

tion, and that emanated from the Mines Department.

The Minister for Lands: You do not know it for my part.

Mr. MARSHALL: I am not asking anything of the Minister. If he has read "Hansard" he can see what I have said.

Mr. SPEAKER: Order! There are too many interjections.

Mr. MARSHALL: I know that the authority for the prosecution of the 29 people came from the Mines Department.

Mr. SPEAKER: Order! The hon. member is repeating himself. I have heard him make the same remark at least five times.

Mr. MARSHALL: I will stop now. I wish, however, to make this final protest. If Ministers want to accept the dictates of mine managers let them do so in the case of the mine managers in their own electorates. Let the Government leave my electorate alone, and they will hear nothing more from me on this subject. Finally, I am prepared to withdraw the motion.

Hon. C. G. Latham: Let us see the papers now.

Question put and passed.

BILL—WORKERS' HOMES ACT AMENDMENT (No. 2).

In Committee.

Mr. Sleeman in the Chair; Hon. N. Keenan in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 11 principal Act:

The MINISTER FOR JUSTICE: I move an amendment—

That the proviso be struck out and the following inserted in lieu:—"Provided also that the applicant may at any time pay off the whole of the moneys outstanding in respect of the capital cost of the dwelling and any accrued interest thereon and a sum equal to the last appraised value of the land on which such dwelling-house is erected, and he shall be thereupon entitled to acquire the freehold of the land."

The existing proviso gives the lessee the right to acquire land for a sum 25 times greater than the ground rental. The ground rental was fixed years ago at three per cent. This would give the people the right to obtain land at about 75 per cent. of its value. By my amendment it is proposed to allow the owner to acquire the land at the appraised value, which is a fair and generous arrangement.

Hon. N. Keenan: I have no objection to the amendment.

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

Title—agreed to.

Bill reported with an amendment.

House adjourned at 10.25 p.m.

Legislative Council,

Thursday, 31st October, 1935.

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

AUDITOR GENERAL'S REPORT.

The PRESIDENT: I have received from the Auditor General a copy of his report on the Treasurer's statement of the Public Accounts for the financial year ended 30th June, 1935. It will be laid on the Table of the House.

QUESTION—MINING, GREENSTONE AREAS.

Hon. C. G. ELLIOTT asked the Chief Secretary: Have all known greenstone areas been reserved for the Western Mining Corporation, from a point south of Norseman—including Norseman, Coolgardie, Kalgoorlie, Broad Arrow, Menzies, Ularring, Malcolm, Laverton, Leonora, Lawlers, and Wiluna—to a point north of Peak Hill?

The CHIEF SECRETARY replied: No

BILL—CONSTITUTION ACTS AMENDMENT ACT, 1899, AMENDMENT (No. 1).

Select Committee's Report Adopted.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.36]: I move—

That the select committee's report be adopted.

Question put and passed.

Bill laid aside.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.37]: I move—

That the Bill referred to the select committee be laid aside.

Question put and passed.

BILL—CONSTITUTION ACTS AMENDMENT ACT, 1899, AMENDMENT (No. 2).

On motion by the Chief Secretary, Bill introduced and read a first time.

BILL—ELECTORAL.

Second Reading.

Debate resumed from the previous day.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [4.39]: I support the Bill, but look forward to the adoption of some necessary amendments in Committee. The dropping of the ratepayer qualification has been referred to by other members. I rather regret the proposal, as I consider the ratepayer qualification to be the best basis for building up future Legislative Council rolls. Local governing bodies have to register ownership qualifications in the way of land, and have to keep their rolls up to date for the purpose of getting in rates. No better machinery for the purpose of Legislative Council rolls can be had than the rate books of municipalities and road boards. Municipal procedure is well known to hon. members. The basis is the rental value less, as a rule, 40 per cent., a clear annual value thus being arrived at. Again, there is the basis of a minimum of 4 per cent. of the capital value of land where the buildings are large. The City Valuer declares the values of properties within the city boundaries. An appeal court is available to any ratepayer dissatisfied with the valuation of the City Valuer. To me it seems that there is no

