In Committee.

Mr. Richardson in the Chair; the Premier in charge of the Bill.

Clauses 1 to 6—agreed to.

Schedule 1:

Mr. WITHERS: Has any provision been made for the Bunbury harbour works?

The PREMIER: Yes, it has been made elsewhere. This is only the balance of the sum set aside for harbours and rivers.

Schedule put and passed.

Schedules 2 and 3, Preamble, Title—agreed to.

Bill reported, and the report adopted.

Standing Orders Suspension.

On motion by the Premier, ordered, That so much of the Standing Orders be suspended as to enable the Bill to be passed through its remaining stages at this sitting.

Third Reading.

Bill read a third time and transmitted to the Council.

BILL—APPROPRIATION.

Message.

Message from the Lieutenant-Governor received and read, recommending appropriation for the purpose of the Bill.

Standing Orders Suspension.

On motion by the Premier, ordered, That so much of the Standing Orders be suspended as to enable the Bill to be passed through its remaining stages at this sitting.

First Reading.

Bill introduced by the Premier and read a first time.

Second Reading.

THE PREMIER (Hon. Sir James Mitchell—Northam) [10.55] in moving the second reading said: The Bill merely appropriates the expenditure of money already approved by Parliament under Revenue and Loan Account. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

Remaining Stages.

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

Read a third time and transmitted to the Council.

House adjourned at 11 p.m.

Legislative Council.

Wednesday, 30th November, 1932.

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

ASSENT TO BILLS.

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

1, Financial Emergency Tax Assessment.

2, Financial Emergency Tax.

3, Government Ferries.

QUESTION—MOTOR LICENSE FEES.

Hon. A. THOMSON (without notice) asked the Chief Secretary: When may I expect the returns that were asked for on the 10th November? The House passed the motion for the presentation of the returns on that date. I should like to know when the information will be laid on the Table of the House.

The CHIEF SECRETARY replied: The returns are not yet in my hands. I will make inquiries and give the information to the hon. member to-morrow.

BILLS (2)—FIRST READING.

1, Loan, £2,176,000.

2. Appropriation.

Received from the Assembly.

BILL—FINANCIAL EMERGENCY ACT CONTINUANCE.

Second Reading.

Debate resumed from the previous day.

HON. J. M. DREW (Central) [4.40]: This Bill comes up for the purpose of legalising the continuance of the Financial Emergency Act passed last year. It is not possible to amend it in the form in which it is presented, despite the fact that circumstances which have arisen since may have justified its modification. The principal Act which is given a further lease of life by this measure is supposed to represent the Premiers' Plan, but it outstrips that Plan very materially. As I pointed out last year it goes beyond the Plan, and gives effect to the policies of the parties who are keeping in power the Government of the State. There is a proper time and place for everything. The Bill is the outcome of a non-party conference as everyone knows. It is regrettable that the opportunity has been taken by the Government to introduce provisions which bear the mark of political partisanship. There have been agitations by parties in this State opposed to Labour for the suspension of the Industrial Arbitration Act, if not for the abolition of the court. The Government took advantage of the position to include clauses in the original Bill, which were not in any similar measure introduced into any of the other Parliaments of Australia. The Bill, which afterwards became the Act, not only interfered with the salaries and wages of Government employees, but interfered also with the salaries and wages of those who were engaged in private employment. Such an interference with private employment was mentioned at the conference of Premiers, but it was only mentioned to be turned down ruthlessly. We found it in the Bill that was introduced into this House last year, and we find it in no other Bill that was introduced into any other Parliament in Australia. There is provision in the Act, which this Bill will continue, for a 22½ per cent. reduction of the rates of interest on mortgages and leases. The banks were excluded from the operations of the Act. It was considered then that they had taken deposits at a high rate of interest, and that it would be unfair to impose upon them any obligations to reduce their rates on overdrafts and loans at that time. I was one who took that view, but that was in August, 1931. Over a year has passed since then, and meanwhile the banks have been regularly making reductions in the rates of interest for fixed deposits until last month, the latest reduction, they were brought down to 3¼ per cent. for two years. In considering the Bill, which is supposed to provide for equality of sacrifice, we have the right to know to what extent the banks have decreased the rate of interest on their overdrafts. The Commonwealth Bank in July of 1931, before the principal Act was introduced, reduced its interest rate to 5½ per cent.

Hon. J. Nicholson: I think Mr. Piesse explained that the Associated Banks had reduced it to 5½ per cent.

Hon. J. M. DREW: Since then I have obtained information to prove that the Associated Banks have not done so. I would not expect the private banks to take risks to the extent the Commonwealth Bank did at that particular time, but the stage has now been reached when the private banks should make a substantial reduction. When I spoke last year, two members interjected to the effect that the banks had made a reduction down to 5½ per cent.

Hon. G. W. Miles: Is not that correct?

Hon. J. M. DREW: That may be the case in isolated instances, but generally speaking it is not correct. I can prove that if

necessary. I do not wish to bring private documents here and quote them, but I can say that in numerous instances the rates of interest two or three months ago were 6½ per cent., and on the 1st of this month they were reduced to 6¼ per cent., and that is pretty general so far as I have been able to ascertain. I do not make it a practice to interview people and ask them what they pay on their overdrafts, or whether they have overdrafts, but there has come into my possession information bearing the hallmark of the banks, and it proves that there is no such thing in general operation as a rate of interest at 5½ per cent. The Act provides for equality of sacrifice, and there are many people who have no banking accounts at all, but are watching to see what Parliament is going to do about this Bill in order to ensure that the banks shall keep in step with this equality of sacrifice. I do not intend to say any more on the Bill. I said last year all I could possibly say, but I once more enter my protest against the Bill on this occasion, as I did on the previous occasion.

HON. R. G. MOORE (North-East) [4.49]: I also intend to protest against the Bill, because of some of the anomalies it contains, which I think should be rectified before the Act is carried into operation for another 12 months. In particular there is the anomaly regarding Government employees on the goldfields and those in the metropolitan area. Under the principal Act the Government worker on the goldfields is adversely affected to the extent of 7s. 6d. per week, owing to a condition of affairs which was not foreseen and should not be allowed to continue. There is in the Act a section which precludes an adult male officer being reduced below £185 per annum. That would be all very well if the cost of living and conditions were the same in all districts, but what happens under that section is that the worker on the goldfields is reduced to the same level as the worker in the metropolitan area, notwithstanding that the cost of living, and particularly house rent, is higher on the goldfields. This was understandable during the first year of the operation of the Act, when the conditions could not be foreseen, but provision should be made to prevent the Government worker on the goldfields being reduced to the same extent as his fellow worker in the metropolitan area. There is no excuse for allowing the anomaly to continue. I believe that when the original Bill was introduced there was every intention to be just and bring about equality of sacrifice. That is evidenced by the fact that when the Government servants were reduced by 22½ per cent. provision was made that no adult male officer should be reduced below £185 per annum. But there can be no equality of sacrifice under existing conditions. Before we are asked to continue the operation of the Act for another year, some provision should be made to do away with the existing anomaly. Those men on the goldfields are not only working at 7s. 6d. weekly below the basic wage of £3 18s., but have to work side by side with men on a basic wage of £4 6s. per week, which applies to the men working in the mines and to business employees on the goldfields. It means that if a Government servant were transferred from the metropolitan area to the goldfields he would find the transference tantamount to a reduction in wages of 7s. 6d. per week. And that 7s. 6d. does not cover the difference in the cost of living, because when the basic wage was made up no account was taken of the enormous increase in house rents on the goldfields during the last two years. When we consider that the Government employees on the goldfields are working under an award which puts them 7s. 6d. per week below the basic wage up there, we can understand something of the conditions under which those men are called upon to work. Other men up there enjoy about 15s. 6d. per week more than the Government servants are working for. It is a most unfair condition to impose upon those Government workers, and I do not think it was ever intended when the Act was passed. Now that the matter has been brought before Parliament the anomaly should be adjusted, and those people should receive the same consideration as is extended to their fellow workers in the metropolitan area. House rent on the goldfields has risen, in some cases 100 per cent. and in isolated instances by 150 per cent., but I think the average can be fairly stated at 40 per cent. Goverment employees up there have to put up with that sort of thing and get no consideration whatever for it. When the basic wage is computed, house rent is supposed to be taken into consideration, but in this

instance that was not done, and so the Government employees on the goldfields have to accept a wage considerably below what is awarded to the worker in the metropolitan area. Certainly this anomaly should be adjusted. It is not fair to ask the workers to go into another district and be so much worse off in point of living expense than are their fellow workers in the metropolitan area. I will oppose the Bill.

HON. E. H. H. HALL (Central) [4.55]: We have heard a lot about equality of sacrifice, and it has been quoted against this Parliament that when the time came to make that equality of sacrifice we allowed the banks to go almost scot free. I have previously pointed out that we have a lot to be thankful for in that the banking system in Australia is conducted on sound lines. We have only to think of the banking practice in the United States of America, and of the inconvenience and loss occasioned in our own States by the failure of a comparatively insignificant bank, to realise what it means to have banks crashing. But it is of no use public men giving voice to the sentiment that the sacrifice which this country would have to make would be shared equally by all sections of the community, if that is not so. Members should know just what the ruling rates of bank interest are. I have here a communication from one of the principal banks, and in case some members might think the security given was not too good, I can say that the security for the whole of the amount was a life insurance policy due to expire next year. The rate of interest charged for an overdraft in this instance varied as between the 31/3/28 and the 30/6/32 from 8 per cent. to 7 per cent. to 6½ per cent. and to 6 per cent., which is the present rate. So in regard to the interjection made this afternoon about the 5½ per cent., I believe that figure does represent what the Commonwealth Bank is charging. Whilst there may be some good reason why the Associated Banks cannot come down to the Commonwealth Bank's figure, it should be known just what rate of interest the banks are charging. Some 18 months ago I was at a very important meeting which was addressed by one of the leading bank officials, who gave us to understand the banks were out to assist in every way possible. I believe that is the endeavour of the banks, but we cannot get these reduced costs which are so essential until the banks actually do reduce interest. So I register my protest against the Bill on that score.

HON. J. CORNELL (South) [5.0]: I support the remarks made by Mr. R. G. Moore. Undoubtedly a section of the community in Western Australia have got it both ways as far as the working of the Financial Emergency Act is concerned. The Bill is practically unamendable, inasmuch as its object is to continue the Act as it now stands, but that does not deter one from pointing out something just as it is happening in the community. The position of the employees of the State in the goldfields mining districts might well be compared with that of the employees in the mining industry. The basic wage on the goldfields to-day is £3 18s. a week, and those engaged in mining receive a minimum of £4 5s.

Hon. W. H. Kitson: Is it not £4 6s.?

Hon. C. B. Williams: It is 14s. 4d. a day.

Hon. J. CORNELL: The agreement arrived at was that the mining companies would not take advantage of the reduction of the basic wage, but that they would continue to pay the basic rate of £4 5s. a week. Thus the latest increase has not been put into force as far as the mining employees are concerned. The basic wage as fixed by the court was £3 18s. It was increased from £3 17s. Hon. members are aware that those who are engaged in business in goldfields districts are dependent upon the men employed in the mining industry, and consequently they too have fallen into line with the mining companies and have not reduced the wages they paid to below £4 5s. The State employee is in an unfortunate position. He has had his district allowance taken away to the extent that it is now practically nothing. His weekly wage now is £3 11s. 3d., so that while those who are employed by the State receive that amount, the greater percentage of the working community—I should say about 90 per cent.—receive £4 5s. a week, and accordingly the cost of living is fixed on that basis. The man on £3 11s. 3d. a week is called upon to pay the same rate for everything as the man who is receiving £4 5s. Whilst in other parts of the State the cost of living has fallen to a figure commensurate with the reduction in wages, on

the goldfields that has not been the case. Thus the Government worker is getting it in three ways—his district allowance has been taken away, he is receiving a lower rate of wage, and he has to pay for his commodities on the scale based on the wages being received by those employed by the mining companies. Those with their own houses who have managed to survive the bad times through which the mining industry has passed, are not too badly placed by way of rent, but there are still residents of the goldfields, who are obliged to pay rent up to 80 per cent. more than was the case a few years ago. I have just referred to them as houses, but many of them would be better designated shacks, and as such would not be tolerated in a community outside a goldfields town. In some instances men have been compelled to pay 25s. a week for the right to live in a garage.

