HON. L. B. BOLTON (Metropolitan) [8.20]: I agree with Mr. Angelo that this is one of the Bills requiring further consideration before renewal. In my view, the time has arrived when the House should take into consideration the question whether it should go on renewing these emergency Bills from year to year. The Bill before us is worthy of consideration, and I will be prepared to support the continuance of the Act until the date suggested by Mr. Angelo, namely the end of next June. I will await the Minister's reply before deciding to vote for the second reading.

On motion by Hon. A. Thomson, debate adjourned.

House adjourned at 8.22 p.m.

Legislative Assembly,

Wednesday, 21st November, 1934.

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

QUESTIONS (2)—RAILWAYS.

Locomotive Section.

Mr. HAWKE asked the Minister for Railways: 1, How many additional employees were added to the locomotive section of the Railway Department for the period 1st November to 20th November? 2, How many additional appointments, if any, are proposed during the remainder of November? 3, What steps are being taken, or are proposed, to increase the effective engine power available for service?

The MINISTER FOR RAILWAYS replied: 1, One. 2, Fifteen. 3, Repairs and overhaul of engines are being speeded up, particularly in respect of the more powerful classes, and rebuilding of certain classes is well in hand.

Steam Coach, Perth-Armadale.

Mr. SAMPSON asked the Minister for Railways: 1, Is he aware that the steam coach operating between Perth and Armadale is very poorly equipped with light, thus rendering its use at night a menace to the public? 2, Is it possible to arrange for an electric headlight; and could a fog-horn type of whistle be installed?

The MINISTER FOR RAILWAYS replied: 1, No. 2, The coach is already fitted with an electric headlight. A fog-horn type whistle could be installed, but the existing whistle is considered sufficient.

BILLS (2)—FIRST READING.

1, Factories and Shops Act Amendment.

2, State Government Insurance Office.

Introduced by the Minister for Employment.

MOTION—UNION WHEAT POOL OF W.A.

To Inquire by Royal Commission.

HON. C. G. LATHAM (York) [4.37]: I move—

That in the opinion of this House a Royal Commission should be appointed to inquire into and report upon the business, finances, and management of the Union Wheat Pool of W.A., and the system generally adopted in this State for the warehousing of wheat.

It is necessary to point out that about 20 years ago there grew up a new system of marketing primary products, numbers of growers joining together and deciding to do their marketing for themselves. The principal wheat pool of this State is the Western Australian Wheat Pool. Subsequently another pool, known as the Union Wheat Pool of W.A., came into existence.

I should mention, of course, that wheat is not the only primary product that is pooled. We know of egg pools, and pools for other sorts of primary products. Hon. members are well aware that the people of this country do not deal exclusively in wheat. I am afraid the system of pooling has grown up here without any control whatever. People who deal with a company are able to exercise control through the Companies Act. With the system of pooling, however, there seems to be no control, except on the part of those who happen to be participants in the pool; and for them it is highly difficult to control the pool, because in the main they live in the country and so are entirely in the hands of the trustees, who seem to be able to carry on without having to furnish any reports except in connection with the balance sheet. I came to the conclusion some time ago that where people handle other people's goods, there should be some protection. Insurance companies have to deposit with the Government sums of money as security for the meeting of claims. In my opinion, people dealing with other people's goods ought also to deposit sums of money by way of tangible guarantee of good faith. If that were done, the probabilities are that protection would be afforded to persons who deal with them or hand over their goods to them. Especially does this affect the warehousing of wheat. In South Australia some few years ago it was decided by the courts that persons who warehouse wheat lose control of it, and that in the event of the persons who conduct the business of warehousing assigning their estate, the ownership of the wheat passes and the persons who deposited it rank merely as ordinary creditors. If there were extensive assignments of the kind in this State, during the difficult times through which the wheatgrowers are passing, the loss would be tremendous. By evidence which I shall submit to the House I propose to show that a good deal of money has, in fact, been lost by those who pooled with the Union Wheat Pool. I believe the loss to be due to faulty management. Consequently, if some check is not imposed on this class of business, the losses are likely to be heavy. Some two years ago Parliament passed legislation relative to the Western Australian Wheat Pool. I do not know that there was very much in it, except that certain powers were given for the conduct of the business and that the Act set out what should be done. Among other things, the Act provided for an advisory council elected from the country. As regards the pool into which I ask that inquiry be made, it appears that this year the growers dealing with that pool will lose large sums of money. I mentioned this matter some time ago, and in order to show that the statements I then made were fairly accurate I propose to lead up to what caused me to believe in their accuracy at the time. The question is not only one affecting wheatgrowers; it also affects people who supply the growers with credit, and, furthermore, the Agricultural Bank. I say this in view of information furnished by the Government in reply to a question asked in another place. The Agricultural Bank hold a considerable amount of wheat, and no doubt they have a lien over most of it. In December, 1931, the Lake Grace Zone Council of the Wheatgrowers' Union established the Union Wheat Pool, which was registered on the 14th January, 1932. Trustees were appointed, all of them being prominent members of the Wheatgrowers' Union, and three being members of the Wheatgrowers' Union executive. The other two, I may mention, were prominent in the organisation. On the 16th December, 1931, a trust deed was made between J. W. Morrison—who, I believe, is an accountant—acting as trustee and representative on behalf of the growers, and E. Dolan of Lake Grace, G. F. Robins of Beenong, J. A. Richardson of Kulin, R. Cameron of Harrismith, and W. H. Campbell of Nyabing, on behalf of the marketing side of the pool. The objectives—and they were rather attractive objectives—set out to the farmers were, firstly, reduction of overhead charges; secondly, greater returns to the growers; thirdly, quicker realisation, resulting in the grower receiving dividends earlier in the year. I propose to show that they were not able to achieve any of those objectives, not one of them. No doubt they had in their minds at the time that they were not getting all they might possibly get from the Western Australian Wheat Pool. Clauses 2 and 8 of the trust deed specifically state that each year's operations shall stand alone. Clause 2 sets out that the growers who supply wheat to the pool in one season shall have no interest in or control over wheat delivered at an earlier or later season, except

to the extent of their deliveries in such earlier or later seasons respectively. That is to say, each year's pooling is to be entirely separate from any other year's pooling, and the wheat pooled each year shall be balanced off so that the next year's pooling may start off with a clean sheet. There is to be no connection whatever between the pools of two seasons. The reason for that provision is that participants in one pool may not be participants in another pool. Thus, to charge up against one pool a debit and give another pool a credit would be wrong. Doubtless the trust deed provided that that should not happen. Clause 8 sets out, among other things, that the trustees shall receive and hold all wheat delivered to them by growers on the conditions which prevail for the season in question, and shall not alter, modify or vary such conditions except where expressly allowed to do so by the terms of the conditions. Thus the trust deed, which no doubt was drawn up by a lawyer, presumably gave definite protection. Pool participants were not required to make good any losses incurred in connection with the preceding pool. The history of the pool is as follows:—J. W. Morrison acted as trustee and representative on behalf of the grower or pool participant. The other trustees—Dolan, Robins, Cameron, Campbell, and Richardson—were trustees of the pool, their duty being to arrange for taking delivery, financing, and marketing. In January, 1932, an agreement was entered into appointing Frank Manford Ltd. as managing agents to conduct all the commercial and financial operations of the pool. The managing agents appointed Gilbert J. McCaul & Co., of London, as selling agents. The remuneration fixed was ½d. per bushel to Manford Ltd., and ½d. per bushel (English currency) to the selling agents. The pool was to pay all expenses. That referred to the acquiring section at this end and to the disposing section at the other end. At this time C. C. James was manager of the wheat division of Manford Ltd., and he was to receive 50 per cent. of the commission paid to Manford Ltd. In January, 1932, James was also appointed manager of the pool by the trustees. So that he was managing the pool for the trustees and was also representing Manford Ltd., receiving half the commission there. I do not know whether he was paid by the pool, but presumably he was paid nothing but his commission. The trustees commenced to receive wheat in January, 1932, and for the season 1931-32 they received 153,073 bushels. The pool commenced without any capital and arrangements had to be made to finance the establishment of the pool and to provide equipment and plant charges. But there was very little wheat received, and there were only 30 sidings at which it was received that year. So, in view of that small quantity, the outlay would be very small indeed. The first year's operations convinced the trustees and management that they could not compete with the W.A. Wheat Pool. Therefore, in order to ensure that further support would be forthcoming for the Union Pool, the whole of the initial expenses, amounting to £1,719, connected with establishment, plant and equipment were capitalised and debited to the 1932-33 pool. So they made no charges to the first pool, but debited them all up against the second pool; whereas a portion of this amount should have been charged to the 1931-32 pool, and only the balance carried forward and debited to the succeeding pools until the amount was written off. In reality, although they took the £1,719 as an asset, there was very little tangible asset for it because most of it had gone in establishment charges. It was a violation of their trust deed. Although they carried forward this £1,719 they had very little tangible asset. It is the custom that establishment charges should be written off over three years, so at least one-third of those charges should have been debited against the first year's pool. Then the plant and equipment, the life of which is five years, should have been proportionately written off in each year.. After the first year's operations, Manford Ltd. refused to continue as managing agents. James then offered to find the necessary finance, conditionally on his being appointed managing agent under the same terms as Manford, namely to receive ½d. per bushel on every bushel acquired. During the first year, 1931-32, the trustees commenced to deal in cornsacks, although having no reserves against which losses could be charged and no authority under the trust deed to deal in cornsacks. During the 1932-33 season, which was James's first year as managing agent, 1,874,512 bushels were received. The trustees continued to deal in cornsacks, and gave James 1d. per dozen commission; so he received 2s. 1d.

for every bale of cornsacks. On the 12th October, 1933, an interim balance sheet for the 1932-33 season was prepared. It included amongst the assets an amount of £13,851 for plant and equipment, office fixtures, motor car and establishment. This asset had increased on paper by over £12,000, but in reality, the value, according to the president of the Wheatgrowers' Union was somewhere about £5,000. So they have inflated their assets to the extent of £8,000 and carried it forward. And the whole of the £13,851 was again carried forward without providing for depreciation. No charge was made against that pool for plant equipment or for establishment charges. The whole of this expenditure was carried forward to the next year's pool, and so they were able to make a payment far in excess of the true payment, to the 1932-33 pool. So for the first two years no provision was made for depreciation although it was obligatory in the terms of the trust deed, and the whole of the expenses incurred during 1931-2, and 1932-3 on plant and equipment and establishment were charged against the 1933-34 pool. This item of establishment should be thoroughly investigated; it is impossible for me to obtain the information. Besides that asset of £13,851, sundry creditors' accounts totalling £3,270 were held over and paid out of the 1933-34 pool proceeds. In spite of the fact that the full amount of £13,851 was carried forward without any provision being made for depreciation, and that the amounts due to sundry creditors were to be held over, it was found the final payment would still be less than that of the W.A. pool. Because of the assets shown in their books, they were able to borrow £16,000, from which they made payments on the 1932-33 pool. So they debited the 1933-34 pool with about £16,000 and made a gift of that amount to the 1932-33 pool. Borrowed money was available and, in order to increase the payment to the 1932-33 participants and yet hide the true position, an agreement was made whereby James was to rebate from his 1933-34 commission an amount of £3,905, which represented the total commission due and paid to him in respect of the 1932-33 season. Yet on paper he showed it as rebated to the pool. To enable James to pay this amount, the trustees, I believe, passed a resolution increasing the rate of commission from ½d. to ¾d., until such time as the additional ¼d. recouped him the amount rebated. To cover up this arrangement, an entry was made in the books debiting wheat sales suspense account and crediting wheat sales account with this amount. The position ought to be thoroughly investigated, if only in order to show how easy it is to mislead the farmers.

