co-operate will reap the benefit of their positions.

On the 1st November the three firms attended and received their notices re licenses, delivered by Mr. Kessell himself. With regard to the Indian trade in sandalwood, I quote an excerpt from the Australian Traders Co's. letter to the Conservator of Forests, covering a tender dated the 27th April, 1923:—

> During the heavy slump of the past few years fair quantities of sandalwood have been shipped to India, which has helped the cutters considerably and has also meant business to ourselves and royalty to the Government, but if our tender is accepted on the increased royalty the Indian trade will disappear entirely, for at the present time they are obtaining supplies from another country, which has considerably reduced the business from here, and practically little or no wood is now being shipped to India. It would be impossible for us to export wood to India unless a bonus were granted, which would have the effect of reducing the royalty on wood exported to India. We are not desirous of exporting

to India, but if the Government wish to preserve their connection in this trade it would be done in this manner.

At to the suggestion that it is the Government's connection in the trade, of course the Government have no connection whatever in the trade. Since the 27th April Paterson's themselves (as well as the Co-operative Company) have shipped sandalwood to India showing a very small profit, or at least no loss, on a first cost of £25 per ton, which is the price now fixed under the license issued. There is no reason to doubt that a profitable trade can be maintained with India, but, of course, if China offers a better market, China will get the wood. It is more than certain that Indian buyers will still require Western Australian sandalwood at a still higher price than that paid for their last purchases. The plea for a bonus on Indian shipments is not justified. Besides, if 6,000 tons only are allowed to be exported, China must go short of her requirements by nearly 2,000 tons per annum; so if India wants wood, buyers there will have to pay equal price with China. On the 18th May the Minister for Forests writes to the Conservator—

> Men licensed to cut sandalwood.—I shall be pleased if you will let me have by Monday next a list of the men who are licensed to cut sandalwood. Please bring along a list and these files on Monday next at a time which I will communicate to you.

Mr. Kessell minutes in reply—

> I saw the Hon. Minister (29/5/23) together with Forester Cusack, and as a result of the consultation the Hon. Minister decided not to proceed with the proposed conference as practically all the information required was forthcoming.

On the 7th July Plaimar Ltd. writes to the Conservator—

> Following up the interview of our Mr. Plaistowe and Mr. Simons with you this morning, we confirm our verbal order for 1,000 tons of sandalwood butts and roots. The butts to be cut 3 inches above the ground and the roots down to 1½ inches in diameter. Price £14 5s. per ton rails Perth. Delivery to be taken during the next 12 months, and at the end of the 12 months we would be willing to enter into a further contract with you.

On that there is a note by the Conservator, dated 7th July, 1923—

> Not to be finalised in any way until an inquiry has been placed with Braddock concerning his requirements of roots and butts.

Plaimar calculates that every ton of wood utilised within the State brings in a return of £40 per ton, which pays State and Commonwealth taxes, and a proportion of which goes to employ local labour. On the 5th November the Conservator writes to the Minister for Forests—

> When it was proposed that the sandalwood industry should be controlled under a single permit on the expiration of licenses in June last, applications for registration of timber workers were accepted from all men who had previously held licenses, and the fee of 2s. 6d. has been held pending the finalisation of the form of control to be introduced. It is now so late in the year that very few persons who applied for registration will actually receive their certificates until the year for which registration would normally be issued has expired. In view of the circumstances I would recommend that registration certificates which are issued at the present time hold good until 31st December, 1924. Strictly speaking, this would be held to be not in accordance with the Forest Act regulations, which stipulate that all registration certificates shall be issued for the calendar year, but under the circumstances considerable contention will be avoided by adopting a more reasonable attitude and permitting these certificates to be issued at the present time until December 24th. I would recommend that this course be adopted.

This is initialed "Approved—J.S. 6/11/23." Now with reference to Paterson's and the Australian Traders' tenders, clause 4 provides for Geraldton wood, 500 tons maximum, 250 tons minimum, not less than £10, royalty £4. Clause 5, dealing with exchange, provides—

> The above prices to the cutters and the rates of royalty to the Government are based on the exchange value of the Hong Kong dollar, of 2s. 3d. or under, and its equivalent in Shanghai. For each and every farthing by which our exchange fixtures exceed 2s. 3d. in Hong Kong and its equivalent in Shanghai, we will increase the royalty to the Government by 2s. 6d., and to the cutter by 2s. 6d.

Clause 6, on the same subject, says—

> The method of arriving at the exchange value of the dollar for adjustment with your department and the getters would be as follows, viz.:—As soon as our exchange is fixed in China we will arrange to be notified by cable and this notification will be promptly placed at the disposal of your department for verification, thus serving as a protection for the getter and the Government. Exchange can be based on 12 months' operations or on each shipment at the option of the Conservator of Forests, such option to be declared on acceptance of tender.

On page 73 of the comparative statements, under "Australian Traders and Export Co.'s figures," it is stated—

> The above figures based on exchange value of Hong Kong dollar of 2s. 3d. or under and its equivalent in taels in Shanghai. Tenderer agrees to pay 5s. per ton extra for every farthing by which exchange fixtures exceed 2s. 3d. in Hong Kong or its equivalent in taels in Shanghai. Basing value of dollar 2s. 4d., which would reap an annual increase of £2,750 on minimum output, or £5,500 on maximum output, such increase to be allocated between the Government and the cutters

in such proportion as the Government may decide. It is clearly stated by Australian Traders that the increase was to be divided equally between the Government and the cutter, yet the Conservator of Forests in his remarks states that such increase is to be decided by the Government.

With regard to Geraldton wood, the Australian Traders and Export Co., in a letter dated the 27th April, say that it is of poor quality, and represents a great hardship, as Chinese will not purchase. Although they based their tender on 2s. 3d., although the exchange, they contend, was 2s. 4d., they simply conveyed the fact that if their tender were accepted it would mean straight away 10s. extra to the getter. It does not look as if they were confident of exchange remaining at 2s. 4d. Probably the little titbit of 10s. per ton thrown in was merely intended to dazzle the eyes of the Conservator. The company further write—

> With regard to existing contracts for the supply of sandalwood entered into by cutters, these would no doubt be governed by the licenses they already hold and we [illegible] in any reasonable arrangement [illegible] them. We think it would also need [illegible] stipulated by your department, that [illegible] wood held in the bush would need to [illegible]e forward quickly, otherwise the new [illegible]e of royalty would apply, the exact quantities held to be ascertained by your department.

