

The Minister for Works: I do not object to the amendment.

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

Clauses 10, 11—agreed to.

Clause 12—Amendment of Section 35:

Hon. W. C. ANGWIN: Here is a further innovation. The clause proposes to give power to the departmental officers to alter schedules in an Act of Parliament. Such a power should not be given. Parliament alone should alter schedules in an Act of Parliament.

Mr. Brown: But Parliament can disagree with the regulations promulgated by the department.

Hon. W. C. ANGWIN: The trouble is that such regulations are not always closely scrutinised when presented to Parliament.

The Minister for Works: I myself do not like the first part of the clause, but we must have the part referring to penalties.

Hon. W. C. ANGWIN: I move an amendment—

That the words "and may by any such regulation alter any of the forms in the schedules to this Act" be struck out.

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

Progress reported.

*House adjourned at 10.30 p.m.*

## Legislative Council,

*Tuesday, 7th November, 1932.*

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## SELECT COMMITTEE—FISHING INDUSTRY.

Extension of time.

On motion by Hon. F. A. Baglin, time for bringing up the report of the Committee extended to 5th December.

## QUESTION—PUBLIC WORKS, COSTS.

Hon. G. W. MILES asked the Minister for Education: What was the estimated cost of the following works:—1, The reservoir at Bickley in connection with the hills water supply? 2, The Herdsman's Lake drainage scheme? 3, The Beaden Point jetty? 4, What is the actual amount spent up to date on Nos. 1 and 2, and the estimated cost of completing each? 5, What is the contract price accepted by the Government for No. 3?

The MINISTER FOR EDUCATION replied: 1, Cost of construction: Estimate £29,600, actual £28,866; land resumption, estimate £5,000, actual £6,375; total, estimate £34,600, actual £35,241. Work completed 4th November, 1921. It is expected that some amount will be required for legal costs, but it is thought that these will be moderate. 2, Original estimate was £25,000, with a possibility of increase by £15,000 if lining were necessary. Expenditure to date is £54,267. Revised estimate of total cost, £72,000. 3, The estimate for No. 3, including surveys, supervision, and contingencies, was £110,000, and the contract price is £89,577 19s. 2d.

## QUESTION—MINING TAXATION, REFORMS.

Hon. J. W. KIRWAN asked the Minister for Education: Whether in view of the importance of mining to Western Australia and the heavy disabilities under which the industry is suffering, the Government will favourably view the following taxation reforms and this session bring forward the necessary legislation to effect such reforms:—(1) Follow the example of the Commonwealth and provide that calls on mining shares be included amongst the deductions from taxation permitted in Federal income tax returns? (2) Recognise that as mining is a wasting asset, the basis of taxation should be different from that of more stable industries and commercial concerns, and therefore ensure that only those mining dividends are subject to taxation that are real profits, and not a mere return of capital?

The MINISTER FOR EDUCATION replied: 1, No. 2, The State taxation is on profits earned, as is the case with all other profits.

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

# MOTION—STANDING ORDERS AMENDMENT.

## Private Bills.

Hon. A. LOVEKIN (Metropolitan)  
[4.35]: I move—

That a message be sent to the Legislative Assembly requesting them to authorise the Standing Orders Committee of that House to confer with the Standing Orders Committee of the Legislative Council with a view to revising the Standing Orders of both Houses relating to the procedure in connection with private Bills.

I think I am not betraying a secret when I say that at a meeting of the Standing Orders Committee of this House, held last week, the matter of procedure in connection with private Bills was discussed; nor shall I be saying anything wrong if I explain that it was at your suggestion, Sir, that this motion was placed on the Notice Paper. If hon. members will look at the Standing Orders on private Bills, to be found amongst the joint Standing Orders of both Houses of Parliament, they will see that those Standing Orders are inconveniently arranged and most difficult to interpret. I am told that in another place even the lawyers promoting private Bills find great difficulty in advising as to correct procedure; and I am also informed by an authority in another place that this motion will be welcomed, because it is time the Standing Orders on private Bills were revised. They were framed in 1901, and have not been amended since. The procedure on private Bills is, first of all, that three months before the presentation of a petition an advertisement has to be inserted in the "Government Gazette," and also in some newspaper, and published for three weeks. After that another three weeks must elapse before a petition can be lodged, after which one week must elapse before the private Bill can be presented to the House. After the presentation of the Bill a day must elapse before the first reading can be taken. After the first reading, which is largely a matter of form, the Bill goes to a select committee for consideration and report. When the report is made, three days must elapse before it can be considered. After that there must be an interval of seven days before the second reading, following on which the Bill goes through in the usual way. Hon. members will realise the reasons for those lengthy periods before the successive stages of private Bills. In olden days private Bills were presented in the form of petitions. That was when Parliament exercised both judicial and legislative powers. As time went on, the judicial functions of the House were delegated to courts of equity. Courts of equity take a long time in doing anything. Moreover, delay was necessary, because individual persons by private Acts were seeking to trespass on the rights of others, community rights and individual

rights, and therefore it was proper that there should be ample time between the various stages, so that those who might be injured should have opportunity to come in and protest.

Hon. J. Nicholson: It was even more necessary in a big community.

Hon. A. LOVEKIN: Even in a big community, such as that of England, private Bills are gradually dying out. Take the building of railways: There is the Railway Laws Consolidation Act, which provides a good deal of the matter previously undertaken by private Bills. As for gas works, electric light works, and other concerns of the sort, the Board of Trade grants provisional orders which do away with a lot of lengthy and expensive procedure. These Standing Orders have been in force since 1901. Many of them are almost obsolete, because we are never likely to have any company here seeking to construct railways; that is to say, not unless the policy of the country materially changes. So too, with water works, gas works, and electric light works. But there are other matters in respect of which private Bills are necessary. Two of them are before us to-day, one in respect of the Western Australian Bank. The bank wants to increase its capital, and must have a private Act to enable it to do so. That will not infringe much on the rights of the community; in fact it is an advantage that the bank should have more money with which to help on the trading industry of the State. Then there is another private Bill current relating to the Perpetual Trustee Company, to which no objection can be taken except perhaps it might be suggested that another company may be a competitor. I do not think that will weigh much with hon. members, because the more competition we have in that line of activity, the better. Anyhow, those two current Bills cannot be affected by any amendment of the Standing Orders, for if any amendments are thought desirable, they will apply only in the future. It has been suggested that it would be a good thing to have a meeting of the Joint Standing Orders Committee to see if these inconveniently arranged Standing Orders cannot be improved upon.

Question put and passed.

## BILL—ADMINISTRATION ACT AMENDMENT.

On motion by Hon. J. Nicholson, read a third time and returned to the Assembly with amendments.

## BILL—LIGHT AND AIR ACT AMENDMENT.

### Assembly's Amendment.

Amendment made by the Assembly now considered.

In Committee.

Hon. J. Ewing in the Chair: the Minister for Education in charge of the Bill.

The CHAIRMAN: The amendment made by the Assembly is as follows—

Clause 2—Strike out the word "exceeding" in the last line and insert the words "less than" in lieu thereof.

The MINISTER FOR EDUCATION: Although the language employed seems to be directly contradictory, the intention of both Houses is the same. The question at issue is really one of meaning. Since Thursday last I have referred this matter to the Solicitor General and one other authority, and both agreed that if the words "not less than" and "not exceeding" were all left out, the clause would be absolutely clear and would convey exactly what both Houses desired. The intention of this House was that no permanent easement would be granted which would in future prevent the erection of a building on the alignment of a street, and for 12 feet back; that is to say, it must be more than 12 feet away from the street frontage. I move—

That the Council agrees to the word "exceeding" being struck out, as well as the preceding word "not," but subject to the modification that it does not agree to the insertion of the words proposed in place thereof.

Hon. A. LOVEKIN: This is an important amendment so far as the city of Perth is concerned, and members should have time in which to consider it.

Progress reported.

## BILL—LICENSING ACT AMENDMENT.

Second Reading.

Debate resumed from 2nd November.

Hon. J. A. GREIG (South-East) [4.52]: This is chiefly a Committee Bill. I congratulate the Government upon making what I believe to be an honest attempt at liquor reform. I regret, however, that the Bill was somewhat mutilated in another place. It was certainly not improved there. As it was introduced it met with the approval of a majority of the people, and was more favourably viewed by them than it is now in its present form. In order to make it sensible it will have to be further amended in this Chamber. I also regret that the Government will not collect as much revenue as they hoped from the trade. It was anticipated that they would collect a certain amount of revenue to enable them to pay a great deal of the expenses that are incurred as a result of the liquor traffic. The Bill has departed from the democratic principle of majority rule. On such an important question as conscription a majority vote was accepted.

Hon. F. A. Baglin: The franchise of the Legislative Council does not provide for it.

Hon. J. A. GREIG: It is provided for in the case of the people who pay taxes. I would certainly not object to prohibition requiring a three-fifths majority if, before a Bill could be passed in the Council, it had to be carried by a three-fifths majority of members. The Bill recognises the principle of two publicans, or men in favour of the liquor trade, having as much say in making the laws of the land as three merchants, pastoralists, farmers or people of any other calling. I cannot see why this Bill should be made an exception, and why the trade should be given these special privileges. Why should we recognise the principle of two barmaids having as much to say in this matter as three respectable ladies of the land?

Hon. E. H. Harris: Are not barmaids respectable?

Hon. J. A. GREIG: Under the Bill a three-fifths majority is required to close hotels by a prohibition vote, that is three-fifths of those who are on the roll. On the other hand, the Bill provides for increasing the number of licenses by means of a bare majority of signatures which may be obtained by some persons buttonholing the residents of the district and asking them to sign. If the bare majority of votes is sufficient for increasing licenses, it is unfair to insist upon three-fifths majority for the closing of hotels. In Committee members will probably agree that something more equitable than this should be inserted.

Hon. E. H. Harris: The three-fifths majority applies to those on the roll, not to those resident in a district.

Hon. J. A. GREIG: Clause 18 does not apply to those who are on the roll, but to casual residents who may happen to be living in the district. The Government may be carrying on big public works employing large numbers of men, and because they have been resident in the district for a short time, they will be permitted to take part in deciding this question for the district. That is not at all an equitable principle. Some people say it is absolutely necessary to have the three-fifths majority to carry prohibition, for the reason that they do not want it carried by a bare majority in one year and possibly have a reversion to the old order of things five years later. Under such a system they say we should never get anywhere. I base my conclusions on this question by the figures supplied from official sources in America. I have read both sides of this question.

Hon. G. W. Miles: You should live in America.

Hon. J. A. GREIG: There is such a difference of opinion between the two sides that I have failed to draw a line between them.

Hon. F. A. Baglin: Where do you get the figures from?

Hon. J. A. GREIG: From official sources. In Arizona prohibition was won by a majority of 3,144 votes and retained two years

later by a majority of 12,000 votes. Colorado won prohibition by 12,572 votes and retained it two years later by a majority of 85,792. The figures for other States are as follows: Michigan 68,000 and 206,000 respectively; Washington 18,000 and 215,000 respectively; Oregon 36,000 and 54,000 respectively; Ohio 25,000 and 41,000 respectively, in the last-named case one year only having elapsed before a vote for retention was taken. Kansas won prohibition by 7,000 votes, and increased the majority every year until at the last poll there was a majority of 421,000 votes. It is many years since Kansas adopted prohibition, and the longer that State has remained dry the more determined are the people to keep it dry.

Hon. A. Lovekin: It is a pretty wet place.

Hon. J. A. GREIG: That may be so. I do not say there is no drinking in America under prohibition. I have heard people say that more drugs are consumed in America in these days than was known before. I can quite believe that such is the case. That is one of the strongest arguments in favour of prohibition that could be advanced. The very fact that people are consuming more drugs than was the case formerly, shows that there is something wrong with them, owing to habits they cultivated in the past. Those habits were caused by the consumption of alcohol. Now that alcohol is banned, they must have something to satisfy the craving that has been cultivated. The fact remains that young people who are growing up now are not acquiring a taste for alcohol, and, that being so, they will not require drugs when they get older. I am pleased that the Bill gives the people the right to decide the question of prohibition for themselves, even though the three-fifths majority is provided. I am sure that the time is not far distant in Australia when the people will insist on prohibition despite the stipulation regarding the three-fifths majority. The compensation question, so far as the Government and the public were concerned, was solved for all time in 1911. The Bill provides compensation for hotels closed under the operations of the licenses reduction board, but as the publican will pay for their own compensation, I have no objection to raise on that score. I rather admire the provision because of the brotherly love and consideration displayed between those engaged in the liquor trade.

Hon. F. A. Baglin: They will pass it on to the public, who will have to pay in the end.