The Minister for Lands: It strikes me you have the whole of the case there.

Hon. C. G. LATHAM: No, only some of it, and I should like to know what these establishment charges are, which I believe even the union have been unable to find out. For the benefit of the Minister, I would point out that in the 1932-33 pool they still paid 7/8d. per bushel less than the W.A. Wheat Pool paid, and charged to the 1933-34 pool £16,000, which ought to have been charged against the previous pool.

The Acting Premier: Are they operating during the current year?

Hon. C. G. LATHAM: They are winding up, but they propose to start a new pool. In debiting the wheat sales suspense account and crediting the wheat sales account, of course no money actually passed and nothing but a book entry was made. This meant, of course, that the amount of £3,905, which was rightly a charge to the 1932-33 wheat sales account, appeared in the balance sheet as an asset in the item "sundry debtors." The effect of this was to increase in the books the amount available for distribution to the 1932-33 pool participants to that extent, and charge the amount against the next pool without disclosing the facts. So, the 1933-34 pool participants were called upon to pay commission which should have been charged against the 1932-33 sales. This transaction increased "sundry debtors" to approximately £5,000, which, together with other assets, shown at £13,851, enabled the trustees to borrow about £16,000 with which to pay dividends to the 1932-33 pool participants. The £16,000 borrowed was subsequently repaid out of the 1933-34 pool. They knew what was happening, because in July, 1934, the firms' auditors wrote informing the trustees of the true position and pointing out that the handling cost of 4½d. per bushel was very high. So it was, as compared with that of the W.A. Wheat Pool which was

2¾d. The auditors pointed out to the trustees that the excessive cost was accountable for as follows:—

(a) By writing off of proportion of establishment charges.

(b) By annual depreciation on plant and equipment.

(c) By the additional commission to the managing agent to compensate him for last year's rebated commission.

(d) By cornsack losses.

(e) By excessive agency commissions and administrative costs.

The trustees were informed that in order to make the payment which was promised on or about September 15th, they would require to arrange finance amounting to £15,000. When I was speaking on the Agricultural Bank Royal Commission's report, I pointed out to the House that the pool ought to be inquired into and that I thought it was the duty of the Wheatgrowers' Union to carry out an investigation. On that day I had good reason for making that statement. This £15,000, which the auditors said would be required, was necessary to take care of the items of plant, equipment and establishment expenses, together with estimated expenditure until the commencement of the new pool. I notice they make excuses and say they have not disposed of their wheat, but I am credibly informed that the whole of their wheat was sold at that date and that they had little money with which to make payments promised on the 15th September. It will be remembered that that was postponed till the 8th October. Yet on that date they were unable to make the payment. To enable the trustees to distribute an amount equal to that already distributed by the Western Australian Wheat Pool, it would be necessary for them to make financial arrangements to the extent of approximately £35,000. It is anticipated that the W.A. Wheat Pool will make a payment of about a further 2d. per bushel, and if the trustees of the Union Pool did likewise, it would mean a sum of £45,000 to £50,000. The committee who investigated the matter, anticipating that the Union Pool would make a further payment of 2d., pointed out that there would be a shortage of roughly £35,000. I wish to point out that the commission received by the man James, during the 1932-33 and 1933-34 seasons, irrespective of the commission paid him on cornsacks sales, would have amounted to nearly £10,000, the whole of which was paid out of the 1933-34 pool proceeds.

The Minister for Lands: Did he actually get the cash?

Hon. C. G. LATHAM: Yes, or rather let me say that I do not believe for a moment that he did not get it. That amount is exclusive of the commission he received on the sale of cornsacks.

The Acting Premier: When was that paid?

Hon. C. G. LATHAM: Out of last season's pool proceeds. He received the payment of £3,905 last year, but handed it back on paper, not in reality, and the commission was increased by a farthing a bushel this last year in order to rebate that amount to the pool.

The Minister for Lands: Has the bank been making advances against assets that did not exist?

Hon. C. G. LATHAM: I think the bank has been making advances against the wheat which it was anticipated would be received in the following year. I do not know whether the bank has found it out, but certainly somebody found out that the pool was getting into difficulties and refused to finance it. That is what caused the trouble. If the business of the pool had been carried on in that way for another couple of years, there would have been no money left at all. The whole of the succeeding year's pool proceeds would have been mortgaged. The mortgage has been growing gradually since the pool came into existence.

The Minister for Lands: It is news to me if a bank advances on no security.

Mr. Seward: It was advanced on a guarantee.

Hon. C. G. LATHAM: The people who were financing the pool found the money and they found it through the bank. I wish to point out that all the farmers who pooled their wheat in 1933-34—I understand that 2,200,000 bushels were pooled in that year—were not participants last year. The farmer who pooled his wheat this year made a gift to the farmer who pooled last year, and if the farmer who had previously pooled his wheat pulled out last year, he got the best of the deal. It will be seen that in the 1931-32 and 1932-33 seasons the pool participants

received considerably more than the net realisation proceeds of the wheat contributed to those pools. They got more than they were entitled to. This amount was a gift by the trustees to the growers who pooled in those years, and the participants of the 1933-34 pool have been called upon to bear that cost. According to the trust deed, the trustees were not acting legally if they borrowed money against a future pool to enable them to pay dividends. Clauses 2 and 8 of the trust deed seem to be perfectly clear that the transactions of the various pools must be kept separate. When, on the 20th September, I stated in the House that the Wheatgrowers' Union should inquire into the management of the Union Wheat Pool, I used the following words:—

> If there is anything that wants to be inquired into, it is the Union Wheat Pool, and the farmers should demand an inquiry, as those who invested in the pool are going to lose a considerable amount of money.

Two days later the President of the Wheatgrowers' Union wrote to the Press as follows:—

> In his Press statement he (Mr. Latham) makes no reference to his utterances in Parliament that those who invested in the Wheatgrowers' Union Pool were going to lose a considerable amount of money. Upon what Mr. Latham bases this assertion is best known to himself, as investigation personally made gives no grounds for such a statement. What the Union Pool ultimately realises is a matter entirely for settlement between the elected trustees and the pool participants, and could only interest this Wheatgrowers' Union in the event of fraudulent practice. The same avenues of investigation of this Pool were open to Mr. Latham as were availed of by myself, and I am still at a loss to know why that gentleman should seek to destroy, if by implication, a purely co-operative concern consisting of 2,200 wheat-grower pool participants. Could bias go further? Surely his plain duty as Leader of the Country Party, and representative of an electorate wherein were many Union poolers, should have been a personal investigation.

Subsequent results have proved, I regret to say, that what I stated was true. The investigation made by Mr. Boyle must have been very superficial; otherwise he would have got the information that I had on the night I made the statement. I do not think he could have made a very thorough investigation. Subsequently when it was found that the money could not be paid on the day promised, a meeting of the pool participants was called, and members know that the pool is now in process of being wound up.

The Minister for Lands: You might take us into your confidence and give us the information now.

Hon. C. G. LATHAM: I would be pleased to tell the Minister privately.

The Minister for Lands: I think I know.

Hon. C. G. LATHAM: The trustees were fully aware of the position in July, 1934. Yet on the 20th September they issued a circular to pool participants informing them as to the cause of the delay. I wish to show how they misled the pool participants. I have a copy of the circular letter sent out a day or two after I made my statement in the House and I shall quote it to show how the trustees were misleading the farmers. The circular was as follows:—

> The Union Wheat Pool of Western Australia.
> Yorkshire House,
> St. George's Terrace,
> Perth, 20th September, 1934.
>
> Circular to Participants.
>
> Dear Sir,—In regard to the delay in our declaration of dividends in respect of 1933-34 season we feel, that in view of the ugly rumours that have been circulated, we should inform participants as to the cause of this delay and let them judge for themselves as to whether or not the trustees have taken the right course of action in the interests of the Pool.
>
> Wheatgrowers are aware that this Pool was commenced by members of the Wheatgrowers' Union with a view to giving them:—
>
> 1. Growers' control with elective rights to trustees;
> 2. A pool to do its own acquiring—
>
> and other advantages. The farmers who commenced the Pool did so with the knowledge that in view of the depression, they could not seek the capital which had in the past been obtainable from farmers with which to finance their business.
>
> The trustees went out to establish the principle that farmers' product is his capital, and succeeded in arranging finance and commencing the organisation which, with all the disadvantages of having to organise during the early periods of low receivals against the much larger receivals of its competitors, has steadily progressed.
>
> The trustees were aware that they would experience the utmost opposition from those whose interests would be most vitally affected. It could not be expected that the big tasks of achieving this ideal of farmers could be done in the face of such intense opposition without some measure of sacrifice until such time as the organisation was consolidated and in a

position to compete in all respects with its old established competitors.

During the past three seasons the Pool has extended as follows:

First season—30 sidings;

Second season—160 sidings;

Third season—320 sidings,

and has developed a strong agency system of definite value to its members. The same organisation would also be of great value to any other concern desirous of engaging in the wheat trade, and farmers can readily imagine how anxious some interests would be to gain control of the organisation.

This and the political aspect are what your trustees have had to face. Certain other developments led the trustees to believe that a scheme was on foot to destroy the basic principles of the Pool's establishment with a view to converting the organisation to the use of other interests.

Statements were made by parties both within and outside the organisation in a manner calculated to embarrass the trustees, and propaganda and slanderous statements have been spread in an endeavour to destroy the Pool without regard for the interests of the hundreds of farmers who supported it.

To overcome these attempts the trustees decided to make special financial arrangements, and they have succeeded in such a manner as to substantially strengthen and consolidate the organisation. Their success is a bitter blow to many people.

We feel sure that no member of the Pool when he realises the stand made by the trustees in the interests of wheatgrowers, will countenance the underhand movements made against the organisation.

There will be no occasion in future years for any fears of delayed dividends, as the arrangements now concluded eliminate any recurrence of this year's events. The decision to make special financial arrangements has naturally caused delays, for which this is the sole and only reason.

This has been the Pool's year of crisis, through which we have successfully passed, and we look to all participants to continue their support of the organisation which they have now established at some cost in the face of great opposition. Yours faithfully, for the Union Wheat Pool of Western Australia, (sgd.) Edward Dolan, Chairman of Trustees.

That letter was sent out when the trustees knew well and had been advised by their auditors of the actual financial position. To show how the running of one pool into another affects different farmers, let me point out that in the first season, on the figures of the trustees, there were only 30 sidings. Next year the number had reached 160 and in the following year it was 320. Consequently we can imagine that the men who put their wheat into those 320 sidings made a substantial gift to the participants in the other two seasons. Enclosed with the circular I have quoted was another as follows:—

The Union Wheat Pool of Western Australia.

Yorkshire House,
St. George's Terrace,
Perth, 20th September, 1934.

Circular to Participants.

Dear Sir,—With reference to our circular enclosed herewith, we have to advise that the new financial agents of the Pool are Messrs. W. H. Pim, Jun., & Co., Ltd., of London, a well-known wheat financing and marketing company.

The financial arrangements include the financing of the Pool's plant, equipment, and establishment to be written off over a period of years.

Under the old arrangements each Pool financed this as it came into being, which meant that each year financial arrangements had to be made before the amount represented could be made available for payment to participants.

This has now been overcome, but owing to minor legal formalities the amount will not be available until October 6th, 1934.