I have tried to show that the Government are blameworthy. They ought not to have lent themselves or their officers to be juggled with by these companies. In the interests of good and clean administration, the House should take a stand, and by carrying the motion compel the making of a fresh start in the sandalwood industry. I am not suggesting that the cutters should be abandoned or that the State should not get a substantial royalty. However, the file discloses that there is a conspiracy to monopolise the trade, and that the methods adopted by the company or companies—whichever one chooses to say—were not honourable, were in fact distinctly dishonourable, as one can see if one reads between the lines. It was an insult to the Government that certain men should be at the back door of the Government offices pushing their business, while others in the sandalwood trade have not done anything of the kind. The House should teach the present Government, and also future Governments, the lesson that before any change is made in regard to important questions of public policy, that change should be submitted to the decision of Parliament. Certainly no such change should be rushed through by regulation, as was done in this case. The Government saw fit to send a representative to China, and he came back here and reported, but his report was never submitted to Parliament. Nevertheless it was known to Mr. Lane-Poole that the commissioner recommended a State monopoly in sandalwood. Judging by the manner in which the sandalwood business is carried on, there would be a huge revenue to the State if that business were taken over. I believe in State trading. I hold that State trading, properly managed, and State industries, under proper control, would be of great benefit to the country. In my opinion, the sandalwood business could be conducted by the Government more easily than, for instance, the State Implement Works, which are in competition with old established financial corporations. As regards sandalwood, we have practically the whole of the business in our own hands, since Western Australia controls the major portion of the sandalwood industry.

Sitting suspended from 6.18 to 7.30 p.m.

[*The Deputy President took the Chair.*]

Hon. E. H. GRAY: I have in my home a piece of sandalwood that I recently acquired when going through the back country with the inspector of mines. While on that trip I tried to get to the core of the sandalwood argument as understood by the pullers. At Kalgoorlie I was fortunate in meeting some of the pullers and in getting into touch with a number of miners who had been engaged in pulling. All the men I spoke to condemned the monopoly proposals of the Government. I also tried to grasp the situation from the viewpoint of the traders operating in Western Australia. The expression of opinion I have offered to-night is my considered judgment. The present position is unjust to the pullers and to the merchants. The only conclusion we can arrive at is that we should abolish the regulations, but make it clear that we do not wish to abolish the royalty or the safeguard provided for the pullers. The present position is untenable because we have two groups of interests. On the one hand we have a co-operative company whose shareholders consist, among others, of 89 pullers, nearly half of those in the industry. To them has been allotted 25 per cent. of the trade. On the other hand, Paterson & Co. have had allotted to them 62½ per cent. of the trade. I have made it clear that their transactions with the Government, their letters and cables and exchange rigging, and their history during the war, all serve to condemn them. It was stated in another place that they changed their registration to another country in order to avoid taxation. That statement has not been denied. A company like that should not be presented with the rich prize represented by 62½ per cent. of the trade. We have no right to hand over the pullers to the mercies of Paterson & Co. and the other companies operating with them. It is a rich prize for the traders. If the Government do not think it advisable to pool this product or make it a Government monopoly, which apparently members do not favour, the industry should be thrown open to all who want to trade in it. If there are 90 or 100 men who are not members of the co-operative company, which controls 25 per cent. of the trade, and these wish to form a separate co-operative organisation, we should

assist them to do so, and not allow a regulation to exist which hands the pullers over to any co-operative company or to private interests. The Conservator has announced that the majority of the pullers will be out of work for four or six months. This proves the chaotic position brought about by the Government. If members can improve the position by saying, "We will not stand this regulation, we require something more satisfactory to the merchants and the pullers, and we will place it on record, in a time of grave crisis, that instead of acquiescing in this proposition we protest against it by passing this motion," the House will be adopting the right attitude.

On motion by Minister for Education, debate adjourned.

BILLS (10)—FIRST READING.

1, Native Mission Stations.

2, Public Institutions and Friendly Societies Lands Improvement Act Amendment.

3. Anzac Day.

4, Gnowangerup Reserves.

5, Insurance Companies Act Amendment.

6, General Loan and Inscribed Stock Act Amendment Continuance.

7, Stamp Act Amendment.

8, Merredin Racecourse.

9, Flinders Bay-Margaret River Railway Deviation (No. 1).

10, Busselton-Margaret River Railway Deviation (No. 2.)

Received from the Assembly and read a first time.

BILL—RECIPROCAL ENFORCEMENT OF MAINTENANCE ORDERS ACT AMENDMENT.

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

BILL—AMENDMENTS INCORPORATION.

Returned from the Assembly without amendment.

RESOLUTION—CANCER TREATMENT AT PERTH HOSPITAL.

Message received from the Assembly notifying that it had concurred in the following resolution transmitted by the Council:—

That in the opinion of this House it is desirable that the Perth Hospital should be equipped with the modern X-ray apparatus necessary for the treatment of cancer by the method known as "deep therapy."

BILL—INSPECTION OF MACHINERY ACT AMENDMENT.

Report of Committee.

Hon. T. MOORE (Central) [7.47]: I move—

That the report of the Committee be adopted.

Personal explanations.

Hon. A. LOVEKIN (Metropolitan) [7.48]: I take this opportunity of making a quasi personal explanation. At the previous sitting, when we discussed this Bill in Committee, Mr. Potter charged me and other members with a desire to defeat the Bill.

Hon. G. Potter: No.

Hon. A. LOVEKIN: He said, "If this Bill is defeated, as Mr. Lovekin desires it should be, then returned soldiers will be driven to despair."

The DEPUTY PRESIDENT: I take it the hon. member is making a personal explanation.

Hon. A. LOVEKIN: Yes. I would have taken no notice of the remarks had they not gained considerable publicity. It is, therefore, right I should place myself in the position I ought to occupy in view of the attitude I adopted in connection with the Bill. The Bill came to us from another place. It was intended to be a help to maimed and limbless soldiers, and to ensure that they would get the minimum wage generally applied to adult workers. As the Bill came here it was absolutely useless for that purpose. It gave no benefit whatever to the maimed or limbless soldiers. When it reached here Mr. Stewart made a most excellent suggestion which would give some benefit to the soldiers.

Hon. T. Moore: If the hon. member is going to discuss the merits of the Bill, and to say that it was of no use to those who wished it to be passed, I take great exception to his remarks. Let him confine himself to what has been said, and not say the Bill was of no use when brought to this House.

The DEPUTY PRESIDENT: I was just about to ask the hon. member to connect his remarks with his personal explanation.

Hon. A. LOVEKIN: I am going to show what some of us did in order to prove that we were not driving the maimed soldiers to despair.

