

ment shall be recoverable in any other court, but that also the costs in connection with all steps or proceedings under this legislation shall be made recoverable. The creditor is faced with a new method of recovering his debt, a method which he would not have to follow under the Act. It should be made clear that he shall recover costs.

Hon. G. W. Miles: He is put to further expense to recover his debt by reason of this Bill.

The PRESIDENT: I must ask the hon. member to allow Mr. Nicholson to proceed. Mr. Miles will have an opportunity of speaking later on. It is not right that he should reply to Mr. Nicholson's speech by means of interjections.

Hon. G. W. Miles: I did not intend that. I was hoping to get some valuable information from Mr. Nicholson. He is our only legal member. He is educating our members by reason of his remarks. I was only wishing to obtain further information.

The PRESIDENT: I do not think the information can be obtained in the form of continual interjections. If some other member had made a speech expressing a desire that Mr. Nicholson should give legal information, I am sure he would do so, but to bombard him with questions is another matter.

Hon. G. W. Miles: Well, we are getting the information without having to pay any fee.

The PRESIDENT: I would remind members who desire to obtain legal advice from Mr. Nicholson that the Committee stage provides ample opportunity for them to do so. There is no limit then as to the number of times members can address the Chair. It would perhaps be better to obtain the information desired from Mr. Nicholson at that stage.

Hon. J. NICHOLSON: I am only too pleased to give the House the benefit of any knowledge I happen to possess on any matter. I feel it is the duty of members, whether they are legal men or are possessed of information on other points, to give to the House the benefit of their knowledge. If I wanted information relating to buildings I would certainly appeal to Mr. Franklin, by whose knowledge of the question I should be enriched were he to give me the benefit of it. If any member is fortified with knowledge on any particular subject, he should be ready to give that knowledge to the

House, and have it always available to members. Even though the Justices Act were to remain, there would simply exist the remedy provided for therein, and in default of payment there would be imprisonment. The other steps are set out in paragraphs (b), (c) and (d). These are sufficiently clear. They simply transfer the proceedings which originated in the police court to another court. Where the proceedings were started under the Justices Act, they are transferred after judgment is obtained, or an order is made, to the Local Court, and the enforcement of that order becomes a civil matter, and is enforced through a civil court instead of a petty court of justices. Whilst I intend to support the second reading, it is my intention to submit certain amendments to some of the clauses. I should be very glad to discuss these amendments with members at any time, and to give whatever assistance I can.

On motion by Hon. J. M. Drew, debate adjourned.

*House adjourned at 6.10 p.m.*

## Legislative Assembly,

*Thursday, 13th October, 1932.*

	PAGE
Leave of absence	1167
Question: State Lotteries, balance sheet	1167
Bills: Supply (No. 2), £860,000, all stages	1167
Public Service Appeal Board Act Amendment, report	1167
Financial Emergency Tax Assessment, 2R.	1167
Financial Emergency Tax, 2R.	1170
Land Tax and Income Tax, 2R.	1170
Mining Act Amendment, 2R.	1171
Brands Act Amendment, 1R.	1175
Dairy Cattle Improvement Act Amendment, returned	1195
Annual Estimates: Votes and Items discussed	1178
Premier's Department	1178
Governor's Establishment, etc.	1178
Workers' Homes Board	1187
Miscellaneous Services	1188
Group Settlement	1189
State Accident and Insurance Office	1189
Agricultural Bank, etc.	1193

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

**LEAVE OF ABSENCE.**

On motion by Mr. Wilson, leave of absence for four weeks granted to Mr. Raphael (Victoria Park) on the ground of ill-health.

**BILL—SUPPLY (No. 2), £860,000.***Standing Orders Suspension.***THE PREMIER AND TREASURER**

(Hon. Sir James Mitchell—Northam) [4.36]: I move—

That so much of the Standing Orders be suspended as is necessary to enable resolutions from the Committees of Supply and of Ways and Means to be reported and adopted on the same day on which they shall have passed those Committees, and also the passing of a Supply Bill through all its stages in one day.

Question put and passed.

*Message.*

Message from the Lieut.-Governor received and read, recommending appropriation for the purposes of the Bill.

*Committee of Supply.*

The House having resolved into Committee of Supply, Mr. Richardson in the Chair,

The PREMIER: I move—

That there be granted to His Majesty on account of the services of the year ending on 30th June, 1933, a sum not exceeding £860,000.

Question put and passed.

Resolution reported, and the report adopted.

*Committee of Ways and Means.*

The House having resolved into Committee of Ways and Means, Mr. Richardson in the Chair,

The PREMIER: I move—

That towards making good the Supply granted to His Majesty for the services of the year ending on 30th June, 1933, a sum not exceeding £850,000 be granted out of Consolidated Revenue and £10,000 from the Government Property Sales Fund.

Question put and passed.

Resolution reported, and the report adopted.

*Bill introduced, etc.*

In accordance with the foregoing resolutions, Bill introduced, passed through all stages without debate, and transmitted to the Council.

**QUESTION—STATE LOTTERIES  
BALANCE SHEET.**

Hon. A. McCALLUM (without notice) asked the Minister for Police: When will he lay on the Table of the House the balance sheet of the State lotteries, as promised the other evening?

The MINISTER FOR POLICE replied: I had overlooked it. I apologise. I will lay the papers on the Table on Tuesday next.

Hon. P. Collier: We would like them before the week-end. Can it not be done?

The MINISTER FOR POLICE: I will do so if possible, but if not the papers will be here on Tuesday next.

[At a later stage the papers were laid on the table.]

**BILL—PUBLIC SERVICE APPEAL  
BOARD ACT AMENDMENT.**

Report of Committee adopted.

**BILL—FINANCIAL EMERGENCY TAX  
ASSESSMENT.***Second Reading.*

**THE PREMIER AND TREASURER** (Hon. Sir James Mitchell—Northam) [4.47] in moving the second reading said: To-day I have to introduce three taxation measures, including the measure now before us and another for the Bill imposing the tax; for the tax and its assessment must have two separate Bills. Then there is the Land Tax and Income Tax Bill to follow. I hope the remarks I am about to make on the one Bill will cover all three. I regret it is necessary to impose additional taxation, and I regret it the more because of the present financial position of the people of the State. We know that commodity prices have fallen tremendously and that, in consequence, the income of the people is not nearly so great as it was a few years ago, notwithstanding

which the services of the country must be carried on. There is a very considerable sum to be paid out in interest each year, and the State's services must be maintained, including the free services such as education, police, charities and medical and health. Payment for these services is demanded of us each year. I will show just what the financial position is and how far short our revenue is of meeting the requirements of the State. Of course all taxation has fallen tremendously. That is not to be wondered at when we remember that our total income from production was as high as £33,000,000 a year or two ago, and £31,000,000 in the next year, but fell to £24,000,000 in the following year. It is impossible to get the figure for last year, but no doubt it is smaller than it was the year before, and that despite the fact that the quantity of production has increased all along the line. It is due to the fall in commodity prices that the income from production has dropped so greatly. The wonder is that we have been able to get through as well as we have. Naturally, the fall in prices has meant a considerable fall in the cost of living. It is unfortunate that the world depression has come upon us and that we should have difficulty in selling our produce and, when we do sell, should be getting very little for our export commodities. Despite the reduced prices, we have to pay precisely the same amount of interest overseas and here, too, as we did before, plus, of course, exchange, which makes the demand on the Treasury very heavy. This new tax is necessary to meet the cost of unemployment, which last year was £653,031 and which is estimated this year at £310,774. The reduction has been made possible by the expenditure of loan money which has absorbed a large number of men on part-time work. To-day there are 9,220 persons in Government part-time employment, but there are still on sustenance 7,173 persons. Despite all our difficulties, we have struggled on, though it has meant considerable deficits for the past two years, deficits totally nearly £3,000,000. This year we cannot go beyond £765,000 as a shortage on revenue account, and so it becomes imperative to raise more money to meet the cost of unemployment. There have been many deputations and requests for the imposition of this tax, but that was some time ago, and

I then hoped we should get through without additional taxation since the people were already heavily taxed. But the commodity prices have not improved, and so the revenue of the State has not improved either. Some time ago this resolution was carried--

That a deputation of the Unemployed Relief Co-ordinating Committee, which is representative of all local governing bodies and relief committees in the metropolitan area, wait on the Premier with a view to discussing the introduction of a tax to provide for unemployment, and if necessary an emergency session of Parliament be convened.

Hon. P. Collier: That was nearly two years ago.

The PREMIER: The position is neither better nor worse now than it was then.

Hon. P. Collier: Yes it is, for the deficit is only half now.

The PREMIER: That resolution was presented by a deputation including the Lord Mayor, Mr. E. H. Barker and Hon. E. H. Gray, M.L.C. Requests were made from time to time from the Leederville Unemployed Fund, the Geraldton Unemployment Relief Fund, the Bassendean Unemployment Committee, the Subiaco Unemployed Relief Committee, the Peppermint Grove Road Board and the Bayswater Married Men's Unemployed Committee. The Leader of the Opposition knows how we both dislike increasing taxation. I have resisted it as long as possible, but it is no longer possible because the Loan Council in July refused to make available more than £765,000 to meet this year's estimated deficit of £1,360,000. Further substantial savings are impossible and there is now no option, as the Leader of the Opposition said the other day, but to raise more money, which must be had from month to month to carry us over the year. I have already said that, owing to the depression, revenues have fallen very considerably. The total revenue for 1929-30 was £9,750,515; in 1930-31 it was £8,636,756; and last year it was £8,035,316, or a drop of £1,750,000 in two years. Last year there was a fall of £650,000 in the gross revenue. The deficits for the past three years were, in 1929-30, £518,000; in 1930-31, £1,420,000; and in 1931-32, £1,557,896. This year, including this tax of £300,000 and an additional Federal grant of £200,000, the estimated revenue is £8,417,577, which but for the £500,000 special grant would be a little less than it

was last year. The deficit this year must be no more than £763,000. From taxation in 1929-30 we got £1,452,793; in 1930-31 we got £1,134,385; and in 1931-32 we got £1,006,917, which was, as against the previous year, a drop of £128,000, and as against the year before that, a drop of £446,000, due of course to the reasons set out in my opening remarks, to the fall in the return from production, the only real money we get. It is estimated that this year we will get from taxation £1,216,650, including this tax of £300,000. So, but for this tax, the estimated revenue would show a fall as against last year; and that quite naturally, because day by day we are getting further from the time of reasonable budgeting, the time when we did get a fair return for our produce. The income tax in 1929-30 yielded £340,501 and the dividend duty £410,615, or a total of £751,116. In 1931-32 the income tax fell to £260,253, and the dividend duty to £178,187, or a total of £438,440. That in all conscience was a serious enough drop, but it is estimated that for this year we shall only get £18,000 from income tax and £150,000 from dividend duty, or a total of £330,000 from those two sources as against £438,440 in the previous year and £751,116 in the year before that, again due entirely to the fall in commodity prices and the stagnation in trade. The taxation receipts from all sources in 1929-30 amounted to £1,452,793, and in the next year to £1,134,385 and last year to £1,006,916, while the estimate for this year is £1,216,650. On free services in 1929-30 we spent £1,074,791 and in the next year, including unemployment, £1,387,136 and last year £1,419,235, while this year it is estimated that we shall have to spend on those services £1,078,786. Free services, as members know, consist of education, charities, police and hospitals, and are services from which we get no return whatever. Those are the figures, notwithstanding that the hospital tax has been in operation during the last year. It is impossible to meet all our obligations when we give away for those three or four services, as we do, all that we receive from taxation. The Leader of the Opposition knows that that has always been our trouble. There is so much that must be done by the State from its very limited taxation collections as against the little done in the same way by the Federal authorities from many times the

amount of taxation collected by them. Of course the Commonwealth pay pensions, but the services that touch the lives of the people, such as our free services, are not with the Commonwealth Government at all. They have to be met from our revenue, and the only way to meet them is from taxation.

Hon. J. C. Willcock: The Commonwealth will give you half a million this year.

The PREMIER: Yes, and the per capita payment also. For years we have received certain amounts, but the Commonwealth collections are enormously greater than ours, and when we are actively engaged in spending loan moneys, I imagine a very great amount accrues to the Commonwealth covering the tariff disadvantages on our purchases, not only of imported goods, but of goods manufactured in Australia. These are the reasons why the tax is necessary—because unemployment is a very serious matter and because it is the desire of all members, and I hope of the community generally, that those unfortunate people should be treated as generously as possible. The Bill provides for a tax on all salaries, wages and incomes, and dividend duty. The rate, which will be fixed by another Bill, will be  $4\frac{1}{2}$ d. in the pound. It is estimated to raise from the tax this year £300,000. Some exemptions are provided, including single persons whose incomes are under £52 a year, and married persons whose incomes are under £104 a year. Old-age pensions will be exempt as well as all pensions granted for war service and paid by the Federal Government.