Apart from this sum there is a large amount of accrued surpluses on wheat which we cannot secure until all shipments are cleared, expected to be about the middle of October.

The availability of moneys has also been aggravated by delays in the delivery of bulk wheat sold under contract.

Participants are assured of full payment of proceeds of the season's sales, and the dividend originally declared to be paid about the 15th instant, will be paid on Friday, 8th October.

Further dividend will be paid immediately all other moneys are collected. Yours faithfully, for the Union Wheat Pool of Western Australia, (sgd.) Edward Dolan, Chairman of Trustees.

I wish to point out the seriousness of circulars of that kind when issued by men who actually knew the financial position of the pool at the time. The circulars were absolutely misleading and, but for the statement I made in the House, the probability is that the trustees would have been engaged in organising another pool, which would have been a greater calamity than was last year's pool. I ask the House to carry the motion, and I hope the Government will appoint a Royal Commission. I suggest that a commission should inquire under the following terms of reference:—

1. To investigate the return to participants of the 1933-34 Union Pool to see if it represents correctly the sum to which they are en-

titled, and for that purpose to inspect all relative agreements, appointments, books and accounts of the said Pool, and of the Pools of the 1932-33 and 1931-32 seasons.

2. To investigate what sums were taken from the 1933-34 Pool to pay dividends to the participants of the 1932-33 Pool, or to repay moneys borrowed for the purpose of paying dividends to the participants of the 1932-33 Pool in excess of the realisation of the 1932-33 Pool.

3. To investigate an agreement entered into by the Trustees of the Union Pool and the Managing Agent, Mr. C. C. James, whereby the commission paid to James from the 1933-34 Pool was increased from one halfpenny (½d.) per bushel to three farthings (¾d.) per bushel until a sum of approximately £4,000 had been secured from the additional farthing, and such sum paid over to the 1932-33 Pool, or to repay money borrowed to pay dividends to the participants of the 1932-33 Pool in excess of that Pool's realisations.

4. To investigate the loss if any borne by Pool participants of the 1933-34 season on wheat not pooled but sold to Messrs. Thomas & Co. (W.A.), Ltd.

5. To investigate the transactions of the Union Pool in cornsacks and report upon the losses, if any, made, and by whom such losses were borne.

6. To investigate sales of cornsacks to other growers; to whom such cornsacks were sold, whether at a profit or loss, and if at a loss by whom such loss was borne.

7. To investigate the rates of commission or other remuneration paid in each of the three years under the following headings:—(a) selling agents' commission, (b) chartering commission, (c) superintendence of discharge, (d) commission for arranging or providing finance, (e) insurance rates paid; and to investigate if any rebates, secret or otherwise, were paid to officials or others connected with the Union Pool.

8. To investigate generally if dishonest practices have been adopted by the Union Pool, and, if so, to determine upon whom the responsibility lies.

9. To investigate the risk encountered by growers in placing their wheat in a storage scheme such as that operated by the Union Pool last season, and, having in mind the legal decision of the Verco case, to suggest legislation to ensure that the property in wheat, stored or warehoused by a grower, shall continue to rest with the grower until the wheat is sold by him, and that such wheat shall not be liable to seizure by creditors or liquidators of a concern conducting a storage or warehousing scheme.

I submit that these are matters that ought to be inquired into. We should protect the growers who pool either their wheat or any other of their products.

Mr. Marshall: The wheat is put into a pool voluntarily, is it not?

Hon. C. G. LATHAM: Everything is voluntary. People voluntarily put their money into "dud" shows.

Mr. Sleeman: Would this motion cover both pools?

Hon. C. G. LATHAM: I would have no objection to its covering all pools. I am particularly anxious that those who pool their produce in this way should be protected. I want to insure the independent operation of each pool, and to provide that each year shall stand by itself. I want it to be laid down that the amounts chargeable to any pool are not carried forward to be borne by the participants in any succeeding pool. I want to ascertain what legislation is necessary to protect farmers against the recurrence of the present position, and to enable them to sell their produce by collective bargaining.

The Minister for Lands: If you want by legislation to protect people against themselves, you will have a host of trouble.

Hon. C. G. LATHAM: The Union Wheat Pool is being wound up to-day by the management committee of the Wheatgrowers' Union, and arrangements are already in hand for the formation of a new pool. I want to know whether there is any guarantee that the new pool will be conducted on sound and proper lines, and that the people who put their wheat into it will be treated any better than were those who were associated with the last pool.

Mr. Marshall: Why cannot they put their wheat into the other pool if they so desire?

Hon. C. G. LATHAM: They had confidence in the Union Pool as shown by the fact that last year it received 2,000,000 bushels of wheat. All the time we are legislating to protect some people from other people. The Government are interested in this matter to the extent that the Agricultural Bank stands to lose a considerable amount as a result of the present disaster. In another place in September last, in reply to a question asked by a member there, the Chief Secretary said that the Agricultural Bank was interested in 297,467 bushels of wheat. Presumably the institution had a lien over that.

The Minister for Lands: Are there no liens over the wheat in the other pool?

Hon. C. G. LATHAM: Yes. The farmers have already had 4½d. in excess of the amount that the Union Pool is paying.

This comes from the Western Australian Wheat Pool.

The Minister for Lands: The pool makes a profit on its handling of wheat.

Hon. C. G. LATHAM: No, but the Western Australian Wheat Pool has paid 4½d. more per bushel than the other pool has paid. It would require £5,577 to make the same payment from the union wheat pool that was made from the Western Australian Wheat Pool on the wheat in which the Agricultural Bank was interested.

The Acting Premier: You were speaking of last year's wheat?

Hon. C. G. LATHAM: Yes. If the Union Wheat Pool does not pay the other 2d. that has been promised, that will represent an additional amount of about £18,000. That is a fairly substantial sum. It is anticipated that the 2d. will be obtained from the salvage on the assets of the Union Wheat Pool. That is a big loss to the farmers. It also upsets credit. Many firms have given credit to these farmers on the understanding that their wheat would be handled by the pool in a businesslike manner.

The Minister for Lands: They ought to know there is a limit to what can be done.

Hon. C. G. LATHAM: I do not think that is so. What I want is protection for the farmers.

The Minister for Lands: I took my risk when I put my wheat into the existing pool.

Hon. C. G. LATHAM: There is no risk about it. The Minister is a very careful business man. He put his wheat into the pool because he believes in collective bargaining, as the Minister for Employment would call it, and because he believed that in the end he would get more for it than if he gambled on the market.

The Acting Premier: Is your object to have disclosed all that has occurred?

Hon. C. G. LATHAM: I want to find out whether anything improper has been done.

The Acting Premier: With a view to doing what?

Hon. C. G. LATHAM: With a view to having legislation framed to prevent a recurrence of such things.

The Minister for Lands: We already have legislation to do that.

Hon. C. G. LATHAM: No. If this organisation could be brought under the Companies Act something might be done. These people are under no control. It may be that the pool participants could bring an action against the trustees, but probably the trustees have nothing. I do not think the trustees themselves would be protected from legal action.

The Minister for Lands: The trustees of the Western Australian Wheat Pool are not personally responsible.

Hon. C. G. LATHAM: They have their responsibilities as trustees.

Mr. Patrick: They are working under an Act of Parliament.

Hon. C. G. LATHAM: If they mismanage the business an action for damages might lie against them. I want to prevent this sort of thing from happening again. I believe there is another pool, not wheat, that is probably as badly treated as this one has been, but it is not so heavily involved financially. We cannot allow the primary producers to suffer this loss, and we cannot afford it as a State. Many concerns are backing the farmers, and every shilling is required that can possibly be got out of the industry.

The Acting Premier: Your main idea is to have legislation framed to govern the operations of all pools?

Hon. C. G. LATHAM: That is the proper thing to do. Those concerned would then be adequately protected.

The Acting Premier: You would have that apply to every pool?

Hon. C. G. LATHAM: Yes. A substantial bond should be put up. We should be able to investigate the business of all these concerns, and should have copies of their balance sheets. I have copies of two balance sheets here.

The Acting Premier: Who prepared them?

Hon. C. G. LATHAM: They were prepared by the trustees or whoever has operated the pool. The insurance companies have to put up a substantial bond. This is a new system that has grown up, and it is uncontrolled. It is possible for the trustees of such pools as the pool in question to misrepresent things to the participants.

The Minister for Lands: Even companies do that.

Hon. C. G. LATHAM: But they know the risk they are taking. The farmers cannot afford to lose £45,000. Such a sum might have been of material assistance in helping them to carry on their industry.

The Acting Premier: You want to know where the money has gone?

Hon. C. G. LATHAM: If the transactions were thoroughly investigated we would find out where the weak links are. Were the Minister to put an officer on to investigate the matter he would soon discover where the money had gone, and if it was necessary to bring down legislation to tighten up the control. This is not the only pool. There are other instances in which the participants have lost money. Anyone can start a pool. They can get a few people together, call them trustees, and promise all sorts of things. It is easy to gull the public. It is only necessary to promise them something for nothing. I hope the Government will give careful consideration to this matter, and that the House will carry the motion in order that we may prevent a recurrence of these happenings.

On motion by Acting Premier, debate adjourned.

PAPERS—MINES DEPARTMENT.

Transactions with C. de Bernales.

MR. MARSHALL (Murchison) [5.28]: I move—

That all files and papers of whatsoever kind showing each and every transaction of C. de Bernales—whether as an individual or as a member of a partnership syndicate or company—and his appointed agent or agents with the Mines Department of this State be laid on the Table.

I shall now be able to inform the member for Fremantle (Mr. Sleeman) and others, why I require these papers. I hope I shall be permitted dispassionately to support my motion, and that I shall not be provoked into saying things harshly when I could probably get over the difficulty by saying them softly.

Mr. Thorn: I hope you practise what you preach.

Mr. MARSHALL: I am moving this motion because, of my own personal knowledge, Mr. C. de Bernales has without doubt been a most privileged patron of the Mines Department. For 25 years that I know of, he has been able to do things, not alone, but with the concurrence and assistance of various Ministers for Mines. That is a pretty stiff charge to level against the department and those who have had an opportunity to administer it. I thought that, with the prosperous period we are experiencing and taking into account that this gentleman has had a particularly generous deal over his lean period and that of the mining industry, we had arrived at the time when we could say to Claude de Bernales, "Notwithstanding the generous treatment you have had, you are evidently making an effort to perpetuate a practice that is not in the best interests of the State, and therefore you will be called upon in future to enjoy no further special privileges, but to comply with the provisions of the several Acts, just as any other individual would be expected to do." It may have been assumed that my attitude on previous occasions in this Chamber implied I was personally antagonistic to Mr. de Bernales. Nothing could be further from the truth, for, comparatively speaking, he is an utter stranger to me; but his actions, tactics and methods are not. I know them well. As a matter of fact, for many years before I entered Parliament, organisations with which I was associated endeavoured to influence successive Ministers in turn to see that this man was accorded treatment that did not differ from that enjoyed by any other person. He has been able, by some methods unknown to me, to influence one Minister of the Crown after another to secure what he required from them. I am sorry to say that that applies to the present Minister for Mines, although I can concede him some excuse for his attitude.

The Minister for Mines: I am glad I am getting out of it.

Mr. MARSHALL: But I want the present Minister for Mines to understand my attitude. I will admit that he will not come in for any harsh criticism.

Mr. Stubbs: You will whitewash him.