Hon. T. Moore: Do not say the Bill was of no use.

Hon. A. LOVEKIN: We made the Bill of use. The whole House was unanimous on the point.

Hon. J. J. Holmes: We made it a good Bill.

Hon. A. LOVEKIN: We made it a Bill, of benefit to maimed and limbless soldiers. In my opinion it was not that before. The amendment I had suggested, and which called forth the remarks of Mr. Potter, was an amendment discussed with the promoter of

the Bill in another place and agreed to by him. There was therefore no attempt to block the Bill. The wish of the House was unanimous that the returned soldiers should have this benefit. As it appeared that my further amendment would jeopardise the Bill, I withdrew it. I was one of those who helped to make the Bill what it was when we had done with it, namely, a Bill of benefit to the soldiers. I resent the statement of Mr. Potter that I desired to defeat it, and was driving returned soldiers, who had done so much for the country, to despair.

Hon. G. POTTER (West) [7.52]: I, too, wish to make a personal explanation. I was somewhat astounded to see in "Hansard" the words of which Mr. Lovekin very rightly complains.

Hon. H. Stewart: You cannot read from "Hansard." It is against the Standing Orders.

Hon. G. POTTER: I am not doing so. I attribute these remarks not to any fault of "Hansard," but entirely to a *lapsus linguae* on my part. I would be the last person to impute such a thing to Mr. Lovekin, or to suggest that he would do anything to injure any section of the community, and above all the returned soldiers. What I meant to convey was that the amendments proposed by Mr. Lovekin might defeat the Bill. I want to make a full apology for any pain, which must have been caused to Mr. Lovekin, through these words being circulated in the community. Mr. Lovekin would be the last person in the world to inflict an injustice on any section of the community, and above all returned soldiers. I can only express my regret.

Hon. A. Lovekin: Thank you.

Question put and passed; the report of Committee adopted.

BILL—KOJONUP RACECOURSE.

Second Reading.

The MINISTER FOR EDUCATION (Hon. J. Ewing—South-West) [7.56] in moving the second reading said: This is a small Bill, but no doubt of importance. The trustees of the Kojonup Race Club hold a 99 years lease of Reserve 1440 for the purpose of a racecourse. It is coloured red on the litho. The trustees of the agricultural and horticultural societies hold Reserve 17376, coloured blue on the litho, under a vesting order under Section 42 of the Land Act. This land is held for show ground purposes. The two bodies wish to concentrate their efforts on Reserve 17376 by improving and utilising it as a racecourse, recreation and show ground. Reserve 1440 is considered too far from the centre of the town for the requirements of the people of Kojonup. The race club desires that Reserve 1440 should be granted to it in fee simple, with permission to sell so that the proceeds may be applied to improving Reserve 17376. The local bodies have agreed to this. One portion of the land, held as a racecourse, coloured red, is now to be granted in fee simple to the racecourse people in order that they may sell it and use the funds towards improving the reserve coloured blue. The latter reserve is to be held in future for racecourse, show ground and recreation purposes. All parties are agreed that this is the right thing to do in the interests of the town and the district, and there can be no objection to granting a request that has been made with such unanimity. I move—

That the Bill be now read a second time.

Hon. H. STEWART (South-East) [7.58]: This is an illustration of a very good move that is taking place in many country towns to concentrate all recreation on one ground instead of several. Narrogin is a fine example of this. In that town the people have surrendered another area and concentrated the whole of their sports such as cricket, football, tennis, bowls, their agricultural society and buildings, and their racecourse on the one ground. This is not under municipal control, but under the control of an elected body representing the different interests, the municipality supporting it with portion of their funds. The Kojonup people have already got their ground laid out, on the area coloured blue on the litho. They started on the ground last year, and have effected considerable improvements. They have a race track and are completing an elaborate grandstand, which should be ready in time for this year's show. They also have a show shed in which to display exhibits, and the usual refreshment rooms. It is a big block of land and suitable for the purpose required, not only as regards area, but topographical conditions. The people had an understanding with the Lands Department, when they improved the area marked blue, that the passage of this Bill would be facilitated to enable them to realise on the other land and devote the proceeds to making the one general ground. This meets with the approval of all sections of the community, and I trust the House will agree to pass this Bill.

Hon. J. DUFFELL (Metropolitan-Suburban) [8.0]: I support the second reading of the Bill. A few weeks ago I visited the reserves mentioned and I also visited the show grounds at Narrogin, mentioned by Mr. Stewart. The inspection furnished an object lesson of what can be achieved by concentrating the various sports on one area. I have every confidence in recommending the Bill to those members who have not seen the reserves in question.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

regarded as a sacred day, commemorating the glorious deeds of the Australian and New Zealand troops. The present Bill is on the lines of the Queensland Act, and in fact almost word for word a copy of it. In another place an attempt was made to declare Anzac Day a Sunday, with the full observance of a Sunday. However, it was found that an old English law, coming down from the time of Charles II., renders it extremely difficult to observe a Sunday, inasmuch as that ancient Act enables people to lay informations against other people for non-observance. Accordingly this Bill makes Anzac Day a day on which certain things shall not be done. The Government have no desire to obtain the passing of legislation which will make it difficult to keep the day as it should be kept, a sacred day in memory of our young men who fought on the 25th April, 1915. The Bill provides for amendment of the laws relating to racing restriction and to licensing. We do not wish to see frivolity on Anzac Day, which is a day of sadness and sorrow, as well as of glory, and brings to our memories things which, in some respects, we would far rather had never happened. Undoubtedly it is a glory to Australia and Britain that such troops as the Anzacs did exist. It has been said, and as I think truly, that the Anzacs were among the greatest troops that ever lived. Those who know of the wonderful landing effected on that fateful day will bear testimony to the heroic courage of the troops who took part in it.

Hon. A. Lovekin: Why should Anzac Day be a day of sorrow?

The MINISTER FOR EDUCATION: It should not be a day of rejoicing.

Hon. A. J. H. Saw: Are Waterloo Day and Trafalgar Day days of sorrow?

The MINISTER FOR EDUCATION: The sorrow I have in mind is the sorrow of those who lost friends on that day. It is a day of sacredness mingled with sorrow. We suffer for those who suffered the loss of friends on that day. Therefore it is desirable that horse racing and other sports of the kind should not be indulged in on Anzac Day, and that hotels should not be opened on that day. I regard the Bill as a very wise one. It will bring home to the people, if they require it—I do not think many of them do—the solemnity of Anzac Day. I believe the Bill will receive the unanimous support of the House. Those of our members who took part in the great war will be able to speak much more effectively regarding this Bill than I am able to do. I move—

That the Bill be now read a second time.

