

all sorts of things in order to vent personal animosity.

The HONORARY MINISTER: The amendment is objectionable. I cannot imagine an inspector approaching an employee if he knows that employee to have had trouble with his former employer. In ordinary circumstances the paragraph is desirable.

Hon. H. S. W. PARKER: The paragraph is highly dangerous. The inspector is to be empowered to go along and ask a discharged employee questions. The power to question is now possessed only by judges. The police cannot do with a murderer what this paragraph proposes. There is no objection to the employee being subpoenaed and taken to court. But here is a self-appointed tribunal empowered to administer, apparently, the third degree. I do not say the power would always be used in that way; but it could be.

The Honorary Minister: The paragraph provides that the employee shall not be required to incriminate himself.

Hon. H. S. W. PARKER: If the employee says, "I will not answer such and such a question because it might incriminate me," then the inspector says, "Very well; here is a summons for the offence." When a judge excuses a man from answering a question on the ground that it would incriminate him, he gives the man a certificate, and the man cannot be prosecuted.

Hon. J. M. DREW: I do not like the paragraph. I object to it on principle. It compels a man to be an informer. If he is a conscientious man, he will probably tell the truth and that will be a stain on him and his family. If he is a dishonest man, the inspector will not get much information from him.

Amendment put and passed.

Hon. H. S. W. PARKER: I move an amendment—

That in Subclause 1, paragraph (e) be struck out.

This is almost consequential.

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

Progress reported.

*House adjourned at 10.56 p.m.*

## Legislative Assembly,

*Tuesday, 17th November, 1936.*

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

### QUESTIONS (3)—LOTTERIES COMMISSION.

#### *Audit of Accounts.*

Mr. HUGHES asked the Minister for Police: 1, Will he lay on the Table of the House reports of all audits of the accounts of the Lotteries Commission made by the Government Auditor? 2, If so, will he do so before the discussion of the Lotteries (Control) Act Amendment Bill is proceeded with?

The MINISTER FOR POLICE replied: 1, Yes. 2, I am now presenting them to the House.

#### *Employees as Unionists.*

Mr. HUGHES asked the Minister for Police: 1, Were instructions issued that persons employed by the Lotteries Commission had to become and/or remain members of an industrial union? 2, If so, when were the instructions issued, and by whom? 3, Have any persons employed by the Lotteries Commission refused to join an industrial union? 4, If so—(a) what are the names of such persons; (b) have their services been dispensed with; (c) if not, why?

The MINISTER FOR POLICE replied: 1, No. On the 10th May, 1935, the then Lotteries Commission in reply to a request from the Clerks' Union that all the employees should join the union, stated that that was a question between the union and the staff. 2,

Answered by No. 1. 3, Answered by No. 1.  
4, Answered by No. 1.

*Grants to Wokalup Farm and Ugly Men's Association.*

Mr. HUGHES asked the Minister for Police: 1, What amounts have been granted to the Wokalup farm by the Lotteries Commission? 2, What were the dates of such respective grants? 3, What amounts have been granted to the Ugly Men's Association by the Lotteries Commission? 4, What were the dates of such respective grants? 5, Did the Lotteries Commission take any, and if so what, steps to see that such moneys were expended on matters or subjects on which moneys raised under the authority of the Lotteries Control Act are authorised to be spent?

The MINISTER FOR POLICE replied:

		£	s.	d.	£	s.	d.
(1) 1933—Aug.	30	25	4	0			
	Sept. 20	500	0	0			
	Dec. 30	2,500	0	0			
1934—Aug.	4	500	0	0			
	Oct. 18	12	0	0			
1936—Mar.	6	400	0	0			
	Sept. 19	250	0	0			
		4,187	4	0			

(2) Answered by No. 1.

(3) 1933—Dec.	4	2,500	0	0			
					2,500	0	0
1934—July	23	500	0	0			
	Dec. 22	500	0	0			
	Dec. 28	1,500	0	0			
					2,500	0	0
1935—May	11	1,000	0	0			
	Aug. 16	500	0	0			
	Nov. 7	500	0	0			
	Dec. 23	500	0	0			
					2,500	0	0
1936—Sept.	4	500	0	0			
					500	0	0
					£8,000	0	0

(4) Answered by No. 3.

(5) Yes, the general supervision of the expenditure of moneys to relieve suffering during the period of unprecedented distress. The Commission is and has been reviving the allotment of its funds.

**QUESTION—FEDERAL AID,  
DISTRESSED FARMERS.**

Mr. LAMBERT (without notice) asked the Premier: Is he in a position to make a statement as to the amount of loan money available for the relief of distressed farmers and, if so, when this money will be available

and by which authority it will be distributed?

The PREMIER replied: I should like to be able to give the information the hon. member desires. I have not got it, and will not be able to get it for some time. As I stated in the Press, it will all depend on the amount of money which will be raised by the Loan Council during the next few months, as to what will be made available to Western Australia, for the purpose of not only drought relief but for all purposes connected with loan expenditure. I hope to deal with the matter more fully during the discussion on the Loan Bill.

**BETTING CONTROL BILL SELECT  
COMMITTEE.**

*Preliminary report presented.*

HON. W. D. JOHNSON (Guildford-Midland) [4.36]: I desire to submit a preliminary report from the select committee appointed to inquire into the Betting Control Bill. I move—

That the report be received and read.

Question put and passed.

The Clerk read the report as follows:—

Your Committee has held one meeting and has decided that, in view of the importance of the matters contained in the Bill, the Legislative Council should be represented on the Committee.

The Committee's reasons for making this request are: That legislation of a much wider range will have to be introduced during the next session of Parliament, and as this legislation must receive the approval of the Legislative Council before it can become law, the representation of that body on the committee will be necessary so that the views of the Council, through its representatives, shall be considered when drafting the proposed Bill.

The Committee also feels that the time at its disposal is too short to hear the evidence of all parties interested in a subject of such wide interest before the termination of this session of Parliament. For that reason it recommends that the Government should give consideration to the appointment immediately of the committee as an honorary Royal Commission with the necessary powers under the "Royal Commissioners' Powers Act, 1902."

HON. W. D. JOHNSON (Guildford-Midland) [4.37]: I move—

That the report be adopted.

My purpose is then to move that it be transmitted to the Legislative Council.

HON. C. G. LATHAM (York) [4.38]: I hope that the hon. member is not going to press this matter this afternoon. It is a

question of far-reaching effect. The House should be given some opportunity of knowing what the report is intended to convey. I should like to move an amendment that consideration be given to the report at the next sitting of the House.