Mr. MARSHALL: The reason I excuse the present Minister for Mines is that I am convinced, although he has lived in, approximately, the same centre as Claude de Bernales, he has not been called upon to watch his tactics as closely as have others. Since the present Minister took office, it would appear on the surface that Mr. Claude de Bernales has been a great acquisition to the mining industry. On the other hand, if a close study were made of his actions during the past 25 years, of the methods he adopted in

holding land, comprising in the aggregate large areas, out of productivity, the way he has made every effort to retard progress in the past, and the manner in which, since gold has increased enormously in value, he has become a vendor of the assets of the State, it would be recognised that he has secured in the process a huge rake-off to his own financial advantage. In my opinion, Mr. de Bernales does not deserve the kudos bestowed by the present Minister for Mines. Before I resume my seat, whether I am successful in securing the tabling of the files or not, I shall give, as far as I know them, details of this man's activities in the mining industry, not only in my own electorate but elsewhere in the State, that will convince members that the desire on the part of some people to accord Claude de Bernales great credit for his work in the development of the industry is based on false premises. Claude de Bernales is well known. He is no juvenile in mining matters. He has held leases, water rights and tailing areas over a period of 22 years, and has never attempted to work the holdings, treat the ore, or expend a shilling of his own cash. I shall show that he has endeavoured to exploit everyone who touched his holdings. A man in lowly circumstances to-day, lost hundreds of pounds in advertising the value of those assets, and yet this man Claude de Bernales has hung on to them, and has taken advantage of the operations of that individual who paid dearly for his connection with the affair and lost all his earnings. Claude de Bernales has retained the dumps because the values were proved by that particular individual, and he has retained them in order to exploit prospective buyers. That is the position to-day. It seems to me that no matter how one climbs the social ladder, whether it be by fair means or foul, the fact that counts is that one reaches the top. That, to me, is the most amazing factor. Whether fortune smiles on one so that one can gain the objective honestly or whether one must intrigue and use corrupt methods matters not, so long as one gets there. Having attained that social height—I do not know why it should be so—should one dare to criticise or even venture to tell the truth about such an individual, people outside are apt to accuse a member of Parliament who had the temerity to adopt that course, of sheltering behind Parliamentary privilege. In any circumstances, that course is not looked upon with favour. Should one ridicule an individual who has successfully climbed the social ladder, his action is not regarded with approval. On the other hand, if an ordinary unskilled worker is ridiculed, that fact is glossed over with the mere suggestion that it does not matter much about such a person. The worker is of no account, no matter how honest he may have been, how good a citizen he had proved himself, and how generous he may have been towards his fellow-men. We had an instance in this Chamber an evening or two ago. The member for Canning (Mr. Cross) made references to the general manager of the Electricity Supply Department. Whether there was any truth in what the hon. member said matters not. The fact that does matter is that since the statements were made in this Chamber, all sorts of excuses have been published in the daily Press in defence of the manager. Efforts have been made to ridicule the member for Canning. There has been no inquiry to ascertain the right position. The real facts may not be known. The point is that this official has climbed high up the social ladder, and it is deemed wrong for him to be criticised. Had the member for Canning spoken in derogatory terms of a mere tram conductor who, perchance, may have slipped in a ticket unknown to the department and retained the money, the hon. member would have been eulogised as a public benefactor, simply because he had launched an attack on the unfortunate lower dog. If a member, particularly one who belongs to the Parliamentary Labour Party, should dare to criticise such a high official as the manager of the Electricity Supply Department, he can prepare for a sound verbal thrashing, very often supported by men who hold the same political views as he does. It would be a sad thing if I had not the right to take advantage of Parliamentary privilege. What chance would I have, as a person in lowly circumstances, of revealing the truth if I had not the protection of Parliament? Could I reveal the truth? Would I dare do it? If I attempted to pursue that course, men of affluence would drag me into court and my position would be made almost intolerable. I certainly could not retain my position in this Chamber. I must take advantage of Parliamentary privilege, and I am doing so to-day. It would not be well for the State, its social life and activities, if members of Parliament were not permitted

to speak as they thought right and proper. I cannot feel sympathetic regarding Mr. Claude de Bernales. I cannot say whether the files, if tabled, will reveal anything more than a positive courtship by successive Ministers of this man's favours. I desire to see the files. I make this assertion without seeing the files: Mr. Claude de Bernales, or his agent, was the first to influence a Minister, either the present Minister for Mines or his predecessor, to grant reservations in gold-mining areas. I cannot prove that, but I can assume it to be so, because I know this man's tactics so well. He would be the first man to influence Ministers to grant him reservations, be they large or small. That would not matter, for he would want them. Mr. Claude de Bernales is conversant with the mining laws. He has to be, and he has both used and abused them in the extreme. The Minister's contention is that, by granting huge reservations, Mr. de Bernales has influenced a large amount of capital for investment in this country. But here is my opinion: Mr. de Bernales could not influence a penny of capital into Western Australia any more than could I, and I have never attempted it, unless, of course, it was because of the fact that for years he has been assisted to do that which he claimed he would do, but never succeeded in doing. That is to say, Claude de Bernales failed dismally for 25 years or more; and had it not been for support from reputable mining men such as Mr. H. E. Vail, Mr. Richard Hamilton and others who knew the value of the auriferous belt of this State, and Wiluna in particular, Mr. de Bernales would not have got anywhere. I shall have something more to say about Wiluna a little later on, when I shall unfold a long and sad tale.

Hon. W. D. Johnson: Also the fact that he held the reservations.

Mr. MARSHALL: Yes. If those noted men whose names I have mentioned had said "No, don't touch him," that would have been the end of Claude. The position to-day is that if Claude de Bernales changed over and took up the other attitude, and fought strenuously against raising money for gold mining, he would fail. It is the price of gold and not the efforts of Claude de Bernales that is influencing capital into the country. For 25 years he had every possible opportunity, and every kind of assistance from the Mines Department, as well as special consideration, and he could not do anything. A most remarkable fact about his history, which I can recall to mind, is this: that invariably when there was an application for forfeiture, or assuming that he or his agent was applying for protection, amalgamation or concentration, there was always painted a glowing picture showing that he was just on the eve of solving the problem of treatment, or that he had just finished or was about to enter into negotiations with an American firm. Then, to vary it a little, it would be a British firm and next we would hear that it was a French firm. Invariably, he was just about to get the money when an application for forfeiture was lodged. This went on for 25 years.

Mr. Stubbs: He must have been very clever.

Mr. MARSHALL: There is no doubt about his being clever. Then there was the other aspect, that which dealt with the difficulties surrounding the treatment of the ore. Every time an application was made for the forfeiture of the leases held by de Bernales it was contended they were of no value to anybody except him. Of course he had just sent a parcel of stone away for experimental treatment, and he was positive that the method of treatment had been solved. If he had been able to raise capital, how is it that he held up the leases and his rights over dumps for over 20 years? He never put a shilling into one of them during the whole of the period. But now it is assumed that there is money all around him—everywhere; it is flowing in by the shipload. We heard about £200,000 the other night, but we have not seen any of it; it does not seem to arrive. He puts me in mind of Mandelstamm, who gets Government assistance, lodges a deposit, does a little experimental work in the way of boring on reservations, perhaps not quite as big as those of de Bernales, and then says that he is sorry because the proposition was not quite as big as he thought it was. Then he proceeds to England, as he says, to raise half a million of money. He is still in England, and we have not seen his money.

Mr. Stubbs: Perhaps he could not get a ship to bring it out.

Mr. MARSHALL: Eighteen months after his departure, I am asked by the Prospec-

tors and Leaseholders' Association to ascertain what progress is being made with the raising of that half a million of money.

Mr. Patrick: Was that for the Big Bell?

Mr. MARSHALL: Yes. I proceed to the Mines Department and, in the absence of the Minister, interview the Under Secretary. I show him the letter from the Prospectors' Association and ask what progress Mandelstamm is making with his financial affairs in London. The Under Secretary replies, "I have just had a cablegram from him." The cablegram read something like this, "Two diamond drills are on the water; money for the purpose of operating them being provided; balance half a million within 12 months." A couple of years afterwards Mandelstamm is still in London, and the diamond drills and the money have not been seen.

Mr. Stubbs: The ship was sunk.

The Minister for Mines: Where did the other drills that were used there come from?

Mr. MARSHALL: I am not sure. There were no diamond drills on the water, as he cabled, and no money was drafted to the State. Perhaps they were sent and drafted somewhere else. Now we know that that gentleman disposed of his interest to another company and that he got a huge rake-off for having done nothing, except to receive valuable assistance from the Mines Department over a period of four or five years. I wrote a letter to the Minister and some reference was made to it during the discussion on my motion with regard to the reservations a few weeks ago. I am quite convinced of this, that had that discussion on the reserves not taken place until after the letter was answered by the Minister, he would never have answered it in the manner he did. It was for that reason that I mentioned that we are not allowed to attack an individual high up in the social plane. It is infra dig to do so, notwithstanding that you are telling the honest truth. I could have replied to the Minister, although he left me very little to reply to, and we could have carried on correspondence for an indefinite period. But I thought it better to take the opportunity of expressing my views and replying to the Minister on the floor of the House, and read the letters so that they may be placed on record. Hon. members will be able to determine for themselves whether I am right or wrong. The case to which I intend to refer is that of an application for the forfeiture of a tailings area at the Bellevue dump at Mt. Sir Samuel. I know that spot well; I put a few grains of that dump there when I happened to be working on the mine. The tailings area was granted to de Bernales 21 years ago. I know the Minister will say that Mr. de Bernales has gone to some expense and trouble in attempting to solve the problem of the treatment of the dump, which is of a very refractory nature, possessing as it does a big percentage of copper which does not lend itself to the process of cyanidisation. But I can prove to the Minister that Mr. Claude de Bernales has never attempted to experiment in the treatment of the dump, but that he has held it up all these years in the hope of someone else ultimately solving the problem of extraction, when he would be in the position of being able to demand a fairly big premium. To show the difference between the tailings dump held under a monopoly such as the one I have just referred to, and one left open for selection to anyone who wishes to attempt to solve the problem of treatment, I will refer to other dumps. First there is the Bellevue dump at Mt. Sir Samuel, which has been held by Claude de Bernales for 21 years. There is a dump known as the Star of the East dump at Gabanintha, some 20 miles from Meekatharra. Both the dumps are copper in character. Which contains the greater percentage of copper I do not know, and that factor does not alter the position. The little dump at Gabanintha has been the subject of no less than three attempts at extraction. Three different syndicates have attempted to solve the problem of efficient extraction there. One syndicate from Meekatharra spent about £2,500 on the dump. What Mr. Claude de Bernales would do would be to give to a prospective purchaser the right both to sample and experiment, with a view to sale; but de Bernales himself would never put a treatment plant near the dump. He has never done so. Had that dump been available, probably some ambitious, enterprising, energetic men like the Meekatharra syndicate on the Gabanintha dump would have been induced to attempt a solution of the problem of the other dump also. But they cannot touch it. This dump is in my electorate, and I want an explanation from the

Minister for Mines, because to me his letter is most confusing, and does not give the information I seek. Moreover, the public are entitled to that information. If the Minister contends that this dump, after having been held by Mr. de Bernales for 21 years, should still be retained by him, there will be no harm in the Minister's saying that in his opinion it should be left to de Bernales and there let the argument finish. I want to read, first, my letter to the Minister, and then the Minister's letter to me. On the 22nd October, 1934, I wrote to the Minister as follows:—

Dear Sir,—I have been approached by R. K. Downey regarding a license for the treatment of sands at Mt. Sir Samuel——

Here I want to congratulate Colonel Mansbridge, the warden, on his decision in the case. That decision was absolutely and perfectly correct. Morally, what the warden decided should have been done years ago. However, no one had the courage to attempt to touch any deposits or areas held by Mr. de Bernales: it has been so useless to make the attempt. Times out of number applications for forfeiture have succeeded in the warden's court, but the warden's recommendation of forfeiture has been ignored by the Minister for the time being, and a fine has been imposed instead. Ministers have condoned the breaking of the law. It represents a cheap way of manning leases, as I shall explain, particularly in view of the period over which de Bernales would keep a lease in flagrant contradiction of the law under which he was granted it. Colonel Mansbridge, the warden, forfeited the tailings area on which this dump was. In order to treat sands, a license has to be obtained from the Minister. That was what Mr. Downey wanted. The warden had forfeited the area. The mining law says that such areas are to be granted subject to the holder commencing treatment within a period of six months. For 21 years de Bernales never saw this dump, unless he flashed by it in a motor car, as he may have done many times. My letter continues—

Your attitude in this matter is somewhat obscure to me in view of the fact that the company which has held this dump has done so for a period of over 20 years, to my personal knowledge, and has made no attempt whatever to treat it.