Hon. R. G. Moore: Even £2 a week.

Hon. J. CORNELL: Yes, and for a structure that the authorities in the metropolitan area would not permit to be inhabited.

Hon. L. B. Bolton: It shows how prosperous they are up there.

Hon. J. CORNELL: It shows how enterprising some people are. But it is as well that there is a little prosperity in the gold-mining industry, and it is as well that there is so much ready money circulating in those places. But for the mining industry we do not know what would have happened to the State. At the same time, I fail to see how, under the Bill we are discussing, we can relieve the Government workers on the goldfields as compared with the Government workers in other parts of the State, though I do consider, in view of the altered circumstances of workers on the goldfields, it would be an act of grace on the part of the Government of the day if they would, even temporarily, restore the district allowance. That to some extent would assist to mitigate the difficult circumstances with which the Government workers are faced in the goldfields districts to-day. There was a time when Government employees desired to secure a transfer to the goldfields, probably because of the freedom of the life there and the opportunities that possibly presented themselves. If members cast their minds back to the early days of the goldfields, they can reel off name after name of men who made good in the mining districts. The position to-day is very different; no Government worker is anxious to obtain a transfer to the goldfields. The defeat of the Bill will not achieve the object hon. members are aiming at. It is unthinkable to say that we must cast the Bill out. That is out of the question altogether, and so I appeal to the Leader of the House to make representations to the Premier to give consideration to those servants of the State who, by reason of the positions they occupy on the goldfields, are suffering the disabilities to which I have referred. The position to-day is that if a man is transferred from the goldfields to other parts of the State, and another is sent to the goldfields to fill the vacancy, he who is newly appointed to the goldfields position starts off with the handicap of having to pay 30s., 35s. and even 40s. a week for a house to live in. It simply cannot be done. I trust the Government will see their way to bring about a change in a very undesirable state of affairs.

HON. H. V. PIESSE (South-East) [5.8]: In the course of his remarks Mr. Drew said that the rate of interest charged by the banks had not been reduced below 5½ per cent. No one knows better than I do—having had considerable business relations with the banks in my district—that the average rate has not been reduced to 5½ per cent. I know of many instances where the rate has not been reduced, and I know of many businesses to-day that are paying 5½ per cent. on their overdrafts. Mr. Hall made some observations about a policy that was lodged with a bank. I should say that the holders of that policy could have raised the money from the insurance company concerned at a more advantageous rate than that which he quoted. I will support the Bill, because I consider it is absolutely necessary in the present state of our finances that it should go through.

HON. C. B. WILLIAMS (South) [5.10]: I too enter my protest against the Bill as I did when it was first introduced 12 months ago. But it seems useless to protest against it; it is like repeating oneself when one has to draw the attention of the Government to the position in which the workers in industry on the goldfields find themselves. There are 2,000 who receive the minimum wage of 14s. 4d. per day, whilst the railway workers are getting a long way less than that, and they have to buy in the same mar-

ket and pay high rents by virtue of the fact that there is a scarcity of houses. I suggest to the Government that they should pay the State employees an allowance while the cost of living on the goldfields remains as high as it is. Really, wages in Kalgoorlie should be much higher than they are because the miners have had no increase since the advent of good times; in fact, no increase has been granted to them for the last eight or nine years. It must clearly be understood that £4 6s. a week is not being paid to those engaged in mining simply because the industry is prosperous. That arrangement was arrived at because the miners at Wiluna threatened to refuse to continue to work if the basic wage was reduced in accordance with the dictum of the Arbitration Court. The Wiluna Company authorised its manager to continue to pay the then rate to its employees, and also instructed Mr. Vail to continue to pay the rate of £4 6s. to the Lake View and Star employees. Twelve months ago the unions and the companies came to an agreement that the companies would not seek a reduction of the minimum rate, provided the employees agreed to certain concessions. The employees did agree to these concessions, one of them being that they would take their holidays in rotation so as to avoid a stoppage of work on the mines for a fortnight at Christmas time. The most wretched of the concessions was that under which the employees agreed to waive the temperature clause for work underground. Under the old award, when the temperature was over 76 degrees according to the wet bulb, the miners were required to work 6-hour shifts only. In agreeing to that alteration the miners granted a huge concession to the employers because the Sons of Gwalia management declared that they could not carry on if the 6-hour shift had to be worked in parts of their mine where the temperature was not satisfactory and the men now work in bad conditions. Another thing that the men agreed to was to take a ballot on a question of whether they should work 48 hours one week and 40 hours the next. The granting of that concession meant that the companies did not have to change shifts on Saturdays, one body of men working five days one week and the other six days for no extra pay. There were other concessions that I do not remember for the moment, and because they agreed to them, the miners' wages were not reduced below a minimum of £4 6s. a week. On the other hand, despite the prosperity of the industry, the miners have not received any increase in their wages during the past six years or more. What action they intend to take in the future, I do not know but I assume some action will be taken and that the men will seek to secure some benefit commensurate with the increased prosperity of the industry. When we consider that on three different occasions the President of the State Arbitration Court has refused to grant the men any increase in their wages because of the parlous condition of the mining companies' finances, members will agree that the men should receive some benefit now.

Hon. E. H. Harris: Since those occasions, the President has not been approached by the men.

Hon. C. B. WILLIAMS: That is so, much to the regret of the men and to my sorrow. To-day gold is worth about £8 an ounce and it has averaged about £7 for the past 12 months. The other day a decision was arrived at with regard to another section of mine workers who participated to the extent of £200,000 in the prosperity of the gold mining industry. Those men were breaking ore as tributers, not as wages men or piece workers.

Hon. J. Cornell: The wages men did not get anything out of that.

Hon. C. B. WILLIAMS: No, but the wages men have benefited to the extent of 8s. a week, not altogether because of the prosperity of the mining industry but because of the concessions they made with that object in view. The concession regarding temperature underground was of vital importance, because it affected 40 or 50 parties working in Kalgoorlie, apart altogether from those employed on the Sons of Gwalia mine. I assume that the agreement, which was for 12 months only, will expire at any time now, and it embodies the right of renewal or cancellation. In my opinion, the men ought to receive some increase in their wages on account of the prosperity of the industry because they were denied any such increase in past years, because of the condition of the industry. If that should happen, what will be the position of railway men and other Government employees on the goldfields? They have to shoulder the same expenses as the mine workers and have to

pay dearly for their houses. If an employee were sent from Perth to Kalgoorlie to-morrow, he would be lucky if he were able to get a house. He would have to take it on whatever terms were offered, or else share a house and pay the larger proportion of the rent for that privilege.

Hon. H. Seddon: Over 200 families are double-banking in Kalgoorlie to-day.

Hon. C. B. WILLIAMS: And the same applies in Boulder. In every issue of the "Kalgoorlie Miner" there appear advertisements inserted by people who are willing to let a couple of rooms for £1 a week or so, with the use of the kitchen. The present state of affairs is not fair to civil servants, who are extremely dissatisfied. As soon as I put my head out of the train at Kalgoorlie, railway men want to know how much more Parliament has taken off their wages this week. I have resorted to leaving the station by the back way instead of going through the public barriers. I do not know how you, Mr. President, get on. I know that you are generally met by a number of friends and so are saved the annoyance of deputations on the railway platform, but other members are not so fortunate. I hope the Government will give serious consideration to the hardships imposed on Government employees on the goldfields, mainly on account of the increase in rents. When they were transferred, they probably left their homes here, for which they receive small rentals only. At Kalgoorlie they will be lucky if they are able to get a house for £2 or 30s. a week, although the house would be such as they would hardly be satisfied in with in Perth for garaging purposes. I oppose the second reading of the Bill. Twelve months ago I said that this legislation would not improve the position, nor would it result in more people obtaining employment. I adhere to that view now. It is useless flogging a dead horse. The Act has not fulfilled the expectations of those who sponsored the legislation, but as the numbers are available, the Bill will, I presume, be agreed to.

HON. J. J. HOLMES (North) [5.22]: I desire to offer a few comments, principally to indicate that when some such Bill will be before us next year, as it undoubtedly will, it should be presented in a form that will permit of amendment. That is the trouble with the continuation Bills that have been presented to us this session; members have had no opportunity to amend them except by means of a special Bill, which every member is entitled to introduce should he so desire. I wish to stress that point, and I hope that when the legislation is presented next session, it will be in the form we desire. If we have ever had evidence of the fallacy of the principle of arbitration, we have had it in the speeches we have listened to this afternoon. A feature of the application of our arbitration laws is that we base the payment of the workers on what it costs to live and not on what industry can carry. We have the gold mining industry booming, with gold at a price it has not previously commanded within my memory, which goes back as far as 1872. To such an extent is the industry booming that the employers consider themselves able to ignore the award of the Arbitration Court and to continue paying higher wages. The court delivered the award on the basis I have indicated, ignoring what industry could afford to pay.

Hon. E. H. Harris: The court merely fixes the minimum and that need not become the maximum.

Hon. J. J. HOLMES: We know that the minimum is very often made the maximum.

Hon. W. H. Kitson: Only too frequently is that so.

Hon. J. J. HOLMES: The capacity of industry to shoulder the increased financial burden does not enter into the question. The basis on which the court's awards are made is what it will cost a man, his wife and two or three children to live in reasonable comfort. While the mining industry may have been in a position to pay the higher wages, we know that other industries were strangled by the imposition of terms and conditions that they could not carry. I think it was Mr. Drew who referred to interference with the Arbitration Court awards and the solution of the difficulty has been postponed. As surely as the sun will rise to-morrow, so shall we reach a point in the future when the Arbitration Court must go and wages will be on the basis of what industry can shoulder. There is but a limited amount of money available for employment purposes, and there is an excess of men seeking work. Instead of having half of them enjoying a high basic wage, and the other half struggling for existence, we will reach a stage at which the money

available will be divided evenly amongst all the workers desiring employment, and then all the workers will be engaged in producing something that the world wants.

Hon. W. H. Kitson: Would you apply that principle all round?

The PRESIDENT: Order! I must remind Mr. Holmes that we are not discussing arbitration. There is no objection to an incidental reference to arbitration, but we are really discussing the continuance or otherwise of the Financial Emergency Act.

Hon. J. J. HOLMES: That is so. It is an unfortunate habit that many of us are falling into. Someone else leads, and we follow. I did not raise the point; I carried it on. However, Mr. President, I shall bow to your ruling. I admit that the position of Government employees on the goldfields is serious and represents a situation that should not have been created. The difficulty extends to other parts of the State, including the Far North. That position should never have been created at all but as the Bill before us is framed, we cannot do anything to overcome the difficulty. We can but suggest matters that require rectification and trust that when legislation is introduced next session we shall be able to amend it. With regard to the part the banks have played, I do not hold any brief for them. In my opinion the Associated Banks of Australia, by their actions in the past and during the present crisis, have done more to keep the Commonwealth solvent than all the Parliaments of Australia put together. Had the business of the country, Federal and State, been run on the sound lines that the banking institutions have followed, there would be a different tale to tell to-day. I know that banks will strain every point possible to provide money for primary production where they will not make it available for the construction of hotels, picture shows, racecourses and so forth. They are decreasing their interest rates although not as quickly as we could wish. The banks are regarded by people as sound institutions. The people show their trust by investing their funds on fixed deposit, and allow the banks to take the risk. The banks, in order to protect the people who trust them, have to average things up. I admit that the banks have not averaged things up as well as we expected them to do, and if we do not get the hoped-for relief next year, and the Bill is presented in the form that we would like it presented, we might take some steps to enforce our desires. I support the Bill.

HON. G. FRASER (West) [5.31]: I voice my protest against the re-enactment of this legislation. It has been admitted by most of the speakers that anomalies have occurred. I was surprised at the speech of Mr. Holmes. He wishes to put off until next year what he can do to-day, and that is not like the hon. member.

Hon. J. J. Holmes: We cannot do it to-day.

Hon. G. FRASER: I think it can be done. Mr. Cornell and other speakers have told us that this Bill cannot be amended, but it would be possible to reject the Bill and force the Government to bring down another measure that could be amended.

Hon. E. H. Harris: Can you forecast the result of such action?

Hon. G. FRASER: There would be plenty of time for the Government to introduce another Bill to correct the anomalies that exist under the present Act.