Hon. J. CORNELL (South) [4.44]: I trust that the hon. member who has the New Zealand legislation dealing with this subject, and the Act of Charles II. referred to by the Minister for Education, will kindly make them available to me.

Hon. A. Lovekin: Here is the Act of Charles II.

Hon. J. CORNELL: This is a Bill that we can discuss calmly and dispassionately. There is no need to refer to the part played by those whom the day is intended to commemorate; it is well known and will stand in history. The question is how best to observe the day. I am sorry the Minister did not deal more fully with the Bill, and the Act that the Bill proposes to amend. Also he might have told us something of similar legislation in other States and countries. The Statute No. 17 of 1919 makes Anzac Day a public holiday comparable with King's Birthday, Proclamation Day, and others; that is to say, no great disability is placed on the community, nor is it difficult to determine how the day shall be observed. After four years of operation that Act does not meet with the general approbation of the people of Western Australia. One of the entities responsible for representations to the Government to bring about an alteration is the Returned Soldiers' League. It should be distinctly understood that the Returned Soldiers' League does not claim to speak for all discharged soldiers—as a matter of fact there are more soldiers and sailors outside the league than there are within it—but the league does claim that if anybody is entitled to offer an opinion on behalf of the discharged soldiers, it is the Returned Soldiers' League which, in this State, has an organisation extending from Albany to Marble Bar. I understand the Bill was asked for, though not in its present shape, by the Returned Soldiers' League. The Minister has said the Bill is identical with the Queensland Act. That is so. But he omitted to inform the House that New Zealand did not always observe Anzac Day as it is there observed at present. First the New Zealand Parliament passed an Act on all-fours with the Bill now before us. That is how New Zealand began. After giving the Act a trial, the New Zealand Parliament repealed it, and Anzac Day in New Zealand is now observed as a Sunday. Members would find it difficult to discover any valid reason why we in Western Australia should not follow suit. For the life of me I cannot see why an integral part of those responsible for the inaugurating of Anzac Day—the glory of which is shared by New Zealand equally with Australia—should legislate in a certain direction, while we should refrain from so legislating. New Zealand started off by making of Anzac Day a day on which no spirituous liquors should be sold, and no race meeting held. To-day in New Zealand Anzac Day is observed as a Sunday. We started off by making of Anzac Day a public holiday, and we now propose to make of it a day upon which anything may be done other than the selling of spirituous liquors and the holding of horse races. If the House be not prepared to give Anzac Day the status of a Sunday, personally I do not want the Bill now under consideration. Almost ever since the Armistice, controversy has raged amongst

those responsible for the inaugurating of Anzac Day as to how the day should be observed. Quite recently at a returned soldiers' conference held in Perth, after a long and heated discussion it was resolved that the day should rank as a Sunday. It was recognised that if Anzac Day ranked as a Sunday, many people would forfeit a day's pay. Is that a hardship? For the last four years on the approach of Anzac Day there has been a heated controversy on the question of its being a paid holiday. The net result has been that returned soldier Government workers, having been able to say to the Government, "We should be paid for Anzac Day," have in most cases been so paid. This involved the payment of other employees working alongside those who were returned soldiers. Throughout the length and breadth of the State where Anzac Day is observed as a holiday, there is a great proportion, not only of discharged soldiers, but those who are not discharged soldiers and who are working with them, who have had to observe Anzac Day and have received no payment. No honest man could stand for such a state of affairs. Can one body of men, because they hold a certain position, demand to be paid, and another body of men be unable to do so? This phase was discussed at the Returned Soldiers' Conference, and it was unanimously agreed that Anzac Day should have the status of a Sunday. If this is done by Act of Parliament, all awards in existence making penalty rates for Sunday work would be applicable to work on Anzac Day. Probably all industrial agreements would be applied in the same way. Those who have to work on Anzac Day would receive penalty rates, but those who did not would receive no pay.

Hon. E. H. Harris: They would lose a day's work.

Hon. J. CORNELL: A large percentage of employees lose that already. Is it not honest and fair to say that if any man is called upon to work on Anzac Day he should get penalty rates? Many discharged soldiers have to work on Anzac Day, but would prefer not to do so, though the exigencies of their service demand it. I suppose I shall have to answer the charge of doing something that will confer a hardship upon some sections of the community, inasmuch as those people would not work and would not be paid on Anzac Day. Do members think that Anzac Day should be one on which only the minimum amount of work should be done? If they think that they will agree with me. If they think otherwise, they will not want Anzac Day observed in the spirit in which I should like to see it observed. There are two days in our calendar that are on the same footing as Sunday, namely, Christmas Day and Good Friday. These days commemorate the Birth and the Resurrection, and form the fundamental part of the Christian belief. They are not observed as a Sunday because the present generation passed a statute to that effect, but because generations of ages ago and custom made them so. I am not asking too much in requesting that Anzac Day should be treated as a Sunday. At the worst it cannot inflict upon employers more than a monetary hardship. It will inflict a greater monetary hardship on employees than on employers. If there is one section of the community that owes a debt to returned soldiers, it is the employing section. What holiday outside Christmas Day and Good Friday appears in our calendar that has more Australian significance than Anzac Day? Many discharged soldiers and others view Anzac Day from various angles. There is, however, only one angle from which it can be viewed. Since the foundation of Australia, blood has never been shed within the continent, and a shot has never been fired in anger. The war was none of our seeking, but on the day that has since become known as Anzac Day there united together the Australian and New Zealand army corps to play their part in the war. From that day dates the birth of Australia as a nation. I have read much history, and have always been anti-war, but I have not yet found a page of history that contains the genesis or end of a great country that has not been associated with war. On Anzac Day Australia and New Zealand became a nation. So far as returned soldiers are concerned, and the average digger outside the League, they have turned the whole outfit over to the civilian population. They take no hand and wish to take none to indicate how Anzac Day should be kept up. The civilian population has in turn practically turned over to the clergy of different denominations the commemorative side of Anzac Day, and it is the clergy who practically bear the brunt of the work of seeing how the day shall be commemorated. Is it, therefore, too much to ask that this day shall be given the status of a Sunday? The Bill sets out that no hotel shall open on Anzac Day, nor shall there be any race meetings or betting. I think Mr. Moore will bear me out when I say that, generally speaking, one of the strongest characteristics which went a long way towards maintaining the cheery optimism and fine fighting qualities that distinguished the Australian and New Zealand troops, was their capacity to take a beer and a chance at two-up. The sporting instinct kept their spirits up and the gambling spirit helped to make them the fighters they were. The Bill, however, cuts that out. In actual practice, what will happen on Anzac Day if the Bill becomes law? At the present time various sports of all kinds are indulged in on Sunday and in those sports the element of gambling appears. If Anzac Day is given the same status as Sunday, all these things which happen on Sunday will continue.