I know those statements to be true. Surely no one can take exception to truthful statements.

Mr. Patrick: Have the holders not to furnish reports of what they are doing?

Mr MARSHALL: No. If that were the law, this man would ignore it.

The Minister for Mines: Holders have to pay the rent.

Mr. MARSHALL: That certainly is unfortunate in this case. I knew the position long before I received a telegram from Wiluna stating that the period de Bernales had held the area was 20 years. In fact, de Bernales had held it for 21 years. I say to the Minister that he is somewhat obscure for this reason, that after 21 years' idleness, with gold at £8 12s. 6d. per ounce, with enterprising and ambitious individuals in the surrounding district, individuals who can be there only for a period, a period when gold is about £8 12s. 6d. per ounce, the dump remains idle. If there were a rapid decline in the price of gold, all those people would vanish. Then de Bernales could hold the area for another 21 years. Knowing what I do of mining, if I were a millionaire, I would not join Mr. Downey in an attempt to treat the dump. I am afraid it will prove a loss. However, if he is enterprising enough to have a go at it, I would encourage him were I the Minister. I would say to de Bernales, "Twenty-one years is only twenty years and six months longer than the law allows you to hold it. Treat the dump, or get out." But the Minister differs from me. His attitude is obscure. There is nothing offensive in my saying that, because his attitude is obscure to me. If I were Minister for Mines—I say this to my friend the Minister, for whom I have a great deal of respect—Claude de Bernales could look to me for just the same fair and honourable treatment as every other individual in the country; no more and no less. If I were Minister for Mines to-morrow and de Bernales came to me, his case would be dealt with on its merits. Though I know how he has retarded the development of the industry, I would still give him justice. He deserves justice the same as any other individual, but no more. I repeat, to me the Minister's attitude seems obscure. Now, here is evidently where the sting came in—

This is not peculiar to the individual who is the supreme head of this company, as he has

for the whole of my history in Western Australia made a practice of holding up huge areas of land, keeping them out of a state of productivity, and either evading or breaking the law direct.

That is positively true. He is holding up areas to-day, with gold at £8 12s. 6d. per ounce and money all round him. When will that kind of thing cease? When gold reaches £20 per ounce? Here we have workless men; the Government are hard pressed for revenue; men eager and anxious to put in capital are all around us; but no: Mr. Claude de Bernales must be considered first. For him 21 years is not long enough. I know of no other individual, either in this State or out of it, who would be granted such special privileges. I remember when I was greasing batteries about the North Coolgardie field, there were Julian Stuart, "Mulga" Taylor, George Foley, my predecessor the late J. B. Holman, and other representatives of the outer goldfields districts. It was pointed out by them to the then Minister for Mines that de Bernales would never work the areas. Those men were right. He never did work the areas, and he never will. Never a penny of his money has been put into anything. All the money was taken out and put into his pocket, and there it remained. Men like Mr. H. E. Vail put in money. He and others like him put a large sum into Wiluna. Claude de Bernales took that money out, and got out. He leaves somebody else to nurse the baby. That is the confidence Mr. Claude de Bernales has in Wiluna. But let me get back to my letter—

> Others, of course, are obliged to comply with the law; but seemingly this individual is singled out for special treatment.

When called upon by the warden to show cause why the area should not be forfeited, he puts up the plea I have already enunciated here. The warden, notwithstanding, recommends forfeiture. When the recommendation of forfeiture ultimately reaches the Minister of the day, the recommendation is entirely ignored, and a fine imposed in lieu.

The Minister for Mines: Do not forget that the warden recommended a fine of £5 once, and that I made it £50.

Mr. MARSHALL: That is to the Minister's credit, but it is a pity he did not make the fine more.

Sitting suspended from 6.15 to 7.30 p.m.

[57]

Mr. MARSHALL: My desire is to get a definite answer from the Minister in regard to the matter, because it is of vital importance to the community. I notice from a newspaper cutting I have here that Warden McGinn has given rather a peculiar decision. One can see from his remarks that he bases his summing up on the fact that it is of no use for him to grant the forfeiture of a lease if, on the other hand, they are not to get a license for treatment. So this decision by the Minister is having a bearing even on the administration of justice. I will read these two letters, and I will then want to know from the Minister what he means. Here is the remainder of my letter to the Minister—

> I sincerely hope you will reconsider your decision in regard to this matter, as it is strange that one who has never attempted to produce anything himself from that which he has held on lease from the State, or otherwise; who has always persistently exploited the labour and money of others in order to hang on to various areas of land granted to him under certain conditions which he has always failed to fulfil, should be allowed to continue to perpetually disobey the covenants of the law in the fashion that he does. I am personally acquainted with the history of this particular matter, as many years ago I lived and laboured in and around the centre, and am of the opinion that the warden's decision was the correct one, and that a license for the successful applicants to treat the tailings should be granted. I will leave the matter now for your consideration, trusting that on reconsideration of the position, you will favourably view the application.

I could not have worded my letter differently. I outlined everything I knew to be true. I made none but true statements, and I thought that, being member for the district in which the dump is located, I was entitled to a reply. I do not think the Minister in his reply would have been so evasive but for the discussion that had taken place a night or two earlier. However, the Minister's reply is so evasive that I do not know what it means. This is what he wrote to me—

> License to treat sands—Mt. Sir Samuel.
>
> I have your letter of the 22nd instant, and note that my attitude on the above application is, from your viewpoint, "somewhat obscure." Perhaps so, and I take it this is a matter for regret. The Chief Secretary, in reply to a question by Mr. C. G. Elliott, M.L.C., in the Legislative Council, will explain the reasons why this application was refused. You will doubtless know these reasons by the time you receive this letter, so I will not now repeat them.

As a representative of a large goldfields electorate I feel sure you must have observed other dumps, held by other companies, and no attempt made to work them. Why this particular dump is made the subject of your attention cannot of course remain obscure to me, now that you have expounded so lucidly and partially your views on the supreme head of the company owning these tailings. I am afraid we must agree to differ on that matter, as I cannot regard him in the same light as he appears to you. Should he have failed to comply with the law and the covenants, as you suggest, I feel it would be superfluous on my part to advise you of the means of redress. The onus of proof resting, of course, on the complainant.

Believe me, I fully appreciate your knowledge of the centre and its history, and no man admires more than I do personal loyalty to a district in which one has earned one's living, and made friends, and of which one has doubtless pleasant recollections. Should you at any time attain ministerial rank (which I trust you may some day), I feel that you will find a new and enlarged focus essential, comprehending not only one centre, one dump, and one individual, but widening the perspective to include the whole of them. This will enable you to take a more generous view and administer impartially for the benefit of those developing Crown lands with their labour and their brains and their power of inducing capital and machinery to do so. You will then confer a benefit on the taxpayers of the State as a whole who, after all, have to pay for the administration and development.

Those are the two letters. I explained the actual facts and I asked the Minister for a reply, and that was the reply he sent. I may sum it up as being evasive in its beginning and childish in its conclusion. Here is the reply referred to in the letter written to me by the Minister—

The Chief Secretary (Mr. Drew) informed Mr. Elliott that it was a fact that an application to the Mines Department by Messrs. L. C. Atkinson, R. W. Coxon, and R. K. Downey for a license to treat tailings on tailings areas 15, 18, and 19, at Mt. Sir Samuel, had been refused. The tailings were the property of the Australian Machinery and Investment Co., Ltd.

That is incorrect. Those tailings, according to the law, are the property of the Crown; because C. de Bernales and his company failed to fulfil the covenant under the Mining Act, and so the tailings reverted to the Cown. The reply continues—

It had been the custom for many years in the industry to permit owners to retain tailings dumps on tailings areas. It was considered that the tailings in question were not such as should be subject to license for treatment by any other person.

Where is the reply to my letter asking the Minister to reconsider his decision not to grant a license for treatment? What does the Minister mean by this reply?

The Minister for Mines: I would advise you to go to the Crown Law Department for information on that point.

Mr. MARSHALL: I do not know what the Minister means by it. The law lays it down that these areas are granted for the protection of tailings, provided the owner begins to treat them within six months. If he does not, the tailings revert to the Crown. These tailings have been held for 20 years or 22 years, and nothing has been done. If I can read anything into the Minister's reply, it means that the tailings are of such a refractory nature that they have a character of their own and are impossible of treatment. Is that it?

The Minister for Mines: No.

Mr. MARSHALL: Well, I do not know what it means. This decision is having a strong bearing on decisions given by magistrates. They say it is of no use forfeiting a tailings area if one cannot get a license for treatment. Warden McGinn in regard to such an application is reported as follows:—

An unsuccessful application was made in the warden's court at Coolgardie to-day before Warden E. McGinn by W. H. Williams for the forfeiture of tailings area No. 78, at Burbanks, from Arthur Francis (attorney for the Burbanks Main Lode Co.) on the grounds that the holder had not worked the area. Mr. R. F. Cook appeared for the applicant and Mr. F. O'Dea for the defendant company, under instructions from the Australian Machinery and Investment Co. After evidence had been heard the warden said that Williams would gain nothing by his application because if defendant satisfied the Court as to the ownership of the tailings a forfeiture of the tailings area would not make the tailings available to the applicant. If the applicant wanted the area for mining there were means of getting it, but if he thought he could get the tailings he was mistaken.

So the Minister's decision is going to influence magistrates on all applications.

The Minister for Mines: The same decision was given on eight or nine previous occasions.