Hon. J. A. GREIG: But the fact remains that those engaged in the trade will compensate themselves. No matter what the public may be asked to pay, the position will be better. If the price of liquor were increased to double what it is now, it would be a good thing for the community. When introducing the Bill, the Leader of the House mentioned that the drink habit was diminishing in Western Australia, and that

latterly not so much money had been spent on liquor in Western Australia as in former years, even allowing for the increased price of liquor. If we could get the price of liquor increased as much as possible and the strength reduced, not much harm would be done. The Bill provides for a vote being taken every five years. I should have preferred to have the poll taken every three years and on the day of a general election. I would like to see that brought about for the sake of economy. I do not think it would affect the election one iota. I am pleased that the Bill puts the question of prohibition out of the hands of the politicians and into the hands of the people, even though there is the stipulation regarding a three-fifths majority. There is that good point about the whole matter. The only question that can be put to politicians regarding prohibition for the future, is as to whether they favour the three-fifths majority or a bare majority. As the question of prohibition is in the hands of the people and not in the hands of the politicians, a candidate will be justified in not answering the question but in intimating that, as it is in the hands of the people, he is willing to abide by their decision.

Hon. F. A. Baglin: It will be made an issue at election time.

Hon. J. A. GREIG: It would be, if the candidates liked to make it an issue.

Hon. J. J. Holmes: Why should it not be made an issue?

Hon. J. A. GREIG: As it is, the Bill does not make it an important issue, seeing that it is left to the people to decide by their vote. A poll taken every three years would be as fair to one side as to the other and, if taken on the day of the general elections, it would save considerable expenditure while assuring a bigger vote. I want to see the question decided by as large a vote as can be obtained. If one person can go round with a petition and get temporary residents to sign it, and thus secure an increase in the number of hotels on a bare majority, and we are to impose a three-fifths majority in connection with the vote for prohibition and for the closing of hotels, I do not think the position is fair. I hope to see that aspect amended in Committee.

Hon. H. STEWART (South-East) [5.5]: I would not like to miss the opportunity of speaking on this Bill. Before dealing with the measure itself, I want to record my appreciation of the work of the Royal Commission appointed to deal with this question. I will have to refer to some tables published in connection with the Commission's report. There are some conclusions that the Commission arrived at with which I differ. I hope the House will not pass the Bill in its present form. The Leader of the House, when introducing the measure, indicated that the Bill set out to achieve two objects—to secure better control over the trade, and to

obtain increased revenue. Of the people who are advocating temperance reform, or reform in connection with the liquor trade generally, it can be said, despite the fact that they are referred to on many occasions as wowers, that if we look at the characteristics of those individuals, we will see the motives underlying their attitude. We will appreciate the fact that they are working unselfishly for the sake of the women and children and the community in general. The object they seek to attain is to secure a greater state of efficiency in Western Australia. Their humanitarianism keeps before them the suffering and hardship imposed upon not only women and children, but on the weaker members of the community, who cannot resist the temptations of this evil. Many people who advocate and endeavour to secure reform in connection with the liquor trade adopt that line of action in the interests of the people generally and of the development of the State as well. In many instances they are actuated by the highest motives, practising personal unselfishness in order to safeguard their weaker brethren and to influence those who are liable to fall by the way. It cannot be controverted that any measure of reform achieved to eliminate these evils will be realised even by those interested in the well-being of the trade, that reform will strengthen their own position, weakening as it will do the opposition to the trade itself. To my mind, it will put off for a considerable time the carrying of a vote in favour of prohibition. Appendix No. 12 attached to the report of the Royal Commission deals with the 1921 poll and clearly indicates that prohibition is not likely to be agreed to in Western Australia in the near future. The Royal Commission have recommended, and the Bill provides for a licensing court of three magistrates. I would like the Leader of the House, when replying, to show what is provided in the Bill regarding the qualifications to be held by those licensing magistrates. It is provided that the chairman shall be a police magistrate, but I can find no provision setting out the qualifications to be possessed by the members of the licensing court who will also be members of the licenses reduction board. The provision for one licensing court with jurisdiction over the whole State, and also for the licenses reduction board, has been brought forward because of the results achieved under a similar measure in Victoria. We are prone in Western Australia, and the legislation of recent years has been largely in that direction, to lose sight of the fact that Western Australia is an enormous State, large portions of which are under entirely different conditions. I do not think it is a proper course to pursue to appoint the licensing court for the whole State, just for the sake of uniformity. It would be better if the State were divided into a number of licensing areas, fewer in number than at present, but the areas larger than the existing licensing districts. Under such conditions, there would be a certain amount of

uniformity that would be absent under the proposal outlined in the Bill. In bringing into operation one board to operate for the whole State, we will increase the cost of administration without achieving any benefit as regards efficiency. I realise that the board can delegate authority to licensing courts in outer parts, but whereas the board will deal with the State as a whole, it is putting up a wrong ideal to view the State as a whole from the standpoint of the liquor business. Let members have regard to the northern portions of the State where we have an area sparsely populated and where the number of people per license is very small. The conditions there make it necessary and desirable that there should be houses of accommodation for the convenience of those who are operating in industries there. In the larger municipal areas the conditions are totally different. In order that the board may become conversant with the conditions prevailing in the various portions of the State, it will be necessary for them to do a considerable amount of travelling. It would be better to adopt districts larger than those we have at present and to nominate some of the present magistrates as a licenses reduction board to deal with the matter of the reduction of licenses only. Apart from the qualification of members of the board, it seems to me that the power will still lie with the Court of Petty Sessions to take away the licenses of those guilty of offences for which the penalty of forfeiture of license is provided. Before the measure leaves the council, there should be no question as to the actual position. My opinion is that the licenses reduction board will have power to reduce licenses under certain conditions, but that the power will still remain with the Court of Petty Sessions to cancel licenses for breaches of the Act. It seems to me that the deductions of the Royal Commission in the matter of the local option poll, given in the table in the body of their report, is open to question. It is on this that they have condemned the local option provisions of the Act. We can hardly expect that the people in the outside portions of the State who do not enjoy the comforts, the standard of living, or the advantages enjoyed by those in the more settled areas, would take a view of life which would lead them to vote in the same way. Appendix No. 12 gives the result of the poll in various licensing districts. Although reduction was carried in ten centres, in every instance the number of adults per license was large, numbering 700 or more. If we take places where continuance was carried, we find a greater number of districts than carried reduction, but 14 were centres which would reasonably compare in the number of adults per license with the other districts which voted reduction. In addition to those 14 districts, there were 17 where the conditions of life were different and the number of adults per license—I am referring to hotel, publicans', wayside, wine and beer licenses—was very low, being 175 or

fewer. Apparently the number of licenses in proportion to the number of people in those districts was very high. Therefore, before condemning the principles of local option, we must take a fair view of the position and admit that the conditions in these various centres are not comparable. Take Kanowna, once known as roaring Kanowna, where there were 14 hotels: when I visited Kanowna 18 months ago there were only three hotels, and probably there was not enough business for one. Although Kanowna voted continuance, it would do no harm because the residents could get all they wanted at one hotel. It will be only a matter of time before other licenses will disappear if mining activities in the district continue to decline. I maintain, therefore, that it is premature to do away with the local option poll. The poll could have been retained, and some provision might have been made permitting exceptional portions of the State, such as outside mining towns and sparsely populated portions of the pastoral and agricultural areas, which are advancing but slowly, to be dealt with in a special manner. My opinion that the abolition of local option is somewhat premature is influenced by the nature of the amendments in this Bill. As Mr. Greig pointed out in his concluding remarks, the clause providing for the issue of new licenses, on a petition of a majority of the people in an area to be defined by the licensing court, will require to be amended. If there is a floating population temporarily residing in such an area, such people might by virtue of a petition—

The Minister for Education: That is provided against. The clause states "permanent population."

Hon. H. STEWART: I thank the Minister for his interjection. Had he corrected Mr. Greig, I would not have repeated the error. To leave such an area without providing something further to guide the board would not be satisfactory. I was pleased to hear the statement of the Leader of the House regarding the reduction in the consumption of alcohol in this State. It showed that the trend was in the right direction. At the same time the reduction was mainly in connection with spirits. Appendix No. 6 in the Royal Commission's report shows that Western Australia, in each year from 1915 to 1920, recorded more convictions in proportion to population than any other State of the Commonwealth with the exception of Queensland. The figures for this State are approximately 70 per cent. greater than those of any other State with the exception of Queensland. It is also noticeable in Appendix No. 10 that, of the States of New South Wales, South Australia, Tasmania and Western Australia, the consumption of liquor per head of population was highest in Western Australia and was 50 per cent. higher than in any other of those States. The figures for Victoria and Queensland are not given.

The high consumption per head of population here cannot be attributed to people drinking more beer and wine; the excess is proportionate in spirits, wine and beer. The Leader of the House, in moving the second reading, indicated that the Bill was firstly to improve the control of the trade and secondly to obtain revenue. I was very disappointed to learn that the Premier in another place had agreed to a reduction in the tax from 10 per cent. to 5 per cent. without putting up any fight, forgetting the need for revenue, the way our industries are being taxed, the increased railway freights and his own attempt last year to recover from the widow of a deceased taxpayer deficiencies of income tax which the department might dig up years afterwards. We have also to remember that in assessing the tax, a proportion of the license fee is to be remitted. I hope the Chamber will be able to get an increased percentage imposed. My feeling is also that the number of different classes of licenses provided by the measure should be capable of reduction. In Committee I hope to learn whether it is not possible to reduce the number. There is, for instance, the hotel license; and according to the Royal Commission's report there is only one hotel license in the whole State. Then we have three varieties of Australian wine licenses; is not consolidation possible there? Why should eating houses, boarding houses, lodging houses, and billiard saloons be included in this measure for licensing? Such licenses are not necessarily connected with the liquor trade, and why cannot they be removed from this Bill? Again, is every boarding house keeper compelled to have a license? Take the outback places where boarding houses are established; are licenses always obtained in such cases? If the law is allowed to remain in abeyance, that kind of license need not be included in the measure. Another aspect of the Bill which does not appeal to me is the proposal to establish a special branch of the police force for liquor inspection. I can quite see that it is desirable to have one of the leading officers of the force in control of all matters pertaining to the licensing law. But again we have to bear in mind that in this great State, which is calling for development, we should not pass legislation which will foster centralisation and the building up of governmental staffs. I do not know the details of what is done now, but it seems to me that this Bill only calls for a slight rearrangement of the police force, and not for another sub-department. If under all sorts of Bills we create work for special inspectors, it will lead to vastly increased cost of government. In general I protest against any provision which will permit the unnecessary building up of another department within the Police Department. What we want is the utilisation of the police force as at present, when members of the force are moved about from place to place throughout the State in carrying out their multifarious duties.

The PRESIDENT: The hon. member will be able to deal with that aspect fully in Committee.

Hon. H. STEWART: I hope the House will remove the three-fifths majority as to prohibition. I have no doubt all the representatives of the Labour Party here will vote in accordance with that democratic principle.

Hon. F. A. Baglin: Don't worry about us

Hon. H. STEWART: The Labour Conference of 1921 decided to support the bare majority as regards a State wide poll on prohibition. I trust the poll will be taken on the day of the general election, when it will involve less expense. There is no possibility of confusion in connection with the matter, and the taking of the poll on the day of the general election will make it quite clear that the question is entirely outside party politics.

Hon. J. Nicholson: Would you not favour a compulsory vote with a bare majority?

Hon. H. STEWART: On general election day one is sure of a good poll. I shall be in favour of a compulsory poll when Mr. Nicholson can satisfy me that compulsory voting can be brought into operation, and that the people who do not vote can be brought to book. However, those who have the privilege of the vote ought to exercise it. One hesitates to impose what seems an undue measure of compulsion. I realise that this is essentially a Committee Bill. Except as regards the instances I have quoted, I am satisfied that the measure represents an honest attempt to meet the position. In Committee I shall have some amendments to bring forward. Meantime I have pleasure in supporting the second reading.

On motion by Hon. R. G. Ardagh, debate adjourned.

## SELECT COMMITTEE—ELECTRICITY SUPPLY.

### Adoption of Report.

Debate resumed from the 17th October.

Hon. J. NICHOLSON (Metropolitan) [5.40]: I think hon. members will agree with me that the select committee responsible for this report are entitled at least to the thanks and appreciation of the House for their labours, insofar as they provide in this report an instructive and interesting history of electricity supply in Perth. I am prepared to concede that measure of appreciation, but I do not wish to be understood as endorsing all the recommendations of the select committee. On the contrary, having read the report very carefully, I have come to the conclusion that the recommendations cannot be supported. The report has an introduction which, it will be noted, is considerably at variance with the recommendations to be found at the end. Mr. Lynn has dealt with the report from the standpoint of the Fremantle Municipal Council; therefore I shall not trench upon that aspect of the question. My intention is to deal with the report as it affects the Perth City Council. The select commit-

tee have explained very clearly indeed the circumstances relating to the City Council's connection with electricity supply. We all know how it is that the City Council came to be interested in the matter. Originally the right was given to the Perth Gas Company to supply Perth with gas. By a subsequent Act that right was enlarged by giving the power to supply electricity as well. Under the original Act there was a certain right of purchase reserved to the Perth City Council, concerning which we are fully aware because it was brought to our notice in years gone by in connection with the litigation which ensued upon the purchase made by the City Council. Ultimately the City Council became the possessors of the Perth Gas Company's property, for which they had to pay the very large amount of £478,646, or nearly half-a-million sterling.

Hon. A. Lovekin: That includes the gas portion.