Hon. G. W. Miles: Such legislation could not be brought down in the same session.

Hon. G. FRASER: I cannot see why it should be impossible. If we wait until next year another measure may be submitted in the same form and we shall be in precisely the same position as that in which we find ourselves to-day. There are anomalies that ought to be corrected, and I think the time has arrived for the House to take action to compel the Government to give us an opportunity to rectify the anomalies. I was going to say that certain anomalies had been created that were never expected, but that would not be quite right. Many of the anomalies that have occurred under the Act were forecast when the original legislation was introduced. Quite a number of firms and companies are receiving relief under the Act that it was never intended they should receive. No one objects to any person entitled to relief receiving it, but I do object to particular firms receiving relief because some other firm in the same industry has received relief. That has happened under the Act. One firm in a certain industry received relief where relief no doubt was justified, but the result is that others in the same industry can claim similar relief without making application to the court. That anomaly should not be permitted to

continue. Mr. Drew stated that certain financial relief had been granted in this State that was not granted in other States. That is correct. At the Premiers' Conference the Attorney General advocated certain relief under the financial emergency legislation, but the Premiers would not agree to his proposal. Nevertheless, such legislation was passed in this State. The House should take action to compel the Government to redress anomalies. If the same party happen to be in power a year hence and it is necessary to re-enact this legislation, I believe we shall find them again submitting a Bill that we are precluded from amending. I ask Mr. Holmes to take action now to force the Government to give us an opportunity to rectify the existing anomalies. I shall oppose the second reading.

HON. H. SEDDON (North-East) [5.35]: I have listened with great interest to the criticism advanced against the Bill. I do not suppose that such legislation is any more welcome to the Government than to the speakers who so far have opposed it. We are rather inclined to ignore the conditions under which the original legislation was introduced. I should like to hear from the opponents of the Bill what the consequences would be if we rejected the measure. Certainly the conditions that existed when the legislation was first introduced were such as to cause serious concern. In fact, it was impossible to tell what the future of Australia would be. The Premiers' Plan was produced and given legislative effect only long after the existence of the crisis had been recognised and its evil effects had been felt. There is not the slightest doubt that the delay that ensued before the enactment of legislation had much to do with the severity of the depression felt at the time and since. It is very hard to say definitely that many improvements can be ascribed directly to the Act. There have been other factors that have interfered with our conditions, and no doubt some of them have tended towards effecting improvement. Therefore, in discussing the Bill, we have to consider the general position and decide whether conditions will not be rendered rather worse by refusing to extend the Act for another 12 months. The Plan was a direct alternative to a very uncertain position.

Hon. E. H. Harris: Mr. Green said it was a heroic effort on the part of the Scullin Government.

Hon. H. SEDDON: It was a compromise arrived at by the Premiers' Conferences—conferences at which not only the Federal Labour Government were represented, but at which there were representatives of State Labour Governments. The compromise was an alternative to what Mr. Scullin, at any rate, made very plain, namely that Governments would not be able to meet their liabilities, and he foresaw a possibility of their being unable to pay more than 12s. 6d. in the pound.

Hon. W. H. Kitson: This measure is not in accordance with the Premiers' Plan.

Hon. H. SEDDON: That contention has been raised, but I consider that the Act does embody the principles of the Premiers' Plan, which involved a scaling down of all charges with the idea of preventing very serious consequences. I believe the Plan had two objectives. Besides endeavouring to bridge the gap between the expenditure and revenue of Governments, it was also intended to give a breathing space to Governments to enable them to devise ways and means to get on to a new basis. We may blind ourselves to the facts, but the facts remain. We have to face an entirely changed set of conditions in Australia, a changed set of conditions that will persist for many years. I ask members whether they can see any signs that things are improving, regardless of whether the improvement be ascribed to the Plan or not. I think there are certain indications of improvement. Whether those indications will be permanent remains to be seen.

Hon. A. Thomson: There are certainly no such indications in the country districts.

Hon. W. H. Kitson: What are the indications?

Hon. H. SEDDON: I shall mention a few of them. Referring to the Plan, I find myself wondering whether a quicker cure would not have been attained by letting matters take their course. Before the Premiers' Plan came into operation, there was a considerable amount of interference by Governments, and that interference was not entirely beneficial to the community. Sometimes quick action will give better results and restore a community to a stable basis more readily than will a policy of dilly-dallying. There are certain results

that still cause serious concern. So far Government deficits have not been reduced. We are borrowing less money, simply because we are compelled to borrow less. Taking the State deficit as part of our loan expenditure, in 1931-32 we spent only 1½ millions short of the amount expended in the peak year, 1929. Other results have been retrenchments and reductions all round. Costs in the exporting industries have been reduced, and to that extent those industries have been assisted to meet their liabilities. Bank collapses have stopped. Members will recall that some 18 months ago, there was serious perturbation in the minds of the public as to what would happen to the banking system of Australia. Two banks closed down in quick succession, and there were rumours regarding the stability of other banks. Prompt action had to be taken by the Premier of this State to save the State Savings Bank. The position appears to have improved in that there is now no suggestion of instability on the part of banking institutions, and it is quite possible that a restoration of confidence to some extent followed the putting into operation of the Financial Emergency Act, thus preventing the spread of panic that had caused such unrest in the community. There are factors that have resulted from the operation of this legislation. Unemployment is not increasing. If we may judge by recent figures, the increase of unemployment has been stayed.

Hon. J. J. Holmes: By loan money.

Hon. H. SEDDON: Loan money would not have been made available but for the putting into operation of this legislation. The limited amount of loan money made available has been effectively applied to provide part-time employment and to that extent the position has been relieved. Judging from observation and reading, I am inclined to think that the exporting industries of Australia will not be able to reach a profitable basis until we have a policy of free trade.

Hon. J. J. Holmes: That is a long way off.

Hon. H. SEDDON: That seems to be the outstanding indication at present.

Hon. J. J. Holmes: It is Utopian.

Hon. H. SEDDON: I realise that there is a strong opinion against freetrade, but to reduce the costs of the exporting industries and make them profitable can only be attained by adopting a reversal of the policy of protection for one of freetrade. As far as Australia is concerned, we shall certainly be enabled to market our exports much more cheaply.

Hon. J. J. Holmes: It would have to be universal.

Hon. H. SEDDON: I do not know that it would. Freetrade encourages reciprocity, and that would be to our advantage. There is one particular industry which present prices have benefited, and that is the gold-mining industry. I do not think we quite realise the benefits that will accrue to Australia from that industry. It might seem as if I am advocating my own district, but there is evidence to show that the demand for gold which exists has caused the highest price to be paid for it in the history of Australia, and that high price will continue for many years to come. The banking system has departed from gold and consequently confidence has been shaken, and the only thing that will restore that lost confidence is gold. The gold-mining industry is certainly a help to the agricultural industry. It is the industry that will quickly provide a large amount of employment and a consuming population for agricultural products, and therefore it should be encouraged. It is rather interesting to note the gold production of last year. We would have to increase our gold production nine times in order to meet the Government's overseas commitments. That sounds a big task to undertake; but when we come to realise the large number of low-grade propositions which are awaiting exploitation and equipment, we must admit that there is a possibility of enormously increasing our gold production, if the industry be encouraged by the investment of capital in it. That would be the most effective way, first of all, of relieving the situation by providing a market for agricultural products; secondly, by providing employment for large numbers of men and, thirdly, by encouraging the investment of capital when almost every other avenue of investment seems to be closed or to offer very low returns. The continuance of this Bill will have the effect of restoring confidence and assisting materially in solving the unemployment problem. I said there were some other factors which accounted for improvement. Bank clearances in Perth for this year have shown a very considerable increase over the bank

clearances for last year. The figure up to last Monday is nearly £4,000,000 better than the figure for the previous year. Building permits have increased in the metropolitan area; and, as I said, unemployment is not increasing. Much relief has been given in the form of part-time employment. Retail trade in the metropolitan area is increasing. Whether that is due to the fact that many people have been abstaining from buying and are now being forced to make replacements, or whether the people have got more or less used to the position and are therefore continuing their normal rate of expenditure, the fact remains that there has been an improvement in the retail trade. All these factors are encouraging, and, in my opinion, indicate that possibly we can look forward to steady progress in the future. As has been pointed out by previous speakers, the Act has been in force for 12 months and many anomalies have been discovered in its application. I understand it is not possible to amend the Bill now. The Standing Orders forbid that, otherwise I would certainly move an amendment to deal with the position of the Government employees on the goldfields. Their position has been thoroughly explained by my colleagues, Mr. R. G. Moore, Mr. Williams and Mr. Cornell, and it is therefore unnecessary for me to repeat what they have said. The fact remains, however, that the Government employees are suffering seriously as a result of existing anomalies, because they are being paid a rate below the basic wage. The basic wage is supposed to provide for a minimum standard of comfort, yet these workers are receiving 7s. 6d. below the basic wage. The Government might ascertain what their powers are under this Act as it stands, and see if they cannot remedy that anomaly. I direct the attention of the Minister to Paragraph (viii) of Section 7 which provides that the Governor may by notice in the "Government Gazette" exempt any officer from the provisions of the section or vary the rate of reduction prescribed in respect of the salary of any officer where it is shown to his satisfaction that there are special circumstances which warrant such exemption or variation. The basic wage is determined by the Arbitration Court, yet this Act prescribes a minimum which is below the basic wage. At the present time the basic wage in the metropolitan area is below the minimum prescribed by this Act, but that is not the case on the goldfields. Reference has been made to the subletting of houses on the goldfields. I am in a position to speak on that matter and I can assure hon. members that what was said about "double banking" in houses is quite correct. The rents of houses have risen very considerably. I know of more than one case where a house has been let to a tenant at a certain rental, and he has been getting more for two rooms of the house than he is paying for the whole house. A number of cases of that description have occurred. People are really putting up their own rent by such actions. Possibly the Government might be able to do something to ease the situation now that it has been brought under their notice. Unfortunately, the Workers' Homes Act does not apply to the goldfields. The Government servants there could be very materially assisted if the Government would utilise the stocks of timber held by the State Sawmills in the erection of houses on the fields. Unemployed men could be engaged in the erection of the houses, which could be reserved for the Government officers. The Government would be assured of an adequate rental, which could be based on the cost of erection and a fairly long term of life, because Government officers will be on the goldfields for years to come, irrespective of the condition of the mining industry.

Hon. J. J. Holmes: What arrangements would be made with regard to the insuring of those wooden buildings?

Hon. H. SEDDON: That would be an opportunity for the State Insurance Office. In any case, that need not be a very serious obstacle to extending relief to Government servants in the direction I have indicated. I urge on the Minister to bring before his colleagues the powers the Government have under the subsection I have quoted. When the Act was being discussed 12 months ago, my colleague pointed out that to permit the goldfields employeees to retain their goldfields allowance would cost the State about £26,000. The amount that would be involved in raising their wages to the basic wage would not be anything like that figure. It is an expenditure that the Government would be quite justified in incurring. In conclusion, I wish to say that I regard this legislation simply as an expedient. I do not think we can hope to get out of our

difficulties by legislation of this character. The whole question should be approached from a different angle. Evidence in connection with the world depression shows that agricultural, mining and manufacturing industries expand far more rapidly than does population. Research should be made into the productive capacity of these various industries, in an endeavour to find some way of balancing production and consumption. That is a line of research which is being advocated as an international study, and I think all countries can assist very materially by obtaining information on the subject and laying it before an international economic conference. The world-wide unemployment is very largely due to unregulated production. I have perhaps taken some little time in discussing this Bill, but I desired to deal with those aspects of this legislation. I urge the Government to make research in order to determine the relationship between production and employment.

HON. W. H. KITSON (West) [5.58]: If the arguments adduced by Mr. Seddon are the only justification for the continuance of this measure without amendment for a further period of 12 months, I am afraid his case is a weak one. I would first point out that the prosperity of the mining industry cannot, by any stretch of the imagination—in my opinion, at any rate—be ascribed to this particular Act. I cannot see that the improvement in the mining industry is due in any shape or form to the Act.

Hon. H. Seddon: I did not argue that way.

Hon. W. H. KITSON: The hon. Mr. Seddon is endeavouring to secure the continuance of this measure for another 12 months on the ground that, to his way of thinking, certain improvements have taken place in the mining industry, or there were indications of improvements taking place, and consequently, he said, there was no reason why we should alter this Bill.