Hon. W. D. JOHNSON: I am quite agreeable to adopt the suggestion of the Leader of the Opposition. I am not anxious to press the matter; I merely wanted to get it before the other House. With the permission of the House, therefore, I shall alter my motion to read—

That consideration of the report be made an Order of the Day for the next sitting of the House.

Question put and passed.

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

Introduced by the Minister for Works and read a first time.

#### **BILLS (4)—THIRD READING.**

1. Financial Emergency Tax Assessment Act Amendment.
  2. Bunbury (Old Cemetery) Lands Revestment.
  3. City of Perth Endowment Lands Act Amendment.
  4. Vermin Act Amendment.
- Transmitted to the Council.

### **BILL—FINANCIAL EMERGENCY ACT AMENDMENT.**

*Second Reading.*

**THE MINISTER FOR LANDS** (Hon. M. F. Troy—Mt. Magnet) [4.42] in moving the second reading said: All that remains in the Financial Emergency Act is that provision providing for a 22½ per cent. cut in interest payable on all mortgages, that is, mortgages in operation prior to 1931. The original Act introduced in 1931 reduced by 22½ per cent., with a maximum reduction to 5 per cent., the interest payable on all mortgages in operation when the Act came into force. No other mortgages are affected. The Bill proposes to continue this part of the Principal Act for another year. It is considered that the mortgages in force at the time the Bill was first introduced and which have not been converted to a lower rate of interest should not be allowed to revert to

the high rates then operating. Some pastoralists and agriculturists are still subject to mortgages made prior to the depression years and the higher interest rates then existing would be reverted to if this Act were allowed to go out of existence. In the same way many houses were purchased under agreement to pay high rates of interest and these agreements are still current. The original high interest rates would be chargeable even though they are not in accord with present-day conditions. Those are all the reasons I have to give in support of this legislation. I move—

That the Bill be now read a second time.

On motion by Hon. C. G. Latham, debate adjourned.

### **BILL—METROPOLITAN MILK ACT AMENDMENT.**

*Second Reading.*

Debate resumed from the 27th October.

**HON. P. D. FERGUSON** (Irwin-Moore) [4.45]: This Bill seeks to extend the operation of the Act from December, 1936, to December, 1939. I express profound regret, which I am sure will be shared by the great majority of dairymen licensed by the Metropolitan Milk Board, that the Minister has not seen fit to bring down other amendments to this desirable legislation. During recent months many deputations representative of producers' organisations have waited on the Minister for Agriculture and urged the necessity for further amendments to the Act. Quite a number of suggestions have been made which, had they been adopted, would have proved highly beneficial to all concerned. Dairymen expected and certainly have received considerable benefits from the original legislation. I believe the Minister mentioned in this House on one occasion that the action of the board controlling and administering the Act had benefited producers to the extent of something like £30,000 per annum. Amendments passed from time to time have greatly improved the original Act, but there are many more which might be adopted and which would still further improve the Act. The Minister, in moving the second reading, said that most of the criticism had been silenced by the various amendments made, but my ex-

perience leads me to believe that this is not so, but that there is still a good deal of criticism of and dissatisfaction with the Act. Quite a lot of benefit could have been conferred and greater satisfaction could have been ensured had the suggestions made by the various organisations, particularly the producers' organisations, been put into effect. The Minister spoke of the vast improvement in the quality of the milk supplied in the metropolitan area since this legislation had been in force and since the board had been controlling and organising the marketing of milk in Perth and surrounding areas. That is very gratifying. I think we can say that the milk supplied at present is of very satisfactory quality. The increased consumption last year of 207,000 gallons over that of the previous year is also gratifying. This increased consumption has conferred benefits, not only on suppliers of milk, but on the consumers. I should like to commend the board for the good work they have done, and particularly the chairman of the board, who has given practically the whole of his time to the organisation of the industry and made it his life's work. The board have accomplished something really worth while, but I cannot help thinking that, had they been given a more satisfactory Act under which to operate, they might have done even better work. One of the directions in which an improvement might be effected is by vesting in the board all milk brought into the metropolitan area, with the single exception of producer-distributor milk, which could not be handled more economically by the board than by those who produce it and distribute it to consumers. Apart from the quantity which the producer-distributor brings into the metropolitan area, all milk should be vested in the board. Most of the producers will be disappointed that this amendment on which they had set their hearts has not been included in the Bill.

Mr. Marshall: To which amendment are you referring?

Hon. P. D. FERGUSON: An amendment to vest in the board all milk entering the metropolitan area. The present channels of distribution by producer-distributors, vendors and shops, as permitted and encouraged by the board, could easily be maintained and, in my opinion, could be extended, but it would be a good move if

all milk entering the metropolitan area were vested in the board and paid for by the board, the board collecting from the distributors and then paying the money due to the producers directly to them. This would do away with much of the penalising of producers in the matter of their supplies to distributors. I believe the milk could be more economically distributed under that system and that consumers could depend upon getting milk of uniform quality. A good deal of fraud would be prevented if the board collected all the money and paid the producers direct. Assuming that the board were operating under a more satisfactory Act, they could embark upon further economies—economies of distribution for instance. I know of one short street in a suburb in which the presence of 10 milk carts is a common sight. Surely that is an extravagance which ought not to be perpetuated any longer. It has been going on ever since milk was distributed in the metropolitan area, and so long as that sort of thing is permitted, it will continue.

Hon. C. G. Latham: We would need a standardisation of quality first.

Hon. P. D. FERGUSON: The standardisation of quality would not affect the distribution in any shape or form. The board will not permit milk of poor quality to be sold in the metropolitan area.

Hon. C. G. Latham: Some milk is better than other.

Hon. P. D. FERGUSON: I agree. So long as the minimum requirements of the board are maintained, nobody has any right to complain, because the minimum standard is quite satisfactory.

Hon. C. G. Latham: I want five per cent. of butter fat.

Hon. P. D. FERGUSON: The Leader of the Opposition is not going to get five per cent. of butter fat milk at the price he pays at present.

The Minister for Agriculture: He is fortunate if he gets it.