Hon. J. NICHOLSON: Yes; as explained on page 1 of the report, that cost included both gas and electricity. The Perth City Council were compelled to invest further moneys in connection with the plant, an amount of, I think, £120,000.

Hon. J. Duffell: That is all set out in the report.

Hon. J. NICHOLSON: The City Council borrowed large sums in order to meet the capital expenditure in connection with the purchase, and the cost of the necessary works of repair and extension.

Hon. A. Lovekin: And they capitalised a lot of the profits.

Hon. J. NICHOLSON: We have to bear in mind that certain rights existed up to this time; statutory rights were created in favour of the city. We are familiar with the negotiations carried out through Merz & McLellan, and the matter ultimately resolved itself into this, that on the recommendation of Merz & McLellan the Government entered into negotiations to construct the power station and plant which the Government now own at East Perth. But prior to the Government entering into those negotiations, and concluding them, they also sought to get the City Council to waive certain of their rights under the Acts referred to and to enter into an agreement undertaking to take the whole of the supply of current which the City Council required, from the Government station. That agreement is embodied in an Act, and under it, as the report has pointed out, the City Council has the right to acquire at a certain price all the current they need within the area in which they are to operate, in the terms of their Acts, at a price not to exceed 75d. That right endures for 50 years from the date of the agreement. The City Council when entering into that agreement recognised that they were giving up the rights which they had to carry on with their private plant. As I have mentioned, those rights were waived. In entering into an agreement like

involving as it did the scrapping of valuable plant, it was only right that the City Council should see that the agreement was binding for a long period of years.

Hon. J. Duffell: That is not disputed.

Hon. J. NICHOLSON: I am merely impressing these facts on members. The City Council could not have embarked on an undertaking such as this without there having been some binding obligation on the part of the Government to supply at a fixed price and for a fixed period. Now we see an attempt on the part of the select committee to suggest that certain alterations and variations should be made, amounting as Mr. Lynn has expressed it, to repudiation.

Hon. J. Duffell: Where do you find that?

Hon. J. NICHOLSON: The recommendations of the select committee are equivalent to repudiation.

Hon. J. Duffell: Profiteering, not repudiation.

Hon. J. NICHOLSON: I submit there has been no evidence of profiteering and I hope to be able to show that that is a wrong conclusion to draw. The reason why the City Council felt it necessary to have a binding agreement was because they were compelled to scrap much of the plant in their possession, which plant they had purchased at a cost of about half a million pounds.

Hon. J. Duffell: All that was provided for, and still they made a profit of £26,000.

Hon. J. NICHOLSON: The City Council did not take over until 1912 and in a short period of that year the profit made from their own plant was £3,389 from gas and £11,528 from electricity. I may leave the gas profits out of the question. In 1913—before the City Council began to draw supplies from the Government—the profit was £15,185; in 1914, the profit was £17,411; in 1915, it was £17,459; and in 1916, it was £13,716. In 1917 the change-over took place. There had not been a change-over previously to that year because of the difficulties created by the war. In the first part of 1917, when portion of the old plant had to be scrapped and new plant installed, the City Council made a profit out of electricity of £8,850. The change-over was not completed until 1921 and the City Council were drawing current partly from their own plant and partly from that of the Government. In 1918 the profit was £19,738; in 1919, it was £17,386; in 1920, £18,093; and in 1921, £24,517.

Hon. J. Duffell: Read question 49 and you will find out the story of that.

Hon. J. NICHOLSON: Question 49 supports what I have said and explains that there was a sum carried over from the previous year, making up £26,000.

Hon. J. Duffell: Forty thousand pounds; read Mr. Scaddan's evidence.

Hon. J. NICHOLSON: I will refer to one paragraph in the report which deals with the agreement and reads:—"No obligation is

created under the agreement by which the corporation is bound to supply any consumer within its own area." Why the select committee thought it necessary to insert a paragraph such as that, is difficult to understand.

Hon. J. Duffell: Read Mr. Rosenstamm's evidence.

Hon. J. NICHOLSON: Mr. Rosenstamm is not the City Council.

Hon. J. Duffell: But he is a consumer.

Hon. J. NICHOLSON: If the committee thought there was no obligation on the part of the City Council to supply consumers under Acts of Parliament under which they were operating, I could understand the position. If the select committee had looked into the agreement carefully, they would have seen that it was not an agreement entered into for the supply of current as between the City Council and its own consumers, but an agreement between the Government and the City Council, whereby the Council undertook to waive certain of their rights under an Act of Parliament referred to and agreed to take all the current they required during a period of 50 years at a certain price. Assuming the City Council are bound to take it at a certain price—the price was fixed not to exceed .75d.—

Hon. J. Ewing: It costs more than that to produce.

Hon. J. NICHOLSON: That matters not. The Government entered into the arrangement with their eyes open. Assuming any of the obligation on the part of the council had not been fulfilled, the Government would not have hesitated to enforce the conditions of the agreement.

Hon. R. J. Lynn: If the City Council had not entered into the agreement, the power house at East Perth would have been doomed.

Hon. J. NICHOLSON: That is the point. I thank the hon. member for reminding me of it. Mr. Taylor, the General Manager, admitted that without such an agreement with the City Council and with Fremantle, it would have been impossible to carry on.

Hon. A. Lovekin: Point out where he says that.

Hon. J. NICHOLSON: That was a generally understood thing, even if it is not in the evidence. I have some recollection of reading it.

Hon. J. Duffell: Have you read the evidence?

Hon. J. NICHOLSON: I have.

Hon. A. Lovekin: You will not find that in the evidence.

Hon. J. NICHOLSON: It is an acknowledged fact that if the Government had not got the City Council to take this electricity, they could not have carried on their work.

Hon. A. Lovekin: Who acknowledges that?

Hon. J. NICHOLSON: I make the assertion, and will be responsible for it. Such a paragraph in a report like this is calculated to be distinctly misleading to those who read it. It is quite true, but there was no need



for the committee to draw attention to a fact which did not apply to the agreement.

Hon. A. Lovekin: There was good reason for it.

Hon. J. NICHOLSON: I cannot see the reason. It suggests that the committee must have been actuated by a desire to show that the City Council were, as Mr. Duffell interjected, profiteering. They were not profiteering, because, although there is nothing in the agreement in regard to supply between the corporation and any consumer, still the corporation, having taken over the rights and obligations of the gas company, are bound by the provisions of various Acts to supply consumers in conformity with those Acts. They have done that.

Hon. J. Ewing: How do you interpret Clause 10 of the agreement?

Hon. J. NICHOLSON: That clause was decided upon between the various local authorities and the City Council. A variation was made by a subsequent Act, which was the result of a conference between the City Council and the local authorities.

Hon. A. Lovekin: That is not quite correct.

Hon. J. NICHOLSON: That is the position. That was embodied in an Act.

Hon. A. Lovekin: The Act confirming the agreement.

Hon. J. NICHOLSON: If any of the local authorities had wished to object to any clause in the agreement, they could have done so. It is scarcely the time now, after the Act has been in operation, and after the City Council have scrapped expensive plant, and at great cost introduced this new system, it is hardly fair to come forward with recommendations such as are here proposed, with various restrictions and variations of the agreement.

Hon. F. A. Baglin: What would have happened to the City Council if the Government had been a competitor?

Hon. J. NICHOLSON: The Government could not possibly have been a competitor, because the City Council acquired the rights of the gas company.

Hon. G. W. Miles: Only for the metropolitan area.

Hon. F. A. Baglin: The Government could generate current for their own use.

Hon. J. NICHOLSON: It would not have mattered much. It would have been for the City Council and the Government to thrash out what the various rights were. We are not concerned with that. We are concerned with the committee's report, and as to whether it is supported by the evidence taken by the committee. I say their recommendations are not so supported.

Hon. J. Ewing: We want to give the consumer cheap power.

Hon. J. NICHOLSON: One would think the City Council had been exploiting the consumers. The City Council have not been making the profits alleged. If the profits have not been made, then clearly the City Council should receive consideration from members of

the House before those members adopt the committee's report. In paragraph 18 the committee deal with the operation and working of the system. They say—

Imbued with a laudable desire to extinguish as much as possible of its over-capitalisation within the shortest period of time, the corporation, unfortunately, appears to have overreached itself. Having a very advantageous agreement with the Government, which secured an unlimited supply of electric energy below the cost of generation—a loss which falls upon the general taxpayer of the State—

We have to bear in mind that the City Council suffered a loss by scrapping their plant.

Hon. A. Lovekin: By scrapping scrapped plant!

Hon. J. M. Macfarlane: The Minister admitted that they made a profit out of the contract with the City Council.

Hon. J. NICHOLSON: Yes, that is an important fact. The committee's statement is very ungenerous towards the council, who have sought to carry out their duties under a very serious handicap. The City Council have been maligned and misused in many places. They have devoted their time without fee or reward, and in place of appreciation they seem to get abuse and kicks.

Hon. A. Lovekin: Where is that in the report?

Hon. J. NICHOLSON: I am mentioning that incidentally. The report suggests that the council are apparently overreaching themselves—as though they were a designing body wishing to grasp at every possible opportunity for making money, even to the detriment of the general taxpayer and the general body of citizens.

Hon. A. Baglin: They have exploited the consumer in the past. There is plenty of evidence of that.

Hon. J. NICHOLSON: I think I shall be able to show that there has been no exploitation. Seeing the very serious handicap under which they have suffered, and the drawbacks with which they have been faced in connection with other operations in which they were concerned, notably the trams, I think the City Council are entitled to much more consideration than they get. In this report the committee go on to say—

—the Corporation adopted a policy which, in the opinion of your committee, has had the effect of exploiting not only its own consumers, but which has also taken full advantage of the needs of neighbouring public bodies within the ambit of its area of supply.

I do not think that statement is supported by the evidence before the committee. The report continues—

The extent to which this exploitation has been pushed may be readily realised from the fact that after charging up every possible item of legitimate cost, a profit of over £40,000 was made during the last municipal year on an outlay of £29,402 paid to the Government for current. This

profit, although contributed by a portion of the ratepayers only, namely, the consumers of electricity, went to the benefit of the corporation and ratepayers generally.

In paragraph 21 the committee say—

Some difference of opinion exists as to the true profit which the corporation made on its outlay to the Government of £29,402 for current.

Only three paragraphs afterwards, the committee begin to doubt whether their straight-out allegation in paragraph 18 was true. There they say the council made a profit of £40,000; in paragraph 21 they say some difference of opinion exists. The report continues—

Mr. Scaddan computes the profit (Question 49) at £40,000. Mr. Crocker (Question 1406) puts it at £26,000.

I have heard Mr. Scaddan called many things, but this is the first time I have heard him described as an actuary or auditor, one competent to certify these accounts. An actuary or auditor is a man possessing very special qualifications. I would not have thought to go to Mr. Scaddan for a certificate as to the accuracy of profits made on the balance of **any company**.

Hon. F. A. Baglin: He is the Minister in charge.

Hon. J. NICHOLSON: This is the newest idea I have ever come across, that Mr. Scaddan's name should be used as that of an authority in a matter of this kind. There is not a single atom of evidence to verify these figures.

Hon. J. Duffell: Yes, Mr. Taylor's evidence.

Hon. J. NICHOLSON: I do not care for Mr. Taylor or anybody else. I say that Mr. Taylor is not competent to give any idea of what the true profits are. I am going to show, later on, that the authority which is quoted here is also wrong.

Hon. F. A. Baglin: Who can be right?

Hon. J. NICHOLSON: If the committee had been desirous of going into this matter as they should have done, in order to guide members of this Chamber, they ought to have called competent evidence to examine into the accuracy of the accounts.

Hon. J. Duffell: They called sufficient evidence to secure a reduction in the price of electricity.

Hon. H. Stewart: Will the hon. member read the next sentence of the report, and explain it?

Hon. J. NICHOLSON: The next sentence reads—

The difference between the two estimates depends upon whether both depreciation and sinking fund are legitimate charges against earnings.

That is one of the questions which could be settled by a competent authority, or a series of competent authorities. There are in the city plenty of men competent to go into those

accounts. Yet not a single actuary or auditor was called.

Hon. A. Lovekin: Your accountant happened to be away when this was going on.

Hon. J. NICHOLSON: But you got the acting accountant, who gave some very complete evidence.

*Sitting suspended from 6.15 to 7.30 p.m.*

Hon. J. NICHOLSON: I have a great regard for Mr. Scaddan in many ways, but in this particular field I say he is not the most competent person to express an opinion upon a matter of this nature. What was required was the expert opinion of men used to this class of work, for a decision as to whether the matters referred to in this paragraph should be taken into account in arriving at the profits. The reports states—

The difference between the two systems depends upon whether both depreciation and sinking fund are legitimate charges against the earnings.

Various views might be advanced upon this matter. Authority could be obtained from many sources as to what extent depreciation and sinking fund should be deducted in arriving at a true estimate of the profits. It will be admitted by the most exacting members of the select committee that, in any investment of this nature, whoever is responsible should gauge the profits on safe and conservative lines. It is not for either Mr. Scaddan or others who are not competent to judge to venture an opinion, nor is it fair for the committee to rely upon an estimate such as that expressed by Mr. Scaddan. I do not think he intended that this should be regarded in any way as a reliable estimate, and it would be extraordinary that the committee should accept it in that way. But strange to say this report is based upon that estimate. Without getting any evidence from experts the committee accepted this figure, and made its recommendations accordingly. I would call the attention of the House to the witnesses who were examined. They were Mr. Angwin, Mr. W. E. Bold, Mr. L. R. Butt, Mr. R. A. Carseg.