The Minister for Education: Then you would have to enforce the Act of Charles II.

Hon. J. CORNELL: Sport can take place on Sundays now with the consent of the Colonial Secretary, who sets out the necessary conditions. One of those conditions is that there shall be no gambling. It does not necessarily follow, if later on I ask members

by a jury, and he can be released in one way, namely, by an order from the Governor in Council on the advice of the Inspector General of the Insane. The Bill seeks to remedy that and to give a man who may have recovered his sanity a chance to get away from a one-man decision and to have his case tried by a judge in open court. I do not agree with the statement made by Mr. Holmes, that the judge will be overwhelmed by the number of medical men giving evidence, that he will determine the matter by the value of the evidence and the weight of authority, and not by the man who he says casually sees the patient. The question we have to decide is whether it is fair in the interests of the public, and whether it is better in the interests of the person, that he should have his case tried in open court, where everybody who gives evidence does so with a full sense of responsibility. Is it better that a man should be released in such a way, or be released because the Inspector General says, "In my opinion it can be done," and makes a recommendation accordingly. I say it is better that a man should be tried in open court because in that way you will get more valuable evidence, where every word will be weighed. It is not only in Western Australia that difficulties of this kind have arisen. They have arisen in other places, and undoubtedly men who have committed homicide have been released on their sanity being proved to the proper court. I cannot see any harm in the Bill. If I thought it was going to make for the release of any man who was going to be a danger to the public, I would not vote for it. But we are providing a safeguard. If the Inspector General will not take on himself—where there is reason to suppose that a man has recovered his sanity—the responsibility of saying "This man should be released," then the man in question should have the right to go before a judge.

Hon. J. J. HOLMES: Both Mr. Moore and Dr. Saw will hark on the one point—the *ipse dixit* of one man. The Inspector General of the Insane has a staff under him who see the patients every day. In addition there are visiting medical men, so that for hon. members to refer to the *ipse dixit* of one man is not in accordance with fact. I would draw attention to the last paragraph of Section 653, relating to a man found by a jury to be held to be insane. It reads—

> In such cases the Governor, in the name of His Majesty, may give such order for the safe custody of such a person during his pleasure in such a place of confinement and in such manner as the Governor may think fit.

That is the condition under which the man goes in. Mr. Moore wants him to come out in the same way as he went in, and that is all I want. Mr. Moore said I doubted his capacity to grasp the Bill. I went further. I doubt the capacity of a judge to deal with the Bill. Mr. Moore did not tell us that the judge said there was a defect in the Act. What the judge said was that the Act did not permit him to do what was asked, that Parliament, in its wisdom, had withheld this power from him, and that if it was thought he should have it, Parliament would have to be asked to give it. If Dr. Saw reads "Taylor," paragraphs 850 and 851, I think he will agree with me that this authority, at all events, lays down distinctly that a man who has shown homicidal tendencies is unsafe to be at large.

Hon. J. W. Hickey: Everybody agrees with that.

Hon. A. J. H. Saw: But after 20 years!

Hon. J. J. HOLMES: Winslow relates that a man was confined in an asylum whilst suffering from a delusion respecting the fidelity of his wife. For many years this idea was in the man's mind, and appeared to absorb all his thoughts. At the expiration of eight or nine months he appeared to be much improved in bodily and mental health, and the delusion had apparently lost hold of his imagination. Eventually he cunningly declared that his mind was quite at ease respecting his wife, and that he no longer believed she had or could have been unfaithful to him. Under the mistaken impression that he was quite recovered, the patient was discharged from the asylum and permitted to return home. For several days after rejoining his family he appeared to be quite well, so effectively did he mask his lunacy from those immediately around him. A week or ten days after he returned, he murdered his wife and child, believing that the former had committed adultery and that the child was not his own.

Hon. A. Lovekin: And at the trial it was set up that he had already been a lunatic.

Hon. J. J. HOLMES: There was also the case of a clergyman named Moss, who shot a former Master of the Rolls. Moss made repeated applications to be liberated from the Broadmoor criminal asylum, on the alleged ground that he was quite sane; but the Home Secretary refused to accede to this. At length in 1882 Moss made a murderous attack upon the medical superintendent of the asylum. The report expresses the hope that the liberation of this obviously dangerous lunatic would never take place.

Hon. A. J. H. Saw: An obviously dangerous lunatic.

Hon. H. Stewart: But he was not so dangerous that his release could not be petitioned for.

Hon. J. J. HOLMES: Certain things I regard as right, and certain things I regard as wrong. I have not asked a single member to support me in this proposal, but I believe I am right in taking the step I suggest, with a view to protecting life.

Hon. A. LOVEKIN: I agree that Mr. Holmes is right in the step he proposes. In South Australia some years ago an eminent King's Counsel was arrested for having shot at a man. A plea of lunacy was set up, and he was ordered to be detained during His Majesty's pleasure. In the course of some

three years he became apparently calm, and was able to get some doctors to agree that he might safely be liberated. He was liberated, and some months afterwards shot at another man in a theatre. He was again arrested, and the plea was exactly as in the case reported by Taylor and quoted by Mr. Holmes, that he had already been incarcerated for lunacy and therefore was not responsible for the second act. If we are going to provide facilities for people of homicidal tendencies to be released, we shall involve ourselves in a heavy responsibility. I have seen the file in this case, but I do not refer to it. I shall put up a hypothetical case only. Say a man committed a premeditated murder, although he was not sane. Suppose a plea of insanity was put in on his behalf, and suppose the jury held him to have committed the crime but not to have been responsible for his action. Suppose after two or three years' detention that man is liberated. Then suppose he commits another murder. His plea at once will be, "You had no right to liberate me; you knew I was insane; you put me in the asylum for the same offence before." Then suppose we put him in again, and he again petitions for release.

Hon. A. J. H. Saw: Do you think anyone would let him out the second time?

Hon. A. LOVEKIN: If there was sufficient evidence to let him out the first time, there might be sufficient evidence to let him out the second time. A judge is not the proper person to decide whether a man is insane or not.

Hon. A. J. H. Saw: The man was found insane by a judge and jury.