Hon. P. D. FERGUSON: Milk is an important article of diet that should be vended to the consumer as cheaply as possible consistent with the high quality so necessary. The member for Subiaco (Mrs. Cardell-Oliver), who has taken a keen interest in the supply of milk to school children, knows full well the value of milk and how necessary it is that the price should be kept down to rea-

sonable limits so long as the quality is maintained. I cannot see how the board could effect very drastic economies unless they had control over the transport of the commodity from the farm where it is produced to the homes where it is consumed. That is one way in which the producer is deprived of the amount of money that the board desire he should receive. The producer has no control over the cost of getting the commodity from the farm to the consumer. If the board were given a more satisfactory Act under which to operate and all milk were vested in the board, I believe they could so control transport from the farm to the consumer as to effect drastic economies and thereby ensure a cheap article to the consumer, as well as ensure that no fraud was perpetrated on the producer. I am certain that many producers are penalised by the cost of transporting their commodity from the farm to the depot. The Leader of the Opposition may not agree with my next statement, but I consider that the board should have power to direct that all milk from a certain district should be sent to certain depots. At present milk from every producing district in the State may go to a single depot. That is an extravagance which should be avoided. It is necessary also that the fixed minimum which the board have decided as being necessary to be paid for the milk should be maintained at all costs. That price is not being maintained at present because of the subterfuges resorted to mainly in the transport of the commodity. While three years' extension of the Act will be better than one year's, I hold that there is no necessity to fix any expiry date at all. That provision in the Act should be eliminated. The legislation is no longer of an experimental nature. Undoubtedly it has come to stay; its value has been established, and there is no more necessity to provide an expiry date for this measure than for 99 per cent. of the other legislation on the statute-book. The board have done excellent work during the time they have been in office, but they have found it difficult to take the long view that I should like them to take, because of the Act being allowed to operate only from year to year. I believe that if the Act were made permanent, the board could do more valuable work in the interests of producers and consumers. I agree that three years' extension is a considerable improvement on the annual exten-

sions to which we have been accustomed for the last five or six years and, to that extent, I commend the Bill to hon. members. I support the second reading because this legislation is beneficial to a large section of the producing community who previously were in a worse position, I suppose, than any other section of producers. Due to this legislation and the actions of the board, the economic position of the people licensed to supply milk in the metropolitan area has been improved out of all recognition, and for that thanks are due to the board. I hope that the Act will continue to confer as great benefits on that section of the community as it has done in the past.

**MR. NEEDHAM** (Perth) [4.59]: I move an amendment—

That all the words after "That" be struck out, and the following inserted in lieu:—"this House will give consideration to the continuance of this Act when the Government are prepared to introduce a Bill that will provide for the representation of retail dairymen on the board constituted under the principal Act."

My amendment is certainly of a drastic nature, but the circumstances attendant on the Bill necessitate some action of that kind. During past sessions each succeeding year since the principal Act became law has seen the introduction of a Bill containing various amendments purporting to make the principal Act more workable, to give the board increased powers, and to remove anomalies that had been discovered in the Act by experience of its administration. On this occasion, however, whilst various anomalies still exist in the Act though considerable improvement has been made in its administration, opportunity of amendment is not to be given. Consequently I have felt impelled to move the amendment in the hope that hon. members will give it favourable consideration, so that the board may be improved in its composition. It is not to be thought that I am moving the amendment by way of making an attack on the board. Nothing is further from my intentions than that, for I realise that the board during its existence has done splendid work. Considering the disabilities under which the board has had to labour from the date of its appointment, difficulties in regard to organising and other matters affecting the improvement of conditions in the milk industry—which was in a parlous state when the legislation was introduced—I realise that, handicapped as they have been, the members of

the board have done excellent work. But I still contend—as I have contended all along—good work though the board has done, it would have done much better work had it included a member representing retail dairymen. The retail dairymen are an important factor in the industry. They have to bring the milk to us. We have to depend upon them for the manner in which the milk is delivered. They could, if they chose to do so, mar the object of the board. That object has been and is to deliver to the consumer milk of a pure standard. But the man between the producer and the consumer could thwart the board's intention, and could, if he so chose, deliver milk that would not be pure. He could also place a certain amount of obstruction in the way of the board's administration. However, he has done none of those things. I believe it will be agreed that the retail dairymen have worked in co-operation with the board right from the time of its establishment. The only trouble that has arisen has been that from time to time the dairymen have made representations to the Minister for Agriculture pointing out certain disabilities under which they laboured and expressing the hope that as time went on those disabilities would be removed. I have been with retail dairymen on several deputations to the present Minister for Agriculture and his immediate predecessor. Towards the end of last year an important deputation waited on the Minister, and it was then hoped that as the result of representations made to the hon. gentleman on that occasion this legislation would be so amended as to give the dairymen something that has long been their due. Again early this year the Minister was asked to receive a deputation from the Dairymen's Association, but he replied that it would not serve any good purpose to receive such a deputation and that the representations intended to be made should be put in writing. This was done, but, notwithstanding that, we have this Bill before us, and the only thing the measure does is to authorise the continuance of the board for a period of three years. I have no objection whatever to the life of the board being extended by three years instead of one. I was not in favour of the haphazard method of continuing the life of the board merely from year to year. I welcome the principle of a longer extension. However, had I allowed the Bill to go into Committee, there would have been no chance to

make another attempt to secure representation on the board for the retail dairymen. This is not the first time that matter has been debated here. I believe that each time it has been debated, the number of members in favour of representation being granted to dairymen has increased. No one can maintain that it is in accord with democratic principles that this body of men, while the largest contributors to the funds of the board, should be denied representation on it. Time and again we have protested, through other channels, that taxation without representation is entirely undemocratic; but that is what has happened to this section of the community, anyhow. On no occasion has the Minister, when replying to protests made on behalf of the Dairymen's Association, been able to get away from that injustice. Neither has he at any time been able to reply convincingly to the contention advanced that the dairymen are an important section of the industry. They contribute the major portion of the board's revenue, and are a big factor in carrying out the board's policy. An argument which has been adduced against representation of the dairymen is that there is already a producer-retailer member on the board. I fail to see how that helps the retail dairymen as a body. Nor do I see how that member can give effective service on the board. At one meeting of the board he will be a producer, and at the next a retail dairyman. Certainly he cannot serve two masters, or two interests. Assuredly there is a diversity of interests between the retailer and the producer. Therefore that reply is no argument against the desire of some hon. members to secure direct representation for retail dairymen. There is already on the statute-book of this State legislation providing for the representation of retail men on a similar board. I refer to the Dairy Products Marketing Board. There we have the dealer in between the producer and the consumer represented on a board. That board has a greater number of representatives on it than has the Milk Board, and so far it has not proved to be unwieldy. The only real argument which may be called an argument adduced against the desire expressed in the amendment is that there being a producer-retailer on the board, the appointment of another member would make the board unwieldy. But representation by the producer-retailer cannot be effective for