Hon. J. Duffell: Mr. Butt is chairman of the City Council Electric Light Committee.

Hon. J. J. Holmes: Was not Mr. Crocker there?

Hon. J. NICHOLSON: He is not an expert on accounts. The only man who could be deemed to be an authority of that kind would be the accountant who appeared before the committee.

Hon. J. Duffell: What about the Town Clerk of Sphibaco?

Hon. J. NICHOLSON: I would not accept him as an expert.

Hon. A. Lovekin: What about Mr. Taylor?

Hon. J. NICHOLSON: He is not an authority on accounts, but an electrical engineer. Neither he nor Mr. Crocker would put his opinion against that of the corporation's accountant or that of the auditor. Mr. S. Fletcher, Mr. W. R. Groom, Mr. M. F. Haynes,

and Mr. J. M. Hill were amongst the witnesses, but could not be called experts. Mr. A. W. Hood, acting chief accountant of the Perth City Council, also gave evidence.

Hon. J. Duffell: What is there against him?

Hon. J. NICHOLSON: Nothing. He is the only witness who could be regarded as an authority, but very little evidence was taken on this important question.

Hon. J. Duffell: The town clerks of Cottesloe, Subiaco, South Perth and other municipalities gave evidence.

Hon. J. NICHOLSON: I will say that Mr. Hood gave a great deal of information. Then there were Mr. J. J. Kenny, Sir Wm. Lathlain, Mr. C. Luth, Mr. W. McEwan, Mr. A. Mitchell, Mr. G. E. Payne, Mr. B. Rosentamm, Mr. H. W. Row, Mr. W. F. Sayer, Mr. Scaddan and Mr. W. H. Taylor.

Hon. J. Duffell: What more do you want?

Hon. J. NICHOLSON: Twenty-one witnesses in all gave evidence. Not one of these could be classed as an independent expert on a question so important as that of depreciation and sinking fund.

Hon. J. Ewing: It is a big question.

Hon. J. NICHOLSON: One of the most important recommendations of this committee is based upon this paragraph. One of these is that there should be a reduction in the price of current.

Hon. A. Lovekin: Do you not think there should have been a reduction on the figures?

Hon. J. NICHOLSON: The report in the first place makes a positive assertion that there has been a certain profit, but the statement is qualified later on by the remarks that a difference of opinion exists. That being so, one would have thought the first duty of the committee would have been to obtain undoubted evidence to establish the point as to whether the council were entitled in connection with the accounts to deduct depreciation and sinking fund. On a matter of such importance expert testimony should have been given, but no one was invited to give it. We are asked to adopt this report as though we had all the evidence before us. It would be wrong to do that when there is no evidence to sustain the report. If we adopted the recommendations the result would be a distinct variation of the solemn contract that was entered into by both parties after full discussion and consideration.

Hon. A. Lovekin: Is there any contract about the selling price?

Hon. J. NICHOLSON: There is something about the selling price in certain of the Acts of Parliament under which the operations are conducted. The Government had these before them at the time. In the 1913 Act provision is made for Government institutions being supplied at a certain rate, and for a certain charge being made for the first year.

Hon. A. Lovekin: What about the private consumer?

Hon. J. NICHOLSON: The private consumer is in no way exploited. This institution is controlled by the ratepayers. It is made up of representatives of the ratepayers, and they have a voice in connection with the

management of the concern. The Government are fully able to protect both consumers and themselves. On a contract has been entered into it would be highly injudicious on our part to support recommendations which would mean a deliberate variation of it. Before the committee was appointed, the Perth Municipal Gas and Electricity Department had publicly announced to the consumers that the reduction would be made in price commencing as from last month. That reduction has been made.

Hon. J. Duffell: Hear, hear! Quite true.

Hon. J. NICHOLSON: Not one word is said on that point, nor is it brought before the eyes of this House in the prominent way in which other matters are, which may be regarded in a sense as condemnatory of the City Council.

Hon. A. Lovekin: It was not published when the committee met.

Hon. J. NICHOLSON: I am informed that it was so published.

Hon. A. Lovekin: I got my notice yesterday.

Hon. J. NICHOLSON: I am informed that it was published as I have indicated.

Hon. J. Macfarlane: Not exactly in that form, but somewhat similarly.

Hon. J. NICHOLSON: All I can say is that I was informed that the announcement was made that the reduction would commence in October.

Hon. A. Lovekin: If you read the evidence given by Mr. Crocker, you will see that it was not made.

Hon. J. Duffell: The Mayor told us the reduction was to be made.

Hon. J. NICHOLSON: The fact remains that the following reductions took effect as from the 18th October:—

For lighting purposes, the first 500 units per month, 5d. per unit; for the next 500 units, 4d. per unit; for all over 1,000 units, 2½d. per unit. For industrial power, the first 200 units per month, 2½d. per unit; all over 200 units per month, 1½d. per unit. If the total exceeds 2,500 units per month, all over 200 units, 1¼d. per unit; if the total exceeds 10,000 units per month, all over 200, 1¼d. per unit; if the total exceeds 20,000 units per month all over 200, 1d. per unit.

Then there is reference to domestic power and so forth. The rates in that connection are:—

Private residences and purely residential flats only; not hotels, boarding houses, or residences partly used for business—Consumption if under 20 units per month, 4d. per unit; consumption of 20 units or over per month, all at 1¼d. per unit.

Combined domestic lighting and power—For domestic purposes only, does not include flats, boarding houses, hotels or residences used partly for business. First 2½ units per quarter (or ¾ units per month) per 100 square feet of basic area charged at lighting rate, all balance at lower domestic power rate.

There is a fee charged for inspection and so forth, and there is reference to the minimum charge, which I think was half-a-crown, applying as formerly. If we were to adopt the recommendation for a reduction to 1d. per unit—

Hon. J. Duffell: You have already done that.

Hon. J. NICHOLSON: But I refer to a reduction all round. The result, basing it on last year's profits, would be as shown in the report under the old rate in 1921, 5,220,536 units which returned £101,000 6s. 2d. That was for lighting. Then for power and heating, 3,375,107 units were sold which under the old rate returned £27,537 18s. 7d.

Hon. A. Lovekin: Where are you reading from?

Hon. J. NICHOLSON: From the report. The total amount received at the end of the year was, on a basis of 8,595,643 units, £128,538. Under the new rate, taking the same figures for units supplied, the total revenue would only amount to £106,656, thereby effecting a reduction of £21,882.

Hon. A. Lovekin: You must remember you are buying 12,000,000 units this year.

Hon. J. NICHOLSON: I am not forgetting that, and I hope we will go on buying still more, because the more we buy the greater will be the improvement so far as the Government power station is concerned.

Hon. A. Lovekin: But you do not lose the volume of profit?

Hon. J. NICHOLSON: The position will be greatly improved, because the more we buy, so much the better will it be for everyone concerned. This is an indication or the earnest desire on the part of the City Council to supply current at the lowest possible rate. If one examines the matter a little further and looks into the proposed reduction to 1d. for power and heating, the position will be still further accentuated.

Hon. G. W. Miles: The consumption will be more at the lower rate.

Hon. J. NICHOLSON: That is quite so, but I am taking the same figures for the purposes of illustration. At the lower rate of 1d. for power and heating the position would be that the council would receive only £100,541 for what they received previously £128,538 4s. 9d., thereby reducing the amount still further to £27,997. The profit for 1921 was claimed by the department to be £24,517.

Hon. A. Lovekin: Crocker said £26,000.

Hon. J. NICHOLSON: We have to bear in mind that the actual profit was £24,517. A certain sum of money was carried forward from the previous year. Mr. Lovekin will see that is so if he goes into the matter. On page 53 Mr. Crocker's evidence bears on the point.

Hon. A. Lovekin: How much was spent on new machines and the change over out of profits?

Hon. J. NICHOLSON: I cannot give the hon. member that information from memory.

Hon. A. Lovekin: It was £19,000.

Hon. J. NICHOLSON: Question 1372 in the evidence taken before the select committee shows that the chairman asked the following question:—

Regarding the figures on page 48 of the mayoral report, I suggest that the profit of £6,337 ls. 8d. is not the true profit. Do you say it is?

The reply was:—

I say it is, after making the usual deductions.

That £6,337 is made up as follows. In the report placed before the committee it was pointed out that the gas side of the business showed a net loss of £2,578 4s. 10d., while the electricity side showed a net profit of £24,517 6s. 4d. Adding the sum of £4,398 0s. 2d. carried forward from 1920 the total profit shown is £26,337 ls. 8d., which includes £20,000 transferred to the plant and conversion account, leaving £6,337 ls. 8d. which has been used in the undertaking.

Hon. A. Lovekin: What do you call the £20,000?

Hon. J. NICHOLSON: That is referred to in the report. In connection with the Electricity Department for the year ended 30th October, 1921, it is shown how that amount is made up and it also explains that the sum of £20,000 was in the appropriation account and was retained for the plant and conversion account.

Hon. A. Lovekin: That is profit.

Hon. J. NICHOLSON: That is part of the profit, but the amount carried forward from the previous year makes it up to £26,337 ls. 8d. I am taking the net profit for the year 1921, which was £24,517 6s. 4d. We have to bear in mind that these two departments—the Gas Department and the Electricity Department—are carried on together as a joint concern. There was a loss for that year in the Gas Department of £2,578 4s. 10d.

Hon. A. Lovekin: The electricity side paid for that.

Hon. J. NICHOLSON: One helped to carry the other. If one were running a joint undertaking, he could not separate one department from the other and take the profits from one and not have regard to the loss from the other.

Hon. A. Lovekin: Will you read question 1406?

Hon. J. NICHOLSON: Question 1406 says:—

Do you suggest that your profit is £6,000?

The answer was:

No, I suggest that our profit is £26,000 and that the whole of that money is re-invested in the undertaking. It was the only money we had last year to put into it.

I have not denied that that was the profit.

Hon. A. Lovekin: You just said so.

Hon. J. NICHOLSON: Not at all. I said that the total, bearing in mind the amount carried forward from 1920, was £26,337 ls.

8d. The net profit in 1921 was £24,517 6s. 4d. from the Electricity Department.

Hon. J. Duffell: It is only a slight error on the side of caution.

Hon. J. NICHOLSON: I do not say that there is any error. It is a plain statement.

Hon. J. Duffell: On such an outlay?

Hon. J. NICHOLSON: The hon. member's attitude shows how he came to join in the report! I hope he will realise that he has formed his conclusions on wrong premises.

Hon. A. Lovekin: Look at question 1424 as well.

Hon. J. NICHOLSON: Question 1424 says—

I am trying to get at the real profits, and to show how much profit you have been applying to capital?

The answer to that was—

Last year it was £26,000.

I am not denying that such is the case.

Hon. A. Lovekin: You said it was £24,000 and that we were wrong.

Hon. J. NICHOLSON: Mr. Crocker has taken into account the amount carried forward from the previous year, and if the hon. member would only examine the account he would see that that is quite correct. The position is that if we adopted the recommendation made for a reduction to 1d. per unit for power and heating, taking the figures as I have stated them and working on that basis, the result would be a loss of something like £3,500 to the council. It would mean an absolute loss.

Hon. A. Lovekin: Not at all.

Hon. J. NICHOLSON: The loss has been made on the gas account, and the loss would be made on the electricity account if the recommendation of the select committee were adopted. That loss would be approximately £2,500.

Hon. A. Lovekin: All nonsense!

Hon. J. Duffell: Of course.

The PRESIDENT: The hon. member is in order in expressing his views.

Hon. J. Duffell: But he is not correct.

The PRESIDENT: Hon. members will have an opportunity to refute the statements in the reply. We will be all night here if we go on arguing every question.

Hon. J. Duffell: It is interesting, at any rate.

Hon. J. NICHOLSON: The select committee have put forward a certain statement, doubtless in all good faith, but in a way calculated to be misleading unless members look into this question for themselves. Paragraph 21 of the report states—

Mr. Crocker in his answer supplied to your committee (answer to question 10) says: "The statement has been made that depreciation and sinking fund should not both be charged up. That is wrong and the method is well established and is, I believe, followed by the State Government. Depreciation is charged against gradual deterioration and obsolescence of equip-

ment, and is rightly a working expense in the profit and loss account."

Hon. A. Lovekin: He was posing as an accountant then.

Hon. J. NICHOLSON: He could only answer the questions to the best of his ability, aided by the advice given to him. Not a word on this subject was said to the accountant. He would have been the proper man to give an expert opinion. Paragraph 22 states—

This question has been considered with much care by professional auditors.

The committee actually recognised what I said earlier, that professional auditors were the men to give expert opinion on this important question.