Hon. H. Seddon: I did not say the improvement in the gold-mining industry could be ascribed to this legislation.

Hon. W. H. KITSON I misunderstood the hon. member.

Hon. E. H. Harris: It is easy to make a mistake.

Hon. W. H. KITSON: I often find it hard to follow the logic of some of the statements that are made. There is one point I would like to refer to. It is undoubted that our goldmining industry is more prosperous to-day than it has been for the last 30 years.

Hon. J. Cornell: Through the necessities of other industries.

Hon. W. H. KITSON: Yes. Mr. Holmes's remark in connection with arbitration, particularly in association with the mining industry, was hardly logical. Some two or three years ago the Arbitration Court definitely decided that no increase in wages could be granted to workers in the gold-mining industry because of the condition of that industry.

Hon. E. H. Harris: That is correct.

Hon. W. H. KITSON: To-day the industry is in a prosperous condition.

Hon. E. H. Harris: But the unions have not approached the court since.

Hon. W. H. KITSON: The men are not reaping any particular benefit by reason of that prosperity. I hope steps will be taken by which they will, as Mr. Williams said, share some of the prosperity that the mine owners are experiencing to-day.

Hon. E. H. Harris: They are getting 7s. above the basic wage, with the consent of the companies.

Hon. W. H. KITSON: I am sure the hon. members does not contend that the present wage is too much for the men to get in view of the condition of the industry.

Hon. E. H. Harris: They accepted it, and have made no move to increase it.

Hon. W. H. KITSON: I hope such a move will be made, and that they will receive a greater share of the prosperity that the industry enjoys to-day. Mr. Seddon referred to the Premiers' Plan. I was under the impression that the bogey, that this legislation was in accordance with the Plan, had been exploded long ago. It is, however, continually cropping up. It is said that the legislation was agreed to by certain Labour Premiers, and that they agreed to many other things, which we all know to be untrue. The facts of the case are that at the Premiers' Conference the suggestion that the financial emergency legislation should deal also with private industries was brought forward by one of our own representatives. That representative was turned down by all the others. He played a lone hand and was beaten. On his return to Western Australia, he was able to convince Cabinet that it was advisable

to introduce legislation of that kind, to cover not only the public service but private industry as well. As a result of that action, several anomalies have been created. There is an anomaly on the goldfields, for instance. Government servants there are suffering grave injustices because of the operations of the Act. I believe, as Mr. Seddon has said, that if the Government were desirious of rectifying that anomaly, they could do so under the Act as it stands. There are other anomalies which should be removed, but cannot be removed unless the Act is amended. We know what has taken place as a result of the interpretation of the Act by the Full Court. The whole of the workers in an industry which is in a somewhat prosperous condition are seriously affected, because the employer of a similar worker in another industry was able to prove that he could not continue to pay the wages. Because of that action, thousands of workers have since had their wages reduced when there was no need for it. Firms which have been paying dividends of anything from 12½ per cent. to 20 per cent. per annum, have been able to take advantage of these circumstances. That was never intended by this House. Because the Bill comes down to us in its present form, we have no opportunity to amend it. If we could amend it, I am sure there are one or two important directions in which the Chamber would be glad to do so. The only way to overcome the difficulty and remove the many anomalies that have grown up is to defeat the measure. As pointed out by Mr. Fraser, there is ample time for the Government to bring down another Bill which would be fairer and more just in its application. This Bill is not fair in any way. I do not say there has not been a necessity for any financial emergency legislation, but I do say that the Act itself has been most unfair in its application. That arises to a great extent because the Full Court gave a decision and put an interpretation upon the Act that was never intended by Parliament. It has been suggested that if the matter comes forward in another year, it should be brought up in a different way. I do not think this Bill will ever see the light of day again. If there is to be a change of Government next year, I am sure we shall never see it.

Hon. G. W. Miles: You would not carry out the Premiers' Plan?

Hon. W. H. KITSON: I would not carry out this particular statute, and would do all I could to ensure its repeal. If I had the opportunity, one of the first things I would do would be to repeal it. No member can justify it as it stands to-day. Mr. Holmes talks about the workers sharing the money there is in the so-called wages fund. If we asked him to throw his lot in with them, he would decline to do so. It is all very well to suggest such things when only the other fellow is affected. I regret that this continuance Bill has been brought down. The only thing left for me to do is to oppose it. If it is defeated, no particular harm will be done, because the Government have ample time in which to bring down another measure that would be more fair in its incidence to the thousands of workers in the State.

HON. G. W. MILES (North) [6.10]: It does not seem possible to amend the Act through this Bill. I regret the measure was not first brought down in 1930. If there was any hope of amending the Act now so as to bring about further sacrifices, I would willingly support members who desire to see it defeated. As I have said, this legislation could have been brought down in 1930, and there should have been cuts in income ranging from 10 to 33 1/3rd per cent. If the position had been tackled then, we should not have half the unemployment we have to-day. The Premiers did not tackle the situation as it should have been tackled. Both Federal and State administrators have neglected their duty, and have allowed the country to drift on to the rocks. When they did consider their financial emergency legislation, they only tinkered with it. The measure that was brought down last year was unfair. The reductions ranging from 18 to 22½ per cent. were certainly unfair. Before we get out of our troubles, it will be necessary for this or some other Government to provide for still further cuts. What I suggest is that sufficient cuts be made to rectify the neglect of Governments when they failed to tackle the job two years ago. Cuts of from 10 to 33 1/3rd per cent. would have been sufficient then, but it was only last year that they came along with their proposals to make cuts of 18 to 22½ per cent. If it were possible to amend the law, we should do so to the extent of providing for reductions of from 12 to 27½ per cent.

Hon. W. H. Kitson: I imagined that you thought wage reductions were not good.

Hon. G. W. MILES: The Commonwealth and State are spending £450 every minute, day and night. That cannot go on. Sacrifices have to be made in order that work for the unemployed may be created. There are not many Commonwealth servants in this State getting over £2,000 a year. I think that men in the Commonwealth service, who were getting £2,000 a year up to the time when the crisis occurred, can now well live on £1,000 a year and save money. Men who were getting £1,000 a year can now live on £500 a year. I had the pleasure of a conversation with the Auditor General the other day. I told him I had paid him the compliment of reading his report from cover to cover. He said I was a marvel, and was probably the only man who had done so. I find from a perusal of that report that the same system has gone on year after year, handed down from one Government to another, and from one generation to another. We have all along been hoodwinking the country. Money has been put into revenue which should never have gone into revenue. We have taxed the assets of the people. The Auditor General asked me if I thought we had yet turned the corner, and I said I thought we had not done so. I told him I thought he could well live and save on £500 a year, and that everyone else in proportion could do the same. The Government ought to bring down an amendment to the Act to provide for an average cut of from 15 to 50 per cent. in the salaries of all Government officials and of members of Parliament.

Hon. W. H. Kitson: You are out of step with your colleagues.

Hon. G. W. MILES: My colleagues are with me.

Hon. J. Nicholson: Was not Mr. Lang going to do something of that kind?

Hon. G. W. MILES: There was method in Mr. Lang's madness up to a point, but he wanted to bring everyone back to £500 a year, which was impossible. We should try to do a fair thing by the community, and the men who are on the lower rungs of the ladder. Mr. Gray will perhaps remember the remarks I made in this House last year on this subject, and I am sure he will support me in the views I am now expressing.

Hon. Sir Edward Wittenoom: What about the enormous education vote?

Hon. G. W. MILES: I agree that we should not have a free University.

Hon. Sir Edward Wittenoom: That is a private affair.

Hon. G. W. MILES: It is not a private affair, seeing that the country is contributing £25,000 a year to it.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. G. W. MILES: I have but a few more words to add. I think a final adjustment should be made on the basis of 50 per cent. of salaries of £2,000 a year and over, and I really believe that before we get out of our difficulties the Government will have to bring in a measure of that sort. Gold mining has been a splendid thing for the country, but in my opinion gold must come back in price; commodity prices will not rise until gold does come back in price. And before we can hope to attain anything like prosperity, there must be a conference of the nations of the world, tariffs must be adjusted, and we must get back to international trade. Unfortunately there is no chance of amending the Bill, so I have no alternative to supporting it.

HON. W. J. MANN (South-West) [7.32]: It is unsatisfactory that we should have no alternative to passing the Bill, unless, indeed, we were to reject it in the hope of the Government bringing down a more acceptable measure. Mr. Kitson adroitly suggested that we should do that, promising that he would support any modification the Government might bring down. But I feel that the continuance of the Act is essential, and much as we deplore its necessity we have to vote for it if we wish to do the right thing. Most of the discussion this afternoon has centred on the disparity between the basic wage on the goldfields and that on the coast. Reference was made to what was termed the necessity for restoring the goldfields allowance to public servants on the goldfields. Mr. Williams advocated that. But I am going to ask goldfields members, is it not generally recognised that the climate of Kalgoorlie and the goldfields is equal to the very best in the world. I have lived on the goldfields and I can certainly say there is no better climate anywhere. Public ser-

vants in the South-West do not get any district allowance, and so they are no better off than their fellows on the goldfields. I have known some great men on the goldfields who invariably spoke of those districts as being the grandest country on God's earth. People of Kalgoorlie unfailingly boast that their summer is one of pleasant, dry warmth, and that in the winter nothing could be better than the bracing atmosphere tempered by bright sunshine. Then they tell us of the wonderful environment at Kalgoorlie and the great diversity of social life and sport.

Hon. E. H. Harris: Particularly water sports.

Hon. W. J. MANN: Of all kinds of sport, from the sport of kings, which flourishes up there, to the sport of whippet racing. The conditions on the goldfields are not as members would have us believe this afternoon, but are more akin to the glowing pictures painted at other times when those selfsame members speak of the wonderful climate, the palatial hotels and the streets paved with gold. Only last week we read in the papers that prospectors are blowing the dust from the sides of the streets and winning the precious metal. Yet Mr. Williams and Mr. Seddon this afternoon have both pictured the goldfields conditions in dark colours, notwithstanding which they failed to impress us. Public servants sent to Kalgoorlie are to be envied their surroundings and conditions up there. Why should not a public servant sent to Whoop-whoop or to the group settlements be given the goldfields allowance?

Hon. C. B. Williams: They get fresh butter and vegetables down there.

Hon. W. J. MANN: And they get those things at Kalgoorlie also, where, we are told, the best beer in the world is brewed. Those members who have declared to-day that Kalgoorlie is not attractive to any public servant have utterly failed to make out their case. The passing of the Financial Agreement has had a wonderfully steadying effect on Australia, and much as we deplore the necessity for the Bill before us, we have no alternative to supporting it. To those members who have raised the point of disparity between the basic wage on the goldfields and that on the coast, I say there are other means by which that can be adjusted. I repeat that those who have opposed the Bill have not made out a good case.

HON. E. H. HARRIS (North-East) [7.40]: I should be glad to hear of those other methods by which goldfields public servants might get their grievances rectified. Mr. Mann, who comes from the South-West, which boasts that it flows with milk and honey, is probably acquainted with a few Government servants in that district. If he knows of any who are anxious to go to that beautiful climate of Kalgoorlie, I think the transference might be mutually arranged with scores of men on the goldfields. All the hon. member needs to do is to go up there if he would appreciate what it means to live there. In that district some 500 Government employees are compelled to buy all their supplies in a market where the prices are much higher than obtain down here. So they are penalised to a greater extent than are any other public servants in Western Australia. A committee of goldfields Government employees have communicated with the whole of the members of this Chamber with reference to this Bill to continue the existing Act. That committee comprises representatives of the State School Teachers' Association, the Water Supply Employees' Union, the Government railway servants, the Railway Officers' Association, and many other bodies, all of whom are opposed to the anomalies contained in the Act. A little while ago the matter was brought under the notice of the Attorney General who, when introducing the Bill in another place, said that if it could be proved that real hardship had been caused by the operation of the Act, the Government would give consideration to the position. I say that those who are on the lower scale of wage on the goldfields have a case which the Attorney General might well take up, and I commend that to the Leader of the House. I voice my protest against having to pass this measure and so allow the anomalies to remain in the Act.