Mr. MARSHALL: My principal reason for calling for the files is to prove conclusively to the Chamber that this man de Bernales has had preferential and very special treatment from the Mines Depart-

ment. The Minister might reply that because the dump is of a refractory nature, it would not be possible to treat it without considerable expense and experimental work. I have shown that there are ambitious individuals who would attempt to extract gold from that class of ore. Another dump, No. 15, was granted to Claude de Bernales on the 14th March, 1913. That dump is at Peak Hill and he has held it, together with the water right and machinery area. The machinery has gone and if he is holding the machinery area he must be wasting his money. It is a dump capable of being treated. Let me show how unfair he is. A worthy citizen had amassed quite a sum of money by treating tailings at the Peak Hill State battery. Having lost his contract, he negotiated with Claude de Bernales to treat portion of the dump at Peak Hill. He was successful in his negotiations, and installed a plant at a cost of a few hundred pounds. After he had been treating for a considerable time, he found he would show a loss, and finally he did so. He found that as the dump backed up the main storm waters, quite a rich patch was lying in the bed of the channel. When he had lost quite a sum of money over treating the poorer class, he sought to get a further portion of the dump so that he could recoup himself for his losses. He failed to get it. He was a very open-hearted fellow, and he informed Claude de Bernales that the other portion of the dump was particularly rich, and sought to secure the right to treat it, under payment of a royalty, the same as applied to the other part of the dump. No business was doing. That hard-working man had lost hundreds of pounds, but evidently he had not the brains that Claude de Bernales had. He had treated sand belonging to Claude de Bernales and had paid him royalty, but when he tried to recoup himself, de Bernales, having discovered that that portion of the dump was of high value, would not negotiate. He realised the possibility of a sale. That man has lost every penny he had. Claude de Bernales would tell a prospective buyer to sample the dump, and a sampling of the rich stuff would give him a good rake-off. For 22 years that dump has stood there. I can see one dump and one only, and by God, so can the Minister! I have not known a dump in my electorate, nor have I seen one in my travels that would be possible of free treatment and that has been held up for 22 years. Claude de Bernales has raked off the royalty and has spent nothing. He never did spend a penny of his own money in a proposition in Western Australia. He has traded on the credit of this country. He has never done anything for the mining industry, except to exploit it and the labour of those who were unfortunate enough to work for him. He never directly employed men, except temporarily. Let me give the history of Wiluna to show how he held up those areas, and how one Minister after another visited the place and promised to ensure that Claude de Bernales would get down to bedrock. I remember its being stated by the present Premier years ago when he was Minister for Mines that if the position was as represented he would put a stop to it. The position was aggravated then. Seven years afterwards, when I came to represent the district and an amendment of the Mining Act was passed, Claude de Bernales had to give some consideration to the position. I am not so much concerned about the past as about the present. I hold the Minister for Mines in high esteem. He is a fairly frank man and I respect him, but I consider that his enthusiasm is leading him along the wrong track. I would be the last one to criticise him unjustly. I know he is sincere and conscientious; that has been proved over and over again. But he is permitting his enthusiasm to carry him away. He is not watching closely what is being done. He is the victim of a confidence trick. If the Minister will say that this man or his company will get no different treatment from that meted out to any other individual or company, I shall be satisfied and will let the past go. I wish to speak of Wiluna. Inevitably this man's name is linked with the development and revival of Wiluna. He bought the property lock, stock and barrel, comprising the principal leases, and the machinery and stores on hand, together with the sole right and title for an insignificant sum which, I am told, amounted to about £6,000. I am informed that he recouped himself from the sale of the stores on hand. The mining magnates of Kalgoorlie fully appreciated the possibilities of the leases. Claude de Bernales knows nothing of practical mining. When did he ever apply his brain to mining, other than in a theoretical or business way? He has engaged in buying and sell-

ing properties, and putting tributers on to leases and exploiting them, and when they could tolerate his oppression no longer, they pulled out. That happened at Kookynie years ago, and has been happening since, wherever he has been. At a banquet given in the Wiluna Hotel, Claude de Bernales was offered a substantial sum for the Wiluna property. Note his cunning once more. As soon as he realised that men who knew something of gold mines placed a value on those leases, he sat tight, as much as to say, "If that is your valuation, I shall hang on and get more." All that that banquet achieved was to enlighten Claude de Bernales as to the true value of the leases. What happened? Years passed. The files relating to that time would make most interesting reading. Applications for forfeiture were recommended by the warden; morally, this man had no right to them. However, he interviewed the Minister, and the recommendation of the warden was not listened to. A fine was imposed in lieu of forfeiture. The Mining Act requires that one man be employed to every six acres. Assuming that Claude de Bernales held only one 24-acre lease, four men would be required at £5 per week each, a total of £20 a week, not counting the rent. If he evaded the manning obligation and at the end of the year was fined £100, it would be a cheap way of holding the country. That has been going on for 25 years, and I hope the Minister will review the position and end that state of affairs. That is all I ask. Mr. Claude de Bernales held the Wiluna leases under those conditions for a period of years. A tribute was then let to Geo. Dawson, now deceased. The Government went to the expense of putting in a treatment plant at the State battery. Dawson crushed 80,000 tons of ore from which de Bernales collected royalty. The leases were held by virtue of the employment of the tributer. After holding the leases in this fashion, Dawson found the ore, which was of a free treating character, had been worked out, and he had to let them go. For some years prior to this the leases were put into liquidation. It is remarkable how de Bernales, being the owner of the area, put himself into liquidation, appointed himself liquidator, and stood there for years. No one could then touch a lease while in liquidation without first applying to a judge of the Supreme Court for the right to seek forfeiture. De Bernales abused that position. He knew that the community could not afford to send men from Wiluna to Perth to get a Supreme Court judge to give them the right to go back to Wiluna and apply for a forfeiture. When I became a member of Parliament, the Mining Act was amended, to provide that leases must be manned whether they were in liquidation or not. An application for forfeiture was recommended by a warden during this period. This man owed hundreds of pounds to the Mines Department for rent. He disobeyed the provisions of the Mining Act and forfeiture was recommended. Again the Minister for Mines of that day stepped in, ignored the recommendations, and imposed a fine. The Minister says the onus is on one to prove the case. It can be proved, but one cannot beat de Bernales. The Minister has granted reserves to this man's companies. This individual has had fair, reasonable and generous treatment at the hands of the Government. The State has been more than generous to him. If he brings millions of other people's money into the country, he will never have repaid the State for the wealth it has given to him. He induced a number of men to work for him on the Wiluna mine. They doubted his capacity or his willingness to pay, and were about to cease work when he arrived in Wiluna and assured them their money would be all right. He told them they need have no fear on that score. They went on working, and the business people fed them and their wives and children. In the course of a few weeks they received cheques that were dishonoured. The men walked out of Wiluna and left their wives and children, hungry and ill-clothed, on the hands of the business people. The men themselves went off to look for work. Now de Bernales' daughters are bending before royalty. He starved the people of this State to make this possible, and yet I am asked to respect de Bernales. I believe it is not the first time he has not paid those working for him. If I had done this I would be in gaol, and people would say I deserved the punishment. This man has got away with it, and his family now bows before royalty. I hope they will think of the men, women and children who starved in Wiluna to make this possible. I do not

know that Western Australia owes this gentleman anything. He has always taken money out of the State and never put any in. He has certainly brought money into the country, but not a penny of it was his own. He floats a big company. Over night this great big dog gave birth to a litter, a number of little companies. One big rake-off was not sufficient for him, so he got a rake-off from smaller companies. Western Australia can have the rest. The day is not far distant when we shall regret that this man ever took part in floating companies in Western Australia. With gold at £8 12s. 6d. an ounce it is no great achievement to float a mining proposition. I see that in Kalgoorlie action has been taken with regard to flotations generally. All that glitters is not gold. This State is a wonderful gold producer. There are many wonderful investments available, and many more to come. I doubt if de Bernales is genuine enough to confined his flotations to genuine propositions. If he does it will be for the first time. I know he has floated good propositions, and I hope he will float more. But there is nothing for which this State has to thank him. I have a letter from a man who has been prospecting for 40 years and knows de Bernales well. He has lived outback for a score of years. Like other men, prompted by the price of gold, he returned to one of de Bernales' reservations. These reserves are too many in number and too great in area. The Minister made light of my statement on this subject. I know of one reserve that is 25 miles broad by 10 miles long.

The Minister for Mines: Who has got that?

Mr. MARSHALL: I do not know; it may be de Bernales.

The Minister for Mines: I do not know who has it.

Mr. MARSHALL: I do but do not know the name of the individual. It is an open reserve. An open reserve from the prospector's point of view is as bad as a closed one. There is a loyal understanding between the individuals that are grabbing propositions for the purpose of flotations that they will not buy anything inside a reserve. If a prospector finds something in an open reserve, he cannot get rid of it, but is dependent entirely on the owner of the reserve for what he gets out of it. The prospector may indeed be starved out. Between the owners of these reserves the prospectors are so sandwiched that they may have to give up an occupation that they have followed for years. In 1921, when dealing with an amendment to the Mining Act, the Minister for Mines of that day, who was complaining about the companies on the Golden Mile, said he wished to impress upon members the fact that one of the companies held 600 acres under lease on the Golden Mile. They were holding it as a sheep station. I have just referred to a company that is holding an area 25 miles by 10, and yet 600 acres was regarded as a big area in 1921.

Mr. Withers: That is a small backyard.

Mr. MARSHALL: I appeal to the Minister not to do an injustice to de Bernales. I would not do one either. If I were Minister he would get as fair a deal from me as from anyone. He must obey the law whether in regard to leasehold tenures or anything else over which he may have rights. He would not hold dumps for 21 years if I had my way. Bearing the circumstances in mind he would hold nothing except for a reasonable period. This man has had fair and generous treatment from all Governments. I appeal to the Minister not to allow his enthusiasm to carry him away. We have thousands of men who could find employment at prospecting, but these big reserves are killing prospecting and discouraging the men. They do not know where to go, unless they trespass upon the sanctity of some reserve. They may apply for a prospecting area, but find it is too late. We cannot develop the mining industry along such lines. De Bernales has had better treatment than any individual who has ever lived in this State. He has raked off fortunes from the youth of this country. All he may do in regard to foreign money will never repay the State for the generous treatment that has been meted out to him.

THE MINISTER FOR MINES (Hon. S. W. Munsie—Hannans) [8.14]: After listening to the impassioned speech of the member for Murchison (Mr. Marshall) members will realise that in his remarks there was nothing vindictive against Mr. de Bernales. He has had his say, very little of which has had to do with the motion. I have no intention, and the Gov-

ernment have none, of laying the files on the Table. In the first place we could not do that until next session. At a conservative estimate it would take two officers six months to work out all the details and get the files. They go back for 36 years in the records of the Mines Department. What is more, again on a most conservative estimate, there would be over 1,000 of the files, weighing more than 11 cwt. I would require two lorries, or else let a contract, to remove the files from the department to Parliament House. Evidently the member for Murchison has something behind his motion, and I want to be fair to him. I have nothing to hide in my capacity as Minister for Mines in relation to Mr. de Bernales. If there is any particular file or papers relating to any particular transaction Mr. de Bernales has had with the Mines Department, which the member for Murchison desires produced in this Chamber, I will favourably consider placing the file before the House. It would be almost impossible at the present juncture to comply with the motion and place all the files in the possession of the department on the Table.

Hon. P. D. Ferguson: Lord help the Table!

The MINISTER FOR MINES: I do not think the Table would carry the weight. As a matter of fact, if we were to agree to the motion we would have to take copies of most of the files or else hang up the business of the department. In the circumstances, I do not feel justified in doing so. I refuse to agree to the motion, which I regard as absolutely absurd and ridiculous. I will go further and point out that the motion of which the hon. member first gave notice might have been regarded as within the bounds of possibilities. But he did not stop at that. Before he had time to move his motion, he asked leave to amend it and the amendment made it impossible for the department to comply with its terms. I have no intention whatever of complying with it. I repeat that if the member for Murchison desires to have tabled any file dealing with a particular transaction and he moves accordingly, I will give the matter favourable consideration. I trust members will not agree to the motion.

Question put and negatived.

BILL—MINE WORKERS' RELIEF ACT AMENDMENT.