Mr. Sleeman: Generous to exempt them!

The PREMIER: But their earnings will not be exempt; that is the difference. The revenue of certain public bodies will also be exempt. Exemptions provided under the Land Tax and Income Tax Act will not be allowed under this measure. That is the principle observed in the Hospital Fund Act. The Bill, with few exceptions, is copied from the Hospital Fund Act. Collections will be made in part by stamps, in part by cash payments by employers, and in part on incomes. I have pointed out what the drop in revenue has meant—£1,715,000 between 1929-30 and 1931-32—but that is not all clear loss, inasmuch as we get revenue from public utilities, and if we are not carrying goods, we are not under the same expense for public utilities. There has been a drop in expenditure in 1931-32 as compared with

1929-30 of £675,000. The expenditure last year included for unemployment relief £644,000 and for exchange £620,000, a total of £1,264,000. But for those two items, the decrease in expenditure would have been £1,939,000, due to reductions under the emergency legislation. That is accounted for by savings in many directions and by reduced expenditure on public utilities, due unfortunately to the drop in the revenue earnings of such activities. It is not possible to make further savings and so avoid this additional taxation. If that had been possible, I would assuredly have adopted that course. It is not possible to increase the earnings of public utilities, or to avoid the loss on public utilities in these bad times. It is not possible for the invested money to earn as much as it would earn in normal times, and a loss occurs there. One half of the expenditure on Government—£4,000,000 of it—is required to meet obligations on loans. That money cannot be touched. Government expenditure is a very limited amount. As to public utilities, it is a question of the people using them. If trade were flowing freely throughout the State and if motor transport were not such a hot competitor with the railways, we should be in a very much better position. With the very limited amount of values set upon our exports, we have not been able to import goods as we once did, and the imported goods, as the member for Geraldton knows, produce the higher freights for the railways. The railways carry our bulk goods like wheat and fertiliser at very low rates, but the goods that are sent to the people in the country and that are largely imported into the State pay the higher railway charges. One-half of those freights has been lost, due to the fact that we have imported only half as much as we were able to import a few years ago. We could not import goods in the former volume, because it was impossible to pay for them with the prices of our export commodities so low. I hope the House will realise that the tax is essential and is urgently needed. I hope the House will agree that there is no escaping the tax. We must continue to meet our obligations to the unemployed on the same scale as we have met them up to date. I think we are doing a little better in this respect than are most of the States, but the longer men are out of work and the further they get away from the time when they had

employment, the greater must become their needs. The House will realise the necessity for this money being made available in order to maintain the cost of the service to the unemployed. I move—

That the Bill be now read a second time.

On motion by Hon. P. Collier, debate adjourned.

## **BILL—FINANCIAL EMERGENCY TAX.**

### *Second Reading.*

**THE PREMIER** (Hon. Sir James Mitchell—Northam) [5.10] in moving the second reading said: This Bill merely follows on the one I have just moved and fixes the rate of tax at 4½d. in the pound of income received. It is not necessary to repeat the facts and figures that I have already given. I move—

That the Bill be now read a second time.

On motion by Hon. P. Collier, debate adjourned.

## **BILL—LAND TAX AND INCOME TAX.**

### *Second Reading.*

**THE PREMIER** (Hon. Sir James Mitchell—Northam) [5.11] in moving the second reading said: This Bill is to re-enact the taxation measure of last year.

Hon. P. Collier: With the exemption for agricultural land?

The PREMIER: Yes, without the slightest alteration on last year. Improved agricultural land will be left as it was last year. I hope there will be no worse change. Sometimes when we have said there would be no alteration, the experience has proved different.

Hon. P. Collier: We can change it this year by reducing the rate.

The PREMIER: Then the hon. member will get no salary. The first thing we will do will be to reduce members' salaries to make good the remission.

Hon. P. Collier: We shall have a lottery to make it good—one of the 15 lotteries.

The PREMIER: While I would wish the hon. member luck if he put his money into a lottery, I am afraid he might lose more than he would gain in that way. When needs are

urgent, it is risky to look to a lottery to provide to-morrow's breakfast.

Hon. A. McCallum: He does not want to have to depend on the chance of a lottery.

The PREMIER: I think, in respect to most gambling, we take a chance where really no chance exists. I move—

That the Bill be now read a second time.

On motion by Hon. P. Collier, debate adjourned.

## BILL—MINING ACT AMENDMENT.

### *Second Reading.*

**THE MINISTER FOR MINES** (Hon. J. Seaddan—Maylands) [5.14] in moving the second reading said: The Bill is for an Act to amend Part VA. of the Mining Act, 1904, which deals with two subjects, one with mining for mineral oil, and the other with tributing on mines. I have provided a memorandum which is attached to the Bill in order more clearly to explain the position. I have to admit that the matter is fairly technical. The Bill makes provision for such an amendment of the existing Act that it is not easily understood by members other than those who have a fairly intimate knowledge of mining. It is also drafted in order, if such is possible, to avoid future litigation in matters concerning mine ownership and tributing. It may be urged against the measure that the time is inopportune for its introduction, on the ground that certain litigation has not yet been finalised as between the mine owners and the tributers. It may appear that the action of the Government in bringing down the measure at this stage amounts to asking Parliament to do something while the case is sub judice. It will not have any such effect or result. The Bill has become urgent for the reason that due to this litigation, which has not yet been finalised, about £150,000 is held out of circulation. Whatever the decision may be, that money will eventually be put into circulation, but pending the decision that amount is growing. Until a decision is arrived at the mine owners, perhaps very properly from the legal point of view, are continuing to reserve the amount that they contend rightly belongs to them, and are not putting it into circulation.

Hon. P. Collier: Any amendment we make cannot affect the decision as to the existing position.

The MINISTER FOR MINES: No. This Bill will only be effective from the date when notice of it was given in this Chamber. It cannot affect the decision that may be arrived at by the Privy Council on the case before it. Whatever may happen with that, we are making provision for the future. It is a very difficult question to deal with, that of legislating on matters affecting an agreement between mine owners and tributers and to give satisfaction to both sides. We have been able to learn something by the experience of recent years, and this ought to enable us to do better than we have done in the past. Both here and in other parts of Australia, attempts have been made to legislate for an equitable arrangement between the two parties. It is not always understood, except by those who are intimately acquainted with mining operations, what is meant by tributing, and how the law affects the position. There are not only two parties concerned, the mine owner and the tributer. There is a third party which is quite as important as the other two, and perhaps more so, namely the Crown, which happens to be the owner. Apparently the Crown is entirely lost sight of in tributing matters. No one will deny that the Crown is entitled to be considered at least as much as the other two parties. The Crown owns the land. Subject to an application being received from any person, that person may lease such Crown lands for the purpose of enabling him to obtain the gold which may be in the area leased to him. One of the conditions laid down in the Act is that the lessee shall enter into a covenant with the Crown, setting out the various conditions with which he must comply. Amongst others is the condition which will be found in the principal Act, Section 80, that every lease shall be subject to the prescribed covenant by the lessee, who shall particularly covenant not to assign, underlet or part with the possession of the land, or any part of it, without the previous consent in writing of the Minister, or of an officer acting with the authority of the Minister.

Mr. Marshall: It has been departed from often enough.

The MINISTER FOR MINES: For years that has been honoured more in the breach than the observance.

Mr. Corboy: It has been practically a dead letter.

The MINISTER FOR MINES: Without any provision being made in the Mining Act as to the conditions under which tributes may be let, or any portion of such lease may be sub-let, the lessee would let to someone the right to take gold from a portion of the mine, subject to his paying him a royalty on the gold recovered. The commission varied so much, and, the lessee being able to impose practically any condition, the position was seriously abused. The tributer was unfortunately placed in the position that sometimes we hear contractors and piece-workers are placed in, that they were ground down until practically nothing was left to them. Parliament then decided to amend the Mining Act, and to insert a provision which could be accepted, if entered into between the lessee, and the sub-lessee or tributer, and approved by the warden as being the consent necessary under the section of the Act referred to. In other words when the tribute agreement was approved by the warden, the parties did not require to apply to the Minister to obtain his consent in writing to the sub-letting of any portion of the mine.

Mr. Corboy: He was an officer acting with the consent of the Minister.

The MINISTER FOR MINES: The words are defined in the Act. It was subject to the agreement being approved by the warden and registered, and that was tantamount to obtaining the consent of the Minister. For the time being that arrangement worked fairly smoothly. Then came the premium paid on the sale of gold won by the tributer, and a dispute arose in regard to who was the rightful owner of the premium. Eventually a further amendment of the tributing sections of the Mining Act was made. It was intended that any premium above the recognised par value of gold should be divided equally between the lessee and the sub-lessee. This meant that the tributer should get at least 50 per cent. of any premium which might accrue on the sale of gold won by the tributer. We made no definition of the word "premium." When it was inserted in the Bill it was done at a time when gold was apparently at a fixed

standard price. There was no variation in the world's market price of gold and there seemed to be no likelihood of it. Things have so changed, however, that a very technical point has arisen, which has yet to be settled by the Privy Council, as to whether the provisions of the existing Act really called upon the owner of the lease, who obtained the gold and marketed it on behalf of the tributer, to take from it more than 50 per cent. of the enhanced value of the gold above the standard price.

Mr. Corboy: You say the intention of Parliament was that he should only do that.

The MINISTER FOR MINES: No one could assert that at the time such words were put into the Act they were intended to cover any enhanced price of gold, because no one thought there would be any variation in the market price of that commodity. It was taken as irrevocably fixed at that juncture. I take the view that, knowing the position has changed materially, we ought not to allow it to continue any longer, and ought to decide once and for all what shall be the portion that may be taken by the lessee, and what portion shall go to the tributer, the sub-lessee. I have tried to make provision for that in the Bill. One or two clauses require slight explanation; they deal with the sections which come under Part V. (a). It was unfortunate that we mixed up that part of the Act with the provisions dealing with the prospecting for and recovery of mineral oil. What I am doing in the Bill is to provide for the repeal of the sections in the Mining Act dealing with mineral oil. That repeal would not take effect until the Petroleum Bill, which will separate it entirely from the mining portion, has been passed and received assent. A proclamation will then be issued repealing the sections dealing with mineral oil in this Bill, and they will thus be removed entirely from the Mining Act. There is nothing similar about prospecting for and working mineral oil, and the working of ordinary mineral mines. It is better to separate these entirely from the Mining Act. We must, however, take precaution that we do not repeal these sections until the Petroleum Act is on the statute-book.

Hon. S. W. Munsie: The amendment can become law before that takes place if the Bill is passed.

The MINISTER FOR MINES: We must have a law dealing with prospecting for and the recovery of mineral oil. The Government could not proclaim this particular law and repeal the provisions of the Mining Act dealing with mineral oil unless there was another Act on the statute-book dealing with the question of petroleum.

Hon. S. W. Munsie: What about the conditions appertaining to tributers?

The MINISTER FOR MINES: That does not apply. It applies only to Clauses 3, 4 and 9.

Mr. Corboy: The tributing business will go straight ahead.

The MINISTER FOR MINES: The tributing business will be covered by the whole of Part V. (a) of the Act, which will deal entirely with tributing and tribute agreements.

Mr. Corboy: Will the tributers be held up in the meantime?

The MINISTER FOR MINES: No. The proclamation will deal only with the repeal of the section of the principal Act applying to mineral oil. The basis of all matters arising between the lessee and the tributer is that there are two persons, one the straight-out lessee from the Crown and the other who obtains a sub-lease from the lessee. There is, however, an important third party, namely, the Crown, which is the owner of the land. We make provision in the Bill that the lessee, in order to obtain the consent of the Minister, without having to seek it in writing, shall lodge any tribute agreement with and for the approval of the warden. He cannot just make an agreement in the office and claim the right to sub-let to tributers. It will be a breach of the covenant unless the agreement is lodged with the warden, and the warden is enabled to do certain things prescribed in the Bill. Under the existing Act it is provided that the warden may refuse to register a tribute agreement. That has largely been taken to mean that the warden need not consider too closely the provisions of the agreement because the very use of the term "agreement" meant that the two parties to it were satisfied. The warden, therefore, does not exercise that same care and adopt the same attitude that would be required if the duty were imposed upon him that he should do certain things first.