better method of establishing a freeholder's right. When rates are paid, the freeholder, if he pays them, should be compelled, under penalty, to furnish the usual slip stating the name of the occupier of the premises, so that there may be an accurate record of occupiers of buildings. Road boards usually build up their rate books on unimproved values. Those rate books are another source of information which must be as nearly as possible correct, and equally satisfactory with the municipal rate books for the purpose of building up ratepayer qualifications. Mr. Cornell, in the select committee's report, states the position on the same lines, adding that his experience, extending over a quarter of a century, leads him to believe that that course is the best. My experience coincides with the hon. member's, and for that reason I should like the ratepayer qualification to be retained. As to postal or absent voting, there is the question whether the Act as it stands can be improved upon in any way. My personal view is that the Act is fairly satisfactory, and that to attempt to improve it might result in worsening it. Troubles in regard to absent voting are due not to any fault of the principle of the Act or its wording, but to the human element. With agents of zeal and enthusiasm seeking to circumvent the Act, unsatisfactory conditions must crop up. The administrators of this measure, if enacted, will still have to contend with the same difficulties. In my view, the Bill should be dealt with from the aspect of reinstating the ratepayer qualification. As to redistribution I feel somewhat disappointed. The Government have not deemed it wise to bring down a Bill for that purpose, or to accept the Royal Commission's recommendation, which, however, I am not prepared to support. Nevertheless I feel that Province boundaries should receive early attention, more particularly the boundaries of the Province which with my colleagues I represent. It must be realised that out of 80,000 electors for this Chamber 30,000 reside within the Metropolitan-Suburban Province. Its growth is unprecedented, being about equal to the growth of all the others put together. I have spent some time this afternoon in an area where the houses are being erected at a rate that is really astounding. One could not believe that we had passed through a severe depres-

sion when one saw the number of new houses in that area. And that is going on, not only in that portion of the Metropolitan-Suburban Province, but all over the province as well. That province, of course, includes all suburban areas, both inner and outer. Taken collectively, the province embraces eleven Assembly electorates; and whereas a candidate for the Assembly would be entitled to spend £100 in whichever of those electorates he was contesting an election, or a total of £1,100 for the area, whereas a candidate for the Council is confined to the expenditure of £500 over the whole of those 11 districts. So one can understand the difficulty that candidates for that province find themselves in. That amount was established years ago when there was plenty of voluntary service to be had, but to-day one has to pay for all the service he requires. When a candidate starts to contest an election, he soon realises that the roll is by no means up to date. It is printed only once a year, and in the meantime the growth of the area has been so rapid that one probably finds himself far astray in his calculations. Getting down to basic principles underlying the qualifications of electors through the municipalities and road boards, we see that what is needed for this House is the compulsory voting suggested for Assembly elections. We have it in the Federal sphere also, but the Legislative Council has to carry on in the old way, which is quite out of date. It also places a candidate in the awkward position that he has to face people who have been quite indifferent regarding their qualifications, and so are not on the roll. As a rule the electoral officials do not put people on the roll; they only take people off the roll. Consequently, there are very many people not on the roll, and the candidate is likely to find that it costs money for a candidate to help build up the roll. Something should be recognised in that way. I am merely putting forward the suggestion. To have the limit of a candidate's election expenses on a flat rate for all provinces is by no means equitable, as we see when we realise that the Metropolitan Province itself is ringed about by the Metropolitan-Suburban Province, and consequently all expansion must be found in the Metropolitan-Suburban Province. So, as I say, there should be some amendment of the boun-

daries. If compulsory enrolment and compulsory voting were included in the recommendations of the Commission that framed the Bill, it would be very different and then, I dare say, a candidate would find himself in a more satisfactory position. The method we are following is most inefficient for, on asking people to get on to the roll, I find that because it is not compulsory for the Council, they will not bother about it. I am afraid the feeling they exhibit is more than mere indifference; it is based on the conviction that the Council is a useless sort of Chamber and consequently they refuse to take any interest in it. To bring them to a sense of responsibility, I feel we should come into line with the Assembly and have some measure of compulsion. Since the Bill is really one for the Committee stage, I do not wish unduly to take up the time of the House. I notice in Clause 162 there is to be an alteration to Section 180 of the Act. It is stated here as being for horse or carriage hire, but those who put that up to the Government must have realised that it would be almost impossible to conduct an election at all with the feeling abroad in regard to the responsibility of the electors. I am afraid this will prevent a candidate's friends from offering to supply transport to assist him in getting a good poll. I should like to see that provision amended, and to that end I will seek the advice of the Crown Law Department, so that I may be able to bring down an amendment and submit it when the Bill is in the Committee stage. I will support the second reading but, as I say, I desire to see amendments made when in Committee.