In the recognised text-book, "A Practical Manual for Auditors," by L. R. Dicksee, formerly professor of accountancy at the University of Birmingham and now lecturer at the London School of Economics, it is stated at page 148: "In this (reserve fund) connection it is of interest to note that the Institute of Municipal Treasurers and Accountants, in consultation with the Municipal Electric Association, has passed the following resolution: 'That in the opinion of the association, electricity supply undertakings have to be maintained in a thorough state of efficiency out of revenue; no depreciation or further writing off of capital is necessary when the period allowed for the payment of loans is not greater than 30 years, as the equated life of the works exceeds this period.'"

Professor Dicksee is a recognised authority in these matters and one would have thought that was an authoritative statement by him. As a matter of fact it is merely the embodiment of some resolution which was passed by the Municipal Electric Association. What Mr. Dicksee said is to be found in the 12th edition of his book on "Auditing"—

With regard to the first point it has been aptly pointed out by the late Mr. Edwin Guthrie, F.C.A., that no statute is necessary to supplement the common law provision that accounts (of whatever kind) should be true accounts. If, therefore, provision for depreciation be necessary to enable the accounts to show the correct position of affairs, it becomes equally necessary from a legal point of view.

That bears out what Mr. Crocker said.

It may, however, further be pointed out in the first place that the statute law does require the capital assets of these undertakings to be "maintained" out of revenue.

That is the statute law in England. There are certain provisions which require these undertakings to be maintained out of revenue.

And, further, that no profits are legally available to be applied towards the relief of rates until after such maintenance and sinking fund have been provided for.

They were quite right in saying that the thing to be done before taking any profits

and applying them towards relief in the way of rates was to write off so much for depreciation and sinking fund.

Hon. A. Lovekin: It does not say that. It says maintenance and so on.

Hon. J. NICHOLSON: Professor Dicksee continues—

With regard to the second point as to whether provision for depreciation and provision for sinking fund are interchangeable terms, it must of course be clear to those who duly appreciate the object of each that the two are by no means identical. It might of course be argued that, so long as the assets are really maintained intact out of revenue, there is no urgent need to provide for the eventual repayment of loans. From the accounting point of view no such need, of course, exists; but from the legal point of view it is necessary, if for no better reason than because it has been decreed that permanent indebtedness is not to be allowed. That, however, is clearly not the way in which the subject was approached by the legislature. The legislature (there can be but little doubt) altogether overlooked the question of depreciation, as such, deeming the statutory requirement that the assets should be "maintained" out of revenue sufficient; but, for all that, it required the loans to be redeemed eventually, and—perhaps appreciating that "maintenance" (taking a narrow view of the term) would not involve any provision for obsolescence—it seems to have attempted, although quite roughly and often quite unsuccessfully, to limit the term of each loan approximately to the life of the assets about to be acquired. It is well to bear in mind, however, that although this rule has invariably been acted upon with regard to the more stable enterprises, the essentially speculative element in connection with all electrical work has been quite overlooked, with the result that many loans have been sanctioned for electrical purposes, for periods far exceeding any reasonable estimate of the life of the assets. This fact has been admitted by the more enlightened local authorities, for all such duly appreciate the necessity for an adequate provision for depreciation; but some (as, for example, Bolton) have claimed that, if due provision be made for depreciation, it is unnecessary for provision to be made for sinking fund as well. The policy of the Local Government Board—if, indeed, its somewhat conflicting regulations can be said to be governed by any policy whatsoever—would appear to be limited to an attempt to prevent money being borrowed for renewal purposes until the repayment of the original loan has been provided for out of revenue. In practice, however, this system will be found to result in extremely unequal charges to revenue, unless some serious attempt be made to equalise those charges by the provision of a reserve for renewals, or other form of depreciation

fund. Theoretically, loans are sanctioned for a term corresponding to the average life of the assets to be acquired therewith. Apart from the fact that the average life cannot be computed in advance with more than approximate accuracy, it is clear that, being an average figure, it does not correspond with the life of each separate item, with the result that a considerable number of assets will in all cases call for renewal before the repayment of the original loan has been provided for by the statutory sinking fund instalments. Whatever deficiency there may be under this heading at the date of renewal must then be provided for out of current revenue, unless some provision has been made in advance against the revenue of previous years. Thus, in practice, in all cases substantial payments for renewal purposes will have to be charged against revenue; and that being so, the charge ought in all fairness to be equalised as far as possible over a series of years.

Hon. J. Duffell: Are you going to read all that is in the book?

Hon. J. NICHOLSON: We have been referred to this book and it is essential that I quote from it. I do not want to weary members, but if they are satisfied—

Hon. J. Duffell: We are, quite.

Hon. J. NICHOLSON: If they are satisfied that what has been quoted in the select committee's report is not such a reliable quotation as is necessary for us to act upon, I shall be content to leave it.

The PRESIDENT: I think you have supported your statement by what you have quoted.

Hon. J. NICHOLSON: Very well. The point is that Professor Dicksee, merely by the way as it were, referred to the fact that this particular association passed a certain resolution. As a matter of fact, that resolution was afterwards qualified.

Hon. A. Lovekin: You are not distinguishing between share capital and borrowed money as he did.

Hon. J. NICHOLSON: The point is that the quotation in the select committee's report does not embody the views of Professor Dicksee. In paragraph 23 the select committee state—

In the Perth corporation's accounts the large sum of £17,366 was appropriated for maintenance, which included the cost of 20 miles of new mains and other capital charges, besides the sum of £15,234 for depreciation, £10,288 for sinking fund, and £18,076 for interest. In the light of these figures your committee is of opinion that the true profits were rather in excess of than under £40,000.

That is all based upon this very disputable question as to whether depreciation and sinking fund are legitimate charges or not. The select committee have certainly not shown that they are other than legitimate charges. I would refer members to the evidence of Mr. Hood, Acting Chief Accountant of the Perth

Electricity and Gas Department, appearing on page 46, and the evidence of Mr. Crocker on page 53. I do not intend to weary members by reading that evidence. Another matter to which I wish to refer is contained in paragraph 39 of the report, in which the committee have quoted certain matters from the Hydro Electric Power Commission of Canada. The paragraph reads—

Your committee had before it the report of the Hydro Electric Power Commission of Canada. This commission exists under an Act of the province of Ontario passed in 1907. The Act created a partnership of 12 municipalities, each having the right to be supplied with power at "actual cost." Appended to the report is a statement showing how the accounts are made up. This confirms the view that the cost must be proportioned to each municipality thus—(a) Cost of generating; (b) Interest on capital proportioned to the municipality; (c) Cost of operating proportioned to the municipality; (d) Contingencies proportioned to each municipality.

I have a copy of that report and it contains two heads which have been omitted from the report furnished to us. In addition to the four heads quoted by the select committee, there should have been included "set aside to meet contingencies and to provide a renewal for this share of plant." In that case they set aside the sum of 19,068.57 dollars.

Hon. A. Lovekin: Who set that aside?

Hon. J. NICHOLSON: The Hydro Electric Power Commission. In addition to that they have set aside there a deposit to sinking fund to liquidate this share of capital, 13,405 dollars. So when one takes into account those various matters and looks at the report from a reasonable standpoint, bearing in mind the fact that before the select committee were even appointed the City Council had endeavoured to meet consumers in a reasonable way, even at a very big cost to themselves, one must admit it cannot be contended that the recommendations for reduction can be sustained. One of the recommendations is that it shall be made obligatory on the part of any electricity supply undertakers to supply such quantities of current as may be required by any consumer, subject to similar notices and guarantees as are prescribed by the Imperial Act No. 19 of 1899. Some reference is made in paragraph 45, and also in subsequent paragraphs, to the provisions of the British Acts. I was interested to note, when Mr. Lovekin recently introduced to this House a motion in connection with the Standing Orders, that he furnished a very apt illustration of the inapplicability of such a provision as this to our case here. Mr. Lovekin on that occasion said that the conditions in the Old Country were very different indeed from conditions here. With equal force may I say that the conditions which he is seeking to apply as regards the supply of electric current will be found to operate very differently here from the manner in which they operate in the Old Country.

Hon. J. Duffell: That is a reference to the limitation of profits.

Hon. J. NICHOLSON: Let me remind the hon. member that the British Acts were brought in to meet circumstances which do not exist here. In the Old Country these statutes were enacted to meet the difficulty confronting the people as the result of the existence of numerous private companies. Such a state of affairs does not obtain here. The positions are not similar, and therefore the same legislation cannot apply.

Hon. A. Lovekin: Are you suggesting that you should have a monopoly of current without being compelled to supply?

Hon. J. NICHOLSON: I do not suggest that we should have any monopoly of current. Probably the Government have a bigger monopoly in that respect. Indeed, there is no monopoly of current in the sense that a private company might have, a private company possibly endeavouring to make the last penny of profit. Here, on the other hand, the City Council are endeavouring to meet the wants of consumers of electricity, and are trying to reduce charges wherever possible. The next suggestion is that prices should be limited so that for domestic and industrial power they shall not exceed 1d. per unit, and for lighting purposes 5d. per unit. The question of supply is one which must be regulated by circumstances. Would it be fair to ask for a wholesale reduction like this, a reduction to 1d. per unit for domestic and industrial supply, without having some graduated scale? Could any company supply at the same rate to people taking quantities which are not uniform? If, for example, I am a consumer to the extent of 200 units per month, could I expect the corporation to supply me at the same rate as another consumer to the extent of 200,000 units per month? It is impossible to supply the small quantity on the same basis as the large one. That runs through every avenue of business in the world. The hon. member knows that if he wants to buy a small quantity of an article he cannot get it at the same price as a large quantity.

Hon. A. Lovekin: There is always a minimum.

Hon. J. NICHOLSON: But this minimum would be the maximum, and would be too low.

Hon. A. Lovekin: Why do not you supply the hospitals with double the quantity at the same price as—

THE PRESIDENT: The hon. member will exhaust Mr. Nicholson with his continual interruptions.

Hon. A. Lovekin: I apologise, Sir.

Hon. J. NICHOLSON: The hon. member has referred to the hospitals. As a matter of fact, the hospitals were supplied with lighting at a rate very much below the ordinary rates; and the council offered to supply them for heating at a reduced rate also. But the council could not supply the hospitals with both lighting and heating at

rates which would mean a loss. They endeavoured to meet the hospitals, and are always ready to meet such institutions in the same way. But a fair thing is a fair thing, and I venture to say that the hon. member, if he were director or manager of an electricity supply company, would realise the difficulty under which the Perth City Council are labouring at the present time, and would realise that what he suggests cannot be done. If the hospitals had been charged 5d. or 6d. per unit for lighting, it would have been quite simple to arrange the matter. But they were, in fact, charged only 1½d. for lighting.

The PRESIDENT: I think the hon. member has made that quite clear.

Hon. J. NICHOLSON: Another recommendation is that due performance of duties should be enforced on electricity supply undertakings, particularly in connection with non-discrimination as between consumers. In the manner contemplated by Section 29 of the Act of 1892. So far as I know, the City Council have never at any time sought to discriminate as suggested. Moreover, the Act provides a remedy which can be enforced by anyone who chooses to enforce it. Then we have the recommendation—

That the Electric Lighting Act (W.A.), No. 33 of 1892, be amended by incorporation of the terms of Section 32 of the Imperial Act, No. 19 of 1899, as amended by Section 10 of the Imperial Act, No. 34 of 1909, relating to the review, if necessary, every five years of prices fixed by agreements between electric supply undertakers and other persons.

What does that amount to but a direct variation of what the agreement is between the parties? Why should such a clause as that be imported?

Hon. J. Duffell: Owing to changing conditions.

Hon. J. NICHOLSON: If that is going to be the spirit displayed by the members of this Parliament, who are supposed to be a body of sensible men—

Hon. A. Lovekin: You took advantage of those people.

Hon. J. NICHOLSON: I must object to a statement like that.

The PRESIDENT: I did not hear the statement.

Hon. J. NICHOLSON: The hon. member said that the corporation took advantage of those people. I must resent that statement. I know that the corporation took advantage of no one. They are trying to carry out their part of the agreement, and will continue to do so. As a matter of fact, the agreement was entered into after full consultation and consideration, not only by the parties concerned, but as the result of the agreement passing through this House and another place.

Hon. J. Ewing: It is the worst agreement ever made.

Hon. J. NICHOLSON: We have nothing to do with that. If we openly violate that agreement by altering it as suggested here, our action will be tantamount to repudiation, and we shall deserve all the blame that can be heaped upon us. I do sincerely hope that the House will not seek to force repudiation in the way that is suggested here.

Hon. J. Duffell: Did you read Mr. Scaddan's evidence?

Hon. J. NICHOLSON: Yes.

Hon. J. Duffell: That is the evidence you want to read. He helped to make the agreement.

Hon. J. NICHOLSON: Next we have a recommendation—

That statutory interpretation be given to paragraphs (b) to (h) of Section 10 of Act (W.A.), No. 34 of 1913, so as to make more clear the intention of Parliament and the parties to the agreement of 16th October, 1913.

As a matter of fact, the Act provides for arbitration if there is any question arising between the parties.

Hon. A. Lovekin: Where is that?

Hon. J. NICHOLSON: It is in one of the sections which I read.

Hon. J. Ewing: It is in the agreement, not in the Act.