Hon. S. W. Munsie: Both parties are looked upon as being satisfied.

The MINISTER FOR MINES: The word "agreement" implies satisfaction. When two people make an agreement it is understood that the conditions are equitable between them.

Mr. F. C. L. Smith: What about the Crown?

The MINISTER FOR MINES: The Crown has never been considered as a party to any agreement between the lessee and the sub-lessee, and the Crown does not appear to have entered into the matter at all. As a matter of fact, the Crown is vitally interested. Surely the Crown is anxious, when it leases a portion of its land to enable gold to be recovered, that the best possible use shall be made of the property by the lessee to recover the greatest proportion possible of the gold in the ore. Unfortunately, in the past the lessee has imposed such conditions on the tributers that the latter could not take all the gold that should be recoverable, if the conditions of the agreement had been equitable. We are faced with that position to-day, and there is a large quantity of comparatively low-grade ore—low-grade when we consider the grade of the ore that is taken out now—that has to remain in the mine and may remain there for all time. That represents a loss to the Crown and we are entitled to see that the conditions are such that all the gold, as far as it is practicable to recover it, shall be extracted. I pointed out that the wording is different from that in the existing Act, and provides that the warden shall refuse to register a tribute agreement if it does not comply with all the conditions of the Act and the regulations, and if it does not embody the specified provisions. At present there is a provision that no royalty can be recovered until the tributer and those who work for him each receive £3 10s. per week.

Hon. S. W. Munsie: That is only where the tributer is fulfilling the labour conditions.

The MINISTER FOR MINES: Yes, and that provision will continue. We are providing for two methods by which royalty can be imposed by the lessee. One is the royalty on the sliding scale, as in the past, with deductions as set forth in the existing agreement, and now we also provide that the lessee may, by agreement with the tributer, take the royalty on what might be called a fifty-fifty basis. Half the gold recovered by extraction shall be apportioned



in equal amounts between the lessee and the tributer. We regard the percentage of gold recoverable as 90, and that means that 45 per cent. of the assayed gold contents of the ore shall be the property of the tributer and the other 45 per cent. shall belong to the lessee. The lessee's proportion covers all royalties and charges that can be imposed by the lessee for bringing the ore to the surface from the nearest point in the shaft where the tributer is operating, transporting, crushing, and treating the ore, and recovering the gold from it. Half of the gold so recovered belongs to the tributer, and the tributer has to pay wages from that proportion, whatever those wages may be, and all other mining charges. In other words, this represents what is known as the Bendigo system of tributing. Under that system the tributer takes a block of ground, takes out the ore, pays for whatever services are rendered by the lessees, and brings the ore to the plat in the shaft. For his 50 per cent. of the returns, the lessee takes the ore from the plat to the surface, and extracts the gold contents.

Mr. Marshall: Then the tributer will have to bring the ore to the plat.

The MINISTER FOR MINES: Yes.

Mr. Marshall: I thought you said he had to bring it to the mouth of the shaft.

The MINISTER FOR MINES: I did so, but I corrected myself and made it clear that he had to bring the ore to the plat. After the gold is recovered, 50 per cent. has to be returned to the tributer.

Mr. Corboy: In other words, the tributer does all the actual mining.

The MINISTER FOR MINES: Yes. Then we also provide the basis on which the tributer is to be paid. When the ore is taken to the plat, it is then in the hands of the mine-owner, who cannot recover any gold from the ore the next morning. We do not ask that the mine-owner shall pay anything to the tributer until a reasonable time has elapsed to enable him to take the ore to the surface, treat it, and recover the gold. Then we ask him to pay on the basis of £2 an ounce only, and give him a further month to realise on the gold. At the end of that period he has to return, on a fifty-fifty basis to the tributer the difference between the £2 an ounce to himself as lessee and £2 an ounce to the tributer—and the actual return

at current market rates in Australian currency for the gold contents of the ore dealt with. Another point to be explained is that although the word "agreement" is used in this connection, the agreement between the tributer and the mine-owner is not in the exact form that that word implies. In the past, the mine-owner has been able to submit a form of agreement to the tributer which, although the latter may object most strenuously to some of its provisions, has to be accepted by the tributer, who cannot voice any opposition at all. The tributer must accept the mine-owner's tribute agreement because he desires to secure the tribute, and must accept almost any terms that the mine-owner may fix. Although the warden may, to all intents and purposes, from a legal point of view, be quite capable, he is not a practical miner, and therefore may not easily understand what is equitable from a mining point of view as between the mine-owner and the tributer. Neither party is likely to approach him—most certainly the mine-owner will not do so—with regard to the equity of any provision that may be contained in the agreement. Thus there are no means by which someone may determine whether the contract as between the two parties is equitable, and therefore we propose that, notwithstanding that any such agreement is submitted to the warden, the document may, at the request of either party, be referred to the State Mining Engineer for the purpose of getting his advice as a practical man as to whether any term or condition embodied in the agreement is inequitable. The decision of the State Mining Engineer will have to be given effect to by the warden. I admit that is a decided change in the conditions that operate, but it is a desirable one.

Hon. J. C. Willcock: Cannot the mine-owner retract?

The MINISTER FOR MINES: No, because the tribute agreement at that stage will have been signed by the two parties. The only condition we impose is that if the State Mining Engineer, with his practical knowledge of mining operations, decides that the agreement is not equitable—the warden may not be in a position to determine the point—the Mining Engineer's decision will operate. That is solely for the protection of the tributer.

Mr. Corboy: You have said that the warden shall accept the mining engineer's de-

cision. Does that mean that the engineer's decision is binding on both parties?

The MINISTER FOR MINES: Yes, that is one of the conditions. They will be aware of that fact before the agreement is entered into. The conditions to apply as between the lessee and the sub-lessee are embodied in what we call the agreement, but which, to all intents and purposes is not an agreement but merely an arrangement by which the Crown, as the owner of certain property, permits the lessee to sublet portion of the ground under tribute. Now we say that we shall make provision to see that the conditions of the agreement as between the lessee and the sublessee are equitable.

Hon. J. C. Willcock: Cannot the mine-owner retract at all?

The MINISTER FOR MINES: No, because, as I have already explained, the agreement has been signed by the parties.

Hon. J. Cunningham: You imply that the parties who make the contract shall decide the terms of the tribute.

The MINISTER FOR MINES: No.

Hon. S. W. Munsie: This is to prevent that sort of thing.

The MINISTER FOR MINES: Before the agreement is entered into between the lessee and the tributer, they will have a knowledge of the fact that unless the terms of the agreement are such as will be regarded as equitable by the State Mining Engineer, the agreement may be varied. That is to be one of the conditions under which the lessee will obtain the consent of the Minister to sublet portion of his lease.

Mr. Corboy: You mean that the Minister, as representing the Crown, can impose conditions after an agreement has been signed by the parties to it?

The MINISTER FOR MINES: No. The Minister will not be consulted at all. Perhaps it would be better to confine the discussion on these matters to those members who have a knowledge of mining matters, because it is not very easy to understand the position. The Crown says to the man who has a lease that he shall not dispose of it or sublease it. In fact, the lessee has to enter into a covenant that he will not sublet without the written consent of the Minister. The Minister's written consent can only be obtained if the lessee carries out the provisions of the Act in his agreement with the tributer, which must be on the terms and

conditions laid down in the Act. Those terms and conditions must be equitable, but if either party considers something is embodied in the agreement that is not equitable, then the State Mining Engineer, as a practical man, may be called in by the warden, so that equitable conditions may be embodied in the agreement.

Mr. Panton: Is that before the agreement is signed?

The MINISTER FOR MINES: No. The agreement will be signed by that time. Both parties will have a full knowledge before they enter into an agreement that certain conditions must be observed without which the written consent of the Minister will not be obtainable.

Mr. F. C. L. Smith: The lessee may not agree to that.

The MINISTER FOR MINES: I have already told the tributers that. Years ago I told the House that one of the difficulties in dealing with tributers was that the mine-owner, if not satisfied with the conditions imposed, would not seek the Minister's consent, because he would not enter into an agreement to sublet a tribute.

Mr. F. C. L. Smith: Under the conditions you suggest, may not the State Mining Engineer impose conditions that the mine-owner may not agree to?

Hon. S. W. Munsie: But the mine-owner can only enter into an agreement in accordance with the provisions of the Act.

The MINISTER FOR MINES: The Act specifies the conditions under which a portion of a lease may be sub-let. If there is a condition in an agreement framed in accordance with the Act that either party to it considers inequitable, then the warden can refer it to the State Mining Engineer, who will give his decision. That provision is entirely for the protection of the tributer. The mine-owner will know the position for himself.

Mr. Panton: He can look after himself.

The MINISTER FOR MINES: Yes, but a tributer is now often forced into the position of having to accept the agreement.

Mr. Panton: Because he requires the tribute.

The MINISTER FOR MINES: Yes, it is his bread and butter. Because of that, he may sign the agreement, although he may consider some of its provisions inequitable.

The State Mining Engineer will now be able to decide whether those provisions are equitable or inequitable.

Hon. J. Cunningham: But suppose the agreement does not get before the warden, is it not possible for the parties to contract themselves outside the provisions of the Act?

The MINISTER FOR MINES: No, because it is compulsory for the lessee to lodge the agreement with the warden for registration. That is the start of the procedure.

Hon. J. Cunningham: It is no use the Minister saying that they cannot do so, because it has been done.

Hon. S. W. Munsie: But that was under the old conditions; it could not be done under the conditions outlined by the Minister.

The MINISTER FOR MINES: I have already explained the position. Under the existing Act, there is no compulsion on the mine-owner to lodge the agreement with the warden for registration. It was expected that the agreements would be lodged in order to secure the Minister's consent for the sub-letting of portion of the lease, but that provision was more honoured in the breach than in the observance. Agreements have not been lodged. It is now proposed to make the lodging of tribute agreements compulsory on the lessee so that they may be registered with the warden who will see that the terms of the agreement comply with the conditions of the Act, one of which is that if either party to the agreement considers some provision inequitable, the State Mining Engineer, as a practical man, will be able to decide the point.

Hon. J. C. Willeock: Then can either party pull out?

The MINISTER FOR MINES: No. If they do not wish to go before the warden or risk a decision on the matter by the State Mining Engineer they will not let tributes. I want members to note this, that we provide that any tribute agreement, registration whereof is refused by the warden, shall be null and void. If the warden refuses to register the agreement, no agreement will exist. I have already said we are changing the conditions of royalties. At present there are quite a number of methods of payment. Some are on a sliding scale, and some are cut down to such a fine point that unless

high-grade ore is worked there is very little return. We propose to insert this new section—

Every tribute agreement shall contain therein a provision setting out clearly the manner in which the tributers shall pay royalty or tribute to the lessee, and such royalty or tribute may be paid by either one of the following methods:—(a) By means of a percentage on a sliding scale to be fixed by the agreement on the value in Australian currency of the gold extracted from the ore produced—

We are not going to have any more quibbling about that.

—and delivered by the tributers as ruling at a date one month after the ore is delivered for treatment, but so that the sliding scale aforesaid shall vary with the value of the gold in Australian currency.

Then for the purposes of that section the value of the gold shall be the difference between the gross proceeds derived from its sale and the cost of treatment and realisation. Another method is by a division in equal shares between the lessee and the tributers of the gold extracted from the ore produced, or of the gross proceeds from the sale of such gold. The conditions on the mines, in Kalgoorlie particularly, vary considerably. For instance, on one mine the lessee will purchase ore on its assay value, in other words he purchases the contents of the ore on the assay value, and then puts it into his circuit where it loses its identity. The tributer's gold thus is not known from the company's gold. In that case we provide that there shall be a different method of payment. In the case of mines where there is no treatment plant, the ore is taken to a customs mill and treated there. Then we have had this unfortunate position arising, that the owner of the customs mill, after charging for treatment, had the audacity to take 50 per cent. of the premium. The customs treatment plant merely renders the service of treating the ore and recovering the gold, so that it is not equitable to take any portion of the premium, and we do not propose to permit that to continue. We propose that in connection with ore crushed at a treatment plant, the price to be charged shall be definitely fixed in the agreement. To-day there is a sliding scale of charges. If the ore varies in value from a few dwts. to ounces, the charges for treatment vary to as much as £3 a ton.

Hon. S. W. Munsie: And they charge 9s. a ton for hauling it.