THE CHIEF SECRETARY (Hon. C. F. Baxter—East—in reply) [7.44]: Before replying to the contentions raised by members, I should like to digress to the extent of expressing my congratulations to the Hon. R. G. Moore on his maiden speech in the House this afternoon. It was concise, and full of sound good sense, and it augurs well for that

member's future in this Chamber where, I am sure, he will be of assistance to us in the performance of our duties. I am grateful for the support given by so many members to this measure, more especially in view of the fact that I know the feelings of those members to be very like my own and those of other Ministers. I regret very much that it is necessary that a measure of this description should have to be put on the statute book and more so that it should have to be continued for another period. It is no pleasure to the members of the present Government to be compelled to put such legislation into force. There has been strong criticism of the Bill from certain members. In the case of Mr. Fraser, it is an example of where impetuous youth rushes in with a desire to destroy without pausing to realise what the effect of that destruction might be. Mr. Drew expressed opposition to the Bill, but his remarks were circumscribed by wisdom and experience. He knows well that it would be dangerous to remove this Act from the statute book at the present time. Mr. Kitson declared his opposition to the measure and urged the House to reject the Bill. He also declared that if the party that he supported were returned to power at the next elections, that would mean practically the end of the useful part of the Bill. Personally, I feel that the hon. member is quite sure that the party he supports will not be returned next March, otherwise he would not have made such a statement. Mr. Holmes expressed the hope that if the Bill had to be brought up again next year, it would be submitted in such a form that amendments could be made to it where necessary. Mr. Holmes is well aware of the fact that no promise whatever can be given because it is impossible to forecast what changes may occur between now and the beginning of the next session. I regret I am not able to make any promises in that respect.

Hon. C. B. Williams: There might be a revolution before then.

The CHIEF SECRETARY: Mr. Seddon requested that the Government might go to the assistance of those unfortunate people on the goldfields, who were hard pressed to find accommodation, by enabling them to utilise the products of the State Sawmills. That is next to impossible. Money simply cannot be found for anything at all outside ordinary trading. It is a very difficult matter indeed to finance the State Sawmills as it is, and to enable that department to carry on the trade it is now engaged on, more especially in the direction of exporting. Mr. Kitson said that firms that had been paying dividends of anything from 12½ to 20 per cent. had been able to take advantage of existing circumstances. I should like to hear of any firm or concern that is paying anything like 12½ to 20 per cent. If such were the case, no court would award any reduction in wages.

Hon. W. H. Kitson: Such people have no need to approach the court.

The CHIEF SECRETARY: Mr. Drew said that the Act was not concerned beyond reducing salaries of public servants. The pity of it is that every section of the community was not affected by it. In our desire to recover as quickly as possible, we should have made it applicable to all. I agree with Mr. Miles that the measure was put on the statute book too late. If it had been enacted sooner and it had been made to apply to all sections, our recovery would have come about much earlier.

Hon. G. Fraser: You want to make private employees suffer.

The CHIEF SECRETARY: Everyone should suffer alike. Personally I was sorry that when the Bill was placed on the statute book, it did not refer to all sections of the community and did not make everyone suffer alike. That is the only way in which the State can re-establish itself. Mr. Moore, Mr. Cornell and Mr. Williams referred to the position of the employees of the State on the goldfields. I agree that those employees are suffering badly, and I assure those gentlemen that the Government are now dealing with the position and that there is every hope of those employees being placed on a reasonably better footing. Mr. Drew dealt with the reductions in the rate of interest. The banks have reduced it to a certain extent, but it must remembered that those institutions have their fixed deposits to consider, and that the reductions have been made in accordance with circumstances. The banks must keep operating on a sound basis. They started making reductions in the proper direction, that is in respect to the producers, though they have made reductions in other directions as well. The main object of the Associated Banks, however, is to relieve the producers first,

and members will agree that that is the proper course to adopt.

Hon. W. H. Kitson: The agreement with the Premiers was that interest should be reduced all round.

The CHIEF SECRETARY: But interest can be reduced only within reason. The banks generally have done the right thing in reducing the rate of interest as far as they possibly can.

Hon. W. H. Kitson: They will have to go a long way further.

The CHIEF SECRETARY: Mr. Hall said that there had been reductions and that those reductions must come about gradually. They cannot be effected otherwise. I do not suppose any banking institution can work under one per cent. for expenses. For their own sakes and for the preservation of their assets they are bound to reduce interest within reason.

Hon. J. Nicholson: For the safety of the people of the State.

The CHIEF SECRETARY: Exactly. they can only reduce interest on a safe basis, and they are handling the position to the best of their ability and as their finances permit.

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

Ayes	17
Noes	7
Majority for	10

AYES.

Hon. C. F. Baxter	Hon. Sir C. Nathan
Hon. J. Cornell	Hon. J. Nicholson
Hon. J. Ewing	Hon. H. V. Piesse
Hon. J. T. Franklin	Hon. E. Rose
Hon. V. Hamersley	Hon. H. Seddon
Hon. E. H. Harris	Hon. A. Thomson
Hon. J. J. Holmes	Hon. C. H. Wittenoom
Hon. W. J. Mann	Hon. E. H. H. Hall
Hon. G. W. Miles	*(Teller.)*

NOES.

Hon. A. M. Clydesdale	Hon. R. G. Moore
Hon. J. M. Drew	Hon. C. B. Williams
Hon. E. H. Gray	Hon. G. Fraser
Hon. W. H. Kitson	*(Teller.)*

PAIR.

AYE.	NO
Hon. Sir E. Wittenoom	Hon. T. Moore

Question thus passed.

Bill read a second time.

In Committee.

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

Clause 1—agreed to.

Clause 2—Continuance of Act:

Hon. J. NICHOLSON: I move an amendment—

That at the end of Subclause 1 the following words be inserted:—"and the time within which any employer or industrial union or association of employers may apply for a variation of an award or industrial agreement as provided by Section 14 of the principal Act, is extended to 24 months from the date of the commencement of the principal Act."

I appreciate the difficulty regarding the amending of the Bill, but I desire to draw attention to the difficulties that have arisen under Section 14.

The Chief Secretary: On a point of order. I would like a ruling as to whether the amendment is in order. I am of opinion that it is not.

The CHAIRMAN: I shall give Mr. Nicholson a little rope to see what he is after.

Hon. J. NICHOLSON: Section 14 enabled anyone who desired to apply for a variation of an award to do so within 12 months of the commencement of the Act. As the Bill extends the life of the Act for another year, it is only reasonable that the time within which acts to be performed under the original Act, shall also be extended consequentially.

The CHAIRMAN: Order! I think I have allowed the hon. member sufficient rope to ascertain where we are. His amendment is not permissible. If the hon. member desires to achieve his object, he will have to proceed as Mr. Holmes has done, by introducing an amending Bill. The measure before the Committee has for its object the continuance of the Act for 12 months, and is for no other purpose.

Hon. J. NICHOLSON: I bow to your ruling, Mr. Chairman, and recognise the difficulty. I think I have said sufficient to indicate to the Committee the difficulty in which persons find themselves by reason of the fact that the year within which they could take certain action has expired.

The CHAIRMAN: The substance of the amendment is quite all right, but it cannot be inserted in the Bill. It will have to be embodied in a separate measure.

Hon. J. NICHOLSON: I realise the position, but——

Hon. G. W. Miles: Then let us get on with the business.

Clause put and passed.

Title—agreed to.

Bill reported without amendment, and the report adopted.

BILL—JUSTICES ACT AMENDMENT.

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to the amendment made by the Council.

BILL—MINING ACT AMENDMENT.

In Committee.

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

Clause 1—agreed to.

Clause 2—Commencement:

Hon. H. SEDDON: The clause deals with sections relating to oil leases. What will be the position of existing concessions if the Bill be agreed to?

The CHIEF SECRETARY: The Bill will not interfere in any way with existing leases, although the portion of the Act relating to oil leases will be repealed.

Clause put and passed.

Clauses 3 to 5—agreed to.

Clause 6—Amendment of Section 145:

Hon. R. G. MOORE: Subclause 2 appears to be contradictory. Apparently it will allow either party to refer a tribute agreement to the State Mining Engineer for decision before the parties confer with the warden. If they could first confer with the warden, they would possibly arrive at an agreement acceptable to both parties and approved of by the warden. On the other hand, the clause says that before dealing with the agreement lodged for his approval, the warden, if requested by any party to the agreement, shall refer it to the State Mining Engineer, who may arrive at a decision not acceptable to one or other of the parties, but his decision is to be final. The State Mining Engineer's decision may not be acceptable to the lessee and that may have the effect of lessees refusing to enter into tribute agreements at all. I think the word "before" in paragraph (i) should be struck out, and "when" inserted in lieu.

Hon. C. B. WILLIAMS: One of the provisos states that the costs under the sliding scale shall not exceed a maximum of 40s. per ton. Does it mean that 40s. shall cover the whole of the charges?

The CHIEF SECRETARY: The essence of the Bill is to bring about a better condition of affairs for tributers. In many instances they have not received a fair deal. The schedule of charges imposed by some of the mines has amounted to exploitation. On the Perseverance Mine, for instance, the charge for ore assaying 3 ounces 12 dwts. would be £2 per ton for compressed air and hoisting only, and on top of this there would be the royalty and crushing charges. Royalty charges were on a sliding scale and commenced from 5 per cent. on 10 dwt. ore up to 40 per cent. on ore averaging 60 dwts. or over. It is time the Crown asserted its undoubted right to ensure that, when tribute agreements are entered into, they shall be equitable to the parties concerned.

Hon. G. FRASER: I am sorry that we have not heard more about the Bill from goldfields members.

Hon. E. H. Harris: What do you want to know?

Hon. G. FRASER: Whether the Bill will meet requirements.

Hon. J. J. Holmes: Silence proves it, does it not?

Hon. G. FRASER: I have received a copy of a letter from the Chamber of Mines, and must say I have never known of such an impertinent letter having been sent to members. It really holds a revolver to the heads of members.

Hon. J. J. Holmes: Most of the copies went into the waste-paper basket.

Hon. G. FRASER: I hope members will never receive a similar communication in future.

Hon. C. B. WILLIAMS: The Bill will improve the position from the point of view of the tributers as well as of the State. It is a cruel shame when gold is so valuable if a tributer has to take out one foot of ore and leave three feet. I have a statement regarding a tributer who broke ore that yielded £67 worth of gold, and he received only £9. Under the Bill he would get something like £33 10s. The ore went 12 dwts. 5 grs. With a premium of practically 100 per cent., that ore would now be worth 24 dwts. Tributing is only a method of salvag-

ing a derelict proposition. Any mine in full swing should have no right to let tributes.

The CHAIRMAN: I have allowed the hon. member a certain amount of latitude, and I think he has achieved his object. The principle of the Bill has been decided, and members must confine their discussion to the clause.

The CHIEF SECRETARY: Mr. Moore was quite wrong in his assumption. The parties may not be satisfied with the experience possessed by the warden, and may prefer to secure a more highly expert opinion from the State Mining Engineer. When the State Mining Engineer gives a decision, the warden has to agree to it.

Hon. J. J. Holmes: Reference would be made to the State Mining Engineer only at the request of either party?

The CHIEF SECRETARY: Yes. The object of the Bill is to ensure just treatment for the tributers. The Secretary of the Chamber of Mines, in a letter sent to members——

The CHAIRMAN: I hope there will not be a controversy on the letter sent by the Chamber of Mines.

The CHIEF SECRETARY: Very well; I shall not refer to it. Objections have been raised to the Bill on behalf of the mining companies. What has the State done for mining? For some years, when most of the primary industries, other than gold mining, were flourishing £100,000 per annum was placed on the mining Estimates to assist the development of mining, and each year approximately 75 per cent. of the amount was spent. During the four years 1925-26 to 1928-29, the amount so spent was £300,000. In addition, money was spent on State batteries which were run at a loss.

The CHAIRMAN: That has nothing to do with the clause.

Hon. E. H. HARRIS: Paragraph (b) of Subclause 1 clearly sets out the terms under which tributes may be let, and the charges for each item. I cannot agree with Mr. Moore's reading of the clause. To my mind it is quite clear that either party, if not satisfied, can prefer a request to the warden, and if the warden refuses to deal with the matter, the parties can refer it to the State Mining Engineer.

Hon. R. G. MOORE: I do not agree with my colleague, Mr. Harris. How can the parties disagree with something before they deal with it? I move—

That the word "before" in paragraph (i) be struck out and "when" be inserted in lieu.