Hon. J. Duffell: Did you notice that recommendation about the lamps?

Hon. J. NICHOLSON: There is nothing about lamps in the recommendations.

Hon. A. Lovekin: The arbitration provided for is between the city of Perth and the suburban municipalities.

Hon. J. NICHOLSON: If I remember aright, arbitration is provided for.

The Minister for Education: Subsection 3 of Section 10 provides for arbitration.

Hon. J. NICHOLSON: Apart from that, resort can always be had to the courts for the interpretation of any agreement; and I presume that the City Council will not object to a special case being put before the court to settle any vexed question. I think it will be admitted that the City Council have always been found amenable to any reasonable suggestion. If there is dispute in a matter of this sort, the opinion of the court can be obtained. It is not a matter for statute, but for the court, to interpret these Acts and agreements. It would be an extraordinary method of interpreting a statute to pass another statute to say what the first means. Parliament would be the last place in which to interpret a statute. This is the first time I have ever heard such a thing suggested. Apart from that aspect, I feel sure the matter is one which could be arranged by discussion with the City Council. If they desire this question to come before the courts as a special case—

Hon. J. M. Macfarlane: The City Council do not desire that. It is only a suggestion by the chairman of the select committee.

Hon. J. NICHOLSON: Then there is the further recommendation that the Gov-



ernment should consider the advisableness of appointing electricity commissioners with duties and powers similar to those given to such commissioners in England under the Imperial Act No. 100 of 1919.

Hon. J. Duffell: Is not that a good suggestion?

Hon. J. NICHOLSON: I do not think it would apply here because such commissioners would not be of any service.

Hon. A. Lovekin: The Government would have to pay for them.

Hon. J. NICHOLSON: The conditions appertaining here are entirely different from the conditions appertaining in the Old Country. It would mean creating a new department. Who would pay for that? Then instead of getting cheap electricity, it would be costly.

Hon. A. Lovekin: You would do away with one department.

Hon. J. NICHOLSON: It would probably result in the establishment of a new department at an increased cost.

Hon. A. Lovekin: There would be one department instead of two.

Hon. J. NICHOLSON: I have endeavoured to express my views in regard to this matter and I regret, whilst appreciating the trouble the select committee went to, that I am not able to see my way to support the recommendations that have been made.

Hon. G. POTTER (West) [8.33]: Together with speakers who have preceded me, I am impelled to criticise the nature of this report and the manner in which it has been presented. Undoubtedly it is a model of painstaking effort, and, glancing at the signatories to the report—one must also realise and appreciate that through charges that have been made in reports which have been presented from time to time, and have been shelved and forgotten—the gentlemen whose names appear at the foot of this report will not permit it to be forgotten. The House has treated the report seriously, apart altogether from its far-reaching ramifications. That being so, one might anticipate speedy legislation incorporating the findings contained in the report. It has been said that the agreements between the various bodies and the Government have suddenly been found to be unsatisfactory. At the time they were made they were certainly satisfactory to the Government, or the Government would not have entered into them. They were satisfactory to the various bodies which were parties to the agreements, or again, the agreements would not have been made. Take, for instance, the circumstances under which the Fremantle Tramway Board became a second party to the agreement so far as it applies to the Fremantle district. At that time the Tramway Board were generating their own current and it was after great persuasion had been used that the people of Fremantle consented to adopt the agreement. The Tramway Board saw one thing, if they saw anything at all, and it was that in the event of

the board not entering into the agreement suggested by the Government, they would find the Government a wholesome competitor against them. There would then have been the spectacle of the Government competing with that Fremantle body. I say that, because in Fremantle the Government offices and institutions are large consumers. They were at that time large consumers and they still are consumers on a big scale of current supplied by the Tramway Board, and it would have been more serious then than it is now if the agreement had not been entered into, on account of the various industries which were springing into existence around Fremantle, and all of which were consumers of current on a fairly large scale. There is no doubt that the Government were most anxious to obtain the custom of the Fremantle Tramway Board, and it was said to-day in the House, and the statement was challenged, that without the various agreements, the power house, as it is operating at present, would not have been possible. I am afraid that something of that nature was in the mind of the Minister controlling the concern, because here we find the select committee giving expression to the fact that the Government evidenced anxiety to promote as much business as possible for their power house, and that negotiations proceeded between the Fremantle Tramway Board and Mr. Scaddan. If that means anything it means that the Minister controlling the department was anxious to get in all the local bodies as consumers, and not as competitors. It is fully established therefore that it would have been a matter of great concern if the local bodies had remained out and had been able to compete against the Government. There is another suggestion, not only a suggestion but a statement, to which strong exception should be taken, and it is that the Fremantle Tramway Board have been guilty of restraint of trade. That is the most drastic imputation that can be made against any body.

Hon. A. Lovekin: We did not say that; we said the agreement was in restraint of trade.

Hon. G. POTTER: The Tramway Board are operating the agreement; therefore I do not see how the Tramway Board and the agreement can be divorced in this matter. One has only to note what the Tramway Board are charging the various industries to disprove the allegation that they are guilty of restraint of trade. The Tramway Board, together with the Municipal Council and other bodies in Fremantle, were very anxious to establish local industries, and considering the price that the Tramway Board paid to the Government for current, I think that the charge made where new industries are concerned is consistent with the endeavour on the part of the board to assist those industries to become well established. Take the flour mills. They are supplied at from .9d. to 1d. The meat export company are supplied at 1.125d. for consumption up to 450,000 units, 1d. up to one million units and so on.

Hon. J. Duffell: What are they charging the Coffinsloe Council?

Hon. G. POTTER: Take the Fremantle Harbour Trust. Under the agreement the Tramway Board would be entitled to charge 1.75d. They do not charge that however; they charge 1.48d. Therefore the allegation that the Fremantle Tramway Board are misapplying the provisions of the agreement for the aggrandisement of their own particular concern is altogether disproved.

Hon. A. Lovekin: That is not suggested at all.

Hon. G. POTTER: Something has been said about repudiation. It is a pity sometimes that heated arguments take place; they are like bushfires, beginning from a simple origin. Those hon. members who take exception to charges of repudiation have only themselves to blame because they have actually put the words into the mouths of other members. The first few words of the report of the select committee refer to repudiation. If the recommendations of the select committee are adopted, they will amount to repudiation. But taking it another way; if these recommendations are embodied in a Bill which will become an Act, then we shall create an instrument that will nullify an agreement and by virtue of nullifying that agreement we shall have difficulty in differentiating between that and repudiation.

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

#### MOTION—MACHINERY INSPECTION REGULATIONS.

To disallow.

Debate resumed from the 1st November on the following motion by Hon. J. Cornell—

That the whole of the amended regulations of the Inspection of Machinery Act, 1921, laid upon the Table of the House on the 10th October, 1922, be disallowed.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [8.40]: I trust that the motion will not be agreed to. Mr. Cornell in submitting it laid stress on the fact that a large number of regulations had been disallowed and that only in some cases had an alteration been made in the charges set out in those regulations. The reason for that was that, so far as a great many charges were concerned, no attempt was made to set up a case against them, and hon. members voting for the resolution had to vote for it as a whole, even though there might be only two or three charges which it was considered were excessive and should be altered. The Department in revising the charges after the resolution was carried naturally took notice of the remarks of members during the debate, and made such alterations as they thought would bring the regulations within what Parliament considered was reasonable and proper.

Hon. F. H. Harris: We did not go into the details of the 58 cases; we might have been here for a week.

The MINISTER FOR EDUCATION: Mr. Cornell in submitting this motion said that winding engine fees ranged from £1 to £4 and were now £3 10s., and that a very large number of winding engines came in under the lower rates. He made reference to the time taken to inspect. It is pointed out by the Department that the testing of brakes alone often takes up as much time as the inspection of a boiler. In addition every visible part of an engine has to be minutely examined. He also made reference to the Horseshoe accident, but it is pointed out that that accident was due to an original defect in a brake rod, which nothing short of a modern type of X-ray plant could have detected. The fact that that accident did occur was no argument establishing the futility of inspection. He also raised the argument that because the police force was paid for by the public generally, this inspection of machinery was a proper tax on the ratepayers. I do not see how such an argument can be sustained. The police force is paid for the protection of everybody, whereas the inspection of machinery is necessary in the interests of those working on it, and therefore it is reasonable that the persons using the machinery for their own profit should pay for the inspection. The owners of machinery would very often be called upon to pay heavy compensation in respect of accidents were it not for the action of the inspector of machinery; because, when machinery has been tested by an inspector the insurance company has no hesitation in taking up the risk. Mr. Cornell also made the extraordinary statement that mining inspectors were there for the identical purpose for which we have inspectors of machinery. That is not so. The duties are entirely different, and the possibility of amalgamating the two offices, making the mining inspector or the inspector of machinery, as the case may be, serve both purposes, has been exhaustively considered by the department. By virtue of the fact that they have had no mechanical training in this work the mining inspectors are incapable of doing the work of inspectors of machinery. It was tried, but it failed. So it cannot be said that the work done by the two bodies are identical, and that therefore only one method of inspection is required. Mr. Cornell said "At Kalgoorlie we have as many inspectors of machinery as of mines." That is contrary to the facts. There are two inspectors of machinery resident at Kalgoorlie. Those two men work the whole of the Eastern Goldfields, whereas in the same district there are eight inspectors of mines and three workmen's inspectors. Yet Mr. Cornell informed the House that at Kalgoorlie there are as many inspectors of machinery as there are inspectors of mines. He also stated that the inspection of machinery department cost £3,864 in salaries alone, and that the salaries of mining inspectors amounted to £2,856. The latter figure is correct so far as it goes, but it does not include the State Mining Engineer's salary, the sal-

aries of the clerical staff, or the salaries of the workmen's inspectors. However, the figures quoted in respect of the inspection of machinery includes all salaries. As a matter of fact, the actual amount of salary paid to inspectors of machinery is £2,736. Mr. Cornell said that all the regulations applying to the levying of charges for the inspection of machinery were disallowed by this Chamber. That is not the case. Lift charges were not disallowed, neither were the charges for lost certificates, special reports, valuations, etc. The charges disallowed were those on pages 20, 21, 22, and 23. Mr. Cornell also made the statement that digesters remain as they were. That is correct in respect of the amount of charge, but then no objection was raised to the fee. The objection raised was that a charge was being made for inspecting trifling things which never ought to be subject to inspection. That objection has now been removed, and only digesters under steam pressure and used for trade purposes are inspected.

Hon. A. Lovekin: You will allow a domestic servant to use one, yet you will not allow it in trade.

The MINISTER FOR EDUCATION: Mr. Cornell also made reference to vulcanisers, and said that vulcanisers used by dentists were allowed to remain as they were.

Hon. E. H. Harris: Why does it say "Every vulcaniser"?

The MINISTER FOR EDUCATION: It says "Vulcanisers under steam and used for trade purposes." Dentists' vulcanisers are not used for trade purposes.

Hon. E. H. Harris: Do the regulations exempt professional instruments?

The MINISTER FOR EDUCATION: Yes. It says only those used for trade purposes. The use of professional instruments is a different thing altogether. You would not say that a professional instrument used by a doctor or dentist is used for trade purposes?

Hon. A. Lovekin: Surely a dentist's mechanic comes under "trade purposes."

The MINISTER FOR EDUCATION: There never has been any intention to inspect those vulcanisers. Such an argument can only be put up to prejudice the minds of hon. members against this department.

Hon. A. Lovekin: Well, put up all these things in a schedule to the Bill.

Hon. E. H. Harris: We will put them up directly.

The MINISTER FOR EDUCATION: Mr. Cornell said that no living man could go on to a winding engine and point out any element of danger unless there was a palpable defect. The Chief Inspector of Mines advises me that that is not the case, that an inspector of machinery can discover defects not palpable. Even if it were not so, surely inspection is necessary in respect of the palpable defects.

Hon. E. H. Harris: We are not objecting to inspection.

The MINISTER FOR EDUCATION: But Mr. Cornell does. He objects to inspections

as being entirely futile. I am glad Mr. Harris does not take that view. Mr. Cornell also said that "A Holman hoist has to be inspected twice a year, which is ridiculous." It has not to be inspected twice a year.

Hon. J. M. Macfarlane: Well, then, why do they inspect them twice a year? The trouble is that there are fees attached to all these inspections.

The MINISTER FOR EDUCATION: But it is a mis-statement of fact to say that they have to be inspected twice a year. They have to be inspected only once a year. Under other regulations, which have not been referred to in this debate, regulations regarding passenger and good lifts, there is reference to hoists, not Holman hoists. Those have to be inspected twice a year, and it is quite right that they should be. Reference was made by Mr. Seddon to a protest received from the Federated Engine-drivers' Association. I think Mr. Harris, when moving the original motion, also made reference to that protest. Shortly after Mr. Harris moved that first motion, on the 26th September, 1922, the General President of the Federated Engine-drivers and Firemen's Association of W.A. wrote this letter to the Minister for Mines:—

Dear Sir,—As General President of the Federated Engine-drivers and Firemen's Association of Western Australia, I have been directed by my executive to communicate with you re the proposed fees enumerated in the seventh schedule of the proposed regulations under "The Inspection of Machinery Act, 1921." It is noted by my executive that exception has been taken to the fees enumerated in the seventh schedule by members of the Legislative Council, and as this matter vitally affects the whole of the members of my association, I am directed to state that my association takes no exception to the fees as outlined in the schedule above referred to, nor has any complaint been received from individual members or section of members of my association in this connection. I am further directed to point out that the annual conference of my association was held on the 20th and 21st inst., representing over 1,000 members in this State, and during the whole of the proceedings no mention was made or exception taken to the proposed fees set out. My association therefore considers that this information should be known to you, as it is understood that it is alleged that the fees as set out are excessive. My association fully recognises that moderate increases under the circumstances are unavoidable, and my executive accordingly instructs me to state that the proposed charges are not considered excessive, and are acceptable to my organisation.