HON. J. J. HOLMES (North) [4.55]: I propose occupying the attention of the House for only a few minutes, firstly, because I desire to facilitate business and, secondly, because I realise that the Bill is really a Committee measure. We have the Electoral Act, which covers most of the ground, and this Bill now before the House is really a Committee Bill. I should like to point out that the proper qualification for a House of review is the freehold qualification, the idea being that a man who acquires freehold in a country becomes part and parcel of that country and has to take his share of the responsibility and share good times and bad times alike. Among Assembly voters, where they have adult suffrage, there is a numerous population that travels about

from one State to another looking for the biggest amount of loan expenditure which, of course, means work. Then, when that work cuts out, those persons migrate back to the States whence they came. It is a House such as this Council which has to have electors who are really bona fide residents of the State and, in consequence, the qualification for this House must be based on the freehold. If we had the freehold qualification and the Crown leasehold on specified values and the ratepayers' qualification with a modified rating value, we should be established on a pretty sound basis. One of my reasons for supporting the Bill is that it does give opportunity to tighten up existing legislation, particularly as to postal voting. In my opinion the greatest difficulty—it is only a minor matter, and I propose to deal with it in Committee—is that a postal vote officer must endorse the ballot paper with his signature before it is valid. But for some reason the existing Act specifies that he, as postal vote officer, must put his signature on the outside of the envelope, which has to pass through the post office. We can understand that, these postal votes coming from stations away back into the post office and passing through the hands of the postal employees—all having political views—those employees can tell by the postal vote officer's signature on the outside of the envelope more or less how the voter has voted. That condition of affairs should not be permitted. In a recent election in the North Province a whole lot of postal votes went astray. Strange to say, most of them were taken by the secretary of the Pastoralists' Association and his name appeared on the outside of the envelope. Some of them never reach their destination. I am not speaking without my book, because an inquiry was held, but nothing could be sheeted home. As for compulsory voting for the Legislative Council I do not think it is feasible or possible. In any case the subject need not be discussed at this stage; it can be dealt with in Committee. Nor do I agree with Mr. Macfarlane as to the reason why people are not anxious to get on the Legislative Council rolls. He told us that the conclusion arrived at was that it was useless and not worth while. I do not think that is so. My experience is that anyone who has interests worth talking about in this country is very anxious to become enrolled and also to vote. There is no need to say more at this stage.

I am prepared to vote for the second reading, and when the Bill is in Committee I shall endeavour to tighten up the law in the directions requiring it.

On motion by Hon. L. B. Bolton, debate adjourned.

BILL—FINANCIAL EMERGENCY ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. J. NICHOLSON (Metropolitan [5.3]): The Bill presents certain features which have evoked criticism on the part of members. Some observations were made by Mr. Angelo regarding the remarks by the Premier when introducing the Bill in another place.

The **PRESIDENT**: The hon. member must not allude to the debate in another place.

Hon. J. NICHOLSON: I am not alluding to the debate.

The **PRESIDENT**: The hon. member may refer to the Premier's introduction of the Bill.

Hon. J. NICHOLSON: Then I will withdraw my previous remarks. We were told that the state of emergency had more or less passed in Western Australia, and in almost the same breath on the introduction of the Bill we were informed that it was essential to retain the emergency tax, because the amount of revenue expected to be received from it—I think it is in the vicinity of £680,000—was necessary for the carrying on of the affairs of the State. Any taxation measure which yields such a handsome revenue is one that no Government is likely to dispense with unless there be some very good cause. But where the trouble arises is that if the state of emergency has passed we have to realise that this particular legislation was introduced because of the condition of emergency, and it is being continued now. Therefore the suggestion that our conditions are so far improved as to justify the alteration to other emergency Acts which were submitted about the time this particular measure was presented, serves to show that there is a lack of agreement among the States. We have had presented to us recently the report of the Commonwealth Grants Commission, and in the summary on page 24 there is given a resumé

of the public debt of Western Australia. Whilst the growth of our public debt has been remarked upon from time to time, it will do no harm if we refresh our memories on this particular subject. For example, in 1900, the total debt as shown there was 11.67 million pounds, and the indebtedness per head of the population was £67, the average interest being .37. Ten years later the debt jumped by something in the vicinity of 12 million pounds to 23.29 million pounds, and the per capita debt was increased from £67 to £85. Again, ten years later the indebtedness increased from 23 millions to 46.82 millions. There we have an increase of 23 millions in the space of those ten years. In 1930 it increased again to 71.19 millions with a per capita indebtedness of £171, and in 1934, the last year mentioned, the total indebtedness of the State was 85.85 millions with a per capita indebtedness of £194. My contention is that so long as this condition of increased borrowing continues, and added to it the necessity which is apparently demonstrated of not only our own State but the other States going to the Commonwealth to seek grants to assist them to meet their deficits from year to year, so long as that condition of affairs continues, then the emergency has not passed. It is idle for us as a State to pat ourselves on the back and say that we have now reached that stage of satisfactory finance which enables us to resume our pre-war position. The action of our Government in dealing with emergency legislation as they have done, not only now but during the past year or 18 months, has been based on a wrong assumption of the restoration of this State to prosperity. They have now been more or less induced to believe, because of the Commonwealth's overflowing Treasury, that that also entitled us as a State to follow in the footsteps of the Commonwealth. Personally, I think it was a mistake on the part of the Commonwealth to move so rapidly in the matter of altering the conditions with regard to the emergency legislation. I consider they should have waited until all the States had emerged from their actual difficulties and reached the stage of being able to balance their Budgets. These circumstances are such that we must recognise that we will be only creating difficulties for ourselves in the near future as well as in the distant future, because there is bound to be a period of diffi-