Hon. C. B. WILLIAMS: The tributer has very little say as to what shall be inserted in the tribute agreement. The document is drawn up by the company and the tributer takes it or leaves it. The agreement must be drawn up in accordance with the Act and the warden has to say whether or not it is equitable. Possible the insertion of the word "when," in lieu of the word "before," will make the subclause clearer.

Hon. E. H. Harris: What is meant by the words "dealing with"? That is the important point, to my mind.

Hon. C. B. WILLIAMS: The Mining Act provides that no company shall let any portion of its lease without the consent of the Minister for Mines. Tributers may, however, be working for two or three months under their tribute agreement before it is submitted to the warden for registration.

Hon. E. H. Harris: That is not desirable.

Hon. C. B. WILLIAMS: No, but how can it be remedied?

Hon. E. H. Harris: By providing for a penalty.

Hon. C. B. WILLIAMS: That is another matter. If a man wants to secure a tribute, he will not worry about the Act.

The CHIEF SECRETARY: I hope Mr. Moore will not press the amendment. If the parties are not satisfied with the adjudication of the warden, they can say to him, "Do not deal with the agreement, but send it on to the State Mining Engineer." The amendment, if carried, will make the clause less useful.

Hon. R. G. MOORE: The amendment gives the parties the same opportunity of applying to the State Mining Engineer, if they so desire.

Hon. H. SEDDON: I think the confusion arises because of the words "dealing with" in the paragraph sought to be amended.

Hon. J. Nicholson: You desire to know the meaning of the words "dealing with"?

Hon. H. SEDDON: Yes. The Minister might go into the matter.

The CHIEF SECRETARY: I have already pointed out there are two ways of dealing with the matter. First, the parties may refer the agreement to the warden, who

may refuse to adjudicate. The parties can then ask that the agreement be submitted to the State Mining Engineer. The two points are altogether separate.

Hon. E. H. HARRIS: Mr. Moore might agree to the Committee passing the clause as printed, in order to give an opportunity to obtain from the framers of the Bill a definition of the words "dealing with" and what difference would be made by inserting the word "when" instead of the word "before." Later, Mr. Moore might be given the opportunity to recommit the Bill, say, to-morrow or Tuesday.

Amendment put and negatived.

Clause put and passed.

Clauses 7 to 10—agreed to.

Title—agreed to.

Bill reported without amendment and the report adopted.

BILL—ROAD DISTRICTS ACT AMENDMENT.

Assembly's Message.

Message from the Assembly received and read notifying that it had considered the amendments made by the Council, had agreed to Nos. 1 to 7 inclusive and Nos. 9, 10, 12, 13, 16 and 17, had disagreed to Nos. 8, 10 and 15 for the reasons set forth, and had agreed to No. 14 subject to a further amendment contained in the schedule, in which further amendment the Assembly desired the concurrence of the Council.

BILL—MUNICIPAL CORPORATIONS ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. J. NICHOLSON (Metropolitan) [8.47]: I sought the adjournment of the debate in order to satisfy myself that the Bill was in accordance with the wishes of those interested, and I have also taken the opportunity to satisfy myself that the amendment to the Act proposed by the Bill was in accordance with the clause that was embodied in the Road District Act Amendment Bill. It is only right that where local authorities are dealing with matters, whether it be a road board or municipality, relating to any question of liability of rates to one or the other, there should be certain harmony between them. By passing the Bill that unanimity will be brought about. I therefore intend to support the second reading.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—WHEAT POOL.

In Committee.

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

Clauses 1 to 21—agreed to.

Schedule:

The CHIEF SECRETARY: I move an amendment—

That the following be added to the schedule to stand as Rule 3:—"Notwithstanding that this Act may not come into force until after the firm and/or the trustees have wholly or partly conducted the election of councillors for the period commencing on the 30th day of November, 1932, such election shall be deemed to be the first election of councillors for the purposes of these rules, and the councillors elected thereat shall be deemed to have been duly elected in accordance with these rules. The provisions of Rule 1 shall be deemed to have been complied with in regard to such first election if the 20 districts therein referred to shall have been defined by the trustees prior to their becoming incorporated under this Act."

Seeing that some of the members of this organisation will have been elected during this November, it is necessary to ratify their election.

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

Title—agreed to.

Bill reported with an amendment.

BILL—CATTLE TRESPASS, FENCING AND IMPOUNDING AMENDMENT.

Assembly's Message.

Resumed from the previous day; Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

The CHAIRMAN: When progress was reported the Committee was dealing with No. 2 of the Legislative Council's message as follows:—Clause 3.—After the word "fit," in line 19 on page 2, insert the following:—"provided that any one justice may exercise the jurisdiction of two justices under this Act whenever no other justice usually residing in the district can be found at the time within a distance of ten miles; provided that the justice certifies in writing that no other justice can be found within ten miles." The Chief Secretary had moved that the Assembly's amendment be agreed to.

The CHIEF SECRETARY: I reported progress yesterday because I was not quite satisfied as to the effect of the amendment. I find that the words contained in the amendment are taken almost entirely from Section 32 of the Justices Act. There is in fact only a very slight difference between the amendment and the section. The Crown Solicitor says he sees no difficulty about the operation of this amendment. He is opposed to reducing the area from 10 to five miles because he thinks the 10 mile radius will work more satisfactorily.

Question put and passed, the Assembly's amendment agreed to.

Resolutions reported, the report adopted and a message accordingly returned to the Assembly.

BILL—FINANCIAL EMERGENCY ACT AMENDMENT.

Second Reading.

Debate resumed from the 22nd November.

THE CHIEF SECRETARY (Hon. C. F. Baxter—East) [9.0]: As the result of certain inquiries I have made I consider that the Bill presented by Mr. Holmes is now unnecessary. I am informed that subsequent to a meeting arranged by the Attorney General with Sir Walter James and Professor Whitfeld some weeks ago, the University Senate passed a resolution to reduce interest on all advances made by the University, and on all unpaid purchase money on endowment lands; the rate of reductions to be those set down by the financial emergency legislation, for bodies other than State instrumentalities. A report of this decision was published in the "West Australian" on the 18th October last. I understand the reductions were to be made retrospective to the last quarter day. If Mr. Holmes' amendment is agreed to it will mean that the financial emergency reduction of interest will apply to the "West Australian" newspaper debentures. Surely the hon. member does not intend this. If he does it will mean that the Hackett bursaries will be the chief sufferers, for they would be reduced about £1,500 a year. These debentures were portion of the purchase price for the newspaper as part of the Hackett bequest, and the proprietors of the newspaper have never proffered a request for a reduction. In view of the action of the University in reducing all other interest charges, I do not see that the necessity for this Bill is now existent.

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

BILL—COMPANIES ACT AMENDMENT.

Second Reading.

HON. J. NICHOLSON (Metropolitan) [9.3] in moving the second reading said: The purpose of the Bill is to effect certain amendments to the Companies Act and in order that members may more fully appreciate these amendments it is perhaps desirable to give some explanations as to the effect of registration under the Act. In order to secure registration under the Companies Act there must be five or more subscribers or persons who have agreed to become shareholders. The effect of registration under the Act is to limit the liability of members to the amount of the shares they may have taken up. Because of this it is no uncommon thing for what are really small partnerships or firms to register under the Act and if the number of the actual partners is, say only three, then the usual practice is to make up the requisite number of members to at least five by getting two or three other persons to subscribe for, say one share each. There is however a great distinction between the rights and obligations of partners in an unregistered firm or company as compared with persons who are shareholders in a duly registered company. An ordinary partnership is usually regulated by a deed of partnership which may fix as between the partners the share to which each partner may be entitled in the

profits and also his liability for losses. Any such deed only serves to define the rights and obligations as between the partners themselves, and although one partner may be entitled to, say a two-thirds share, and another to, say a one-third share, of profits and liable in corresponding proportions for the liabilities, still notwithstanding such an agreement between themselves the partners are jointly and severally liable to the creditors of the firm for all its liabilities. It may also be pointed out that in a partnership one partner would not be entitled to vote to himself a larger share of profits than that mutually agreed on, without the consent of all the partners. If there is no deed of partnership executed then the provisions of the Partnership Act would apply. In the case however, where a firm or body of persons become registered under the Companies Act say as a limited liability company the position of these persons becomes changed to that of shareholders, the company itself being regarded as a separate entity. These persons have the advantage of having their liability limited to the amount of any uncalled capital on the shares they may hold, but they suffer this disadvantage that their rights to participate in the profits would be determined by the votes of shareholders according to their holdings in the company. The persons therefore who happen to have or who can control the largest number of shares are able to outvote the minority. In order that a firm or body of persons may be registered as a company there must be filed with the registrar what is called a memorandum of association which sets out various particulars including the objects or purposes for which the company is formed. The capital of a company as set out in its memorandum may be increased by a special resolution passed at a general meeting of shareholders, but with this exception the memorandum can only be altered to a limited extent and that usually on petition to the court. There is a great difference between the memorandum and the articles. The memorandum is really the definite ambit within which a company may operate. Many members are familiar with those instruments which are filed in connection with companies They set out sometimes in the first clause that the object is to take over a certain business and carry it on, maybe manufacturing or mining or anything else. But allied to those usually there are certain other powers which are more or less incidental to and sometimes very wide of the leading purposes for which the company was formed. But when once the memorandum is fixed and registered it is a sort of final constitution of the company, which must confine itself to carrying on business within the corners set out in the memorandum, otherwise the directors might be held liable for committing an act which is ultra vires their power. But with articles of association the position is quite different, for the articles really provide machinery for the carrying out of the administration and the business of the company, and those articles are capable of being altered from time to time by the shareholders in general meeting. When alterations of that sort are made they can be accomplished by those holding or controlling a majority of the shares; because although votes are taken in the first place by a show of hands at a general meeting, in the final determining a ballot may be called for and then the matter is decided according to the number of shares held by the shareholders.

Hon. W. J. Mann: Do you object to the system of proxies?

Hon. J. NICHOLSON: No, but the whole point is that sometimes one or two shareholders in a company may have a controlling power in shares and so sway matters to the disadvantage of other shareholders, who also are materially interested in the company. The purpose of the Bill is really to safeguard the right of those persons so that they may have a right of appeal to the court to say whether or not the proposals are reasonable. The same principle is incorporated in the Bill we were dealing with a few minutes ago, the Mining Act Amendment Bill. There it is left to the judgment in the first place of the warden to say whether a tributing agreement fulfills those requirements which are specified, and if there be any doubt then subsequently the matter is referred to the State Mining Engineer. The same principle is incorporated in the Bill I am presenting. Now I have explained the position in regard to the memorandum, but I may amplify that by pointing out in addition to a memorandum of association most companies have also what are called articles of association, and these articles can be altered from time to time by special resolution of the com-

pany in general meeting. In the case of a company with limited liability articles of association are permissive, but they are compulsory in the case of a no liability company. Where no articles are lodged by a limited liability company (which is very rare) then what is known as the articles set out in Table A in the schedule to the Act are made applicable, except in so far as may be excluded or modified. The articles of association as I previously mentioned in effect provide the machinery for the working of the company and the carrying out of its objects and general administration and these usually confer wide powers on directors, including power to appoint any one or more of themselves to the office of managing director at such salary or remuneration as they may determine. It is only when these powers are exercised unfairly that cause for complaint arises. At meetings of shareholders questions are, as I have stated, usually decided in the first place by a show of hands, but assuming that those holding the majority of shares fail to accomplish their wishes by this method of voting then they have power to demand a poll and by this means can enforce their will. In large companies where shares are usually more evenly distributed amongst a large body of shareholders it is always possible to secure a reasonable and proper representation on the board of directors, and by having a more representative directorate it helps to prevent as a rule say one or more directors seeking to gain advantages for themselves at the expense of others. In smaller concerns, however, of which there are a comparatively large number in Western Australia, it is possible, and cases have been brought to my notice where certain persons having secured a controlling interest have exercised this to the detriment of other persons holding perhaps only a slightly lesser number of shares, and because of the power of persons holding or controlling a majority of shares to outvote a minority there have occurred instances where such persons holding even a bare majority have taken advantage of the powers which they are able to exercise for their own benefit and to the great disadvantage and loss of others who may be also materially interested in the company. As a simple instance I may quote a case of a company where a man obtained a controlling interest and was appointed managing director for which he received, with the assent of the others interested, what was an ample and substantial salary for his services. This person also in addition held or controlled a bare majority of the shares and received in addition to his salary the dividends which in former more prosperous years used to be payable to him and the other shareholders. So long as matters went on in this way there was no cause for complaint, but in more recent times it was found that economies required to be exercised. Notwithstanding the adverse times this particular person's salary was not cut down, but it became impossible to pay dividends. This particular individual, recognising that by having or controlling a majority of the shares that he could exercise an influence also in other directions, succeeded in securing to himself the payment of a salary practically double that which he had received before despite the depressed conditions, and that other shareholders were not receiving any dividends. The position as I have sought to relate it here is that there is given to the directors the power generally to appoint one of themselves as managing director at such salary or remuneration as they, the directors, may determine.