The MINISTER FOR MINES: Yes, because it varies in value. We provide in the Bill that there shall be fixed charges and that those shall be embodied in the agreement, no matter what the value of the ore may be. The balance is to be distributed on the value in Australian currency. No one can complain that that is not reasonable as between the two parties. In the case of where a fifty-fifty division takes place and the lessee does not treat the ore, he has to make an arrangement and set out the conditions in the agreement as to how it shall be handled. So much shall be charged for treatment and that charge has to be taken out of the 50 per cent. that goes to the mine owner. That is to be one of the terms of the conditions of the agreement. If the charge imposed is not equitable as between the two parties, that is where a practical man in the person of the State Mining Engineer may step in, but we do say that there shall be no variation in the charge for hauling and treatment. The charge is to be fixed on a tonnage basis and is not to be varied on the gold contents. The mine owner will get his share if the ore is of high value. As I have said, there is to be a third party representing the Crown who may step in and say that the royalty charge is not equitable. Thus we provide a protection which is very desirable. We make provision that where the 90 per cent. extraction is considered to be not obtainable, then the lessee, or the people who may be treating the ore, shall apply to the warden for a variation of the amount. In such a case the division would vary as between the two parties. There is not much more to which I need refer except to say that we are repealing Section 152 of the existing Act because we are imposing conditions which will make the position much better than it is under the existing law. There has been a good deal spent in litigation and the matter is not even now finalised. This litigation has had the effect of holding up a large sum of money, and that is to the disadvantage of everyone. We suggest that the time has arrived when we should declare that as from the 30th September the new conditions shall prevail. We have to remember that there is a difference in agreements of

this kind. One tributer makes an agreement and it is subject to extension from time to time. It may be made for six months, and at the end of six months the owner of the mine may cancel the agreement, or he may say that it can be extended for another six months. So it may go on indefinitely. In the Bill we make the provision that at the expiration of any agreement made before the 30th September, or any extension, when that date arrives the agreement must be amended to comply with the new law.

Mr. F. C. L. Smith: There is no limit to these agreements?

The MINISTER FOR MINES: We make a limit.

Mr. F. C. L. Smith: Six months' notice must be given of the termination of an agreement.

The MINISTER FOR MINES: If we find that there is no termination we shall have to make provision for it. If an extension is agreed upon it will have to be on the basis of the new law. That is all the Bill contains and I submit it in the belief that it will improve the position that now exists, and also in the hope that it will prevent a lot of litigation which has been so expensive in the past. It will also obviate what has happened—the holding up of a large sum of money out of use, money that should have been in circulation, and will also remove any doubt in regard to where a tribute begins and ends. I have been advised by tributers who are most interested in the subject that a big percentage of the mines could not have operated in the past without granting tributes. Indeed some of them would have had to close down, perhaps permanently. But they do not fear that they will not be able to obtain tributes under these conditions because they assert that these conditions are equitable.

Hon. S. W. Munsie: Tributes under the existing law are not much good.

The MINISTER FOR MINES: If tributers cannot get these new conditions they will not be any worse off than tributers under existing conditions. Anyway, mine owners will not be in any worse position. The idea of the owner of a treatment plant claiming under the existing Act the right to take 50 per cent. of the premium on the sale of the gold recovered by the tributers is the most astounding

attitude I have ever heard of. Surely we are entitled to take some action to prevent that kind of thing continuing.

Mr. Marshall: It is about time, too, that the State got a little royalty for the Treasury. The Crown is entitled to more than it is receiving.

The MINISTER FOR MINES: I have told the House and the mining community also that for years past we have lost sight of the fact that an important party to any of these agreements is the Crown, the owner of the property. Apparently, we have got into the habit of imagining that once we have granted a lease, the Crown ceased to exist. As a matter of fact, the gold in the ground belongs to the Crown, and we only permit people to recover it for their benefit, and we say that these are the conditions under which the ground may be sublet. The amendments contained in the Bill are long overdue. They were needed because there arose certain conditions that no one could foresee. I have taken the earliest opportunity to remedy that state of affairs. I move—

That the Bill be now read a second time.

On motion by Hon. S. W. Munsie, date adjourned.

## ANNUAL ESTIMATES, 1932-33.

### *In Committee of Supply.*

Resumed from the 11th October; Mr. Richardson in the Chair.

*Vote—Premier's Department, £10,244—* agreed to.

*Vote—Governor's establishment, £1,733:*

Mr. SLEEMAN: This vote should be struck out. The private secretary to the Lieut.-Governor is paid under a special Act. The orderly is a member of the police force, and in the event of this vote being deleted would still be retained in the Police Department. The typiste might possibly lose her position. In the event of the vote being struck out, the Government should see that the typiste does not suffer in consequence. On the Address-in-reply I suggested that Government House should be converted into a school for girls, which the metropolitan district needs badly. The Premier, when recently in the East, was reported to have said

that he was strongly in favour of a Governor being appointed from the Old Country. The report in question suggested that communications on the subject had passed between the British Government and the Western Australian Government. On the previous Estimates the item for the Governor himself was £1,800; these Estimates show an amount of £4,000. This fact suggests the possibility of a Governor being appointed from Home during the current financial year. The striking-out of the vote will be an instruction from the Chamber to the Government that another Governor is not desired.

The PREMIER: I trust the vote will not be deleted. Some staff is necessary in connection with the office of Governor. Certainly the member for Fremantle has shown consideration for the lady typist.

Hon. P. COLLIER: I regret that the Premier has not availed himself of this opportunity to take the Committee into his confidence by making a statement as to the Government's intentions with regard to filling the office, pending the meeting of Parliament next year.

Hon. W. D. Johnson: If the Estimates are right, another Governor is coming.

Hon. P. COLLIER: Not necessarily. In such times as these, the Government should make a statement of their intentions. I do not think many people in Western Australia, whatever may be their opinions regarding a Governor from overseas as against a Lieut.-Governor, would agree that we should incur the expenditure associated with a new appointment. When all over Western Australia people are suffering, it is no time to incur what is really unnecessary expenditure. I do not raise the question whether the policy of overseas appointments should be pursued, or whether we should continue the policy of Lieut.-Governors, or should make local appointments. My personal opinion is that Australian citizens should not be debarred from the highest of Australian offices.

The Premier: They are not barred.

Hon. P. COLLIER: They have been barred until the recent alteration in the Commonwealth sphere. I do not say we should necessarily appoint none but local men. Though I do not wish to argue about political appointments, I must say I have never before read so much balderdash as has been written and spoken concerning the appointment of the Governor General. Appointments of Commonwealth and State

Governors have been political appointments; they have been made by overseas politicians. The Government of the day in the Old Country make the appointments. It is a mere figment of the imagination to say that His Majesty the King selects persons for appointment to these offices. The King is a constitutional monarch, and he does the same as the Governor of this State does—accepts the recommendations of his advisers and signs the papers he is told to sign, without the exercise of any discretion. In the past, men of whom the King had never heard until the appointments were presented for his signature have been appointed Governors of Australian States. I could mention cases in point. Men receive these appointments as rewards for acting as party Whips, for example; mere political party hacks have been appointed to Australian Governorships. The Committee is entitled to know whether the Government intend shortly, or during the present financial year, or before the next Parliament meets, to fill the vacant position with a gentleman from overseas. Undoubtedly such an appointment would mean much additional expenditure, which is not justified in present circumstances. I do not think anything has gone wrong in this State since we had a Lieut.-Governor, nor have I heard of anything unconstitutional being done. Moreover, is not a lawyer better qualified than other men to keep Ministers on the constitutional track? Therefore the present system may well continue. The question of appointments from overseas can be discussed when the much-talked-of "corner" has been definitely turned.

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

Hon. P. COLLIER: I shall not pursue further the question of the appointment of Governors or the method adopted in that regard, especially as to whether the appointee should be one of our own citizens or, as in the past, should be a gentleman from overseas. I know, of course, that no reflection is cast on anyone who has held that high office in this or any other part of the Commonwealth. Western Australia and other States have been well served on many occasions by men of distinction and attainments, who have rendered great service to the Empire. That, however, is not the question at all, nor is this the occasion to decide that

issue. The correct method would be, it seems to me, to attempt, if the change is considered desirable, to amend the Constitution, by a decision of both Houses of Parliament. On the other hand, this is the occasion, and now is the time, when we can reasonably discuss the question whether at the present juncture Western Australia can afford to spend £4,000 this year in connection with such an appointment. As a matter of fact, the amount involved would be more than that; it would be more like £6,000 and not the £4,000 mentioned in the Estimates. It is a question whether we are justified in spending that amount of money at present. This afternoon a number of Bills were introduced to impose additional taxation on a large number of people who are to-day below the breadline, and on a community generally that is already overburdened with taxation. Surely we will not decide to spend £5,000 or £6,000 quite unnecessarily at this juncture, especially as we propose to heap additional taxation on the people. If there were any need for it, I could understand it. On the other hand, it seems to me that conditions that have obtained during the past 12 months may well be allowed to continue and Parliament can decide next year or even later whether a change in the method of appointing gentlemen to the position of Governor is or is not desirable. There is no justification whatever for incurring this additional expenditure at the moment by the appointment of a Governor during the present financial year. I do not know whether it is proposed to do so, and the Premier might take the Committee into his confidence and let us know what is the Government's intention. If he were to make an announcement, it would assist the Committee to determine whether it was necessary to continue the discussion. There is no necessity to spend money on the appointment of a new Governor when the duties of the office have been carried out so well during the past year by the Lieut.-Governor.

The PREMIER: Last year I promised Parliament that an opportunity would be afforded members to discuss the appointment of a Governor when the Estimates were presented, which meant that no one would be appointed in the meantime. We have provided that opportunity, and there has been a discussion. In the past we have been well served by those who have filled the office. It will be remembered that many of our Governors were not political appointees. The

last political appointee was Lord Strickland. Then we had an Admiral, followed by a Major General. We certainly had Sir William Macartney, who had been a Minister in the British House of Commons, and he was followed by Sir Francis Newdegate and Sir William Campion, both of whom had been members of the British Parliament. The last named, it will be remembered, was appointed by the Labour Government.

Hon. P. Collier: He had been a Conservative Whip.

Hon. A. McCallum: He was appointed before Mr. Ramsay Macdonald took office, and the Labour Government confirmed their predecessor's action.

The PREMIER: I am not competent to speak for Mr. Ramsay Macdonald, but I believe it was Mr. Thomas, as Secretary for the Colonies, who made the appointment. However, that does not matter much; Sir William Campion received the appointment, whoever made or confirmed it. Something has been said about the appointment of the present Governor-General of Australia. I hope we shall always treat the person holding that office with all the courtesy that should be extended to one in that high position. I think we have done so. It must be remembered that we are a sovereign State, and the appointment of a representative of the King is necessary here as much as it is in connection with the Commonwealth. As a sovereign State, we have the right of direct communication with His Majesty the King, and with the British Government, through the Governor. There are advantages and disadvantages in connection with the appointment of a Governor, irrespective of whether the appointee comes from Australia or from Britain. I should imagine that the advantages far outweigh the disadvantages. A gentleman filling that high office needs to be fairly comfortably off, and those appointed from England have generally had considerable funds of their own. Apart from that, Governors, who have been in office here, have been good representatives of the State on their return to England.

Hon. S. W. Munsie: Some of them have been.

The PREMIER: I think all of them have been good representatives for us.

Hon. P. Collier: I think one spoke slightly of the State, about its going bankrupt.

The PREMIER: I do not know of that, but I regard Governors as of advantage to the State from the standpoint I have men-

tioned. Is it not a fact that there is nothing to prevent the appointment of a man from any part of the Empire to these positions?

Hon. P. Collier: There has not been one such appointment until the present Governor General.

The PREMIER: I do not think so.

Hon. P. Collier: I think that is the best answer to your question.

The PREMIER: Not at all.

Hon. P. Collier: Certainly it is.

The PREMIER: At any rate, there is no bar to the appointment of anyone within the British Empire. I think Sir William McGregor, a Governor of Queensland, came from Newfoundland, or, at any rate, from some other part of the British Dominions. That, however, is beside the question. The vote under discussion merely deals with expenses in connection with the Governor's establishment, and the amount provided is £1,733. I am satisfied that the majority of members of the House think the time is not opportune, because of the state of the finances, to make an appointment of a Governor, and I am glad the objection is on financial grounds only and on no other. As a sovereign State I think we need to have a Governor. The Constitution requires it. For some months, Sir John Northmore acted as Administrator, but it was necessary for him to be appointed Lieut.-Governor in order that he might carry on more or less indefinitely. As Administrator he could not do so, hence his appointment as Lieut.-Governor. I realise there is expenditure attached to the office of Governor that cannot be undertaken at present, nor until we are in easier financial circumstances. The Leader of the Opposition said we had not turned the corner; I do not think we have. During the last few days we have slipped back in regard to commodity prices on goods that represent our principal exports, so that the position is not becoming easier. The promise I made to Parliament last year that the Government would provide an opportunity to discuss the question of the appointment of a Governor, was made, I think, as the result of action taken by the member for Fremantle (Mr. Sleeman). At any rate, I know his ideas.