culty in front of us, and that will only be met by adding to the burden of taxation. We have been told from time to time when Loan Council meetings have taken place—and I notice the Premier has left to attend another meeting of the Loan Council—that because we as a State do not tax our people to the same extent as do the other States, we are not entitled to the same consideration. Indeed that argument was advanced when requests were previously made for grants, and we were told that we should tax our community to a greater extent. I think that the suggestion on the part of those responsible for a recommendation such as that is unjustifiable, because we in this State are in a position that is very different from that occupied by the other States. We have a huge territory that is undeveloped, while the other States have had the good fortune to develop their areas and consolidate their resources at a time when this State was in its infancy as a colony and was not in the position to carry on developmental work. In view of the burden that rests upon the State in the task of developing and successfully managing the affairs of a huge territory that represents practically one-third of the Commonwealth, those circumstances should receive greater consideration than they have had in the past. I contend there are very few people in this State who have amassed wealth as has been possible by, comparatively speaking, a large number of persons resident in other States. That being so, every taxpayer in Western Australia is faced with the difficulty of developing his property and is compelled to use whatever profits he may make in financing and improving his holding. In those circumstances, he is not in the same position to bear heavy taxation as are people in the Eastern States who have consolidated the wealth they have amassed. These are circumstances that are sometimes overlooked. Our conditions should be borne in mind and should be considered more than they have been with regard to taxation. The lighter taxation is made, the better it will be for everyone who is facing difficulties such as confront the farmers in this State. We realise that the Government cannot afford to do without the large revenue that will be raised under the Bill we are now considering, but I would remind the Government that there are many people who feel the burden of

this particular tax. We must remember that no allowances are made for deductions in arriving at the amount upon which the tax will be calculated as is done regarding the income tax. Hosts of deductions are permitted from income and it is on the net amount that that tax is levied. In this instance, no deductions of any kind are permitted.

Hon. C. F. Baxter: You are dealing with the Financial Emergency Tax Bill.

Hon. J. NICHOLSON: That is the one we are discussing.

Hon. C. F. Baxter: No, we are dealing with the Financial Emergency Act Amendment Bill.

Hon. J. NICHOLSON: I thought we were dealing with the tax Bill. However, in dealing with the Financial Emergency Act Amendment Bill, we are considering a measure that proposes to remove part of the financial emergency legislation from the statute-book. Some of the remarks I have already made apply equally to the Bill before the House. I desire to stress the position of the mortgagee with which the Bill particularly deals. It is realised that as the Mortgagees' Rights Restriction Act Continuance Bill has been passed, it follows as a necessity that this particular measure must be continued for another year. There are many mortgagees who are suffering hardship under the emergency legislation. Recently I received a letter from a man who is resident not far from here. He is in the unhappy position of having had to retire and is therefore not able to carry on his work as formerly. He is dependent upon his small resources and is facing the greatest difficulty. These are probably due to the method of investment he employed and his capital probably has been invested in securities that are not yielding the amount of interest he expected in order to assist him during his old age. On the other hand, the mortgagor still has the advantage of the provisions of the Mortgagees' Rights Restriction Act. The advantages gained under that measure are to be continued under the continuance Bill, and the mortgagee I refer to has not received his interest and, apparently, is unable to exercise the powers that he could have were it not for the existence of the emergency legislation. The man I refer to is in a position of great difficulty and he is one of many. Whilst I realise

there are these cases of hardship, I am forced, in common with other members, to agree that this legislation must be re-enacted for the time being at least. I hope the Government will, in the near future, find some way by which individuals in the position I have referred to may be assisted and their difficulties alleviated. I do not intend to oppose the second reading, but I re-echo much of what Mr. Miles said regarding the Bill. There was much commonsense in his remarks, and I hope the Government will find some way to extend relief to those who are to continue suffering hardships through this legislation.

THE HONORARY MINISTER (Hon.