Hon. A. Thomson: Is that not subject to alteration by the shareholders?

Hon. J. NICHOLSON: If the managing director or directors exercise a control over the majority of the shares, it would be possible to stop any alteration even though other shareholders sought to bring about an alteration.

Hon. A. Thomson: They could appoint themselves at any salary they liked.

Hon. J. NICHOLSON: The result would be that the directors who were so interested could appoint one or more of themselves as managing director or directors at such a salary as they might think fit, and so eat up the whole of the profits of the company.

Hon. A. Thomson: And the shareholders would be in a minority?

Hon. J. NICHOLSON: Because they could not alter the articles of association.

Hon. W. J. Mann: A very extreme case.

Hon. J. NICHOLSON: No. It would be a case of those holding a majority of

shares dominating the position without there being any right of appeal.

Hon. J. J. Holmes: A majority of shares, not shareholders.

Hon. E. H. Harris: Do such cases happen frequently?

Hon. J. NICHOLSON: I have heard of several in the course of my experience. Unfortunately such instances do arise, and it is because of those instances arising that it becomes necessary for legislation to be introduced to combat the position.

Hon. A. Thomson: In effect, you are providing for an appeal to the court against that position?

Hon. J. NICHOLSON: That is so. The object is to place a remedy in the hands of a minority of the shareholders to appeal to a higher power to say that what the majority are doing is fair or unfair.

Hon. J. T. Franklin: What do you call a *minority*?

Hon. J. NICHOLSON: Those holding one share less than the majority of the shares. Suppose a company consisted of 1,000 shares, 501 would be the majority holding, so that a man holding 499 shares would be at the mercy of those holding 501.

Hon. J. T. Franklin: Suppose a shareholder had 10 shares and there were 499 others; could the man with ten shares appeal against a decision and put the company to the expense of appealing?

Hon. J. NICHOLSON: I would have no objection to a reasonable amendment in that direction.

Hon. J. M. Macfarlane: Would not the cure be worse than the present position?

Hon. J. NICHOLSON: I do not think it would. The question raised by Mr. Franklin could easily be dealt with by an amendment.

Hon. J. J. Holmes: Does not the Companies Act provide for a three-fourths majority?

Hon. J. NICHOLSON: When members of a company pass what is called a special resolution, that is, three-fourths of those who are present and vote. It is not three-fourths of the whole of the shares. I was citing one particular case as an instance. By taking the action referred to the individual resorted to what was obviously an unfair method which, although competent under the Act as it stands to-day, it would be difficult if not impossible to get the court to vary without some special alteration in the law as it stands at present. As members are doubtless aware, dividends can only be paid out of profits, but a salary may be paid out of capital, and accordingly the unfairness of such a proceeding on the part of any person holding a similar position in any company will be more fully recognised because by such methods this person probably absorbed all the profits, and if the profits were or should later be insufficient then it would involve a depletion of capital. All one need to do in a case like that is to fix a huge salary for himself, and although the company might be unable to pay it, it might be crippled by such action.

Hon. J. J. Holmes: If a company could not pay its salaries, it could not pay its debts.

Hon. J. NICHOLSON: One might think that such an action as that which I have related would be impossible, but unfortunately it is not so, and it is to meet such cases that the present Bill is introduced. If persons act fairly and bona fide and do not violate the powers reposed in them, then the present Bill need not be feared by them, but if they do violate these powers, then all that the Bill grants is merely a right to appeal to the court to seek to rectify the misuse of such powers. Hon. members will appreciate the difficulty there is in proving whether the directors have acted in good faith or otherwise. It is hard, because they are not bound to give any reasons in refusing a transfer.

Hon. Sir Charles Nathan: This would compel them to do so.

Hon. J. NICHOLSON: If it is considered that the Act is unfair to them, the court would say whether or not a transfer should go through.

Hon. Sir Charles Nathan: They would have to give reasons.

Hon. J. NICHOLSON: It would be for them to explain to the court. It means that if the hon. member happened to be in the position of a person who held shares in a company where the transfer was refused and he felt aggrieved at that transfer being refused, he would feel very much at a loss if he could not have some right of appeal to have it determined whether or not the transfer was rightly or wrongfully refused.

Hon. Sir Charles Nathan: They would see the articles of association before buying the shares.

Hon. J. NICHOLSON: Very few shareholders or purchasers of shares ever look at the articles of association. It is only when refusal is met with regarding the registration of the transfer that they commence to make investigation and see what they have been let into. In most instances the people take matters for granted. A man who buys shares in an ordinary mining company does not expect that his transfer will be refused. That practically never happens in connection with mining shares. But there may be occasions on which the discretionary power should be exercised. We should not seek to interfere with discretionary powers rightly used. What is sought is that, should the registration of transfer be refused without any good reason, then it will be for the court to say whether the discretionary power had been used fairly or unfairly.

Hon. J. M. Drew: What about the position of a company that is in a shaky position and transfers shares to a man of straw?

Hon. J. NICHOLSON: I do not know that such a transfer could be refused very well, unless there were some other ground as well. That would not affect the position if the shares in question were fully paid up. Such shares may reasonably be transfered to a man of straw or to a man of considerable wealth. It would not matter. I realise the position contemplated by Mr. Drew.

Hon. J. M. Drew: Suppose there were 500 shares at £1 each, on which only 5s. a share had been paid up.

Hon. J. NICHOLSON: In that event the directors would be justified in refusing to transfer the shares.

Hon. Sir Charles Nathan: Because the individual was a man of straw?

Hon. J. NICHOLSON: Yes. If the articles of association reserve to the directors the right to refuse the registration of the transfer, they could very well refuse, and if that individual sought to impugn their discretionary power, it would be for him to show the court there was lack of justification for the directors' refusal.

Hon. J. J. Holmes: In other words, they would have a very good defence for their refusal.

Hon. J. NICHOLSON: Of course. No one would be injured in that way. The Bill simply seeks to secure a fair deal and at present that condition does not obtain. If members will turn to the Bill they will notice that Clause 2 deals with the question of disallowance of a transfer and is intended to give the person aggrieved the right of appeal to the court. It is quite true that at the present time certain applications may be made to the court in matters of this nature where it may be shown that the directors act capriciously or wantonly but all this has to be alleged and proved and it has also been held by the court that the onus lies on the person bringing the proceedings to prove want of bona fides. Thus the court is not possessed of that power which is desirable to investigate these matters. It is not an unusual power to include in articles of association that the directors may decline or refuse to register any transfer of shares and that without giving any reason. If the directors refuse to register a transfer and do not give any reason, then as the law stands at present the court would not interfere because there would be no inference of impropriety to be drawn from a refusal to give reasons. By the Bill now introduced it is proposed to give the right of appeal to a Judge in Chambers in accordance with rules to be framed. This would then allow a matter of apparent injustice to be brought inexpensively before the court for inquiry and determination and if the court saw that things were not as they should be then an order could be made to rectify the matter. Clause 3 deals with the question of remuneration to directors and gives a similar right of appeal to the court at the instance of not less than two members of the company. As previously stated, in small companies it is no uncommon thing for the company to consist of the minimum number of five shareholders so that two members would be a reasonable proportion of those concerned. Clause 4 gives power not only to a shareholder but also to his attorney to appoint any person being a member of the company to represent such member at any general meeting and to vote at same. If the Bill passes the second reading stage this evening, I propose to move that the Committee stage be taken to-morrow and I will place an amendment on the Notice Paper to make it clear, by the provision of a new clause, that the Bill will not extend to foreign companies. The Bill deals only with companies that are incorporated in Western Australia and companies incorpor-

ated outside the boundaries of the State, even in South Australia for instance, are foreign companies from the standpoint of our law. I move—

That the Bill be now read a second time.

On motion by the Chief Secretary, debate adjourned.

BILL—HEALTH ACT AMENDMENT.

Assembly's Amendments.

Schedule of five amendments made by the Assembly now considered.

In Committee.

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

No. 1. Clause 7.—Delete.

The CHIEF SECRETARY: Originally this clause provided that any neglect of duty would constitute an offence under the Act, but members did not agree with the proposal and altered the tail end of the clause by deleting the vital words constituting the offence and inserting in lieu thereof a repetition of the power already possessed by the Commissioner under Section 34. Therefore the clause is redundant. A penal clause was required and as it has not been agreed to, Clause 7 is useless and can be struck out so that the present procedure will have to be relied on. I move—

That the amendment be agreed to.

Question put and passed; the Assembly's amendment agreed to.

No. 2. Clause 10—Delete.

The CHIEF SECRETARY: I move—

That the amendment be agreed to.

The clause was inserted on the motion of Mr. Thomson. His object was to meet the circumstances of an isolated case. Apart from the danger of legislating for special cases, the department consider the clause unnecessary and asks that it be deleted. The clause would establish a new principle that owners are liable for the provision of a sewer only when use is made of it. Clause 9 sets out clearly the conditions on which the local authority may construct a sewer for the drainage of a portion of its district. Under that clause certain notices have to be given. Owners of land have certain rights of appeal and, subject to those, the sewer is constructed to serve a limited area, and the owners of the land, whether they take advantage of the sewer or not, have to pay their assessed portion of the cost. Clause 10 is based on the principle that the owner of the land who has benefited by the construction of the sewer is under no obligation to pay for the cost of the sewer until he uses it, and then it goes on to set out elaborate provisions by which, when he does use it, the cost, not only to himself but to all the other owners who are affected, has to be re-assessed and redistributed. It requires no stretch of imagination to realise that the section would be extremely complicated in working, and with the net result that not one single owner of property in the area affected could, at any given stage, know just how he stood. The danger of Mr. Thomson's proposal, elaborate as it is, is that it will lead eventually to endless complications when, in the years to come, the sewer comes into general use and serves many premises. For instance, under the hon. member's clause, there must be a revision of the amounts to be paid by owners of premises every time additional premises are connected with the sewer. Then again, there is the further confusion of every assessment being subject to arbitration proceedings. A sewer may last 100 years and then be enlarged, to cope with the requirements for another 100 years, and during that period of years, hundreds of premises may be connected with the sewer. In those events, there would have to be a complete revision of the amounts to be paid by the respective owners every time a property was connected with the sewer and, to add to the trouble, each assessment would be subject to arbitration proceedings. If a local authority, say, the Katanning Road Board, considered it desirable to construct a sewer that would serve 10 or 50 blocks of land, then the normal procedure would be to divide the cost of the sewer among the owners of those 10 or 50 blocks, regardless of whether the blocks were built upon or whether the owners desired at the moment to use the sewer. The point is that a sewer is a real adjunct and of definite value to every block of land. It enhances the value of the land in a similar way to the provision of a road or electric

light service. Then when the owner of premises desired to sewer, or when he built and wanted to connect, the sewer would be there as part of his property. I referred the matter to the Metropolitan Water Supply, Sewerage and Drainage Department, and the Acting Under Secretary, Mr. Long, supplied the following information:—

> The whole position as far as the metropolitan area is concerned seems to me to resolve itself into the danger of conflict between the proposed clause and the Metropolitan Water Supply, Sewerage, and Drainage Act. The latter Act definitely gives the Minister for Water Supply power to carry out works of this nature within the metropolitan area, and the amendment to the Health Act appears to have the same object in view, but at the instigation of a local authority. There should be some means whereby the Metropolitan Water Supply, Sewerage, and Drainage Department is paramount, and should be consulted in regard to any schemes proposed by local authorities. An unsatisfactory position would be created if these amendments to the Health Act could override the Metropolitan Water Supply, Sewerage, and Drainage Act.