Mr. Sleeman: You do not know what I think.

The PREMIER: No, only what you say.

Mr. Withers: The member for Fremantle thinks loudly.

The PREMIER: He is honest in what he says, although he is frequently wrong, and so we can respect his honesty. Provision for the Governor is made under a special Act and it is right that the amount should be set forth in the Estimates, but the appearance of the item does not mean that an appointment will be made. It will not be possible to make any appointment during the next 12 months; of that, there is no doubt. Personally I think we ought to have a Governor, and we stand to suffer some loss through not having one, although the absence of a Governor at the present juncture may be of temporary advantage. The Government do not propose to make an appointment, but it would have been entirely wrong if we had not given the Committee an opportunity to discuss the matter.

Hon. J. C. Willecock: It would have been wrong.

The PREMIER: But the hon. member did not do so; his Government made the last appointment. In other circumstances, the hon. member and his colleagues were perfectly right, and the present Government would have done so in those circumstances. We approved of his appointment just as he and his colleagues did of ours. Circumstances are different now, and may be regarded as special. I am glad the only objection raised has been on the ground of finance, and I should be sorry indeed if it were otherwise. Western Australia being a sovereign State, the appointment of a King's representative is necessary. At the moment Sir John Northmore, as Lieut.-Governor, fills the position. I may say here that during his term of office the Lieut.-Governor has drawn nothing in the way of salary, although he is entitled to draw one-half the salary of the Governor. I hope the House will be satisfied with the explanation I have given.

Mr. MARSHALL: The Premier was correct in saying that members hold various views as to this position. He also said he thought the advantages derived from the appointment of a Governor far exceeded the disadvantages, but he did not give us any explanation as to what a Governor's duties really are.

The Premier: You ought to know.

Mr. MARSHALL: And I do know a little about the Governor's duties. Usually they are explained from day to day by publicity in the Press, but outside that informa-

tion one can only assume that the Governor performs no functions of moment and carries no responsibility. Usually his duties are confined to the giving of garden parties and the opening of shows, particularly the Royal Show, and attending minor functions where his promised presence is well advertised for the purpose of drawing the attention of potential patrons to that function. Apart from all that, I see no virtue whatever in the appointment of a Governor. In answer to questions asked by me in the House some years ago, the information was given that the Governor's establishment cost £9,000 or £10,000 per annum, including salary and the upkeep of two homes, one at Albany and one at Perth. I hold the view that there is no room for a Governor in this young State.

The Minister for Railways: He has never been crowded out yet.

Mr. MARSHALL: Physically, of course, the State would hold many Governors, but I am speaking of the Governor being of some benefit to the progress and development of the country. I would not mind the cost of the Governor if we were getting any value at all for the money we spend in that direction. But we get no such value, and £1,700 is too large an amount for this State to pay at the present time when there are scores of people ill-fed and ill-clad.

The Minister for Lands: We are feeding some of them by paying wages to gardeners and cleaners at Government House.

Mr. MARSHALL: Deduct the amount paid in that respect, and we cannot afford the balance. Indeed, the State has never been able to afford the cost of a Governor.

The Minister for Lands: If the State cannot afford the little that is being paid now, it must be hard up indeed.

Mr. MARSHALL: The State is almost insolvent.

The Minister for Lands: Well, let us reduce the members of Parliament.

Mr. MARSHALL: Only this afternoon the Premier introduced three taxation Bills, one a continuance measure but the other two being to increase taxation.

The Minister for Lands: No, not two.

Mr. MARSHALL: Well, one anyhow. Is it logical to be increasing taxation for the purpose of feeding hungry citizens and at the same time paying £1,700 for a purpose



from which the State gets no return whatever?

The Premier: Every penny of it is spent here.

Mr. MARSHALL: I do not deny that, but when the State is practically bankrupt money spent on unnecessary work is bad business.

The Premier: You would not argue that the upkeep of Government House and its grounds is unnecessary?

Mr. MARSHALL: If those grounds were of any use to the people, it might be all right, but those grounds are not open to the public.

Hon. P. Collier: The gates are always open.

Mr. MARSHALL: But let the Leader of the Opposition enter those gates, and the gardener will soon be around to see what he wants. Sir George Pearce no doubt would be welcome there, especially if wearing his spats.

The Minister for Railways: Why should he not wear spats? You wear a scarf.

Mr. MARSHALL: And the hon. member would look much better if he, too, wore one.

The Premier: Everybody needs a bit of dignity, but I have not a scarf.

Mr. MARSHALL: I will see to it that the hon. member gets one for a Christmas box, provided he agrees that no further Governors shall be appointed in this State. Jestings apart, I have never yet heard from the Premier what valuable function the Governor fulfils, nor have I ever heard any member on the Government side declare that the Governor performs necessary work.

The Minister for Lands: Yet you sat on this side for six years.

Mr. MARSHALL: Whether on that side or this side of the Chamber, I will always protest against the appointment of a Governor until those responsible for his appointment can show me where the taxpayers get value for the money expended on a Governor.

The Premier: They always get value for their money.

Mr. MARSHALL: I admit that the Governor himself gets value for the scant services he renders, but I cannot see where the taxpayers get any value for the money paid to the Governor. The Premier, when in the Eastern States, gave an interview

to the Press which suggested to the Press that the Government of Western Australia were about to appoint a Governor this year. Here is the Press report of the Premier's interview given in Melbourne on Thursday the 14th April, 1932:—

The Premier of Western Australia, Sir James Mitchell, said to-day that he shared with the Dominion Office the desire that a Governor should be appointed for Western Australia. For some time, he said, the Chief Justice of the State had been acting as Lieut.-Governor. It is all a question of finance, Sir James said, and the appointment has been delayed in the interests of economy. I should like to see a direct representative of the King in Western Australia, but nothing can be done until Parliament meets and the Estimates are considered.

The Premier: What is the objection to that?

Mr. MARSHALL: That is not all; there is a little more of it, although I think the remainder is a Press comment. Last year all that the Premier submitted to Parliament on the Estimates by way of expenditure on Government House was £1,600, but this year he has added £4,000, the Governor's salary. That, having regard to his statement made in Melbourne, would seem to indicate that he intends to appoint a Governor this year. The remainder of the interview I have quoted reads as follows:—

Recently it was reported that correspondence on the question had been passing between the Dominion Office and the State Government.

Apparently the Dominion Office was pressing the Premier to agree to the appointment of a Governor.

The Premier: The Dominion Office has a perfect right to communicate with us on the subject.

Mr. Panton: Yes, if they want to get rid of some of their unemployed.

Mr. MARSHALL: There is something in that—if they want to send us a member of their unemployed. It is a very cosy job, with large emoluments for an unemployed person.

Mr. Kenneally: A little above the basic wage.

Mr. MARSHALL: Undoubtedly, especially since he does not render value for the money paid to him.

The Premier: That is your view.

Mr. MARSHALL: I challenge the Premier to show the Chamber where we get value for the money paid to the Governor.

The Premier: There is no objection to your holding that view.

Mr. MARSHALL: But I object to the view the Premier holds, since he will not attempt to justify it by showing us exactly where we get value for the money expended on a Governor.

The Premier: The Government get value from everybody to whom they pay money.

Mr. MARSHALL: In most cases the Government get value from the officers they appoint, but in this instance it seems that because we are a sovereign State we are in duty bound to have a Governor, irrespective of whether we get value for our money. As long as I am a member of this Chamber I will not agree to any expenditure whatever on a Governor, not even the £1,700 for the upkeep of the Governor's establishment, because a Governor does not render any value to the taxpayers. I will always oppose the appointment of a Governor, and will support any proposal to delete the item from the Estimates.

Hon. W. D. JOHNSON: The most effective and profitable of all economies effected by the Government since the depression has been that associated with Government House. The member for Fremantle is moving not so much to get an expression of opinion that a Governor should not be appointed during the next 12 months as to make the reform permanent. I am one of those who believe that the people expect Parliament to say definitely that no further expenditure for the upkeep of a Governor and Government House will be approved. Governments have been elected in this State definitely pledged to abolish State Governors.

The Minister for Railways: You would have a pretty difficult job to find the pledge.

Hon. W. D. JOHNSON: The abolition of State Governors has been prominent on political platforms.

The Minister for Railways: But always submerged when an election took place.

Hon. W. D. JOHNSON: The Minister can speak for himself. I have not submerged it, because I have regarded it as a corollary of Federation. It was understood that one of the economies from federating would be that the upkeep of six or seven State Governors need not be continued. Political parties have made it an issue. The Minister knows that a definite

attempt was made to arrange for the abolition of all State Governors. It was the definite policy of a Government on one occasion not to make a further appointment, but the Home Government took the attitude that one State should not adopt a reform of that kind; it should be a unanimous decision of all the States. Attempts have been made at Premiers' Conferences to secure unanimity, but unanimity has not been obtained. That goes to prove that the people are not favourable to continuing the expenditure on a Governor and the upkeep of Government House. The abolition of the office permits of a distinct and definite saving. Is this an opportune time to give effect to the economy? To-day we could strike out the division and do a minimum amount of harm. At no time in the history of the State could we definitely declare against the appointment of a Governor more easily than at present. If we strike out the division, we shall be striking out provision for the Governor's establishment. As long as we have an establishment for a Governor, the temptation will exist to appoint a Governor to occupy it. There is no need for the establishment. We have proved that we can manage with a Lieutenant-Governor. We are fortunate in the present Lieutenant-Governor, but he is not the only one who has given satisfaction to the State. If the Constitution demands that there shall be a representative, let him be a Lieutenant-Governor rather than a direct Governor. Having a Lieutenant-Governor, there is no need for a Governor's establishment. Government House ballroom cost an enormous sum to build and equip and was used on only special occasions and patronised by only a select few, but to-day it is more like a public hall. People are using it to a far greater extent and are enjoying the spacious building, the attractive surroundings, the effective equipment—

Hon. P. Collier: And the secluded spot.

Hon. W. D. JOHNSON: The Leader of the Opposition knows more about that than I do. I am prepared to take his word that that constitutes an attraction. Government House ballroom is now being utilised for the public good. It is not limited to the holding of balls and functions of that kind. Conferences have met there and should meet there again, and the ballroom should be used for the benefit of the taxpayers and

the public generally. Perth is said to require a new town hall. Why not put Government House ballroom to practical use to fulfil the needs of the metropolis? In seeking a new town hall for Perth, the idea is not so much to get a large building as to get an attractive building where special public functions could be held under favourable conditions and in pleasant surroundings.

Mr. Angelo interjected.

Hon. W. D. JOHNSON: The hon. member would joke about the needs of the unemployed and the benefit that would accrue to them from an economy of this kind. Members may laugh at such expenditure, but amidst their hilarity people are starving while this expenditure continues. Members who vote for the continuation of the Governor's establishment are inviting the appointment of another Governor. The fact that the Premier has placed on the Estimates £4,000, compared with £1,600 last year, is evidence that the establishment is intended for another Governor. If we strike out the division, it will be a direction to the Government to utilise the grounds and building for some serviceable purpose. I ask members in all seriousness whether they intend to allow this enormous expenditure on Government House to continue.

The Premier: Did not you buy a house at Albany for the Governor when you were a Minister?

Hon. W. D. JOHNSON: I know there is a house at Albany, but if I bought it, it was because I was compelled to fulfil some contract. Otherwise it would not have been bought by me.

The Premier: It is a merciful Providence that fashioned us hollow, etc.

Hon. W. D. JOHNSON: The Minister for Railways might be able to tell the Premier more about that than I can. I have never approached expenditure of the kind with any degree of enthusiasm. If the need arose, I could tell quite a story about Government House, Albany. In addition to the Governor's establishment, there are the grounds. The commodious stables could be put to some use. Why should they remain idle?

Mr. Angelo: Use them for a Mayor's parlour.