W. H. Kitson—West—in reply) [5.25]: Dealing first with Mr. Nicholson's remarks, I would remind him that no one has claimed, so far as I know, that we have emerged from the period of depression. I have said on several occasions that we are a long way from having passed entirely from the period that requires special legislation. I have pointed out, however, that the financial position of the State has so far improved that it has become possible for the Government, in accordance with their policy, to provide relief in certain directions. That is all we propose to do under the Bill. When I moved the second reading of the Bill, I pointed out that during the first year the Government were in office they gave a measure of relief to one section of the community and during the next year granted additional relief, while this year we seek to wipe out altogether the emergency legislation as it affects salaries, wages and pensions. That is strictly in accordance with the policy of the Government as enunciated three years ago. While it is pleasing to know that we are able to do that, I regret we cannot go a little further. I think I can promise the House that, as early as it is possible to do so, the Government will legislate to provide relief in directions that have been referred to from time to time by Mr. Nicholson and other members. During the debate Mr. Miles said that we had gone the wrong way about giving relief, and he suggested we should have allowed the whole of the Act to lapse, and if we desired to continue the provisions regarding interest, we should have introduced a separate Bill for that purpose.

Hon. G. W. Miles: That should have been done in 1931.

The HONORARY MINISTER: That may be so, but it is no good going into the retrospective aspect now. I would point out to Mr. Miles that it is merely a question of the method or form to be adopted. On this occasion the Government have adopted the same method as in former years, namely, to amend the original Act. Mr. Angelo took exception to our action on this occasion on the ground that promises had been made that there would be equality of sacrifice and therefore there should be equality in respect of anything the Government did to restore any of the deductions originally made. My reply to that is that while it was commonly stated there was to be equality of sacrifice, I do not think that any member will contend that equality of sacrifice was represented in the sectional taxation imposed upon the Public Service. It is for that reason that we are pleased to be able to remove the special taxation that has been imposed during the last few years on that particular section of the community. Other members have raised various points, but there are one or two only to which I feel called upon to reply. Mr. Holmes quoted figures dealing with the loan indebtedness of the State, and expressed regret that notice had not been taken of his remarks on a previous Bill. He requested that I should confirm or deny the accuracy of his statement. I desire to make a statement in reply, which does confirm the figures he quoted.

Hon. G. W. Miles: He is right for once.

The HONORARY MINISTER: I said my statement confirms the figures quoted by Mr. Holmes, but it goes a little further. Mr. Holmes said that the public debt of the State had increased from £70,000,000 at the 30th June, 1930, to £85,000,000 at the 30th June, 1934. That statement is quite correct, and I desire to add that the public debt has increased by a further £2,500,000 during 1934-35. It is interesting to note that the increases were as follows:—

	Ordinary Debts. £	Deficit Debts. £	Total. £
1930-31	2,680,115	1,420,530	5,100,654
1931-32	1,589,635	1,557,806	3,144,531
1932-33	2,905,020	864,081	3,769,101
Total for three years	£8,171,770	£3,842,516	£12,014,286
1934-34	2,519,330	788,912	3,308,242
1934-35	2,422,878	167,095	2,589,971
Total for two years	£4,942,206	£956,007	£5,898,213
Total for five years	£13,113,976	£4,798,523	£17,912,499

It will thus be seen that during the three years 1930 to 1933 the average annual in-

crease was slightly over £4,000,000, of which the average annual deficit was approximately £1,330,000. During the two following years, the average annual increase was less than £3,000,000, and of that sum the average annual deficit amounted to less than £500,000. Loan expenditure during the five years mentioned aggregated £10,800,000. The principal items of expenditure were—

Railways, tramways and electricity ...	£ 1,630,000
Harbours and rivers	1,006,000
Sewerage—Perth, Fremantle	766,000
Water supplies—metropolitan, goldfields and agricultural areas	2,717,000
Development of agriculture, including forestry and land settlement schemes ...	1,162,000
Agricultural Bank, group settlement and assistance to settlers	2,408,000
Development of goldfields	235,000
Buildings, roads, workers' homes and other ...	876,000
Total	£10,800,000

It has never been suggested, nor could it be expected, that the whole of this expenditure would be fully reproductive.

Hon. J. J. Holmes: On your figures, 4¾ millions has gone into the deficit for which there is no asset.

The HONORARY MINISTER: Because it has gone into the deficit, it does not follow that there is no asset.

Hon. J. J. Holmes: What is the asset?

The HONORARY MINISTER: That on which the money has been expended.

Hon. J. J. Holmes: That is the deficiency between revenue and expenditure.

The HONORARY MINISTER: A considerable portion has been directed towards the development of national assets, which necessarily can show only an indirect return.

Hon. J. J. Holmes: It is the difference between revenue and expenditure during that period.

The HONORARY MINISTER: But it does not follow that no asset has been created. It has to be remembered that all the expenditure of government cannot be reproductive. What about the cost to the Government of unemployment relief? Money expended in that direction frequently produces no asset at all.

Hon. J. J. Holmes: There is no visible asset for the 4¾ millions.

Hon. T. Moore: What about the regrading work on the railways?