If we adopt the clause, we shall be embodying in the Health Act a provision that will override the Metropolitan Water Supply, Sewerage and Drainage Department, which controls all such activities. To do that would be dangerous. The clause would not be fair to local authorities and must cause endless trouble.

Hon. A. THOMSON: If Clause 10 were applicable to only one district, there might be some force in the Minister's statement. The clause would be of material help to the goldfields areas. I understand that the Licensing Board are compelling hotelkeepers there to instal septic tanks. They will be compelled to do what has been done at Katanning and every town in the Great Southern and probably also in the South-West, namely, have the effluent from septic tanks drained into a cement tank and then pumped into a vehicle to be carted out of the town. I can quite understand the Government departments characterising the clause as unworkable. For 10 or 12 years Katanning has been seeking an amendment of the Act to enable this service to be performed under hygienic conditions. I should like to take some of the Minister's advisers to Katanning and tie them up close handy while the liquid was being pumped into the vehicle, and I could wish that each of them possessed a very keen sense of smell.

Hon. J. Nicholson: Is it very thick?

Hon. A. THOMSON: Very. They would be convinced that the proposal was practicable.

The CHAIRMAN: I hope that is a suggestion and not a threat.

Hon. A. THOMSON: It is merely a suggestion. A distinct hardship will be imposed upon the people if the clause is not accepted. Where a complete sewerage system has been provided as in the metropolitan area, it is quite right that landowners should be charged the rates necessary to recoup the cost of construction. The owners of property at Katanning are labouring under a disability because they have to pay large sums to have the disgusting fluid removed by an obsolete method. The figures quoted previously emphasise the desirability of retaining the clause. The Minister said that to adjust the charges would lead to endless trouble. If the clause had not provided for adjustment, I could have understood the Minister's objection, but provision has been made to overcome that difficulty.

Hon. J. J. Holmes: How would you get rid of the fluid?

Hon. A. THOMSON: It would be distributed on an area that in effect would be a miniature sewage farm.

Hon. J. J. Holmes: The effluent here should not have been discharged into the river.

Hon. A. THOMSON: I agree. That blunder would not be repeated at Katanning.

Hon. J. Nicholson: To connect with the sewer would be subject to agreement.

Hon. A. THOMSON: Yes, there would be no compulsion. Hotels and large boarding houses catering for the travelling public are being penalised through having to pay up to £78 per annum to get rid of waste water.

Hon. J. Nicholson: Am I right in saying that the local authority would not have power at the present time to enter into such an agreement?

Hon. A. THOMSON: They have not.

Hon. H. V. PIESSE: I would like the Committee to reconsider this clause, for the reasons so ably put forward by Mr. Thomson. I hope the Committee will vote for the retention of the clause.

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

Ayes	8
Noes	11
Majority against ..	3

AYES.

Hon. C. F. Baxter	Hon. E. H. Harris
Hon. J. M. Drew	Hon. W. H. Kitson
Hon. G Fraser	Hon. W. J. Mann
Hon. E. H. H. Hall	Hon. C. B. Williams (*Teller.*)

NOES.

Hon. J. T. Franklin	Hon. J. Nicholson
Hon. V. Hamersley	Hon. H. V. Piesse
Hon. J. J. Holmes	Hon. E. Rose
Hon. J. M. Macfarlane	Hon. A. Thomson
Hon. G. W. Miles	Hon. C. H. Wittenoom
Hon. R. G. Moore	(*Teller.*)

Question thus negatived, the Assembly's amendment not agreed to.

No. 3. Clause 27—Delete.

The CHIEF SECRETARY: It is thought that the clause can very well be deleted from the Bill. Subsection 12 of Section 147 already provides that a nuisance shall be deemed to be created when any "animal" is so kept as to be a nuisance or injurious or dangerous to health, and the word "animal" covers "bird or poultry." There is no reason why "bird or poultry" should be expressly provided for in the clause in so far as any nuisance is concerned. Furthermore, the Health Act is not the place to legislate for the suppression of noises. A noise is not offensive, injurious or dangerous to health as a nuisance is. There is a common law remedy against noises. The Health Act is for the prevention of disease, not noise. Unless this clause is struck out, the Health Act will be misused to suppress all sorts of street noises and other noises, such as those arising from radios, sawmills, trades and even newsboys. Moreover, it must not be forgotten that every other householder keeps fowls to supplement the larder, and in that regard it will be found, if the clause is retained, that every other neighbour who does not keep fowls usually thinks that fowls are a nuisance, and he might seize on this power to prevent the keeping of fowls. This, of course, would be a serious matter, particularly from the point of view of the poor householder.

Hon. J. Nicholson: That is the view of the Health Inspectors' Association?

The CHIEF SECRETARY: Yes. The clause should be struck out. I move—

That the Assembly's amendment be agreed to.

Question put and passed; the Assembly's amendment agreed to.

No. 4. Clause 45—At the end of this clause add the following words:—"but there shall be an appeal to the Commissioner against any such refusal of a local authority."

The CHIEF SECRETARY: I move—

That the amendment be not agreed to.

The additional words are unnecessary, as the right of appeal is already provided for in Section 36, which reads—

(1) Any person aggrieved by an order or decision of a local authority from which an appeal does not lie under the last preceding section may, within 14 days after notice of such order or decision, appeal against the same to the Commissioner.

(2) Every such appeal shall be brought and conducted in accordance with regulations made by the Governor.

In view of this provision the new words are not required. Under Sections 35 and 36 of the Act every decision of a local authority can be appealed against. The Assembly's amendment can therefore be rejected.

Question put and passed; the Assembly's amendment not agreed to.

No. 5. Insert a new clause, to stand as Clause 28, as follows—

28. A section is inserted in the principal Act, after Section 158, as follows:—

158A. (1) Where any trade process, whether an offensive trade or not, has been established in any district, and is of such a nature that the carrying on thereof will unavoidably result in fumes, dust, vapour, gas, or other chemical elements which, in the opinion of the Commissioner, are likely to be injurious to health, escaping into the air, the Governor may, on the recommendation of the Commissioner, by proclamation—

(a) define any area surrounding the place where such trade process is carried on, within which, after the issue of the proclamation and whilst the same remains unrevoked, no dwelling-house shall be erected or used for habitation; and

(b) define any area surrounding the place where such trade process is carried on, within which, after the issue of the proclamation and whilst the same remains unrevoked, no rainwater tanks shall be erected or used, and no

rainwater shall be collected or stored for human consumption:

Provided that, where any dwelling-house has, prior to the issue of a proclamation under this subsection, been erected within the area defined by such proclamation as an area within which dwelling-houses shall not be erected or used, the Commissioner may, notwithstanding the proclamation, grant a permit in writing signed by him to any person to use such dwelling-house for purposes of habitation, upon and subject to such conditions as the Commissioner may deem fit to impose and which are specified in the permit so granted.

The CHIEF SECRETARY: The reason for the amendment of Section 158A is that in certain trade processes at Wiluna for the extraction of arsenic, poisonous dusts are discharged into the air from stacks and in varying quantities fall upon the roofs of houses in the vicinity. If rainwater is collected from these roofs, the poison is washed into the rainwater tanks and may be a danger to those consuming it. It may be said that the water from such tanks will be used for gardening purposes only, but this will not prevent children from drinking from hoses or taps. Departmental officers have examined the rainwater and the dust from roof gutterings in certain instances in the neighbourhood of the trade processes and have found it to contain appreciable and dangerous quantities of poisonous substances. For this reason it has been deemed advisable to have the power to prohibit the use of rainwater tanks in such localities; and further, if circumstances warrant it, to define an area within which dwellings shall not be built if it is considered that the amount of poisonous dust present in the atmosphere is dangerous to those constantly breathing it. There has already been trouble in that locality. As a matter of fact, there have been 19 cases of dermatitis this year.

Hon. R. G. Moore: As the result of arsenic?

The CHIEF SECRETARY: Yes.

Hon. R. G. Moore: But as a result of working where the arsenic is used, not outside?

The CHIEF SECRETARY: It is just as bad outside, on account of the enormous quantity distributed. At the works the men wear respirators, but one must admit that in a very hot climate it is difficult to get the men to keep the respirators on all the time. I move—

That the amendment be agreed to.

If power is not given to control the rainwater, there may be very serious cases of poisoning. There is no intention to force people out of buildings, but I do not think new ones will be allowed to go up adjacent to the mine. Upon examination the rainwater has been found to be affected by arsenic.

The CHAIRMAN: Standing Order 191 says that any amendment may be made to any part of a Bill provided that it is relevant to the subject matter of the Bill. This Bill has an open title. It is a Bill to amend the Health Act. Some time ago members agreed to a new standing order defining what the subject matter of a Bill was, and thus taking the decision out of the hands of the Chairman. The subject matter of a Bill means the provisions of the Bill as printed, read a second time, and referred to the Committee. This amendment of the Assembly is to add a new clause. The subject matter of the Bill is the clauses contained in it, as printed, as read a second time, and as referred to the Committee. When the Bill was originally referred to the Committee, it contained no clause dealing with this particular subject. The attempt, therefore, to insert this clause introduces a subject matter into the Bill that was not originally there. I rule, therefore, that the amendment is not admissible. I want members to recognise what the Chair is doing. This is a grave departure from the usual elasticity that has been extended towards Bills with an open title. The subject matter is really that which is in the Bill. Any amendment must be confined to what is in it. On this occasion, there is nothing in the Bill dealing with the subject matter of the proposed new clause. In the original Act, Section 155, there is a provision to control what is referred to as offences of trade. No attempt was made in the Bill to amend that section until this proposed new clause came up from another place. I therefore rule that the amendment is not admissible.

Dissent from Chairman's Ruling.

The Chief Secretary: The Chairman is taking a very responsible step in this connection, and I think it is right I should move that your ruling, Sir, be disagreed with in order that the President may be

brought into the matter, and he may be in a position to adjudicate upon it. I move—

That the Committee dissent from the Chairman's ruling.

The Chairman: The objection must be expressed in writing.

Hon. A. Thomson: The issue is a very important one to the health of people in a certain portion of the State. Seeing that this proposed new clause comes from another place, do our Standing Orders prevent us from passing it?

The Chairman: The Chief Secretary has moved that the amendment made by the Legislative Assembly shall be approved by this Chamber.

The President resumed the Chair.

Hon. J. CORNELL: I desire to report that, during the discussion on Message No. 41 from the Legislative Assembly, the Chief Secretary moved that amendment No. 5, to insert a new clause to stand as Clause 28, be agreed to. I have ruled that in accordance with Standing Order 191, taken in conjunction with the amendment of Standing Order No. 3 dealing with the definition of "subject matter," inasmuch as the Bill in its original form made no provision to amend the parent Act in the direction sought by the Assembly's amendment, the proposed new clause is not admissible, and the Chief Secretary has moved to disagree with my ruling.

The PRESIDENT: The decision I am asked to give will necessitate my reading right through the Bill. Perhaps it would not inconvenience the Chief Secretary if he took steps to report progress so that I may postpone giving any decision until tomorrow.

The CHIEF SECRETARY: I will do that.

Committee resumed.

The CHIEF SECRETARY: I move—

That progress be reported.

Motion put and passed; progress reported.

Progress reported.

House adjourned at 10.30 p.m.

Legislative Assembly,

Wednesday, 30th November, 1932.

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

PERSONAL EXPLANATION.

Minister for Lands and Group Settlement Administration.

THE MINISTER FOR LANDS (Hon. C. G. Latham—York) [4.33]: By way of personal explanation, I wish to draw attention to a report that appeared in the "West Australian" this morning dealing with the Parliamentary proceedings last evening in which I am stated to have charged the member for Mt. Magnet (Hon. M. F. Troy) and a former Minister for Lands, the Hon. W. C. Angwin, with mal-administration. The report, which dealt with the speech of the member for Mt. Magnet, contained the following statement:—

The Minister for Lands during the debate on the Address-in-reply had the temerity to say that the expenditure and losses on group settlement were due to his (Mr. Troy's) and Mr. Angwin's mal-administration.

The second statement to which I take exception is the following:—

The statement had been made in the early hours of the morning when possibly the Minister was not normal.

I hope I have not conveyed to the House at any time that I made a charge of mal-administration against the member for Mt. Magnet, and more especially against a man who is not here to defend himself, in the person of the Agent-General, Mr. Angwin. I trust I have not given the impression that