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

The MINISTER FOR EDUCATION: John Evert, general president of the Federated Engine-drivers and Firemen's Association of Western Australia.

Hon. E. H. Harris: It is not signed by the secretary?

The MINISTER FOR EDUCATION: It is signed by the general president.

Hon. E. H. Harris: I have one diametrically opposed to that, signed by the secretary of the same organisation, or one part and parcel of it.

The MINISTER FOR EDUCATION: It is from the general president and he sets out his case very fully. Mr. Seddon and other members asserted that these regulations would lead to an expansion of the department. I have already said that no such expansion will take place. The whole question at issue is whether the necessary work of the department is to be paid for by the general taxpayer or paid for by the people who make use of the service. The alterations already made in the regulations will inevitably mean that a certain proportion of the costs will fall on the taxpayer as the result of the deductions now being made. If the present regulations are disallowed and the department is called upon to still further decrease charges, it will mean that a still greater proportion of the burden will fall on the general taxpayer.

Hon. E. H. Harris: You said you wanted an increase of 40 per cent., but you are asking for an increase of 90 per cent.

The MINISTER FOR EDUCATION: Mr. Harris said that formerly—I presume he meant under the 1904 Act—the department charged 25s. for a second boiler of largest size and 20s. for each subsequent boiler. I am informed that is incorrect. The seventh schedule under the 1904 Act says that for a single boiler over 15 horse power and up to any power the fee shall be £3, and two or more boilers inspected on the same day on the same premises, full charge for the first, namely £3, and for every additional boiler £1 5s. There is no reference there to 20s., as suggested by the hon. member.

Hon. E. H. Harris: I suggested that they were reduced.

The MINISTER FOR EDUCATION: For two or more boilers inspected on the same day, etc., up to 15 horse power and over 8 horse power, full charge for the first, namely £2, and for every additional boiler £1. It was only the smaller boilers which were inspected at £1. Then the hon. member says that the department has reduced its charges to 20s. and 15s. There has been no such reduction.

Hon. E. H. Harris: I said that they reduced them respectively by 15s. and 20s. That is correct.

The MINISTER FOR EDUCATION: Certainly the reductions as previously suggested have not been made. When the first regulations under the new Act were gazetted, no allowance was made for two or more boilers. That provision was deleted. In these amending regulations that was one point to which strong exception was taken. It seemed to me that it was reasonable that there should be some concession

where there was a number of boilers together. A concession of 25 per cent. was made for all boilers over 10 horse power. It was decided that the conditions under which the reduction was made under the 1904 Act should be slightly altered. It is now provided that the reduction shall only operate when two or more boilers in the same nest are connected with the same steam pipes and are inspected on the same day. This prevailed under the 1904 Act. Mr. Harris says there is not an instance where the whole of the boilers are on the same steam pipe. I am informed that there are many instances. He also said that the concession merely represented an attempt to fool or mislead the House. There is no such intention. At any of the large mines where there are 10 or 12 boilers in the same nest the concession can be availed of, and has been availed of since the regulations were gazetted.

Hon. E. H. Harris: The mines say that is not so.

The MINISTER FOR EDUCATION: I have the definite statement of the Chief Inspector of Machinery that the concession not only can be availed of but has been availed of since the regulations were gazetted.

Hon. E. H. Harris: They do not quote you the mines which have availed themselves of it, because they cannot do so.

The MINISTER FOR EDUCATION: Mr. Harris referred to machinery not worked by steam and contends that a reduction of 10s. has been made. That is not so. The highest fee under the first regulations was £4 and it is now £3. That is a reduction of £1 and not 10s. Dealing with engines driven other than by steam, Mr. Harris says—

“The department have made a concession,” etc., and that “this concession makes it perfectly clear that a winding engine such as I refer to is to be exempted.”

I do not know what the hon. member meant by that; whether he meant that the machinery should be exempt from inspection. If that is so, he is wrong. It will be inspected as before. It is merely exemption from payment of a fee. The fee charged for the motor driving the winding engine will cover the inspection of the motor and the engine. I believe the practice in some of the other States, and it certainly is so in Queensland, is to charge both for the motor and the winding engine.

Hon. A. Lovekin: There is no value attached to inspecting the motor.

The MINISTER FOR EDUCATION: The whole charge covers the lot. There are many people who think there should be no inspection at all.

Hon. E. H. Harris: I do not say that.

The MINISTER FOR EDUCATION: In order to support that view they set up these ridiculous arguments about charges for vulcanisers and so on, which were never contemplated and of which none have been made. Mr. Harris went on to say—

But then the department provides a fee of 10s. as heretofore for each Holman hoist and also a fee of £1 for each cylinder of a

diameter of more than six inches; apparently there is a fee for the hoist and a fee for the motor. The point I wish to make clear is that the department have granted the concession, but not as regards any of these hoists which are found more especially in the metropolitan area.

I do not know what the hon. member is alluding to. I am not aware that there are any Holman hoists in the metropolitan area.

Hon. E. H. Harris: I said there were none in the metropolitan area, but that there were hoists.

The MINISTER FOR EDUCATION: The hoists in the metropolitan area are dealt with under the regulations providing for passenger and goods lifts.

Hon. E. H. Harris: There is a fee of £1 provided on page 21 of the inspection of machinery regulations—"For every such hoist the cylinders of which are more than six inches in diameter, £1." Apparently, if it is driven by a motor there will be a fee for the motor as well, and, therefore, two fees.

The MINISTER FOR EDUCATION: The hon. member said, "A fee for the hoist and a fee for the motor."

Hon. E. H. Harris: Apparently.

The MINISTER FOR EDUCATION: I do not think these hoists are driven by motors.

Hon. A. Lovekin: Yes.

Hon. E. H. Harris: In the city.

The MINISTER FOR EDUCATION: They are different hoists, and not Holman hoists.

Hon. E. H. Harris: Holman hoists are not in the city. I referred to other hoists driven by motors that are in the city.

The MINISTER FOR EDUCATION: They come under a different set of regulations.

Hon. E. H. Harris: You will find it in the regulations, page 21.

The MINISTER FOR EDUCATION: My advice is that there is not one of the hoists referred to in the fees for Holman hoists in the metropolitan area.

Hon. E. H. Harris: The Chamber of Manufactures protested, and I have their letter here.

The MINISTER FOR EDUCATION: They are protesting without knowing what they are protesting against. These were not covered by the regulations under discussion, and were not referred to in the resolution tabled by the hon. member when he sought to have the regulations disallowed. They come under the other regulations to which I have referred.

Hon. A. Lovekin: Your solicitor has not properly instructed you in this case.

The MINISTER FOR EDUCATION: In what respect am I wrong? Where does the hon. member find any reference to hoists used in the city?

Hon. A. Lovekin: On page 21.

Hon. E. H. Harris: There is a fee set out on page 21 of the regulations.

The MINISTER FOR EDUCATION: The regulations of the 1st July, 1922?

Hon. E. H. Harris: Yes, there is a prescribed fee for Holman hoists. I have already stated it.

The MINISTER FOR EDUCATION: "Every such hoist" is a Holman hoist.

Hon. E. H. Harris: No. Read the preceding paragraph.

The MINISTER FOR EDUCATION: I do not see it.

The PRESIDENT: Let the hon. member say what he wants to say.

The MINISTER FOR EDUCATION: I shall be obliged if the hon. member will let me have his copy. It says, "For every Holman hoist or similar air-driven winch, the cylinders of which do not exceed six inches in diameter, 10s.; for every such hoist £1." "Every such hoist" is a Holman hoist.

Hon. J. J. Holmes: There is another hoist referred to.

The MINISTER FOR EDUCATION: That is not so. It refers to the Holman hoist. It says "for every Holman hoist or similar air-driven winch, the cylinders of which do not exceed six inches in diameter, 10s.; for every such hoist, the cylinder of which is more than six inches in diameter £1." That undoubtedly refers to a Holman hoist. Provision for hoists used in the city for lifts is made in another set of regulations.

Hon. A. Lovekin: You had better get further instructions.

The MINISTER FOR EDUCATION: In a different set of regulations provision is made for hoists, 10s. The hon. member says—

Whilst the department charges fees for engines not driven by steam, there is no fee at all for any engine driven by steam, even if up to 1,000 h.p.; unless it is a winding engine.

That is quite true. I do not know whether the hon. member wants to make a grievance out of the fact that we do not impose a charge. The regulations in this State are far more lenient than they are in other places. In Queensland a charge is made for every steam engine, electric motor, dynamo, etc. A strong point was made in regard to the fees charged for special work. This special work is undertaken in almost all cases at the request of the dealers and sellers to enable them to dispose of their goods. It is legitimate that the department should make charges to cover expenses in cases of that kind. It is frequently to the benefit of the person who wants to sell, and it is at his request that the inspection is made.

Hon. E. H. Harris: Why two fees?

The MINISTER FOR EDUCATION: They make use of the department to advise as to what repairs are necessary in order that a certificate for a certain pressure may be granted to the new owner. If a private firm of engineers were called upon to do the work they would charge higher fees than the department charges. It would be very much to the disadvantage of the owner wishing to dispose of his goods if he had to call in private engineers instead of having the benefit of the services of the department.

Hon. E. H. Harris: If you charge a fee for a boiler to-day and inspect it again to-morrow, you charge another fee.

The MINISTER FOR EDUCATION: The department does not seek for this work. It is very frequently embarrassing to the department. It interferes with the routine work and takes up a good deal of the inspector's time. It is only reasonable that the time occupied, and the travelling expenses and sustenance of the inspector should be charged against the person requiring the advice. It not only involves inspection, but also involves a good deal of computation and a report from the inspector. This report is typed and sent to the person requiring it. The fees are reasonable as compared with those charged by private engineering firms.

Hon. G. W. Miles: What are the travelling expenses? Do they cover the cost of getting from point to point?

The MINISTER FOR EDUCATION: They represent the cost of travelling and sustenance of the officer.

Hon. J. Duffell: Is 7s. 6d. a fair charge for to East Perth?

The MINISTER FOR EDUCATION: That would depend on the circumstances.

Hon. J. Duffell: The circumstances are that 7s. 6d. was charged for travelling expenses.

The MINISTER FOR EDUCATION: If the hon. member had to employ a private firm the work would have been done for very much more than that.

Hon. J. Duffell: It could have been done for less than 7s. 6d. for travelling expenses.

The MINISTER FOR EDUCATION: Mr. Harris speaks of dual inspection. It would be scarcely practicable to issue a certificate for a boiler inspected for sale purposes for the reason that it would generally be dismantled. It is held that no certificate shall be granted in the case of a boiler unless it is fully equipped and ready to get up steam. Mr. Harris read a long letter. I do not know that he revealed the authorship of it. It was undoubtedly written by Mr. Sweetman—

Hon. E. H. Harris: I revealed the authorship.

The MINISTER FOR EDUCATION: Of the Western Stock and Trading Company.

Hon. E. H. Harris: The department cannot contradict what was in it.

The MINISTER FOR EDUCATION: With reference to inspection made for Mr. Barrymore, I have had an opportunity of making further inquiries. The facts were certainly not as set forth in this House. We were told that a second inspection for Mr. Barrymore was made just after a previous inspection. The facts are that an inspection was made at Mr. Barrymore's request. He distinctly agreed that the expenses should be paid. The statement that the boiler had only been inspected a few months previously was not correct. The previous inspection was made on the 10th February, 1921, and the certificate expired on the 30th December,

1921. Mr. Barrymore then made a request for the inspection to be made as he was using the boiler illegally. Had any accident occurred there would have been trouble in the matter of insurance, etc. We were told that the inspection had been made because the boiler had changed hands. The inspection was made because the certificate had run out and Mr. Barrymore knew he was using it illegally.

Hon. E. H. Harris: That does not justify three inspectors being there at the one time.

The MINISTER FOR EDUCATION: We will come to that bye and bye. It was said in Mr. Barrymore's case the inspection was insisted on because the boiler had changed hands although it had only been inspected two months before. That was not the case. It had not been inspected for about 19 months. The certificate had run out and the boiler was being illegally used. The fact that it had changed hands had nothing whatever to do with the question.

Hon. E. H. Harris: Do the department say that they do not insist upon the inspection in the face of that?