The HONORARY MINISTER: The unprecedented collapse in the market prices for primary products made it necessary to allocate considerable sums for the assistance of agriculture. There will be an asset for that expenditure.

Hon. T. Moore: And the expenditure will be reproductive.

The HONORARY MINISTER: Whether it has created an asset in the form suggested by Mr. Holmes, however, is debatable.

Hon. J. J. Holmes: That money does not come out of revenue; it comes out of loan funds.

The HONORARY MINISTER: I was remarking that it was necessary to provide work for many thousands of people who were thrown out of employment as a result of the depression. This has been, and continues to be, a very serious obligation of government. Every effort has been made to meet the obligation, and I do not think the Government can be criticised, seriously at any rate, on that score. The Government have given every encouragement to industry, with the result that a large number of persons have been absorbed in private employment. That has been due, to a large extent, to the expenditure of loan money. So long as the present abnormal conditions continue, it cannot be expected that the whole of the loan expenditure will be or can be used in directions that will be immediately profit-earning.

Hon. J. J. Holmes: I said in my speech that your Government were faced with a very difficult period.

The HONORARY MINISTER: That is so, and I am amplifying what the hon. member said. Works that are now being undertaken show a better prospect of remunerative return than do some of the works we have been compelled to undertake during the last year or two. I refer particularly to such works as drainage, irrigation and land settlement schemes, which were inaugurated in the earlier years of the depression. Under normal conditions, the increase in the public debt would have increased the annual interest bill by £600,000 to £700,000 annually, as stated by Mr. Holmes, but I think it will surprise the hon. member to learn that our interest bill is now less than it was in the year 1929-30.

Hon. J. Nicholson: That is because of the conversions.

The HONORARY MINISTER: Yes. In 1929-30, the interest charged against revenue amounted to £3,257,332, while last year the amount paid was £3,231,562, a decrease of £25,769. It is only fair to say that this position could not be maintained if an extensive policy of funding the Australian floating debt, which at present carries an

interest charge of 1½ per cent., were pursued. Such a course would very seriously affect the position. Up to the present, however, it can be said that the benefit this State has derived from internal and overseas conversions has maintained for us the same measure of ability to meet our interest charges as we enjoyed in 1929-30. Exchange is another important factor that did not operate in pre-depression days. In 1929-30 the cost of exchange amounted to only £5,155, whereas last year the amount expended in that direction was £469,237. Notwithstanding that, the total revenue expenditure for the year was £769,994 less than that of 1929-30, and the revenue receipts for last year were £419,085 less than for 1929-30, the net result, compared with that year, being an improvement of £350,909.

Hon. J. J. Holmes: The criticism was worth while. That is a very useful statement.

The HONORARY MINISTER: I have made the statement in justice to Mr. Holmes. He referred to those matters previously, and I regret that his remarks were overlooked at the time. The figures he quoted were certainly correct. Mr. Holmes spoke of the pearling industry, and referred to the fact that the Government were demanding certain license fees.

Hon. J. J. Holmes: I qualified that.

The HONORARY MINISTER: Yes. In the willy-willy which occurred off Broome during March last, 20 pearling vessels were lost and 15 were more or less damaged. Although this did not mean the loss of "half the pearling fleet," as Mr. Holmes stated, it was a terrible blow to the pearlers concerned and to the industry. To help the Broome pearlers who experienced losses, the State Government granted financial assistance to the extent of £7,000. The Commonwealth Government made another £5,000 available and, in addition, found a further £2,500, which is being paid to North-West pearlers as a bonus on shell fished during 1935. The State Government assisted certain pearlers in another direction. Amounts, the total being £5,783, were advanced to enable pearlers concerned to place their vessels in commission this year. The amounts so advanced are to be repaid at a stated sum per ton of shell fished. The fee for a license for a pearling vessel other than a hand-pumped vessel or a fleet tender is fixed by the schedule to the Pearling

Act at £10. The fee for hand-pumped boats or fleet tenders may be fixed by the Minister from time to time.

Hon. C. F. Baxter: The fee is too great.

The HONORARY MINISTER: For the current year the fee is £4. Pearlers at ports such as Onslow, Cossack and Port Hedland have paid the license fees fixed, and so have nine pearlers owning or controlling a total of 13 pearling vessels at Broome. Departmental records show that 16 pearlers owning or controlling a total of 46 vessels operating from Broome have not paid the necessary license fees, and the department is pressing for payment. The department has not received any requests from pearlers for refunds of license fees paid for boats lost during the blow of this year.

Hon. J. J. Holmes: Boats went out and never came back.

The HONORARY MINISTER: No requests have been received for refunds in such cases.

Hon. J. J. Holmes: Has there been no request for payment of license fees?