Hon. A. LOVEKIN: The judge is to decide upon the weight of evidence. What is the weight of evidence? On the one hand we have one man or two men constantly in touch with the patient in the asylum. On the other hand there is put before the judge the evidence of perhaps eight or ten doctors who, after a superficial examination of the man, say that in their opinion—which is as far as they can go—the man is not now insane. I take it the judge would say, "There are eight or ten, or six or seven, reputable doctors as against the two other doctors, and so the weight of evidence is in favour of the man." The Bill provides that in that case the judge shall report to the Governor. The judge makes a report that on the evidence produced before him the man is not insane. What Government with such a report from a judge before them could hold the man for one moment longer? Public opinion would not permit it. Thus one would be bound to release a person of homicidal tendencies, who might murder somebody else. Whilst we must have consideration for the unfortunate man incarcerated in an asylum—but incarcerated there for committing a very grave offence—we must also have consideration for the rest of the community, members of which this man, if released, might kill.

Hon. A. J. H. Saw: Then every man of homicidal tendencies should be incarcerated for life?

Hon. A. LOVEKIN: I do not say that. The officials of the Hospital for the Insane, who are with the man from day to day, are in a better position to judge whether he is safe to be liberated than six or eight doctors who see the patient casually, and a judge who knows nothing about lunacy. Had it not been for the fact that this man was not responsible for his act when he committed the murder, he would not now be in a lunatic asylum or in a gaol, but would no longer have been in this world, no longer in a position to kill or injure other people. When people are in asylums, they should be given every opportunity to obtain their release; but as regards people who have committed murders and are subject to homicidal impulses, it is our duty to keep them under restraint for their own sake and for the sake of the community.

Hon. T. MOORE: In reply to Mr. Stewart, who was not here when I moved the second reading, I ought to mention that no fewer than six doctors have certified that the particular individual who has been mentioned so frequently is sane, in their opinion. I know that Mr. Lovekin is a careful man, and I assure him that if I thought that by this Bill we were taking the responsibility of letting anybody out of the Hospital for the Insane, I would not be fathering the measure. I have every confidence in our judges, who are always weighing evidence. The judge would carefully listen to the opinions of the Inspector General for the Insane and of the asylum attendants. But the Inspector General has already been found wrong. Alienists as able as the Inspector General, who is keeping this man in the asylum, have certified the man to be sane. I am not saying that the man was not insane when put in the asylum. However, the Inspector General is not infallible. He has made the mistake of keeping in the asylum a man who had no homicidal tendencies. That man was released on the recommendation of a Royal Commissioner. If the Inspector General would not liberate such a man as that, how much less likely is he to release a man like the one in question. Of course the Inspector General will be altogether too careful to make any mistakes whatever. I know of a Minister of the Crown who, visiting the asylum and finding there a patient, asked the Inspector General why that man was detained. The Inspector General said the patient was suffering from delusions; that amongst other things he thought he had been twice mayor of a certain town. "Well," replied the Minister, "that is no delusion, for I knew him quite well when he was mayor of that town." If the Inspector General cannot tell when a man has or has not delusions, it is scarce likely he is going to release a man definitely showing homicidal tendencies. I am not asking the Committee to direct that such a man shoud be released. All I ask is that this patient under consideration should go before a judge who will hear both sides of the case and make a recommendation in accord-

ance with his finding. Mr. Holmes' amendment will nullify the Bill.

The MINISTER FOR EDUCATION: The Colonial Secretary has expressed the opinion that the Bill is not necessary, and obviously the Colonial Secretary must know what is going on in his department. Although the position is a difficult one I think, on the evidence of Dr. Saw, we shall be justified in allowing further investigation by a judge of the Supreme Court, who will know how to appraise the evidence. If the judge be satisfied that the man has no homicidal tendency, surely we can afford to give the man a chance. In any case, the judge's recommendation will have to come before me as Minister for Justice.

Hon. A. Lovekin: Surely you would not set yourself up against a judge?

The MINISTER FOR EDUCATION: Even one who is Minister for Justice and not Attorney General, one not having a legally trained mind, may still have a mind able to differentiate between right and wrong. If the judge makes a recommendation, it will become the duty of the Minister for Justice to report to Cabinet, who will thereupon sift the case to the bottom. Therefore I do not think there is any danger to be feared. I have not the doubt existing in the minds of Mr. Holmes and others, and so I will vote against the amendment.

Hon. E. H. HARRIS: I opposed the second reading on the score that the evidence to be taken before the judge would merely permit him to make a recommendation to the Government, who already have power to release any patient in the asylum. Mr. Moore has said that without the Bill it would not be possible for a person confined in the asylum to secure his release; but in the latest annual report of the Inspector General I find that during the year 45 persons were discharged from the institution.

Hon. T. Moore: Were any of them from the criminally insane section? That is the point.

Hon. E. H. HARRIS: The report does not disclose the classes from which the released patients came. I do not agree with Mr. Moore that the amendment will nullify the Bill. It will apply to patients other than those detained by process of law.

Hon. T. Moore: They can all go before a judge now.

Hon. E. H. HARRIS: Of course the Government have power to release anybody from the institution.

Hon. T. Moore: The Government say they have not; they declare that the Bill is necessary.

Hon. E. H. HARRIS: If they had thought it desirable to amend the Act, they would have introduced the necessary Bill. I will support Mr. Holmes' amendment.

Hon. J. J. HOLMES: I would not have spoken but for the astounding statement of the Minister for Education, He said the Colonial Secretary had advised him that legislation of this description was necessary.

The Minister for Education: Nothing of the kind.

Hon. J. J. HOLMES: His statement, which I took down, was that he supported the Bill because the Colonial Secretary, who had some experience in the matter, had advised him that legislation of the kind was necessary. If this is so, it would appear that the Government are actually holding people they ought to liberate, and that they wish to shift the responsibility on someone else. The Minister also said the judge has to decide that homicidal tendency is not there.

The Minister for Education: On the evidence.

Hon. J. J. HOLMES: It is not for the judge to decide, but for men trained in lunacy matters to say whether the person referred to should be at large or not. He told members that men in the asylum have not been liberated because there is a defect in the Act, but this is contrary to the facts.

The Minister for Education: I did not say that.

Hon. J. J. HOLMES: That is what we were led to believe. The Attorney General or Minister for Justice has power to let anyone out if he so desires.