The MINISTER FOR EDUCATION: There was a suggestion that Inspector Stone should have been able to carry out the inspections referred to. I do not know that hon. members have a full knowledge of the itineraries of the different inspectors and the work they are supposed to do. I am advised—and I have the file here—that this inspector had a full programme. He was due at Jarrahdale by appointment after finishing his work at Nannup. Then the case of the Narrogin Butter Factory boiler was referred to. In this case the company telephoned requesting that a special inspection be made of a boiler in Greenbushes on their behalf. They explained that they were willing to pay all expenses for Inspector Ross or Inspector Stone to attend as the matter was urgent. The company wired to the Chief Inspector of Machinery, after having seen Mr. Ross at Narrogin and ascertained from him that the inspection would not interfere with his other work. During this interview with Ross, he explained that the use of the Government car would be much more expensive than if they used their own. The inspection was arranged on that basis. The company later wired to Ross, who was at Cuballing, asking him to use the Government car as their own was unavailable for a long journey. He fell in with that suggestion and Ross left Cuballing on the 26th at 8 p.m. He stopped the night at Narrogin and arrived at Greenbushes at 2.55 p.m. on the 27th. He made his inspection after having to clean and prepare the boiler himself with only slight help. He left Greenbushes again at 6.55 and arrived back at Cuballing at 4.30 p.m. on the 28th. The total mileage covered was 290. I do not see how he could have done the trip with greater expedition or at less cost to the people who required the inspection. Mr. Sweetman was not present during

the inspection. He did not arrive in Greenbushes until 6 p.m.

Hon. E. H. Harris: Are you quite sure of that?

The MINISTER FOR EDUCATION: Sweetman says that the inspection was made during night time. In that statement he is quite wrong. The inspection was carried out in daylight. In any case, that has nothing to do with the matter as artificial light has always to be used in connection with the inspection of a boiler when the interior portions are being dealt with.

Hon. E. H. Harris: It was on the 24th July that the inspection was carried out, and it was dark at 5 o'clock.

The MINISTER FOR EDUCATION: Mr. Sweetman did not arrive until 6 p.m. Mr. Ross gave no information to the company or to Sweetman, but reserved all he had to say for his report. The report mentions 2¾ inch tubes, but this was only in connection with the general dimensions for identification purposes. In his report the inspector remarked—

If fitted with new set of tubes—

No size was mentioned—

I consider the boiler good for 100 lbs. Mr. Sweetman employed his own boiler-maker whose duty it was to take the dimensions of the new tubes if they decided to put new tubes in. He asked Mr. Sweetman for information regarding the correct diameters. The question was passed on to the Machinery Department and the department supplied the size. In response to a telephone message from Mr. Sweetman, he was informed that the size was 3 inches, which was ascertained from the records. Some reference was made to Mr. Sweetman having the "ends swelled." If he did that he did so without any reference to any officer of the department. If he found that he had done wrong, it was entirely his own fault and had nothing to do with the department. A statement was made that Mr. Sweetman said the new tubes were unnecessary. His own boiler-maker, however, reported to the department that he had found the tubes "in a very bad condition, being very thin and easily dented."

Hon. E. H. Harris: I have a sample of the tubing here and you cannot dint it.

The MINISTER FOR EDUCATION: As a matter of fact we have samples of the tubes in the department, and the Chief Inspector suggested that I should bring some of the samples to the House so that hon. members could see that they can be easily dented.

Hon. E. H. Harris: You can dint, but not put a hole in it.

The MINISTER FOR EDUCATION: Mr. Harris brings forward a sample, but no one suggested that the whole of the tubing was in that condition. The hon. member is trying to prove a negative case, that a part is not like the rest. The report furnished to the department and the statement of Sweetman's

own boiler-maker shows that the tubing was very thin and could easily be dented. The samples are now in the office of the department and they speak for themselves. I did not think it was desirable to bring in such exhibits to place them on the Table of the House.

The PRESIDENT: Quite so. Hon. members must believe each other's word.

The MINISTER FOR EDUCATION: Had the company, it was said, provided transit for Mr. Ross as promised, Sweetman would have saved about £15. It was no fault of the department that he did not save that amount. The arrangement was made by himself and he has only himself to thank for what he had to pay. With regard to the loss of £80, which Mr. Sweetman says would have been sustained if he had put in 2¾ inch tubes, this is pure nonsense; he could not have put in such tubes, and no one suggested that he should do so. Regarding the loss of £70, which he claims was due to "swelling the ends," this had nothing to do with the department, and it was purely his own fault if he incurred that loss. He did the work without any suggestion from the department. If he lost money doing some foolish thing he has only himself to blame.

Hon. E. H. Harris: He says that is not the case.

The MINISTER FOR EDUCATION: Reference was also made to the boiler at the group settlement at Augusta. This boiler was inspected on the 2nd April of the present year for the State Sawmills, and certain repairs were ordered. It was then at Carlisle and had previously worked at Bedfordale with dirty water. After the repairs had been reported as completed, a certificate was granted for a pressure of 80 lbs. The boiler was then passed on to the group settlement authorities and they requested that an inspection should be made by Inspector Stone on the 24th July last, after it had been working for some time with good water. This water loosened the scale hiding a small defect which was then discovered. The letter states that Inspector Stone refused to grant a certificate for the pressure allowed, namely, 80 lbs. This is not a fact. Inspector Stone granted a certificate on the 20th July for a year for precisely the same pressure, but ordered that certain repairs were to be executed by end of September. This showed that he did not consider there was anything specially dangerous. This letter from Sweetman is, from start to finish, an attack on Inspector Ross, attempting to show that he was inefficient and that he overcharged, whereas in these instances referred to there is not the slightest ground for reflecting on Ross's capacity or as to his giving a fair and honest deal to customers.

Hon. H. Stewart: Inspector Ross should have found that defect.

The MINISTER FOR EDUCATION: The defect was found by Inspector Stone after the scale had been worn off.

Hon. E. H. Harris: I should like to see the two reports placed on the Table.

The MINISTER FOR EDUCATION: Regarding the boiler which was sent to Harvey, a further statement appears in the letter to which I have referred. It was said there that the boiler was sent to Harvey where it was found that the front portion was practically worn out, and so on. The facts are that Ross inspected this boiler in Fremantle on behalf of Sweetman. On the day of the inspection Ross, who was in Fremantle, received a telephone message to inspect the boiler. He had not seen it previously nor had he seen the records. The boiler was not prepared for inspection and the whole of the exterior was encased in asbestos. There was no sign of external corrosion. When the boiler was taken to Harvey, and this covering was removed, the defect referred to was revealed. As to the statement contained in the letter, that the front portion of the boiler was practically worn out, the front portion was 6 feet in diameter, and there was no defect reported regarding that portion either by Ross or Stone, who subsequently inspected the boiler, nor yet by the boiler-maker who effected the repairs. The defect in question was around the blow-off cock joint at the back of the bottom of the shell and the report from the boiler-maker who carried out the necessary repairs was as follows:—

I find the plate around blow-down cock seating is corroded, and a small hole is showing in one spot.

This defect was repaired by him by oxy-welding! Sweetman endeavours to set up a case against Inspector Ross, practically accusing him of putting him (Sweetman) to the expense of taking the boiler to Harvey where it was shown that the front portion of the boiler was worn out, whereas the defect was one that could not possibly have been detected until later on, and then it was so trifling that it was put right by oxy-welding.

Hon. E. H. Harris: Can you tell us the thickness of the plate?

The MINISTER FOR EDUCATION: I do not care two straws what the thickness of the plate was. What has that to do with the question? I am pointing out that Sweetman's statements were contrary to the facts and were obviously intended to injure Inspector Ross. The same letter refers to Section 30 of the Act and the writer blames the Chief Inspector for not informing Mr. Barrymore and others of the provisions contained in the Section. He even went so far as to state that it was the Inspector's "deliberate intention to withhold the information." This is what the Section 30 says—

If through any unavoidable cause an inspector cannot attend on the date arranged, the inspection, subject to the Chief Inspector's approval, may be made by any competent person, together with an engine-driver . . . . .

The inspections in question had not been arranged and there was no default on the part of the inspector to attend. In the circumstances, Section 30 cannot possibly have any application to the case.

Hon. E. H. Harris: When does Section 30 apply?

The MINISTER FOR EDUCATION: I contend that even if it could be demonstrated that certain inspectors had been at fault at times in carrying out the work, that would constitute no reason for the House to disallow the regulations. I have previously pointed out the cost of operating this Department. The fees originally proposed in the 1922 Act were such as would have covered the cost of this work. Out of respect for the protest in this Chamber, considerable reductions have been made in those fees. The argument was put forward that the regulations would apply to toy engines and so forth. Although there was never any such intention, the regulations were altered to make it clear that such was not to be done.

Hon. E. H. Harris: They may apply in that way.

The MINISTER FOR EDUCATION: I do not think that the regulations cover anything they should not cover. It is purely a question whether the House will take up the view that the Department should not be entitled to receive reasonable revenue and a reasonable proportion of the cost of the work returned to it.

Hon. J. J. Holmes: Has there been any reduction in the cost of administration?

The MINISTER FOR EDUCATION: I do not know what the hon. member means.

Hon. J. J. Holmes: Has there been any attempt to economise?

The MINISTER FOR EDUCATION: Every attempt is made to economise in this as in other departments.

Hon. J. J. Holmes: If there is not, the departments will not be made to pay.

The MINISTER FOR EDUCATION: I know there are members who think that the inspection of machinery is vexatious, and that people should be allowed to run machinery in any old way. They would, therefore, prevent machinery inspection. Both Houses of Parliament, however, have laid it down that the inspection of machinery is necessary and must be carried on. All the Department asks is that it should be allowed to charge such fees as should be imposed in the interests of the work that has to be carried out, so as to cover the greater part of the cost. If it is not allowed to do that, the cost must be shouldered by the State and the loss must necessarily be added to the deficit. The Government are called upon to do this work under the Act, and it is reasonable that the people concerned should pay for it. I trust the motion will not be carried.

On motion by Mr. Lovekin, on behalf of Mr. Cornell, debate adjourned.



# **BILL—PENSIONERS (RATES EXEMPTION.)**

Second reading.

Order of the Day read for the resumption from the 1st November, of the debate on the second reading.

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

# **BILL—FEDERAL REFERENDUM.**

Second Reading.

Order of the day read for the resumption, from the 10th October, of the adjourned debate on the second reading.

Hon. J. EWING (South-West) [9.30]: In the absence of Mr. Willmott who secured the adjournment of the debate, I move—

That the debate be adjourned until Tuesday, 21st November.

Hon. A. LOVEKIN (Metropolitan) [9.31]: I am opposed to the further adjournment of this measure. We do not want to trifle with a matter of this sort. Mr. Willmott secured an adjournment for a month in order that members might have before them the report of the Royal Commission dealing with the relations between the State and the Federal authorities. It seems questionable whether we shall get the report. Mr. Ewing has moved for a further adjournment without giving any reason whatever, and I can only assume that his object is to shelve the Bill.

Hon. J. Ewing: No.

Hon. A. LOVEKIN: Then there is no reason for further adjourning the debate for a fortnight. If the hon. member presses his motion for a fortnight's adjournment I shall ask the House to divide. We ought to settle this question and know where we are.

Hon. J. EWING (South-West—in reply) [9.33]: Mr. Lovekin has quite misunderstood me in this matter. Mr. Willmott is absent in the country and will not be back for a week. The Royal Commission investigating this question have not completed their deliberations. Therefore I ask for an adjournment for a fortnight. I happen to be a member of the Royal Commission.

Hon. A. Lovekin: Is it bona fide?

Hon. J. EWING: Yes, and there is no intention whatever of shelving this question. I am as anxious as the hon. member to secure finality. I hope that within a fortnight the Chairman of the Royal Commission will call the evidence he requires and present a report which will be satisfactory to the hon. member.

Hon. A. Lovekin: I accept the hon. member's statement.

Motion passed; the debate adjourned.

*House adjourned at 9.34 p.m.*

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

# **QUESTION—MIGRATION, PASSAGES.**

Mr. LATHAM asked the Premier: 1, Are any free passages granted from Great Britain other than those under the ex-Imperial scheme which closed on 31st December, 1921? 2, Under the scheme arranged between the Imperial, Commonwealth, and State Governments, are immigrants expected to pay two-thirds of the passage money down on application. 3, If so, will not this scheme operate harshly on desirable immigrants, the children of British parents who would be pleased to avail themselves of this scheme? 4, Will the Government consider this aspect with a view to affording relief to parents with children anxious to migrate to this State?

The PREMIER replied: 1, No. 2, 3, The transport of immigrants is undertaken and carried out solely by the Federal Government. 4, It is not a matter for the State Government.

# **QUESTION—LAND SETTLEMENT, PEMBERTON.**

Mr. J. H. SMITH asked the Premier: 1, Is it the policy of the Government to hold all lands south and east of Bridgetown for group settlements? 2, It is not a fact that applications from Pemberton and other parts have been refused with the answer that the land is being held for group settlements? 3, Will he make available suitable lands in the vicinity of Pemberton and other places for men who require no assistance from Government?

The PREMIER replied: 1, No. 2, Yes. 3, Yes, wherever possible. A number of blocks are already open in various parts of the South-West.