The HONORARY MINISTER: Neither has any request been received to waive any fees payable for licenses for unlicensed boats sent out to engage in pearling and lost. Inspector Ferguson, of Broome, has requested masters or agents to pay all license fees due, including those for vessels lost. He is entitled to do this seeing that the vessels were despatched to engage in pearling before the necessary licenses were obtained. He has been instructed, however, not to demand payment of fees for vessels lost. The matter of waiving these fees will be considered in due course. If a licensed vessel was lost during the blow, or has since been lost, the license can upon application be removed to another vessel, the property of the owner of the lost craft. Mr. Holmes will be pleased to know that there is on the Notice Paper the second reading of a Bill the object of which is to give the Minister the right to reduce fees that are at present a statutory charge for pearling boats under the Pearling Act.

Hon. J. J. Holmes: We are moving along all right in the meantime.

The HONORARY MINISTER: I should like to see the industry in better heart. I have not replied to all the statements made during the debate, but I feel that members

will agree that I have properly stated the case for the Government on this Bill.

Hon. J. J. Holmes: You have done well.

The HONORARY MINISTER: We hope that times will improve more rapidly in the future than they have done in the past, so that it may be possible for us to give further consideration to the repeal of emergency legislation.

Hon. G. W. Miles: Have you considered the point raised by Mr. Craig with regard to the interest charged on repurchased estates?

The HONORARY MINISTER: That is a matter for another department, from which I have not received a reply. I have taken up the matter, and will have an opportunity to give the information later. I recognise the consistency of the hon. member, who has raised the point on previous occasions. Whilst I cannot agree that it has any relevance to this Bill, I think he is entitled to receive a more definite reply than he has so far had. I hope the Bill will be passed, and that the time will soon come when the Government will be in a position to consider the further relief so much desired by members.

Question put and passed.

Bill read a second time.

BILL—PEARLING ACT AMENDMENT.

Second Reading.

THE HONORARY MINISTER (Hon. W. H. Kitson—West) [5.52] in moving the second reading said: This is the Bill I referred to a few minutes ago. The object of the measure is to empower the Minister in control to fix the rate to be charged for licenses for engine boats engaged in the pearling industry, and to fix the rates of license fees for pearl buyers. At present the fees payable for the respective licenses are prescribed in the Third Schedule of the Pearling Acts of 1912 and 1924, as reprinted in the appendix of the 1924 volume. The Act was amended in 1929, when provision was made for a reduction in the fees chargeable for a hand-pump boat only. Since the willy-willy of last year a change has occurred in the industry, with the result that engine boats are now being used in greater numbers. It is considered that the fee pre-

scribed for such boats constitutes too heavy an impost under existing conditions. We desire by means of this Bill to give the Minister power to reduce the fees. It will be understood that the fees prescribed under the Pearling Act were imposed at a time when the industry was in a thriving condition. Nowadays the conditions vary so greatly that some necessity exists to meet the altered requirements of the situation as far as is possible. By this amendment of the Act, those who are engaged in pearling will be able to secure a concession which otherwise they cannot obtain, because the fees are fixed by statute. Without an amendment to the Act, no power exists whereby the fees may be reduced or varied. It will be noticed in the Third Schedule of the Act that there are three types of pearl buyers' licenses. The first is a general license applicable to Broome and costing £50, the second is a general license for Shark Bay costing only £20; the third type is a general limited license for persons outside those areas costing £5. I am advised that experience has proved that a license fee of £50 for Broome has been detrimental to the best interests of the industry, inasmuch as it restricts the market by preventing small buyers from operating. The more competition, it is suggested, that can be brought about for the purchase of the pearls that are discovered, the better will it be for the industry. A buyer may be in possession of a license to operate at Shark Bay at a cost of £20. This does not permit him to go to Broome even to look at pearls, let alone buy them, unless he is prepared to pay a total license fee of £50. This, it has been contended, has led to the encouragement of illicit trafficking in pearls. It is believed that by a reduction in the fees, and consequent increase in competition amongst pearl buyers, a very much better condition of affairs will be brought about. I am also told there has been a considerable amount of illicit trading in these gems on the part of foreigners, Asians and others.

Hon. E. H. Angelo: You cannot stop it.

The HONORARY MINISTER: The present system it is believed is restricting the number of buyers who are prepared to operate in Western Australia. There has been no competition to speak of, with the result that those who have become possessed of pearls have found better channels for their disposal. The fee charged for an

engine boat, which has a capacity almost twice that of a hand boat, is £10, and the fee now being charged for a hand boat is £4. The amendments contained in the Bill relate only to the Third Schedule. I feel sure, if the measure is agreed to, it will do a lot to stimulate the industry, and attract more pearl buyers than have been operating in recent years. In general I hope the measure will prove of great benefit to the pearlers at Broome. I move—

That the Bill be now read a second time.