Report of Committee adopted.

BILL—BUILDERS' REGISTRATION.

In Committee.

Resumed from the 31st October. Mr. Sleeman in the Chair; Mr. Moloney in charge of the Bill.

Clause 3—Prohibition against unregistered builders carrying on business. (Partly considered):

Hon. N. KEENAN: I move an amendment—

That subparagraph (b) of paragraph (A) of Subclause 1 be struck out.

The effect of the paragraph would be that if a builder, who was not registered, erected a building and actually carried out the work, he could not recover a single penny in return for his labour if the value of the building exceeded £300. Various penalties are provided respecting unregistered builders who may enter into contracts to construct buildings of a greater value than £300. To say that a builder placed in the position I have indicated cannot recover a penny for the work he has done, appears altogether too severe.

Mr. SAMPSON: If the Bill be passed at all, the provision to which the member for Nedlands takes exception must stand because it represents the principle on which the legislation is based. Registration is essential and unless the builder is registered he will have no standing in court. That principle is also embodied in legislation affecting architects, dentists and so on.

Mr. MOLONEY: I am willing to accept any helpful amendment, but I cannot accept that now before the Chair. The member for Nedlands raised this point to me and I consulted the Crown Law Department. I was advised that it was essential that the provision be retained for the reasons indicated by the member for Swan. The principle obtains with regard to the medical, dental, architectural and other professions.

Hon. N. KEENAN: The comparison made by the member for Subiaco does not lie. If a person attempted to do dental work valued at even 6d., he could not recover that amount.

Mr. Moloney: The same principle applies here.

Hon. N. KEENAN: That is not so. Under the Bill a man may construct a house valued at £300 and he can recover what is due to him although he is unregistered. If the value of the building can be expanded to £305, he cannot recover anything. That is absurd.

Mr. MOLONEY: The point is that the Bills seeks to prohibit unregistered builders from engaging upon work of a greater value than £300. If extras brought the value beyond £300, the additional amount would be outside the contract. The member for Nedlands has presented merely half a truth.

Amendment put and negatived.

Hon. N. KEENAN: I move an amendment—

That before "builder" in subparagraph (c) of paragraph (A), the word "registered" be inserted.

The amendment is in accord with the object of the Bill, which is to legislate for registered builders.

Amendment put and passed.

Hon. N. KEENAN: I move an amendment—

That in line 5 of subparagraph (c) of paragraph (A) "three hundred" be struck out, and the words "one thousand" inserted in lieu.

My object is to make the Bill a workable measure. To restrict the value of the buildings that can be erected by unregistered builders to £300, is to fix altogether too low a figure. In recent years what is described as a standard type of house, has been erected by builders who are not men who require the services of architects. They are themselves working men. In these days a house costing £300 cannot be regarded as a very modern type. If houses valued at £600 are to be erected, it may mean that one of the bigger contractors must be employed and they engage the services of architects too. I want to make it possible for people to have homes built without the excessive cost that such a course would entail. Hence I propose to extend the limit from £300 to £1,000.

Mr. MOLONEY: This is another skilful attempt on the part of the member for Nedlands, while not opposing the Bill, to render the measure useless. Apparently he is not conversant with what operates in the building trade and does not know what it is desired to combat. I will give him credit for being honest in that regard. It would not be incumbent, as the member for Nedlands said, to employ an architect. If a builder were competent there would be no need to employ an architect for the erection of a small building. Details of buildings of less value than £1,000 erected in the metropolitan area during the last 12 months are :-

	No.	Value. £
Workers' Homes Board ..	63	44,241
Subiaco	54	39,466
Nedlands Road Board ..	129	93,856
Perth City Council ..	259	200,331
Perth Road Board ..	162	73,373
Total ..	669	£451,267

Hon. N. Keenan: What would be the cost of a house erected by the Workers' Homes Board?

Mr. MOLONEY: Any one would cost less than £1,000. Yet the hon. member would eliminate those 669 homes. The evils are more rampant on those jobs than anywhere else. To accept the amendment would render the Bill useless.

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

Clause 4—Constitution of Builders' Registration Board of Western Australia:

The ACTING PREMIER: I move an amendment—

That paragraph (c) be struck out, and the following inserted in lieu:—"(c) The board shall consist of three members, namely, the President of the Royal Institute of Architects, the Principal Architect (Government), who shall be chairman, and a representative appointed by the Master Builders and Contractors' Association."

The amendment would ensure a more impartial and independent board than the one proposed in the Bill. The members of the board would not be in competition with those who desired to be admitted, and would not have any personal interest that would prompt them to keep applicants out. Such a board would command greater respect. The main fear is that the Bill might develop a close preserve for those in the industry, and that a new man might find it difficult

to obtain admission. A board constituted as proposed in the Bill, I am afraid, would have that result, but the board I propose would not.

Amendment put and passed.

The ACTING PREMIER: I move—

That paragraphs (d) and (e) be struck out.

Those paragraphs are no longer necessary.

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

Clauses 5 and 6 consequentially negatived.

Clause 7—Members vacating seats:

The ACTING PREMIER: I move an amendment—

That Subclauses 1 and 2 be struck out.

Amendment put and passed.

Hon. N. Keenan: No provision is left for a chairman.

The ACTING PREMIER: I move an amendment—

That in Subclause 4 the word "president" be struck out, and "chairman" inserted in lieu.

Amendment put and passed.

The ACTING PREMIER: I move an amendment—

That Subclause 5 be struck out.

Amendment put and passed.

The ACTING PREMIER: I move an amendment—

That in Subclause 6 the word "five" be struck out, and "two" inserted in lieu.

Amendment put and passed.

Mr. SAMPSON: In Subclause 7 it will be necessary to alter the word "president" to that of "chairman."

The Acting Premier: That is a consequential amendment.

Clause, as amended, agreed to.

Clause 8—agreed to.

Clause 9—Duties and powers of board:

Hon. N. KEENAN: I move an amendment—

That the words "study and," in line 3, be struck out.

A builder's job is a matter of practical knowledge. We are not dealing with architects, who are obliged to engage in certain study. This is a question of good practical training. Why refuse a license to a thoroughly practical man simply because he has not the gift of answering questions on paper? I want to remove from the Bill anything that savours of turning it into a preserve for those who can pass mere paper examinations.

Mr. MOLONEY: I am not wholly averse to the amendment, but I see no objection to the provision for study. Even apprentices going to the Technical School have to pass in various subjects peculiar to the building trade. It is certain that members of the board would not make the requisite examination an academic one.

Mr. SAMPSON: It is essential that the registered builder should understand his subject. Unless he knows about stresses and strains, and the ability of girders, etc., to carry specified weights, he cannot do his work faithfully. I hope the amendment will not be agreed to.

The MINISTER FOR JUSTICE: I support the amendment. People who engage in the building trade should above all be practical men. Building is a practical job, and not nearly as theoretical as some people think. Plans for a building have to be passed by the local authority, which would not allow a piece of 2 x 3 timber to be called upon to support a wall that may be carrying a roof 30 or 40 square yards in extent. The whole building has to be designed in a manner which will reasonably meet the requirements of a house of the description intended to be built. The local authority would not dream of passing something that had not adequate support. Perhaps the hon. member thinks local authority inspection is only a matter of form. I assure him it is nothing of the kind. I see no need for all this study in connection with the construction of a building. The majority of the 300 or 400 contractors operating in Western Australia do not carry out a building of a greater cost than, say, a couple of thousand pounds; and that amount does not represent a building of any magnitude. In the case of a large building, nobody would dream of dispensing with the services of an architect. We ought to conserve to all people the right

to lift themselves out of the rut. Is it suggested that a tradesman 50 years of age should embark on a highly technical course of study? That is absolutely ridiculous. How would the member in charge of the Bill like, at his stage of life, to undertake a course of technical study in the calling with which he is familiar?

Mr. SAMPSON: We should trust the board to lay down what is essential before a person shall be permitted to set up as a registered builder. I question whether we should to this extent leave to local authorities the approval of plans and specifications.

Mr. HAWKE: I suggest that it does not make much difference whether the words remain or are deleted. In either case the board would have power to prescribe some course of study to complete the course of training laid down by them.

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

Clause 10—agreed to.

Clause 11—Who may be registered:

The CHAIRMAN: In this clause there will be a consequential amendment.

Clause 12—Course of training and examinations to be prescribed by the Chief Inspector of Technical Schools:

The CHAIRMAN: In this clause also there will be a consequential amendment.

The MINISTER FOR JUSTICE: The Chief Inspector of Technical Schools is mentioned in the clause. That officer was originally a member of the board. In redrafting the constitution of the board, we shall probably need to amend this clause.

Mr. MOLONEY: I move an amendment—

That in lines 3 and 4 of subclause 1, the words "subject to the approval of the board" be struck out.

Amendment put and passed.

Mr. MOLONEY: I move an amendment—

That in lines 4 and 5 of Subclause 1, "chief inspector of technical schools" be struck out, and the word "board" inserted in lieu.

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

Clause 13—Cancellation of registration for fraud or on other grounds:

Mr. McDONALD: I propose to move an amendment to the effect that in line 5 of paragraph (b) of Subclause 1 the word "or" be struck out, and that paragraphs (c) and (d) be struck out. Paragraphs (c) and (d) relate to matters that represent civil liabilities that the ordinary courts of law take cognisance of, and respecting which there is cause of action between the builder and the person who may employ him.

The MINISTER FOR JUSTICE: I do not know that the Committee should agree to striking out the whole of paragraphs (c) and (d), because it may be deemed necessary to retain portion of them. It would be dangerous to leave to such a board the decision of what would constitute "improper conduct." That might cover anything, and it is altogether too wide.

Mr. *Moloney*: There is the right of appeal.

The MINISTER FOR JUSTICE: But on small matters such as might arise, it should not require an appeal to a judge of the Supreme Court.

Mr. Wise: It applies only to the carrying out or completion of a building.

The MINISTER FOR JUSTICE: That is so, but in the eyes of the board it might be "improper conduct" on the part of the builder if he used three buckets of cement to one of sand instead of two of cement to one of sand.

Mr. Wise: After all, the power is to be exercised by a responsible board

The MINISTER FOR JUSTICE: And responsible boards sometimes do irresponsible things. Improper conduct and the interpretation that may be put on it by a board, is too great a power to give, and should not be included here. I move an amendment—

That in line 1 of paragraph (d) the words "or improper" be struck out.

Mr. SAMPSON: The board will have to carry a heavy responsibility, and surely if certain persons are to have the privilege of describing themselves as registered builders, there should be some supervision of their conduct. If anyone is guilty of improper conduct, as for instance the substitution of girders of less weight than is required——

The Minister for Justice: That would be fraud, which is already provided for.

Mr. SAMPSON: However, I point out that the person charged will have the right of appeal.

The Minister for Justice: Of what use is that to him, with its heavy expense?

Mr. McDONALD: I support the amendment. I do not suppose the board would like the job of saying what is improper conduct. It is a very vague phrase and I think the amendment is desirable.

Amendment put and passed.

Mr. McDONALD: On behalf of the member for Ned'lands, I move an amendment—

That at the end of paragraph (b), the word "or" together with the whole of paragraphs (c) and (d) be struck out.

Mr. CHAIRMAN: We have passed that, and we cannot go back.

Mr. McDONALD: I move an amendment—

That Subclause 2 be struck out, and the following inserted in lieu thereof: "By order of the board the cancellation or suspension of the registration of any person may at any time and for such reason and upon such terms as the Board thinks fit be annulled. A person whose registration has been cancelled may at any time after the expiration of one year from the date of such cancellation apply to the board to annul such cancellation."