the retail man. I have referred to another piece of legislation under which a board of six members has been constituted, and that board has not proved unwieldy. On a former occasion it was contended that to ask for representation on a governmental board is foreign to the policy of the party to which I belong. In fact, I have been accused of heresy. However, I do not view the matter in that light at all. I can point to existing legislation on the statute-book on the same lines as the legislation I desire in this instance. Until we reach a system under which an industry of this nature will be socialised together with other industries, the middleman will have to be furnished with representation. The Government have not undertaken to convey the milk direct from the producer to the consumer. The Government need another man to do that. I have already pointed out that that man is an important factor in the industry and should be represented on the board. A day or two ago I asked the Minister for Agriculture whether he was aware that the accounts of the Milk Board audited by the Auditor-General had not yet been laid on the Table of the House, and would they be tabled before discussion ensued on this Bill. The information conveyed in the Minister's replies was conspicuous by its absence. Those replies were not direct answers to my questions, but simply intimated that the accounts would be tabled when completed. I think those responsible might have made an effort to produce these accounts here before the discussion on the Bill was entered upon. The financial year ends on the 30th June. This is the 17th of November. Five and a half months have elapsed, and still we have not received those accounts. I ask, why? I know that last year the accounts were ready, audited by the Auditor-General, on the 3rd September, and were tabled here on the 3rd October. Surely if they could be tabled by October last year, they could have been tabled by October of this year. It strikes me as somewhat peculiar that the only thing we have to discuss in the Bill is a continuance of the board for a term of three years, and that no opportunity is to be given to move amendments having for their object improvement in administration. Even the member for Irwin-Moore (Hon. P. D. Ferguson) admits that from his point of view there is room for amendment. When we have to decide whether the board

should be continued or abolished, in common courtesy to members the board's accounts should have been made available to the House prior to the discussion of the Bill. At the end of 1935 there were accumulated surplus funds of over £3,000 in the administration account of the board. That sum was independent of further amounts on account of compensation. The question of the accounts is an important matter for consideration before we dispose of the Bill. I do not think I need say anything further. The main point, which I have advanced on previous occasions, is that the retailers should have a representative on the board, for they represent an important part of the industry. As a matter of fact, we should have better results from a board if those on whose behalf I speak have representation. I do not want to do anything to defeat the measure itself; I would be very reluctant to vote against the second reading of the Bill, but also reluctant to vote for it in its present form without giving the House an opportunity to say at this stage whether or not the retail dairymen should have representation on the board.

#### *Point of Order.*

Hon. P. D. Ferguson: On a point of order, Mr. Speaker, I would like your ruling on the amendment, which I think is not in order. It seems to me that it is not relevant to the question before the Chair, which is: "That the Bill be now read a second time." The amendment seeks to strike out certain words and insert others. Since I have been a member of this House, I have always heard May's "Parliamentary Practice" referred to as an authority for the guidance of members. On page 391 of the Thirteenth Edition of May there are references dealing with amendments to the specific motion: "That the Bill be now read a second time." May says—

The principle of relevancy in an amendment governs every such proposed resolution, which must, therefore, "strictly relate to the Bill which the House, by its order, has resolved upon considering," and must not include in its scope other Bills then standing for consideration by the House. Nor may such an amendment deal with the provisions of the Bill upon which it is moved, nor anticipate amendments thereto which may be moved in Committee, nor attach conditions to the second reading of the Bill.

The amendment distinctly "attaches a condition to the second reading of the Bill." If May's "Parliamentary Practice" is not re-

garded as sufficient to support my contention that the amendment is out of order, and to convince you, Mr. Speaker, on that point, I refer you to our own Standing Orders Nos. 267, 268, and 270. Standing Order 267 reads—

On the Order of the Day being read for the second reading of a Bill, the question shall be put, "That this Bill be now read a second time."

Standing Order 268 sets out—

Amendments may be moved to such question, by leaving out "now" and adding "this day three months," "six months," or any other time, or the question may be negatived, or the Previous Question moved.

Mr. Speaker: Is that not the point—"or any other time"?

Hon. P. D. Ferguson: I do not think so. Standing Order 270 reads—

No other amendment may be moved to such question, unless the same be strictly relevant to the Bill.

I contend that the amendment is strictly irrelevant to the Bill, seeing that it refers wholly and solely to the constitution of the board. If the amendment be agreed to, the Bill will have to be amended to alter the constitution of the board. There is no word at all in the Bill regarding the constitution of the board, and it refers merely to the extension of the operation of the legislation from 1936 to 1939. In the circumstances, I ask for your ruling.

Mr. Speaker: Personally, I think the amendment is in order. The member for Irwin-Moore has quoted Standing Orders 267, 268 and 270. I think the hon. member is confusing the question before the Chair with the Bill. The question is, "That the Bill be now read a second time." The amendment is to strike out all the words after "That" and insert in lieu the following words:—

This House will give consideration to the continuance of this Act when the Government are prepared to introduce a Bill that will provide for the representation of retail dairymen on the board constituted under the principal Act.

The amendments deals with the question, not with the Bill. The hon. member also quoted May but he will also find on page 472 of the Eleventh Edition of May the following:—

It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a Bill, to move, as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the Bill; or expressing opinions as to any circumstances con-

nected with its introduction, or prosecution; or otherwise opposed to its progress.

In those circumstances, I think the amendment is in order. May also points out that it will not stay the progress of the Bill. Personally, I think May did not have in mind an amendment of this description, because it will certainly stay the progress of the measure. A Bill may be introduced and an amendment may be moved to the motion regarding the second reading. If the amendment be agreed to, then the Bill will have to lapse until such time as the Government introduce another measure in accordance with the terms of the amendment.

Hon. P. D. Ferguson: Does not the amendment attach conditions?

Mr. Speaker: Yes, with respect to a new Bill, not to the question before the Chair. I mention that point because, although May says that such an amendment will not stay the progress of a Bill, it seems to me it would be contradictory to say that of the amendment by the member for Perth. If agreed to, it will, of necessity, stay the progress of the measure because the Bill would have to be dropped from the Notice Paper and the Government would have to introduce another Bill to comply with the provisions set out in the amendment. As to our own Standing Orders, which the member for Irwin-Moore quoted, I do not agree with him in view of the inclusion of the words in Standing Order 268, namely, "or any other time." "Any other time" would be when the Government saw fit to introduce a Bill containing an amendment complying with the proposal of the member for Perth, if it be agreed to. I rule that the amendment is in order.