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

Ayes	9
Noes	8
Majority for	1

Ayes.	
Hon. W. Carroll	Hon. G. W. Miles
Hon. E. H. Harris	Hon. E. Rose
Hon. J. J. Holmes	Hon. H. Stewart
Hon. A. Lovekin	Hon. V. Hamersley
Hon. J. M. Macfarlane	(*Teller.*)

Noes.	
Hon. A. Burvill	Hon. G. Potter
Hon. J. Ewing	Hon. A. J. H. Saw
Hon. E. H. Gray	Hon. J. Duffell
Hon. J. W. Hickey	
Hon. T. Moore	(*Teller.*)

Amendment thus passed; the clause, as amended, agreed to.

Title—agreed to.

Bill reported with an amendment.

BILL—FACTORIES AND SHOPS ACT AMENDMENT.

Second Reading.

Debate resumed from the 20th November.

Hon. A. LOVEKIN (Metropolitan) [9.25]: After the lucid speeches which have been delivered by Mr. Hickey and Dr. Saw on the dangers of the manufacture of white lead and litharge, I do not propose to say very much under that head. It is generally admitted that the manufacture of white lead, red lead, and litharge, constitutes harmful em-

ployment. Mr. Hickey did not say so, but it is a fact that since the Geneva Conference the manufacture of white lead has been altogether prohibited in France for this very reason. Mr. Hickey says the intention of the Bill is to give some relief and some security to employees in these factories. We are told this is the sole object of the Bill. I accept that, and assure the hon. member that from that aspect I will do everything I can to help him with the Bill. I hope it will not be said I am trying to defeat it if I make a suggestion or two. I do suggest some amendment to that portion of the measure which deals with the use of ordinary lead, paints, solder, etc. Is the Bill confined solely to the protection of those employed in this harmful industry? Clause 2 says—

> The Governor may by regulations prescribe that any factory where compounds of lead, arsenic, or other poisonous substance is used, shall be so constructed as to provide a prescribed standard of efficient ventilation.

I do not say that any factory in which poisonous substances and compounds of lead are used should not be properly ventilated, and looked after by regulation. I would draw attention to Sections 63, (paragraphs (c) and (d) 134, 143, and 144, of the principal Act. Members will see from these that factories which are using leads and arsenical preparations are far better protected by the Act than they could be if they were provided for by regulations under this Bill. I suggest that this first paragraph be struck out. Under the Act the penalties are heavier, and they go on from day to day, whereas this Bill limits the penalty for one offence to £5. The second paragraph of Clause 2 says—

> In every factory where lead, arsenic or any other poisonous substance is used.

Clearly, it is not intended that the Bill should apply to all places where lead is used. Solder is lead; type metal is lead; paints that the farmer uses on his cart are made of lead, and would come within the words of "is used." We can improve the Bill by putting in some such words as these "Compounds of white lead, red lead, litharge, mercurial or arsenical preparations are manufactured or produced." I propose to insert the word "litharge," because I know something about it. I know it is more harmful than carbonate of lead, because it has a greater volume of oxygen in its composition and its particles are lighter than air. They float about and are very poisonous. In printing offices the chimneys in the stereo room are lined with litharge. It is highly dangerous and should be brought within the scope of the Bill. The mercurial dust used for mirrors is also dangerous. In the principal Act provision is made that children under 18 years of age shall not be employed in places where mirrors are made, because of dangers arising from the use of lead. The inclusion of the words I have referred to will improve the paragraph. Paragraph (c) refers to provision to be made by occupiers where roasting conversion, reduction or treatment of lead or arsenical ore or any process is carried on. I presume "reduction" means reducing the material from a solid to a liquid form.

Hon. H. Stewart: Not necessarily. It may mean reduction from a protoxide to a monoxide. It may mean some other chemical compound.

Hon. A. LOVEKIN: In the printing and other trades the use of this word would indicate the reduction of solids to liquids. If we used another word instead of "reduction" we would improve the paragraph. Subclause 3 provides—

> The occupier of any factory shall forthwith send written notice to the nearest inspector whenever any employee is suffering from lead or arsenical poisoning——

The employer cannot know that an employee is so suffering unless it is brought to his knowledge in some way and I propose to add the words "whenever it comes to his knowledge," so as to make the position clearer. In paragraph (a) of Subclause 4 reference is made to employees in a factory where "lead, arsenic or other poisonous substance is used"—I propose to substitute the word "produced" for "used"—to be examined at such intervals as may be prescribed by a medical practitioner with power to order suspension from such employment." That paragraph is not clear. Who is to have the power to suspend from employment, the occupier or the medical practitioner? It should be made clear that the medical practitioner is to have that power. Then again, who is to pay for that medical inspection? If a factory employs 200 hands, the cost of the medical inspection would be serious for the occupier. In England the Health Department has regarded it as of more interest to the department than to the employers to know what is going on in the factories. Therefore the Government make the medical inspections in England.

The Minister for Education: It may become very expensive.

Hon. A. LOVEKIN: That would also apply to the employers. In the Scaffolding Bill which was before us the other day, reference was made to a medical officer certifying to the cause of death and it also gave that power to "some other competent person." That was going too far. Paragraph (e) of Subclause 4 requires the occupier to provide and maintain for the use of employees, among other things, a cloakroom to be separate from the meal room. I have had the question of meal rooms before me for 30 years past, particularly in connection with stereotyping work. I have formed my own opinion on the subject and have studied books dealing with this problem. The whole tendency of the opinions I have read is that it is utterly wrong to allow anyone engaged in such industries as those under discussion to have his meal on or about the factory. Dr. Saw has already drawn attention to the fact that the greatest danger of lead poisoning is from inhalation not from ingestion. I

intend to suggest a new clause to provide that no occupier shall be permitted to allow an employee to have a meal in or upon the premises of such a factory. I also intend to suggest another amending clause which was rejected in another place. I do not think the point was thoroughly understood there. I know that men who are working where heated lead is about do suffer at times from some form of colic. No doubt it is due to particles of lead litharge or dust. An old remedy has been the eating of onion. Many of the men engaged in stereo rooms are large eaters of raw onions, the reason being that onions contain sulphur. Books I have read on this subject show that various drinks are suitable to deal with these particles. I need not confine myself to the question of sulphuric acid lemonade because almost any sulphate will provide a suitable drink. It acts as a means of changing the carbonates of lead into sulphates of lead which are inert and quite harmless.

Hon. A. J. H. Saw: Not altogether. Some of the lead is soluble in acids.

Hon. A. LOVEKIN: I can produce some authorities dealing with that point, but I shall not do so at this late hour. It is preferable that no limit should be placed on the particular drinks to be provided. Rather should it be left to be prescribed so that the form of drink found suitable for a particular factory may be provided, and thus people will be able to suit their own tastes. I have indicated the lines I intend to take when we deal with the Bill in Committee so that Mr. Hickey may see that everything I propose to do is in the direction of assisting him to make the Bill a good one to achieve the objects for which the sponsors stood, namely, the protection of people who are engaged in this harmful occupation.