Hon. W. D. JOHNSON: I do not mind so long as they are used for some purpose. At present they are depreciating simply because they are not being used, and so long

as we retain the item on the Estimates, they will continue to be idle. The Government cannot utilise either building or grounds for any other purpose so long as we provide money for the upkeep of a Governor's establishment. The motion aims at discontinuing the Governor's establishment and directing that it be utilised for other purposes. There is nothing in the Constitution to prevent that being done. So long as the item is retained, we must have a Governor's residence maintained by money authorised by Parliament. The people consider there is no need to appoint another Governor and they do not want another one appointed. We are on the eve of a general election. Why not strike out the item and leave the people to determine what shall be done with the building and grounds? If we pass the item, the expenditure will continue as it has done for the last 40 or 50 years, and there will never be any reform.

Member: Why did not you stop it?

Hon. W. D. JOHNSON: We tried to stop it. There was a desire on the part of Parliament, as then constituted, to relieve our limited population of this unnecessary burden, but we could not do it. We had to seek approval of our proposal, but that does not apply now. We have control of this matter. It is within our rights to do what we desire. We have to justify our actions to no one except the people of the State. If the next elections show that the people prefer the grounds to remain in an idle condition, rather than have another Governor appointed, the new Parliament will know what to do. This Parliament should clean the slate, and give the people an opportunity to express their views upon the subject. The minimum amount of harm will be done if we clean the slate now. The number of persons who will be displaced by the striking out of this vote will be very small indeed. As to the maintenance of the grounds, the Gardens Board has a right to employ sustenance workers, and can maintain the property much more cheaply than is the case under the present arrangement. Here is an opportunity to effect an economy, and we should grasp it at once. If no establishment is provided for, no Governor can be appointed to occupy the establishment.

Mr. KENNEALLY: Actually, the carrying of this motion would mean a saving of £10,000 a year.

The Premier: How do you make that out?

Mr. KENNEALLY: If a Governor's establishment is not provided for, there will be no need for a salary to be allotted to a Governor, nor to provide for the maintenance of either of the Government Houses.

The Premier: You are wrong.

Mr. KENNEALLY: Has the State suffered since the present Lieut.-Governor was appointed? There is no suggestion of such a thing. Where is the justification for neglecting the opportunity to make permanent the saving that is being effected now?

The Premier: I thought the hon. member was strong on the principle of one man, one job. I must have been mistaken.

Mr. KENNEALLY: The Premier is mistaken in many things. The country has realised that he is mistaken in many things, and is awaiting the opportunity to give expression to that realisation.

The Premier: I think they are waiting for you in East Perth.

Mr. KENNEALLY: The Premier has a lot to learn in that respect.

The Premier: Will you teach me something?

Mr. KENNEALLY: If the Premier will keep quiet, I will endeavour to do so. The position of Governor-General is an important one. When Federation was first accomplished, it was understood that State Governors would be done away with.

The Premier: Who understood that?

Mr. KENNEALLY: Sir Edmond Barton, when advocating the consummation of Federation, made it clear there would be a Governor-General and no other governors.

The Premier: Sir Edmond Barton had no right to determine that for us.

Mr. KENNEALLY: We remember the old cry, "One nation, one flag, one destiny," and to this might be added "one Governor-General."

The Premier: We have only one.

Mr. KENNEALLY: Quite recently the question of the importation of Governor-Generals to this country has received considerable attention at the hands of the Imperial Parliament. Now that the fight, which has been waged for some time in Australia, has been won, and the position established that the King in appointing a Governor-General has to accept the advice of his Australian Ministers rather than that of

his British Ministers, it is a poor argument to use that for Western Australia we must have an imported Governor. There is no reason why we should have any Governor. The work can well be performed by those who are already on the salaried list of the State. At a time when we are asking people to suffer additional cuts in their income, and are asking those in receipt of less than the basic wage to bear additional taxation, we should not be countenancing expenditure for the upkeep of Government House. If the Vote is struck out, no State Governor can in the future be appointed. If we do not bring about this reform in these necessitous times, we know well that at some future date those who are anxious to have an imported Governor will move in the direction of getting one appointed.

Hon. A. McCallum: Are you in favour of a tariff on imported Governors?

Mr. KENNEALLY: One of the prohibition orders that the Scullin administration did make effective was that which prevented the importation of a Governor-General. Surely there are not many members of this Chamber who would say that we have not in Australia citizens capable of carrying out the duties of a State Governor, if one were appointed. The Australian States are practically the only parts of the world in which it seems to be admitted that citizens of the country are not fit to be governors. If we are to have a Governor, let him be an Australian citizen. But there is no reason why one should be appointed, because the Governor-General provides ample connection between the Crown and the Commonwealth of Australia.

The PREMIER: We cannot approach the Governor-General in this matter. He does not in any way carry out the functions of a State Governor, and could not do so.

Mr. Kenneally: I did not suggest that the Governor-General had any connection with this State.

The PREMIER: The hon. member suggested that the appointment of a Governor-General made it unnecessary to appoint a State Governor. Only the Federal Government can approach the Governor-General on such a question. This Vote is intended to cover the emoluments of the staff that is required to enable the Lieutenant-Governor to carry out his duties. These salaries

cover only a small proportion of the amount.

Mr. Kenneally: Gardeners at £1,000 are not necessary.

The PREMIER: The grounds must be kept up. We cannot allow the place to go to wrack and ruin. Probably the premises at Albany are not necessary. But as nothing can be done with them now, they must be kept in order. I suppose no one would consider it an economy to allow the gardens to fall into disorder. They have always been maintained. Almost every penny that is spent goes in wages.

Hon. W. D. Johnson: We could save money by cutting out this Vote.

The PREMIER: Not at all.

Hon. W. D. Johnson: The work could be done more cheaply.

The PREMIER: The hon. member would sack the people who are working there, and with a smile deprive them of their jobs. That is not like him. It is not a question of appointing another Governor, for we cannot afford to do that. It is a question of maintaining the grounds and providing for that expenditure which is necessary to enable the Lieutenant-Governor to carry out his work.

Hon. W. D. Johnson: It is too expensive.

The PREMIER: If the hon. member thinks that, the expense could all have been cut out years ago if he had wanted to do so. We want not to say to the Lieutenant-Governor, "Not only shall you do this work without reward, but you shall do it all yourself, without clerical assistance."

Hon. W. D. Johnson: Mr. Shapecott could do the work with his staff.

The PREMIER: Staffs do not work for nothing.

Hon. W. D. Johnson: Let us add a little to the Government Gardens Vote.

The PREMIER: Let us take a common-sense view.

Hon. W. D. Johnson: This is the only opportunity we have ever had to deal with this question. Let us seize the opportunity.

Mr. Marshall: What useful function does a Governor perform? What function of any value to the taxpayer?

The PREMIER: The Chairman would not permit me to discuss that aspect. I hope the member for Fremantle will be

satisfied with having gratified the desire to express his opposition to the office of Governor.

Mr. HEGNEY: The office is unnecessary. The displacement of a typiste and a gardener is urged by the Premier as a reason for the retention of the office, but doubtless other and more useful work could be found for them. The State's policy of economy calls for the deletion of this vote. Western Australia cannot now afford a State Governor as in the past. In view of the dire distress prevailing, money should not be spent on the office. For the upkeep of all public gardens and so forth £1,700 was made available last year, whilst on the garden of Government House, the inside of which is never seen by the general public, no less a sum than £1,000 was spent. Government House should be made to serve the useful purpose of a girls school for the metropolitan area. As for the Governor being a link with the Crown, Western Australian interests are now being very well looked after by the Chief Justice as Lieutenant-Governor. The cost of the office of Governor may not be large for one year, but in the course of 20 or 30 years it represents a huge amount. Country Party members who are honest in the convictions they express will support this proposed economy.

Mr. SLEEMAN: I derive some satisfaction from the Premier's definite statement that during the current financial year a Governor will not be appointed. However, the appearance of the item on these Estimates led one to believe that something of the kind was contemplated. The £4,000 could well be devoted to feeding hungry people in the metropolitan area. The private secretary to the Governor comes under a special Act; not under this vote. Government House must deteriorate if left unoccupied; but if it is to be occupied only by a Governor, it should remain untenanted for ever. The building can be used for a girls' school. The policeman concerned will find work in the force. There is not much chance of the typiste losing her position, as the Lieutenant-Governor requires the services of a typiste. Certainly I do not want to see the typiste discharged. However, the building should not be retained just in case there might one day be another Governor appointed.

Vote put and passed.

*Votes—Executive Council, £5; London Agency, £8,810; Public Service Commissioner, £1,210; Government motor car service, £1,865; Printing, £47,329; Tourist Bureau, £1,548; Literary and Scientific Grants, etc., £8,690; Treasury, £18,154; Audit, £10,719; Compassionate Allowances, etc., £1,351; Government Stores, £11,365; Taxation, £30,000—agreed to.*

*Vote—Workers' Homes Board, £11,141:*

Hon. P. COLLIER: Will the Treasurer give us some information regarding the possibility of money being made available for the Workers' Homes Board?

The Premier: We have made some provision.

Hon. P. COLLIER: But apparently only a small amount. If it is at all possible to provide money, this is the time to do so because costs are so low that work done now will be of permanent benefit over the whole period of repayments by those who may require workers' homes. I believe I am correct in saying that building costs are about 25 per cent. below those that operated three or four years ago. Even if other departments have to go short, this is the time when we should endeavour to proceed with the erection of workers' homes. Undoubtedly, notwithstanding the great depression and the fall in prices generally, the lowering of house rents in the city has been less than in most other directions because building operations have practically ceased during the past three years. There would be a considerable shortage of homes were it not for the fact that as many as two, or three, or even more families are residing in one dwelling. That has largely overcome the house shortage problem, but there is great need for the erection of more workers' homes.

The PREMIER: I entirely agree with the Leader of the Opposition and I can assure him that an amount will be provided on the Loan Estimates for the purpose he has suggested. Money is coming in all the time, as he knows.

Hon. P. Collier: That is on account of repayments.

The PREMIER: Yes. The erection of a large number of houses has been authorised and this has been done fairly freely throughout the State.

Hon. A. McCALLUM: Can the Treasurer give us some idea as to what money will be made available for the erection of workers' homes?

The Premier: Every application that is in to date has been covered.

Hon. A. McCALLUM: Many people withheld their applications because they thought no money was available.

The Premier: There are 79 in at present.

Hon. P. Collier: Applications have been turned down in the past and they can be gone on with now?

Hon. A. McCALLUM: I would like a definite assurance from the Premier regarding those whose applications were turned down in the past because money was not available. Are they provided for?

The Premier: There were 79 applications held over for want of funds, and they have been approved of.

Hon. A. McCALLUM: More than that number were withheld.

The Premier: When you were in office or since?

Hon. A. McCALLUM: If the Premier wants to make political capital out of a simple question—

The Premier: Not at all.

Hon. A. McCALLUM: That was in the mind of the Premier and he should not get nasty when a member asks a civil question. The Premier should not lose his temper.

The Premier: I did not lose my temper. You said that more applications were in.

Hon. A. McCALLUM: I have gone to the department with people who have lodged applications and the officials have shown me a long list of applications already in and they asked me what hope I thought there was for others seeing there was no money available.

The Premier: All I can say is that I saw the secretary and asked him how many applications were held over, and he said 79. I told him to go ahead with them.

Hon. A. McCALLUM: At one time I was shown a long list that contained nearer 200 applications than 79.

The Premier: Of course, I do not know how many there are, but that was the number given to me.

Hon. A. McCALLUM: If the Premier can give me an assurance that money will be made available for all those that have made applications that have been approved including those that were withheld for the reason I have indicated, it will be something to work on.

The PREMIER: The hon. member will realise that only the secretary can give me the information.

Hon. A. McCallum: I suppose so.

The PREMIER: He said there were 79.

Hon. A. McCallum: Then I do not know what has happened to the rest.

The PREMIER: There will probably be some others, of course.

Hon. A. McCALLUM: May I inquire from the Premier whether money will be made available for the cheaper type of homes?

The Premier: There are not many applications for them.

Hon. A. McCALLUM: But I think a few have applied for them.

The Premier: Yes.

Hon. A. McCALLUM: About 20 applications have been made by people in my electorate.

The Premier: Many of the local authorities would not allow the buildings to be erected.

Hon. A. McCALLUM: I understand no difficulty has been experienced with regard to the outer parts of the Fremantle area.

The Premier: That is so. The buildings are quite useful homes.

Hon. A. McCALLUM: They are suitable for people who cannot secure better buildings, particularly for people who have been in difficulties as a result of the emergency legislation, and do not desire to have tremendous burdens heaped up against them.

The Premier: We have made arrangements for additions and so on, and have provided for other buildings, but not many of them.

Hon. A. McCALLUM: Some improvements should be made although the cost should not be allowed to involve any heavy expenditure.