#### *Debate Resumed.*

**MR. NORTH** (Claremont—on amendment) [5.24]: I desire to give a few reasons why I support the member for Perth (Mr. Needham), although, in my opinion, his amendment will not be agreed to. This is the only way by which we can advance contentions such as the hon. member has in mind. It is only by this means that we can have such matters dealt with. The slave trade was not abolished in five minutes, and so it is in this instance that we shall have to fight before we can secure representation of the retailers on the Metropolitan Milk Board. The question of distribution is the problem of the age, and



we cannot overcome the difficulty by merely satisfying one section of industry. It is true that the producers are more or less satisfied because their position is much more favourable now than formerly, and, similarly, the consumers are not so active in their complaints as previously. They certainly know where they stand, although we hear on occasions of certain persons associated with the industry who undersell. When we come to the consideration of the retailers and distributors, it will be agreed that their claims must be placed before members. I am sure that the producers have not a full grip of the difficulties associated with the task of distribution. If I may illustrate the position, I shall draw an analogy between the motor car and the milk industry. When we proceed on a journey, we fill the tank of the motor car with petrol, which is essential for our purposes. Similarly, so many gallons of milk are necessary for distribution to the consumer, just as petrol is necessary for the engine. We all know that the carburettor performs a really important function in connection with the motor car.

Hon. P. D. Ferguson: If there is any milk in it, it will not work.

Mr. NORTH: We cannot gloss over the position. If we took a car into a service station for petrol, but neglected to attend to the engine, we would not get far. The function of the carburettor is a technical matter that I shall not go into at this stage, but that is another aspect. There is the little squabble between the producers and the retailers, which may end in another discovery. There is the ignition of a car that may also be referred to by way of analogy. There must be a spark in every cylinder. It is well known that in hundreds of homes no milk is consumed at all, and that is because there is no money in the householder's pocket. That may not have any direct application to the Bill, but it can be said that if the retailers had representation on the board, together with every other section, it would soon be found that the retailers had not been getting a satisfactory deal. There is a case to be placed before those in authority regarding the money aspect of distribution. That is the reason why I want the retailers to have representation on the board. So long as they have no representation on that body—I know it is said that the producers' repre-

sentative also represents the retailers—and while one section of the industry continues to be squeezed off the board, we shall not secure the consideration we desire, nor shall we reach a solution of the difficulty arising out of which some families cannot secure milk supplies at all. Distribution represents the real problem and it is useless to pretend that we shall solve all the problems, or those of the retailer, if we continue existing conditions. In the "West Australian" a day or two ago there appeared a cablegram from London, in the course of which Professor Huxley stated that if the people of Britain enjoyed food as good as that given to apes in the Zoo, the national health would be considerably better. That could also be applied to the people of Western Australia. It is well known that the consumption of milk in Western Australia is much below that of the people in Russia. In dealing with this matter, we must take the national point of view and see that the interests of all sections are protected.

Mr. Hegney: How will the provision of representation for retailers on the board achieve that?

Mr. NORTH: If the money paid in wages to the workers is not sufficient to enable milk to be circulated, we should seek to remedy that position. In accordance with modern methods, that might be a reason for going to the Federal Government for a subsidy, or to financial institutions for assistance, but so long as one section of the industry is squeezed off the board, we cannot hope to obtain a solution of the problem. As to the distribution of milk, that is an old story that I need not go into just now. Therefore I think those who to-day are strongly in favour of the existing Bill might consider the point, that if we have everybody concerned able to see what is going on and to speak conjointly round a table, and if they submit a report to the Government to the effect that they can never supply milk to the desired extent, then of course we shall have to go farther. The second point I would make is this: I have taken the trouble to give members something concrete in regard to this question, for I know there is nothing the Chamber dislikes more than generalisations. So I asked a retailer in the Claremont district if he would prepare a few facts from his daily work. In conse-

quence, I have here a few remarks upon what the work is, and what actually goes on under the Act. My informant explained that he retailed 5,456 gallons of milk per month which cost him, landed at the depot, £318. For handling, refrigeration, storage and distribution of the milk the cost was £227; then he had to pay to the Milk Board a tax on a gross turnover on £545. That is the situation. He is paying out £318 for the milk, and his own charges are £227, and so he has to pay tax on £545.

Hon. C. G. Latham: How much did he get out of the whole transaction?

Mr. NORTH: That is the first question the hon. member would ask. But listen to what my informant says:—

We must not overlook the fact that there is a loss of 450 gallons of milk in wastage and shrinkage in cooling, and there is loss in retailing milk which costs, landed at the depot, £25 5s., and gives no return whatever.

Mr. Cross: Has he any bad debts?

Hon. C. G. Latham: Tell us what his returns were previously.

Mr. NORTH: He shows what his charges were.

Hon. C. G. Latham: But what was his selling price?

Mr. NORTH: Now in regard to cream, he has bought 25¾ gallons of table cream this month, costing at the depot £12 0s. 4d. For retailing the cream in quarter pints and half pints his charges are £3 8s. 8d. Then he pays tax to the Milk Board on £15 9s.

Mr. Boyle: Is he making £150 a month out of it?

Mr. NORTH: That return could be secured from the Taxation Department, no doubt. We do not want to antagonise one section against another. Cannot we get together and find out whether there is sufficient money in the pockets of the consumers to buy the milk required? At present it is being urged in the Federal Parliament that milk should be subsidised. There must be some reason for that. It is not that it is hoped to get votes by taking up that attitude, for they have now put off the elections for nearly a year. So it must be a perfectly genuine feeling. If members here could consider and review the idea of having this proposed representative on the Milk Board we should be getting nearer the solution of our troubles. We must increase the consumption of milk if we are to minimise ailments—according to those who understand the principles of health. I ask the Minister to say whether he has some policy to achieve

the desired end. The Minister is just as eager as I am that there should be a full consumption of this commodity, and I should like him when replying to indicate whether he sees in the future some means of increasing the consumption of milk in the metropolitan area. If the amendment should fail, I will support the Bill, for I wish at all times to try to increase the value of the board by seeing to it that all sides have representation thereon.

MR. SAMPSON (Swan—on amendment) [5.36]: I am surprised to note the attitude of the member for Perth (Mr. Needham), that he should endeavour to hold up and jeopardise the passing of the Bill in order to do something which he claims is democratic.

Mr. Cross: Is it not?

Mr. SAMPSON: This democratic claim! Where does democracy come in when the welfare of the workers in big industries is concerned and when the member for Perth will have an opportunity in the Committee stage to move an amendment? It is a fact that on previous occasions I have voted to support the representation of the Metropolitan Retail Dairymen's Industrial Union of Employers on the board, and I may do so again, but to take up the stand the hon. member has taken, to hold up the Bill at the second reading stage in order to secure something, I say is very improper. Despite the fact that I know the hon. member has a right to move this amendment, I regret that he had done so. The operations of the board might easily be undermined and seriously injured in consequence of this amendment moved at this stage. It is a bargaining amendment, an attempt to coerce the Government, and that being so I propose to vote against it. It is a General Goering sort of attitude; Hitler's offside could scarcely be more inconsiderate in regard to any matter. I very much regret that this amendment has been brought forward. I do not know that the socialisation of industry is in any way associated with this matter. Surely the appointment of a member of the Industrial Union of Employers will not provide socialisation. Yet that is what the hon. member suggested.