The MINISTER FOR EDUCATION (Hon. J. Ewing—South-West) [9.40]: I give my support to the Bill and I recognise that Mr. Hickey seems to thoroughly understand the position and the necessity for a Bill of this description. I also recognise that Mr. Lovekin and Dr. Saw have clearly explained what the Bill intends to do and what the law relating to this matter is in other countries. It is well known that at an International Labour Conference held at Geneva some little time ago, a motion to prohibit this industry was lost only on the vote of the Australian delegate who was sent there by the Commonwealth Government. That fact shows how seriously the position was viewed at the conference. I have a letter from Dr. Simpson, the Government Analyst, which was written to the Colonial Secretary. In the course of the letter Dr. Simpson says—

> All the existing legislation of the civilised world stresses the prevention of lead poisoning not by taking chemical antidotes but by adopting the following preventive measures:—1, Efficient general ventilation; 2, local exhaust ventilation at point of fume or dust production; 3, wetting down floors to allay dust; 4, wearing of respirators; 5, feeding and drinking in lead-free rooms; 6, scrupulous personal cleansing on leaving the point of manufacture, particularly before partaking of food or drink.

These precautions are included in the legislation in operation in various parts of the world. It will be necessary to move a small amendment in Clause 2. Dealing with that matter Dr. Simpson says—

> Clause 2 of the Bill is worded "in every factory where lead, etc." In other countries the wording is always "where compounds of lead" as otherwise the Act would cover workers in sheet lead, a practically harmless occupation.

I have one or two small amendments which I hope the Committee will agree to and one merely alters a word. There is another amendment I propose, however, and it is outlined on the Notice Paper. It is sought to give more control and more work to the inspector of factories. The Colonial Secretary is inundated with work, which includes the signing of documents, which he has to do in accordance with the Act as it stands at present. The Minister has found that it takes up much of his time and it is really not necessary. I will ask members when in Committee to agree to an amendment allowing the Minister to delegate his powers and to withdraw powers so delegated in the manner outlined in the amendment. This will enable the Minister to delegate some of this work to the inspector of factories.

Hon. A. Lovekin: That might be objectionable.

The MINISTER FOR EDUCATION: I realise that it might give rise to some discussion. The aim is to relieve the Minister of a lot of departmental work that might be entrusted to an officer. If we have good officers, they might well be permitted to discharge a certain amount of this work.

Hon. G. POTTER (West) [9.46]: The object of the Bill should appeal to all members. No exception can be taken to the general principle to safeguard the health of the community. In seeking to do that, the Bill does not break new ground. It does not launch out into some unexplored phase of industrial life because, in industries generally and particularly where employees are liable to contract diseases, efforts have already been made to introduce preventive measures. Dr. Saw has pointed out clearly the peculiar dangers attaching to workers in lead factories. I have seen some of the workers, and the ravages of the disease cannot fail to evoke one's compassion for those unfortunate people. From time to time we have heard of the awful inroads phthisis has made on the miners on the goldfields. We have been assured that had preventive measures been energetically enforced during the early stages of the industry, many of the saddest pages of the mining industry would not have been written. We have a white lead factory in its infancy, and now is the time to benefit from our experiences of the mining industry by introducing legislation to safeguard the workers.

We are all interested in the establishment of secondary industries, despite what some people might say about them, but transcending all else is the welfare of the community. The white lead industry promises to assume big proportions, and we want to take care that the health of the workers is safeguarded to the greatest possible extent that science can suggest. Experts say that had safeguards been adopted in the early history of the mining industry, things would have been better. How much more so is it necessary to adopt safeguards in the white lead industry? In mining, the disease is usually contracted by men underground and can be confined to them; but in the white lead industry we have it on good authority that the worker may communicate the disease to his children through his clothes or hair. Hence steps are necessary to ensure that employees observe all reasonable precautions in their own interests as well as the interests of their children and the community generally. There seems to be a difference of opinion as to the best drinks to be used in such a factory.

The Minister for Education: Tea.

Hon. G. POTTER: Some people declare that certain kinds of lemonade are better. Instead of laying down definitely in the measure what drinks shall be used, it would be better to leave it to regulation, so that whatever science from time to time declares to be the best may be adopted. We must not take any risks. This young industry might be committed to some expense as a result of this legislation, but that will be trifling as compared with the safety of the workers. If members advert to Dr. Saw's assurance, there can be no lingering doubts as to the necessity for and efficacy of such a measure.

Hon. J. W. HICKEY (Central)—in reply) [9.52]: I appreciate the reception accorded the Bill, which shows the keen desire on the part of members to support legislation having for its object the preservation of the health of the workers. I appreciate the amendments outlined, and feel sure that as a result of co-operation, we shall be able to frame a measure that will attain our objects.

Question put and passed.

Bill read a second time.

House adjourned at 9.55 p.m.

Legislative Assembly,

Tuesday, 27th November, 1923.

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

QUESTION—I.A.B. AND STATE-BUILT WAGONS.

Mr. HARRISON asked the Minister for Works: 1, Is it a fact that returned soldiers and other I.A.B. clients desiring a State-built wagon are often supplied with a contract wagon built by an outside firm? 2, If so, can he explain why the person eventually paying should not have choice of implement supplied?

The MINISTER FOR WORKS replied: 1 and 2, The contract price of Bolton & Son's 6-ton wagon is £93, and the State Implement Works £120. The person who eventually repays the bank its advance can have any wagon he pleases if it is approved by the board as suitable, and he pays the difference between the price of the contract wagon and the price of the one he desires to purchase.

QUESTION—RAILWAY WORKSHOPS, NEW MACHINERY.

Mr. LUTEY (for Mr. Hughes) asked the Minister for Railways: 1, What sum has been spent recently on new machinery at the loco. workshops, Midland Junction? 2, How many lathes were purchased, and what was the price thereof? 3, How much overtime has been worked on lathes during past six months? 4, Did the foreman turner and machinist make a report as to the number of machines required before the purchases were made? 5, If so, is it his intention to lay the report upon the Table of the House?

The MINISTER FOR AGRICULTURE (for the Minister for Railways) replied: 1, About £23,000 since 1921. 2, Seven (7)—£4,853. 3, 3,211 1/5th hours, equalling three (3) men per annum. 4, No. 5 See No. 4.