The Premier: It runs to about £60.

Hon. A. McCALLUM: Many people are content so long as they can get a shack and thus avoid any heavy liability. I do not desire to see inferior homes erected but they should be such as are within the reach of people in their present circumstances.

The Premier: I agree. The buildings at first were not quite sufficient.

Hon. A. McCALLUM: Do I understand that money will be made available for those buildings?

The Premier: We are going on with some now.

Vote put and passed.

*Vote—Miscellaneous Services, £638,330:*

Item, South African Relief Fund, £58:

Mr. MARSHALL: What does this item represent?

The PREMIER: It is an amount paid to some men who served in the South African war and who are in needy circumstances.

Item, Interest and Exchange, £14,000:

Hon. A. McCALLUM: Will the Premier explain this item? How does interest arise on exchange?

The PREMIER: Interest is paid on loan authorisations and, in addition, there is interest paid to the banks on overdrafts and that is covered by the item. Exchange has to be paid to the underwriters in London and there are Treasury bills and payments to the London and Westminster Bank and also on account of the overdraft at the Commonwealth Bank. The expenditure last year was £37,537.

Hon. A. McCallum: Is the exchange referred to different from that mentioned in Item 23, which relates to exchange on London requirements for which £585,000 is provided?

The PREMIER: In the second item the interest is in respect of loans in accordance with the usual statutory provision. Of course, interest has to be paid to banks in Australia and in London as well. The item has always appeared in the Estimates because there has always been interest to pay.

The Minister for Lands: Exchange has to be paid on interest payments as well.

Item, Subsidy South-East Coast Mail Service (State Shipping Service), £1,000:

Mr. COVERLEY: Is the subsidy paid to the State Shipping Service or to the Commonwealth Government?

The PREMIER: The subsidy has been provided for years past and is paid to the State Shipping Service.

Mr. Wansbrough: But the ship has not carried mails for a long time.

The PREMIER: The subsidy has been paid to the State Shipping Service for years.

Item, Grant to Empire Parliamentary Association £150:

Mr. MARSHALL: When funds were plentiful, this expenditure was probably warranted.

The Minister for Lands: The vote was not spent last year.

Mr. MARSHALL: And I hope it will not be spent this year. If I thought the money would be spent, I would be inclined to move to delete the item from the Estimates. I do not know that we get value for the money.

The Minister for Lands: Yes, we do.

Mr. MARSHALL: Those who are members of the association may do so, but the taxpayers do not benefit at all.

Item, Expenses of Repatriation of Sundry Persons, £300:

Mr. SLEEMAN: Last year £777 was expended under this item. I only regret it was not £7,777. This year the amount is to be reduced to £300. It is regrettable that the case I put up to the Premier a few days ago was not alleviated. It is a very deserving case, that of a mother and seven children. The woman took one of her girls down to a boat with a letter to the captain in an endeavour to get her home to her father in England. If there is £300 available, it could not be used to better advantage than in sending that woman and her seven children Home. The husband, a very sick man, has got away to England, and the longer we keep the wife and daughters, the more will it cost us. The woman is anxious to take her children Home, and we should help her to do so. Both she and her eldest daughter can get work in England. Also there are many others anxious to get away from this country and the starvation and misery that is theirs at present. Only yesterday a newspaper man came to me and asked me to show him where this woman and her children lived. It is a pity the Premier could not see that home, for it would bring tears to his eyes. There is scarcely a stick of furniture in the house, and a couple of blankets with some old clothes are all the family have to cover them at night. The electric light has been cut off, and only occasionally can the poor woman afford a candle to lighten her darkness. She has had a final notice from the landlord that if she does not vacate the premises she will be thrown out. I admit there are dozens of others nearly as bad as this case, and I say we ought to do what we can to help them return to the Old Land, where they will be better fed and clothed than they are here.

The MINISTER FOR LANDS: Exactly, the minute we fix up one family for repatriation, another comes along. The £777 we spent last year was not nearly sufficient to repatriate all who wished to go. In respect of many of them, the trouble is that no sooner do they get Home than they want to come back here again. We were put to the expense of bringing out those people, and most of them have not paid anything off their fares, yet now we are expected to send them Home again. As to the specific case the hon. member mentioned, we are now in communication about it, and I hope that within a week or two we shall have passports ready for that woman and her family.

Vote put and passed.

*Vote, Group Settlement, £5—agreed to.*

*Vote, State Accident Insurance Office, £5,158:*

Hon. P. COLLIER: This is developing into an important department, and is indeed becoming a revenue-earning source for the Treasurer.

The Premier: I wish it were.

The Minister for Lands: No revenue is shown.

Hon. P. COLLIER: No, that is what I want to ask about. This is the department that was going to ruin the country a few years ago, because the rate fixed for the premiums was £4 10s. per cent. The result has been that an enormous profit, comparatively speaking, has accumulated during the years the department has been in existence; so much so that the Treasurer considers the liabilities the fund is carrying do not require that the whole of the money should be retained in the fund. So I think he proposes to take into Consolidated Revenue this year £30,000 from this fund. That is quite unfair to the people who are paying the premiums. If the money paid in premiums accumulates in this manner it clearly indicates that the premiums charged are too high.

The Premier: No, no.

Hon. P. COLLIER: So it really amounts to a special tax on those who have to insure with the State Insurance Office. The correct thing to do would be to reduce the premiums to an amount sufficient to keep the fund in a solvent condition. The accumulation of the fund proves that the premiums are too high and ought to be reduced.



The Premier: You mean premiums under the Workers' Compensation Act.

Hon. P. COLLIER: Yes, I do not mean the general insurance, I mean the insurance under the Third Schedule of the Workers' Compensation Act. So long as the present premiums continue to be charged, so long will there be available to the Treasurer a considerable amount every year. That is distinctly unfair to those paying the premium, and the rate ought to be reduced to a level that would keep the fund in a solvent condition. The fund is scores of thousands of pounds in credit, and the Treasurer is drawing upon it. It means that the mining community, who have to insure, are paying a rate altogether too high. So this is being made a taxing measure. When the department was initiated there was justification for fixing the rate at £4 10s. per cent., because the business was an unknown quantity and the private insurance companies refused to do the work at any price, and so our Government were compelled to establish this department in order to enable the employers to comply with the provisions of the Workers' Compensation Act. It was then held that the amount fixed would prove to be inadequate, but the result has been quite the reverse and there is a large sum of money not required, and consequently the premiums ought to be reduced by one-half. It is a very heavy burden on the mining community. Were it not that the price of gold has increased, the payment of these premiums would have made all the difference between the mines carrying on at a profit and showing a loss.

The Premier: It must be remembered that we took over the liability of many of the mines.

Hon. P. COLLIER: Yes, for the first two or three years we paid the whole of the premiums under the Third Schedule, amounting to some £30,000 per annum.

The Minister for Works: Amounting to £147,000 one year.

Hon. P. COLLIER: I thought it was only about £30,000.

The Premier: Payments under the Miners' Phthisis Act have gone up to £60,000.

Hon. P. COLLIER: Yes, that is a heavy drain on the Treasury. Under the Miners' Phthisis Act we have undertaken to pay to all those compelled to go out of the mines the minimum rate of wage until we can

find employment for them. In the first year or two a large number of men were compelled to leave the mines. That was the result of all the years of mining operations.

The Premier: We should have insured them years before.

Hon. P. COLLIER: I admit it. In 1912 the Government of which I was a member endeavoured to pass legislation to minimise the evil, but it was rejected in another place, and so the trouble was allowed to go on for 15 years or more. It meant a very heavy drain to pay the men the full rate of wage until the Government were able to find them work. Many of them, of course, are not able to take employment and so they have to be maintained at the cost of the Government. That has a State-wide application. Of course the mining community got assistance from the Government for three years in the payment of these premiums. That was paid from the disabilities grant.

The Premier: From the Commonwealth to the State.

Hon. P. COLLIER: Yes, for the purpose of assisting the mining, as well as other industries. But those were lean years for mining, and had it not been that we were able to go to the assistance of the industry in those years, many mines would have been closed down. The position is pretty safe so long as the present price of gold continues. All the same, this is a taxing measure for the mine-owners. The Premier is taking into the Treasury £30,000 from this fund. Let the Premier look me straight in the face and say he is not.

The Premier: I have not taken enough. They ought to contribute more as time goes on.

Hon. P. COLLIER: That is the Premier's justification for taking the money. The Treasury has been called upon to bear a liability that was thought to fall on the Third Schedule of the Workers' Compensation Act. The result has been that a number of claims made under the Third Schedule has been very small as compared with the number expected.

The Minister for Mines: The reason is that there has to be total disablement.

Hon. P. COLLIER: It was thought that a greater number of claims would come under the Workers' Compensation Act, and that is why the rates were fixed so high. It

is probably one of the reasons why the insurance companies refused to take the risk. Consequently there may be some justification for the Premier balancing his loss on the one hand by taking the money from this fund.

The Premier: Those men must be looked after.

Hon. P. COLLIER: Yes, they do not voluntarily leave the mines. They are compelled to undergo examination, and if they have T.B., they are forced to leave the occupation.

The Minister for Mines: And they are forced to remain in it until they get T.B.

Hon. P. COLLIER: In the interests of the healthy men with whom they would be associated underground, they are taken out of the mines. Unless work is found for them, Parliament has accepted the obligation of paying them the minimum wage operating at the time they were working. That has constituted a considerable drain on the Treasury. All the same, this accumulation under the Workers' Compensation Act is a handy nest-egg. The Premier, in effect, says that if he has to pay it out of the phthisis fund with the right hand, he will recoup it from the compensation fund with the left hand.

The Minister for Mines: These past Treasurers know how things are done!

Hon. P. COLLIER: There may be some justification for it, but it is a heavy drain on the industry.

Mr. SAMPSON: I regret that this division appears on the Estimates. I recall the objections raised to State accident insurance. Even to-day there is no legislation authorising it. I am not asking for legislation, but the continuance of the office savours of insincerity. Knowing how earnestly State insurance was opposed some years ago, I regret that we are asked to-night to continue it. It is not a question of loss; it is a question of the principle of State trading.

Hon. A. McCallum: Irrespective of what happens to the miners.

Mr. SAMPSON: The Leader of the Opposition has pointed out that it is a money-making proposition, but that does not justify it, and I protest against its continuance. If the insurance companies were approached, it is possible that, in the light of

the further information now available, a more reasonable rate could be secured.

Hon. P. COLLIER: Do you think they would take it now?

Mr. SAMPSON: That is not the point. The Leader of the Opposition was very keen to establish the State Insurance Office.

Hon. P. COLLIER: No, it was forced upon us by the action of your friends.

Mr. SAMPSON: I doubt that.

Hon. P. COLLIER: There is no doubt about it.

Mr. SAMPSON: If the hon. member had been as keen in his desire to secure the co-operation of the private companies as he was to establish a State office, I have little doubt co-operation would have been forthcoming.

The Premier: No private company would have taken over the accumulated risk.

Hon. P. COLLIER: Not at any price.

Mr. SAMPSON: I cannot contradict the Premier, but where there's a will there's a way. It is reasonable that I should feel disappointed at the continuance of this trading concern, in spite of the hours we spent opposing it.

Mr. MARSHALL: I agree with the Leader of the Opposition, and I hope the Premier will give consideration to what has been said. Small mining companies, syndicates and prospectors from time to time employ labour and often produce little or no gold, and yet they are under an obligation to pay this heavy premium.

The Premier: The workers in this dangerous industry must be protected.

Mr. MARSHALL: I agree, but if the Premier desires the industry to enjoy continued success, he will have to give way a little. A very small amount of assistance has been given to the industry lately. Three or four men are working for a syndicate at Jumblebah, and if the syndicate had to pay the rates, operations would have to cease.

The Premier: Governments have undertaken the responsibility to an extent that has become very heavy.

Mr. MARSHALL: I understand that T.B. has caused a big drain on the Treasury, and naturally the Premier recoups the Treasury from the profits of the insurance office.

The Minister for Mines: That is not the right way to put it.

Mr. MARSHALL: While fully developed mines are producing gold in fairly large

quantities, and are receiving the premium, they are able to pay, but there are syndicates and small companies for whom the burden is too great. The Consols Mine at Meekatharra only just manages to pay its way; in some months it shows a small loss. That mine is employing 150 men. Small mines in outlying districts producing small quantities of gold find that the rates mean the difference between profit and loss.

The Premier: We must provide for those men.