Mr. Needham: Nothing of the sort.

Mr. SAMPSON: He spoke of the socialisation of industry, and he said the price of milk would soon rise.

**Mr. Needham:** You have got it all wrong.

**Mr. SAMPSON:** There is a great deal to be said in favour of giving representation, but I am not going to be a party to the making of a bargain with the Government by holding up the Bill at this stage and saying that unless the amendment be agreed to the Government will not be permitted to get the Bill through. I will vote against the amendment.

**MRS. CARDELL-OLIVER** (Subiaco—on amendment) [5.40]: I will support the second reading, but with the object, when the Bill is in Committee, of moving an amendment to Clause 2.

**Mr. SPEAKER:** The hon. member is not entitled to discuss that now, but to discuss the amendment before the Chair.

**Mrs. CARDELL-OLIVER:** I submit that the member for Perth had the interests, not only of the retailers but of the whole community, at heart in moving his amendment. I have been struck by the fact that under the board's present methods many retailers are being squeezed out of the trade.

**Mr. Raphael:** Some of us are being squeezed all right.

**Mrs. CARDELL-OLIVER:** Don't you be rude! There is great danger in limiting the number of retailers there shall be in the poorer districts. In those districts many people go to shops where milk is sold to buy half-a-pint or a pint of milk as funds permit. Those people have not the necessary income or stability of income to ask a milk vendor to call at their doors. If milk is not sold within a reasonable distance of their homes—and in some cases it is not—and if the people have not the necessary milk and cannot afford to buy it for their children, they buy tinned milk and even tinned skim milk, which is given to the children. It does not matter how many milk vendors there are in the poorer districts, but it does matter how few there are. On the contrary it does not matter if there are not any milk vendors in those districts where people enjoy incomes sufficient to enable them to ask the milkman to call at their doors. It has been said that if the number of licenses is lessened, the distribution will be less costly—I think the member for Irwin-Moore (Mr. Ferguson) said something like that—and that the milk would be sold at a lesser figure. But if milk were only half its present cost it would not meet my objection. It should be pos-

sible for milk to be more readily obtained, because it is the baby's food and the child's food. If milk becomes sour or is upset in a home it has to be replaced as quickly as possible, so that the babies can be fed. So it should be made easy to obtain milk, and every encouragement should be given to people to drink milk. If any difficulties are put in the way of obtaining milk, of course they do not drink it, because there is not sufficient encouragement given to them. In Australia we drink only 72 gallons of milk per head per annum, whereas in industrial England, people drink 92 gallons per head per annum.

**Mr. SPEAKER:** I do not wish to interrupt the hon. member, but I think her speech could well be made on the second reading; not on this amendment. The hon. member is speaking in generalities, whereas she should give reasons why the words should be struck out.

**Mrs. CARDELL-OLIVER:** I am prepared to show how necessary it is to have a retailer on the board so that more licenses can be issued in the suburbs and the children can get more milk.

**Mr. Patrick:** Do you think that the number of retailers will be increased if a retailer is put on the board?

**Mrs. CARDELL-OLIVER:** A retailer should be appointed. It is deplorable to find that in some homes no milk is being supplied because there are not enough retailers to go round.

**Mr. Fox:** I have seen five retailers in one street.

**Mrs. CARDELL-OLIVER:** I would not like to see the amendment carried, because I do not wish to see the board upset; at the same time, I want to see a retailer appointed and I also want to have a woman appointed to the board.

**MR. McLARTY** (Murray-Wellington—on amendment) [5.46]: I hope the amendment will be rejected. There is an agitation afoot for the board to be made smaller. It is claimed that a smaller board would do more effective work. That is already the practice in some of the other capital cities of Australia. In Sydney the board consists of three members, the chairman, a representative of the producers, and one representing the consumer. The member for Perth said that retailers were already represented on the board. True, they are repre-

sented by the producer-retailer. The retailing side is the greater and more important part of their business. I have no doubt the interests of the retailers are already safeguarded by that representation. The retailers can approach the board whenever they find it necessary to do so.

Mr. Needham: They have no easier access to it than the producers have.

Mr. McLARTY: They have equal rights.

Hon. W. D. Johnson: And no less rights.

Mr. McLARTY: I have not heard any member instance any case of hardship that the retailers have suffered by not having representation on the board.

Mrs. Cardell-Oliver: Except that they are being squeezed out of the trade.

Mr. McLARTY: I do not think that statement is correct. I have looked up the debates of last year. I notice that the member for Perth quoted the Minister's reply to a question I asked. He told us that in the metropolitan area there were 1,000 vendors of milk. That does not indicate the squeezing out of many people. If we are going to increase the size of the board by giving representation to the retailers, the only thing that can bring about is a wrangle. I do not see that the placing of a retailer on the board can make the slightest difference to that section of the trade. The retailer is not suffering as a result of prices. The price to the consumer to-day is 1s. 2d. a gallon, and the retailer is selling milk to the consumer for 2s. 4d. He, therefore, has a margin of 1s. 2d. to work on. He gets as much for selling the milk as the producer does for producing it, and also has a guaranteed market as well.

Mr. Hughes: He pays 1s. 4d. a gallon and receives 2s. 4d.

Mr. McLARTY: He pays 1s. 2d. a gallon. The member for Claremont said the retailer was taxed. It is the consumer who pays the tax, not the retailer.

Mr. Cross: The consumer always pays.

Mr. McLARTY: He does. The producer is also taxed, so that there is nothing unfair about the business. The member for Perth said we had a better milk supply as a result of the activities of the board, and that more milk was being consumed. That is in the interests of the retailer. I have yet to learn of any cases of hardship suffered by the retailers. We have retailers fighting against each other. That would probably lead to different sections seeking representa-

tion upon the board. The organisation was created to give the producers a living wage. That was the main object in appointing a board. It was also desired to give the consumer a better milk supply.

Mr. Needham: The granting of representation to the retailers will not affect the living of the producers.

Mr. McLARTY: I do not see what benefit can accrue to them.

Mr. Cross: Will it injure the producers.

Mr. McLARTY: I do not think it will, but it will not do them any good. The only thing it will do is to add to the cost of the board and waste time unnecessarily.