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

BILL—WILUNA WATER BOARD FURTHER LOAN GUARANTEE.

Second Reading.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [6.1] in moving the second reading said: The purpose of the Bill is to enable the Treasurer to guarantee the repayment of a proposed loan of £7,500, to be raised by the Wiluna Water Board for the extension of its water supply works for the town of Wiluna. Hon. members will no doubt remember that a similar Bill was presented and passed in 1933, to enable the Treasurer to guarantee a loan of £8,000, in order to enable the Wiluna Water Board to raise the money required for installation costs of water works. The Water Boards Act, 1904, and its amendments, provide the necessary authority for raising loans, but there is no provision in that Act for the Government to guarantee the repayment of such loans. The Commonwealth Bank is willing to lend the money to the Wiluna Water Board, subject to the condition that its repayment shall be guaranteed by the State Government; and before such a guarantee can be given, a special Act is required to authorise the Treasurer to give the necessary guarantee. The money is required to enable the Wiluna Water Board to carry out certain proposals for additions to the reticulation plant and equipment of the water supply.

These proposals have been investigated by an engineer of the Water Supply Department, and as a result of his report the engineer in charge of Goldfields Water Supply considers that the proposed loan of £7,500 is financially sound, having regard to the requirements of the town in the near

future, and to the increased rating value of the existing, and proposed, reticulation areas. The township of Wiluna is expanding in a remarkable manner. Within the last two years the population has increased from 4,000 to 6,000, and consumers on the Water Board have increased from 2,000 to 3,500. This expansion is continuing, and it is believed that within the next two years the population will number approximately 10,000 souls. The mining industry is responsible for this increase. The Wiluna mine is treating more ore than hitherto. The management of the Moonlight mine has recently constructed six new residences for its staff and a new general office. The expansion has necessitated the provision of more townsite blocks; and, to meet the demand, over 500 new blocks were surveyed in July last. The present water supply is drawn from three wells. The main well, from which the bulk of the supply is drawn, is 27 feet deep, with a water level of 12 feet. When being drawn on continuously, the water level drops 3 feet and then remains stationary. It is fitted with two automatically controlled well pump units, one of which is being converted into a flexible unit for transport from well to well, as may be required. The second and third wells are each fitted with a 1-well pump unit, which is not automatically controlled as yet.

The water board's proposed extensions, for which the loan is required, will be from the reticulation of Lakeside, which is already completed, by provision of a 3-inch main from Red Hill to Lakeside, a distance of approximately 110 chains: 106 chains of 2-inch reticulation main, 25 chains of 1½-inch and 8 chains of 1-inch reticulation. The extension of the railway area by the duplication of the 3-inch main feeding Red Hill and Lakeside, for a distance of 65 chains, and an extension west of the town from which it will be necessary to lay approximately 50 chains of 3-inch iron screw tubing to serve newly surveyed blocks, and a further section of 1-inch black iron tubing, are the works in view. These extensions will necessitate the provision of four extra 30,000-gallon galvanised squatter's tanks in addition to the four already in use. It is also proposed to lift one mile of the existing 7-inch gravity main, and to replace it by one mile of 10-inch steel welded main. Further, it is proposed to sink and equip

two new wells, built with well pump units, thus bringing the total number of wells up to five, and to instal a new main line pump unit similar to those already in use, to be kept as a spare in case of a breakdown in any of the existing units.

The previous loan, which was guaranteed by the 1933 Act, was subject to 4½ per cent. interest; and it is not unreasonable to expect to be able to raise the present loan at the same interest rate. The loan is to be repaid in annual instalments over 10 years. The yearly rates, on the basis of those raised for 1934-35, can be assessed at £4,230, the present rating being only 2s. in the pound on the annual value of the property rated, whereas the maximum charge allowed under the Act is 3s. in the pound.

If necessary at any time, the rates could, under the Water Boards Act, be increased sufficiently to bring in a substantially larger revenue. In view of the satisfactory position of the Wiluna Water Board the Government feel justified in seeking the permission of Parliament to guarantee this further loan to enable the board to proceed with the extension of an absolutely essential service. The fact that the Government will, if the Bill passes, guarantee the loan ensures that the money will be secured at the lowest possible rate. There is no reason to doubt that mining at Wiluna can be regarded as having reached a substantially stabilised condition, and for that reason I confidently recommend the Bill to the House.

Hon. E. H. Angelo: Let us hope that later the Government will have to ask Parliament to guarantee even a larger amount, and for the same excellent reason.

The CHIEF SECRETARY: I move—

That the Bill be now read a second time.

On motion by Hon. J. J. Holmes, debate adjourned.

House adjourned at 6.9 p.m.