Mr. MARSHALL: I do not deny that. I agree with what the Premier is doing, but the mining industry practically depends upon the prospector. To him we really look for a continued production of gold. If syndicates are to be penalised exorbitantly, the time will come when we shall have no small syndicates operating, and the industry will become defunct. Some relief must be given in the matter of insurance of employees, particularly to small companies, syndicates and prospectors. I appreciate what the Premier is doing. He has done well, and all interested in gold mining appreciate what he has done. But we must give consideration to the syndicates and the prospectors who, in turn, employ men. If the price of gold declines, small companies and syndicates will find it difficult to carry on under existing insurance rates.

Mr. SAMPSON: I understand that the State Accident Insurance Office is not now seeking new business. If that is correct, the office could be merged in the division "Miscellaneous Services," under which are sub-headings "departmental advertising," "incidental," "interest and exchange."

Hon. P. Collier: Telephones, postage and so on.

The CHAIRMAN: I direct the hon. member's attention to the fact that we are discussing Division No. 25.

Mr. SAMPSON: In view of the fact that new business is not being sought—

Hon. A. McCallum: Who told you that?

Mr. SAMPSON: The hon. member heard it stated a few minutes ago.

Hon. A. McCallum: I did not; and if it was stated, I could contradict it.

Mr. SAMPSON: I understood it was said.

Mr. Kenneally: The Minister says he did not say it, so you may as well sit down.

Mr. SAMPSON: I understood the Minister to say so by interjection, but if it is not so, there is no point in my continuing.

The MINISTER FOR MINES: There is on the Notice Paper a Bill entitled the Mine Workers' Relief Bill, which I hope to present to the House next Thursday. This deals with the whole question of relief to men employed in the industry. The opportunity will then be available to members to get first-hand information on the whole position and to discuss it from every aspect.

Mr. Marshall: Is this a proposed amendment to the T.B. Act?

The MINISTER FOR MINES: It repeals the Miners' Phthisis Act, and brings it under a new title. The Miners' Phthisis Act has had the effect of compelling men to remain in the industry until such time as they are prohibited from working in it. Under the Third Schedule of the Workers' Compensation Act they cannot get the compensation set out there for miners' phthisis until they are totally disabled. Men can be seriously affected with dust lodgment, and still cannot be regarded as totally disabled.

Mr. Marshall: There are many good men like that.

The MINISTER FOR MINES: Dr. Mitchell says a man can reach the stage of advanced silicosis and go on working in his calling. So long as he does not come in contact with T.B. germs, he may live to a normal age. He would only suffer from shortness of wind. He would not be declared to be totally disabled under the Workers' Compensation Act, and could not get the relief to which he would be entitled. The result is that he is forced to stay on in the industry until he gets T.B. He is then prohibited from employment in the mines, and under the conditions of the Act must obtain compensation. The State Insurance Office, which has been taking premiums for insurance against industrial diseases under the Act, has had practically no claims made upon it. I believe Mr. Bennett volunteered to make a refund to the Treasury of some of the money of the expenditure of which we were relieving him.

Hon. P. Collier: Volunteered?

The MINISTER FOR MINES: He did not raise any serious objection to the refund.

Hon. P. Collier: You must have got a surprise when he came along.

**The MINISTER FOR MINES:** Because these men are not totally disabled and are unable to get compensation under the Workers' Compensation Act, the whole of the burden with regard to them has been thrown on the general taxpayer under the Miners' Phthisis Act. People who have been paying premiums to meet industrial diseases which might have befallen them in the mines have been relieved of the necessity for doing so. I hope we shall be able to introduce legislation to place the burden where it will properly belong, that is to say, not entirely upon the taxpayers, but partly upon those who are engaging these men. I want to stop these men being forced to remain in the industry so long that disease may prevent them from living as long as they would otherwise do.

**Mr. Marshall:** It is slow murder.

Vote put and passed.

*Vote—Agricultural Bank, Industries Assistance Board, Soldiers' Land Settlement, £89,614:*

**Miss HOLMAN:** A good deal of dissatisfaction has been caused amongst people on the land who have been affected by the depression, and who have needed assistance to enable them to carry on. In some cases no assistance whatever is given, and in other cases a little help is meted out to them. One man has a secured title to his little farm which he and his wife have established together. The family has grown up, but no member of the family has any work to do. An application for assistance was made to the Unemployment Relief Department, but it was referred to the Agricultural Bank. That institution decided to advance the family £12. On the 12th September last I received word that a credit note had been sent to the District Inspector covering this advance. I visited the family on the 1st October, and found that no money whatever had been paid over. The head of the family had received several papers and forms which had to be filled in, and a notification that a caveat had been lodged on the land with the Lands Department covering an advance of £12. It is not right that people in this position should have to submit to such treatment, and I should like some explanation of it. If people have to mortgage their land for an advance of £12, it would be better for them to raise something approaching the value of their land.

**The PREMIER:** I do not know all about every transaction of the bank.

**Mr. Marshall:** You ought to.

**The PREMIER:** If a caveat has been lodged for the advance in question, this has been done to avoid the expense of a mortgage. If the hon. member will acquaint me with the name of this family I will go into the matter.

**Mr. Wilson:** There are dozens of such cases.

**The PREMIER:** That may be so; I will make inquiries. The operations of the bank are limited by the Act.

**Miss Holman:** I will supply the name to the Premier.

**Hon. P. COLLIER:** The work of this department is of the utmost importance. That importance has been increased during the past two years, owing to the bad times. The Agricultural Bank is ably staffed. Those associated with the head office have been carrying a very heavy burden, almost as heavy as that carried by any Minister of the Crown. They are acting not under the control of a Minister or the Government, but under a statute. They are responsible to Parliament. The large number of those engaged in farming pursuits, who have become involved in difficulties in the past two or three years, has added immensely to the worry and anxiety of the general manager and officers of the institution. They are not able to deal with cases according to rules and regulations, but every case has to be dealt with upon its merits. It is rather alarming but quite to be expected that the number of farms which have come back into the hands of the bank should have increased considerably in recent times. The average used to be about 200 a year, but in the last year the number of farms which came back to the bank was 655. The sum involved in those farms was £846,000, and arrears of interest amounted to £261,000. In the case of the Industries Assistance Board the amount involved was approximately £280,000. These figures are eloquent testimony of the change in the condition of things in the wheat belt and agricultural areas. A big proportion of this money will have to be written off, and will not be recovered unless there is a speedy change in prices, and we have a succession of good seasons. Even then a considerable amount of money will be lost, because it is a fact

that even in the long run of good years and high prices a percentage of Agricultural Bank clients failed to clear themselves of their indebtedness. When the fall in prices struck the State two years ago, those clients still found themselves in difficulties; and now, naturally, the outlook is not too good for them. There is that aspect as regards the wheat areas. However, the work and the responsibility of the Agricultural Bank officers have been greatly increased during the past two years, because of the bank having taken over the group settlers. I should say that the worry and anxiety of the bank officers have been doubled, because the South-West is in rather a rebellious mood. The same may be said of the North. While the wheat-grower will ultimately submit to being dispossessed of his property, I do not think that can be said of the South-West. Whether the Treasurer is in a position to give information regarding the South-West to-night, I do not know; but it would be informative to the Committee to know what percentage of group settlers are paying interest, and to what extent. The result of several Royal Commissions and other inquiries seems to indicate that the group settlers are unable to make a living on their present capitalisations, to say nothing of paying interest. I do not know how the Agricultural Bank officials are meeting the situation. I do know that in the wheat-growing areas they insist upon the client meeting his obligations where it is possible for him to do so; and if he fails to do it because of neglect, or indifference, or shortcomings on his part, he is dealt with by the trustees. However, I do not know what is being done regarding group settlers. The comparatively small number of them who are able to pay interest because of their improvements being more advanced than those of other settlers, declare that they will not pay unless all are made to pay. Has the Premier with him the figures of arrears of interest on the part of the group settlers? It would also be interesting to know the number of group blocks now in the hands of the bank, either as the result of their having been abandoned by the holders or as the result of the holders having been dispossessed because of failure to meet their obligations. Is there considerable difficulty in disposing of such blocks to other persons desirous of

taking them up? Unquestionably this is one of the most important of State departments. No other department has done so much towards the establishment of the agricultural industry as this institution has done. The money made available to the bank is, if I remember rightly, now something like £15,000,000.

The Premier: About £13,000,000.

Hon. P. COLLIER: The activities of the Agricultural Bank are of the utmost importance to every section of the community. There will be another opportunity to discuss the whole subject on the Loan Estimates. As evidence of the extent of the bank's operations, there are 89 inspectors and 107 clerks employed, the total salaries amounting to nearly £90,000; and I do not suggest for a moment that the institution is in any degree over-staffed. As regards cases of alleged hardship, among the many I have investigated there were very few, if any, where the bank had not extended every consideration to the settler before dispossessing him of his holding. I often thought, while I was in office, that I would not care to carry Mr. McLarty's load for a good deal, though my own load was heavy enough even then. In these bad times the position must be much worse.

The PREMIER: The further information desired by hon. members will be given on the Loan Estimates. I have with me merely information on the items.

Hon. A. McCALLUM: The time is long overdue for an alteration in the system of management of the Agricultural Bank. The bank should be governed by a board of directors giving their whole time to the job, instead of by a managing trustee with two other trustees who are paid so much per sitting. The bank is the biggest farmer in this continent, and with the exception of Russia the biggest farmer in the world.

The Premier: Yes.

Hon. A. McCALLUM: The bank's ramifications extend from the development of virgin country to the marketing of wheat. The solvency of the whole State rests upon the soundness of the bank's activities. The Government should give early and earnest consideration to the appointment of three men to devote their whole time to the work of the institution. The load is altogether too heavy for practically one man to carry, even though he is surrounded by most

capable assistants. The State is fortunate to have Mr. McLarty.

The Premier: Yes; but he does too much.

Hon. A. McCALLUM: I agree. There should be a permanent board of directors with statutory authority. The job is a full-time job for three experts.

Mr. GRIFFITHS: I endorse what has been said in appreciation of the Agricultural Bank's work. I should like to obtain from the Premier some information as to properties on the wheat belt taken over from farmers and as to the cutting-down of debts. There have been many instances in which properties have been taken over at too high a valuation, owing to ignorance or misunderstanding. Being refused any revaluation or reduction, the men who took up those farms eventually left them. In such a case, however, the next man coming along got the property at a reduced valuation. What is intended with regard to the future cutting-down of debts? It is said that to cut down in this time of excessively reduced values would be unwise.

Mr. J. H. SMITH: At a later date there will be an opportunity of discussing all the ramifications of group settlement. Information is desired with regard to repossessions on the group areas. I have the greatest respect for the managing trustee of the Agricultural Bank and his fellow trustees. Those gentlemen are making an excellent job of their work. In the South-West we have a complaint against the Agricultural Bank with reference to re-possession in the group areas. In some instances the bank has repossessed where we consider further inquiries should have been made. Until the capitalisation has been written down and interest reduced, I do not think there is any hope of the Agricultural Bank collecting any interest from their clients in the group areas. The Government have endeavoured to solve the problem by decentralising the bank's operations and a branch of the Agricultural Bank has been established at Manjimup where the local manager will be able to deal direct with the settlers. The Government have appointed Mr. Pullen as inspector for the South-West and that officer will travel throughout the areas and direct operations. That is a move in the right direction. The Premier has promised that, on his return from Melbourne, members will have an opportunity to discuss

the report of the Royal Commission that investigated the dairying industry in the South-West and when that debate is held, we shall be able to give the House more information.

Vote put and passed.

Progress reported.

#### **BILL—BRANDS ACT AMENDMENT.**

Received from the Council and read a first time.

#### **BILL—DAIRY CATTLE IMPROVEMENT ACT AMENDMENT.**

Returned from the Council with amendments.

*House adjourned at 10.5 p.m*

## **Legislative Council,**

*Tuesday, 18th October, 1932.*

	PAGE
Assent to Bills ...	1195
Bills: Special License (Waroon Irrigation District), Com. report ...	1196
Cattle Trespass, Fencing and Impounding Act Amendment, further recom. ....	1196
East Perth Cemeteries, Com. report ...	1199
Supply (No. 2) £800,000, 2R., Com., etc., report ...	1199
Justices Act Amendment, 2R. ....	1199
State Trading Concerns Act (No. 1), 2R., Com. report ...	1201
Road Districts Act Amendment, 2R. ....	1213
Local Courts Act Amendment, 2R. ....	1217

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

#### **ASSENT TO BILLS.**

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

- 1, Closed Roads Alienation.
- 2, Main Roads Act Amendment.