**MR. CROSS** (Canning—on amendment) [5.53]: The member for Murray-Wellington said there had been no argument in favour of the proposal; there has been none against it. He also said it would not make any difference to the retailers to have representation on the board, and then he admitted it would make no difference to the producers. Why his opposition to the proposal? The retailers form an important link in the industry, and should be entitled to representation.

Mr. Thorn: That will add to the cost of the board.

Mr. Wilson: He may be sitting on the fence.

Mr. CROSS: The retailer has to do the debt collecting for the industry, and has to bear any losses there may be. During the last two or three years of depression, retailers in the metropolitan area have lost considerable sums.

Mr. Patrick: But their rounds are still saleable.

Hon. C. G. Latham: At a higher premium than ever before.

Mr. CROSS: Recently I had the opportunity to examine the books of a retailer. He has not the powers of a landlord to collect money owing to him. This man had written off fully one-third of the money due to him over a period of two years.

Hon. W. D. Johnson: He must have made it very severe for those who did pay.

Mr. CROSS: It made a big difference to his income. This particular man very nearly closed up his business. When the Minister brought down this Bill there were a few exchanges between him and myself. Last session, immediately after I had spoken, the

Minister said to me that if we let the Bill through he would give consideration in the following session to the possibility of providing retailers with representation upon the board.

Mr. Marshall: He is still giving consideration to it.

Mr. Patrick: He did not hear that.

The Minister for Agriculture: I said full consideration.

Mr. CROSS: The proposal ought to have favourable consideration. I support the amendment in the hope that it will be favourably considered. The Minister by interjection inferred that it would place a burden upon the consumer. Imagine one representative on a board of five being able to control the others or forcing them to permit the retailers to impose a higher price for the milk. Retailers are entitled to a voice in the administration of the board. They have to sustain very considerable losses and to comply with certain conditions. The Milk Board lays down conditions for the retail shops and sends out inspectors to see that they are observed. The conditions must be fully carried out before the shop is permitted to sell any milk.

Mr. Thorn: Do you object to hygienic conditions?

Mr. CROSS: I do not object to healthy conditions. The board attempted to impose certain conditions, but had to modify them. In the early stages of the administration of the board individuals who visited dairies and suburban shops followed upon the heels of health inspectors, but their opinions were diametrically opposed to those expressed by the experts.

Mr. Thorn: Do you think that giving representation to the retailers will alter all that?

Mr. CROSS: The retailers will have their viewpoint put forward. They may be able to offer valuable suggestions to the board. If the amendment is carried I am of opinion that the Government will bring down another Bill that will slightly alter the constitution of the board. It would then consist of one representative of the producers, one of the retailers, with two representing the consumers, one of whom would be a woman, and there would be an independent chairman. I think that would fill the bill.

Mr. SPEAKER: The hon. member is going a long way from the amendment.

Mr. CROSS: If the amendment were carried the Government would be able to

bring down a Bill containing such a provision. I hope retailers will be given an opportunity to get a voice on the board. I want to see the good work of the board carried on. I consider the board would function better if every section of the milk industry had a voice in its administration. To bring that about it will be necessary to give representation to the retailers.

HON. W. D. JOHNSON (Guildford-Midland—on amendment) [6.0]: I cannot understand what advantage is going to be derived from associating milk production and milk distribution. There are two essential interests, the producer and the consumer, and the more we multiply those, so we increase the price of the commodity. The member for Subiaco suggests that if we multiply the number of vendors and distributors, we are going to increase the consumption of milk.

Mrs. Cardell-Oliver: In poor districts only.

Hon. W. D. JOHNSON: The effect will be to make it dearer, and there will follow adulteration. It has been proved the world over that where there is intense production, such as the hon. member suggests, adulteration must be resorted to. At the present time there are quite a number of milk carts going into all the streets for the purpose of delivering to a limited number of consumers. What I should like to see is the number of retailers reduced considerably, and then of course we could guarantee to consumers a reasonable supply of good milk at a reasonable price. The member for Canning suggests that the retailers are carrying all the losses. Suppose we give them representation. Will that make the consumers pay more regularly? How are we going to improve the position by giving them representation? Why do they want representation? Is it to serve the interests of retailers, so that there will be no more additional retailers?

Hon. C. G. Latham: That is exactly what it is for.

Hon. W. D. JOHNSON: I submit that there will be a close preserve of existing retailers, and as one goes out the round will not be handed over to others, but will be distributed amongst those already retailing.

Mrs. Cardell-Oliver: That is not the idea.

Hon. W. D. JOHNSON: But it is the idea of the retailers. Why do they want representation; what is the object of it?

They want it to look after the interests of the retailers. The quality of the milk to the producer is not going to be improved. If we are giving the retailer representation, what else will he do but look after the interests of the retailers? And the more he looks after those interests, the less will there be for the producer and the consumer. He must get his quota. He says, "It is to protect my own interests that I want to get on the board."

Mr. Cross: And why should he not?

Hon. W. D. JOHNSON: The representation would be superfluous, and the only effect would be to increase the price of the commodity to consumers. Take the improvements with regard to our licensed houses. All those improvements were made because we reduced the number and consequently the competition. In the old days everyone knew what the quality of liquor was like. To say the least, it was irregular in various districts.

Mr. Hegney: Not everywhere.

Hon. W. D. JOHNSON: Yes, in districts where there was no keen competition. In such places it was not possible, generally speaking, to get the best quality liquor that it was possible to obtain in other districts. To improve the quality of the liquor it was so arranged that there would be reasonable patronage for each of the licensed houses. Further, conditions were laid down for the improvement of the accommodation provided for the public. To-day the curse of the world is competition. The less competition there is, the better it will be for the consumers. So I contend there is no advantage to be gained by giving retailers representation. It will be of no value to the consumers, and it will penalise the producers. As the member for Murray-Wellington pointed out, there has been no case made out in favour of the amendment. Only the retailers themselves have been agitating. They have been petitioning and writing to members of Parliament; they have had dinners and generally arranged matters so that their interests might be submitted to Parliament in the most congenial manner. Members are now voicing the opinions of those who made the representations. I appeal to the member for Perth to realise the harm he will do to the industry if he presses the amendment. It will not strengthen the board and, in fact, will be of no value. Difficulties will be

multiplied if we start a wrangle between the producers and the consumers. The position will become impossible, and therefore I hope the amendment will not be carried.

MR. HUGHES (East Perth—on amendment) [6.8]: The member for Guildford-Midland wants to know why retailers want representation. It is for the purpose of looking after their interests. Why do producers want representation on the board? Whose interests do they want to look after?

Hon. W. D. Johnson: The producers'.