By Clause 12 an applicant may apply to the board to be registered, and seeing that he is of good character and has certain technical qualifications, the board will register him. By Sub-clause 1 of Clause 13 the board may cancel or suspend his registration on certain grounds. By Subclause 2, by order of the board, the cancellation or suspension of the registration of any person may at any time be annulled. But no power is given for a person whose registration has been cancelled to apply to the board to have the cancellation annulled. In the Legal Practitioners Act and in the Architects Act, where registration has been cancelled, power is given for the person to apply to be restored to the register. Unless we insert this provision giving the builder whose registration has been cancelled power to apply to the board for the annulment of the cancellation, there is no machinery by which he can get back on the register, or even get before the court. So in order that he may move the board to consider the annulment of his cancellation, and so that he can afterwards get before the judge on appeal regarding the annulment of his cancellation, I move this amendment. By a later amendment I will suggest machinery by which a de-registered builder applies to the board to annul his cancellation, and if the board refuses he may have that refusal reviewed before a judge. A man's registration might be cancelled for some misdemeanour, and unless this provision were made, he might be unable to carry on business for the rest of his life. That would be a very severe penalty.

The MINISTER FOR EMPLOYMENT: I have two objections to the amendment. If a person has the right to move the board for cancellation of registration, he should also have the right to move the board for cancellation of suspension, and that is not provided for. Also one year is too long a period to fix before he may move the board.

Mr. McDONALD: I am not wedded to the exact phraseology. I desire to provide means by which a man whose registration has been cancelled might have an opportunity to get back on the register. If a man were suspended, his offence would not have been very serious. The suspension might be for six months or 12 months, and he would have the right of appeal to a judge immediately.

The Minister for Employment: Does that apply to cancellation also?

Mr. McDONALD: Yes. If the judge held that the period of the suspension was fair, the man would have the satisfaction of having the board's decision reviewed. A man whose registration was cancelled might also appeal immediately to a judge, who might hold that the board was justified. Unless the amendment were adopted, that man might be unable to register again for the rest of his life, notwithstanding that he might prove by his conduct that he should be restored to the register. When a man's registration has been cancelled, he should wait a certain time before approaching the board.

The MINISTER FOR EMPLOYMENT: I move—

That the amendment be amended by inserting before "cancelled" the words "suspended or."

If people are to be deprived of earning a living, they should be able to move the board to have the suspension removed. The argument regarding cancellation should apply to suspension, because the effect on the individual would be the same.

Amendment on amendment put and passed.

The MINISTER FOR EMPLOYMENT: I move—

That the amendment be amended by striking out "one year" and inserting the words "three months" in lieu.

If a man whose registration had been suspended or cancelled had to wait three months, it would be a reasonable period. We do not want to drive men to the court and put them to the expense that court proceedings would involve.

Mr. McDONALD: If a man thinks he has been suspended for too long a term he can apply to a judge to revise the order of the board. The judge may either reduce the period, or say that the suspension is a fair one. It would be a frivolous appeal for a man to apply for a review after three months.

Amendment on amendment put and passed: the amendment, as further amended, agreed to.

Mr. McDONALD: I move an amendment—

That subclauses 4 and 5 be struck out.

If the board refuse to register a man who applied for registration it is doubtful if he would have any right of appeal, because the only appeal allowed is one in regard to a decision given under Clause 13. The right to apply for registration is actually contained in Clause 11. I, therefore, propose to take the provisions regarding appeals out of Clause 13, and embody them in a new clause to stand as Clause 14. There should be a right of appeal, not only against the cancellation or suspension of registration, but against a refusal to accept registration.

Amendment put and passed.

The MINISTER FOR JUSTICE: A contractor may be three parts of the way through a contract he has undertaken, and may have his registration cancelled. It would be advisable to provide that in such a case the man be allowed to finish his contract. I move an amendment—

That the following proviso be added:—"Provided that any person who may have his registration cancelled or suspended may complete any contracts which are current at the time of cancellation or suspension.

The MINISTER FOR EMPLOYMENT: I oppose the amendment. This amendment would allow a contractor to ignore the provisions of the Act. He may have just embarked upon a three years job. Although he may have defied the law and broken its provisions, is he to be allowed to continue the contract? Thus the whole object of the measure would be defeated. I realise that there would be difficulty if a man had a contract which he was just completing, since it might be more costly for him to put on someone else to complete it than it would be for him to complete it himself.

Amendment put and negatived.

Clause, as previously amended, put and passed.

Clauses 14 to 22—agreed to.

New Clause:

Mr. MOLONEY: I move—

That the following be inserted to stand as Clause 3:—"This Act shall apply within the metropolitan area as defined in the Second Schedule of the Metropolitan Water Supply, Sewerage, and Drainage Act, 1909, and the areas comprised in the Schedule to this Act: Provided that the Governor may from time to time by proclamation declare that the Act shall apply in any other place or places, and thereupon the same shall apply accordingly, provided that the Governor may by further proclamation revoke any such proclamation."

Upon being passed, the measure would automatically apply to the whole of the State. I do not desire that, as there are parts of the State where the measure might prove a hindrance—say in the North-West and in small townships. The scope of the measure can be enlarged if it is found desirable.

Mr. McDONALD: On behalf of Mr. Keenan I intend later to move an amendment making the Act apply within a radius of, say, 15 miles of the General Post Office, Perth, substantially the metropolitan area, taking in the greater part of Fremantle and Midland Junction. The intention is to exclude such towns as Northam and Albany,

where the operation of a restrictive measure of this character might be against the interests of the community.

New clause put and passed.

New Clause:

Mr. McDONALD: I move—

That the following be inserted to stand as Clause 14:—

"(1) Any person who feels aggrieved by any decision of the board in withholding or refusing, cancelling, or suspending his registration, or in refusing to annul the cancellation or suspension of his registration, may appeal therefrom to a judge of the Supreme Court within one month after the date of such decision.

(2) Such judge may decide the appeal on any notes of evidence taken by the board, or may deal with the matter by way of rehearing, and for that purpose may take evidence on oath or affirmation in the same manner and to the same extent as he is empowered to do in the exercise of his ordinary jurisdiction. The decision of the judge shall be final and conclusive."

The MINISTER FOR JUSTICE: I move an amendment

That in Subclause 1 the words "judge of the Supreme Court" be struck out, and "stipendiary magistrate" inserted in lieu.

These matters can be suitably dealt with by resident magistrates, as distinguished from justices of the peace. Local jurisdiction should be given in all towns where a stipendiary magistrate is appointed.

Mr. McDONALD: I regard the amendment as a distinct improvement. It will provide local jurisdiction, and the judges are fairly well burdened with duties at present.

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

New Schedule:

Mr. MOLONEY: I move—

That a schedule be inserted at the end of the Bill as follows:—

Schedule.—Section 3.

In addition to the metropolitan area, the following are the townsites to which this Act shall apply:—Albany, Boulder, Bunbury, Collie, Geraldton, Kalgoorlie, Katanning, Narrogin, Northam, Wagin, and York.

No hardship will be inflicted in country towns if the measure applies to those centres. So long as country builders are competent, the legislation will have no restrictive effect. Registration will provide a safeguard in the interests of country people who require homes to be erected.

Mr. PIESSE: I have no knowledge of the necessity for the application of the Bill to country districts. As the legislation is experimental, it would be wiser to apply it to the metropolitan area first. I move an amendment—

That the schedule be amended by striking out the word "Katanning."

I recognise the sincerity of the member for Subiaco, and I believe the legislation will be beneficial, particularly if it is tried out in the metropolitan area for a year or two.

The Minister for Employment: Why deprive the Katanning people of the benefit of the legislation?

Mr. PIESSE: I do not desire to be a party to allowing a measure of this description to apply to country districts. In these days when we are emerging from a period of depression, no obstacle should be placed in the way of building operations in the country districts.

Hon. C. G. LATHAM: I would like York to be excluded from the operations of the legislation. I appeal to the member for Subiaco to give the measure a trial in the metropolitan area first. Subsequently, if it has proved satisfactory, there will be no difficulty in extending its scope to other parts of the State. Under existing conditions building is not regarded as an attractive form of investment in the country areas, and the application of the measure in those parts might have a detrimental effect. Country members hope that the Bill will be confined to the metropolitan area, where jerry building could be prevented.

The MINISTER FOR EMPLOYMENT: Those who object to the application of the Bill in country districts do those areas a disservice. It will simply mean that those parts will be flooded by jerry builders.

Hon. C. G. Latham: You always exaggerate!

The MINISTER FOR EMPLOYMENT: If the license of a builder is cancelled on the ground of incompetency, he will be able to go straight to a country centre and engage in building operations without any let or hindrance.

Mr. MOLONEY: If I thought it would be to the benefit of country centres, I would

not be averse to accepting the suggestion of the Leader of the Opposition.

Hon. C. G. Latham: Why not give it a trial?

Mr. MOLONEY: I can see difficulties in the way, one of which has been referred to by the Minister for Employment. The extension of the Bill to country centres will not hamper operations there any more than in the city, and it will tend to establish confidence respecting those engaged in the industry. I think if the Schedule is given a trial, it will be found that all the fears expressed here to-night are groundless, so I appeal to members to let it go through in its present form.

Mr. HAWKE: I should have expected that country members not honoured by having their towns mentioned in the Schedule would be protesting against the omission. Power is given by the issue of a proclamation to name other places at any time, and on the other hand power is given to exempt any towns mentioned in the Schedule from the operation of the measure if at any time it is thought desirable. So, instead of members moving to exempt certain towns in the Schedule, it should be left to the good sense of the proper authority to say from time to time which towns should be added or excluded. It would be unwise to delete individual towns at this stage.

Mr. THORN: I agree with the member for Subiaco, who has given sound reasons why these towns should be included. If they are not included, unskilled builders will migrate to such towns, while towns included in the Schedule will retain the skilled builders. I will not offer any objection if and when Toodyay is included, for I do not want to see jerry builders at Toodyay.

Amendment put and negatived.

Hon. C. G. LATHAM: I move an amendment—

That "York" be struck out.

It is all very well to suggest that jerry builders will be flocking to towns not included in the Schedule, but I do not believe it. There is very little important building going on in York, only a few small cottages, perhaps one every four or five years, and so there is no need for the proposed restriction there. I do not suppose that more than eight cottages have been erected in York during the last 14 years. We ought to encourage country people to build, for there are plenty of natural tradesmen to be found in country towns, and they should be given a chance to make a living. The Bill will not be acceptable to the people of York. Without suggesting any ulterior motive, I think the member for Toodyay and the member for Subiaco have been getting together over this Schedule.

The CHAIRMAN: The hon. member is not in order in suggesting that.

Hon. C. G. LATHAM: At all events, I want to see the word "York" struck out.

Mr. HEGNEY: The hon. member said that eight houses had been built in York during the last 10 or 15 years. How the schedule will affect that town, I cannot understand. The town must be practically decadent. It is essential that buildings in the country towns should be as substantially constructed as those in the metropolitan area. Jerry-building occurs in the country as well as in the city. The hon. member should not disparage his town as he has done.

Amendment put and negatived.

Schedule put and passed.

Title—agreed to.

Bill reported with amendments.

BILLS (2)—RETURNED.

1, Gold Mining Profits Tax.

2, Land Tax and Income Tax.

Without amendment.

House adjourned at 10.14 p.m.