Mr. HUGHES: Naturally. Then is there anything wrong in retailers asking for representation on the board to look after their own interests? If the retailer is superfluous, let us get him out. We have people who are acting in a dual capacity at the present time, those who are producers and retailers.

Hon. P. D. Ferguson: Very satisfactorily, too.

Mr. HUGHES: The position is that the distribution of the milk from the wholesaler to the consumer is a necessary part of the industry. The producer cannot get his milk to the consumer nor can the consumer get milk from the producer without consulting the distributing arm of the industry. If the board started to distribute milk, it would have to start a distributing arm. The member for Guildford-Midland does not suggest that the board should start out as distributors.

Hon. W. D. Johnson: I want to get this amendment out of the way first.

Mr. HUGHES: I do not think there is any possibility of an amendment to the Metropolitan Whole Milk Act going through this year to provide that the sole distributor of milk between the producer and the consumer should be the board; it would not have a million to one chance of going through this House. There has been no suggestion of that, and so in the meantime we must face the position as it is, that certain people are producing milk and others are buying it wholesale and distributing it to consumers. I disagree with the member for Guildford-Midland when he said that there are only two essential interests to be considered—the producer and the consumer. If the consumer wants milk delivered to his door in small quantities, he

must pay for that delivery. Nobody suggests that deliveries day by day should not be paid for. Nobody expects to get anything delivered as cheaply as it can be bought in small quantities at a shop. The person who goes to a retail shop gets a small reduction on the price. The fact remains that one of the essential services in connection with the milk industry is the distribution. If we are going to have a board to control an industry, every person who has an interest in it and is performing an essential service, has a right to be represented on that board. We are told that if we put a retailers' representative on the board, we are on the one hand going to multiply the number of distributors and on the other hand that we are cutting down the number of distributors. Over a thousand years ago a man had to belong to some sort of guild or he could not earn a living. That is the condition we are drifting into to-day. If the putting of a retailer on the board tended to cut down the issue of new retailers' licenses, it would lead to one of two things—either those who had licenses would find themselves in a happy position, similar to those people who got licenses under the liquor laws, that they would have a valuable monopoly and so be able to exploit the rest of the community and make excess profits, or it would bring about a reduction in the price to the consumer.

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

Mr. HUGHES: Before tea I was dealing with the suggestion of the member for Guildford-Midland that by eliminating the vendors we might reduce the milk allowance and cheapen the cost to the consumer. We have had a test of that and we know that by reducing the distributors we do not reduce the cost to the consumer. The "West Australian" newspaper has made a science of the matter. The rounds were rationed so that only one vendor should sell newspapers in a particular area.

Hon. P. D. Ferguson: Do they give any-one representation?

Mr. HUGHES: Do they give the consumer any representation? It is wonderful how the consumers have survived what the "West" has given them. If the milk were of the same quality as the newspaper we would have been dead long ago. The newspaper people reduced to a high degree of

efficiency the problem of distribution by allowing only one of their own distributors to operate in each district. and what is the result? The result is that the price to the consumer has not been reduced in the slightest. The price of the newspaper was raised during the war on the ground that the price of newsprint had gone up some 100 per cent. The price of newsprint has since gone down, but we are still paying 2d. for the paper. The result has been that the person fortunate enough to get the right to distribute the paper in one particular district immediately becomes possessed of a valuable asset. We make him a gift by giving him a monopoly; we make him a gift inasmuch as we give him the right—or they give him the right—to sell a particular commodity in a particular area, and to-day that right reaches the enormous figure of something like £3 or £4 per customer. If you buy a newsagency in Perth at the present time you have to pay as much as £3 or £4 per customer.

Mr. Withers: You get the same quality article from every vendor.

Mr. HUGHES: We pay 2d. on the basis of a 32-page paper, and get that once a week. They can give us exactly what they like; we have no choice. The institution is worked on the basis of a 32-page paper, and we get that one day a week. Sometimes we get 12 pages. How would we like it if the milkman started the same racket and gave us a pint one day for 3½d., three-quarters of a pint another day, a third of a pint another day, and occasionally threw in 1¼ pints, so that he could point out that he had given us an over-measure on one occasion? The result of this practice is that these rights become enormously valuable, and if we did as suggested by the member for Guildford-Midland, set up valuable franchises in the milk industry we would have the same thing. As a matter of fact, we have had it in a small degree already.

Hon. W. D. Johnson: We have efficiency in proportion.

Mr. HUGHES: The hon. member will say that we have efficiency in regard to the newspaper because it is the official organ of his party.

Hon. W. D. Johnson: I am not interested in the paper but in milk at the moment. We have efficiency in the distribution of milk.

Mr. HUGHES: Have we any more efficiency? Would we, by reducing milk ven-

dors, get any higher degree of efficiency in the standard of milk? The retailer does not produce the milk; it is the producer who has the control of the standard of milk. The retailer can adulterate the milk, of course.

Hon. W. D. Johnson: He does so in proportion to the competition.

Mr. HUGHES: There is any amount of machinery to safeguard against adulteration. The point I am making in reply to the member for Guildford-Midland is that by restricting the vendors, and limiting the sale to those already in existence, and keeping it a close corporation, we will produce nothing but valuable monopolies, and the result will be that a milk license of so many gallons will reach an enormous figure. I think it is worth £10 a gallon now—the capital value. It is an extraordinary thing that, when we propose to give another part of the industry representation on this board of five members, it is alleged that the retailers will do this and that; but unless the retailers could secure the aid of at least two other members, they could not do anything. All they could do would be to put forward the retailers' point of view. If there are, as suggested, a thousand retailers in the metropolitan area, they must represent a fairly large army of industrial workers, and why should their point of view not be represented? What harm could it do? It is said by the member for Murray-Wellington (Mr. McLarty) that we do not want their point of view. The consumers might say, "We do not want the producers' point of view, only the consumers' point of view." Under the present system the retailer is a necessary factor in the distribution of the milk, and I submit, on ordinary general principles of fair play, he is entitled to be heard on the board. Giving the retailers one representative will not add to the expenses of the board. I understand the board has a surplus of £3,000 already. That should carry the board an additional member for a long time. I shall support the amendment.

#### THE MINISTER FOR AGRICULTURE

(Hon. F. J. S. Wise—Gascoyne—on amendment) [7.37]: I can imagine the consternation on the part of the mover and those supporting the amendment if there were any chance of its being carried. I suggest they would be very grieved about their precipitate action if there were such a likelihood.

Before indicating just in what way the retailer is due for representation on the board, I would like to reply to the few matters raised by hon. members. I propose to show that, whereas they have not been able to indicate where the retailer is disadvantaged by the small amount of representation he now has, he has certainly had many advantages due to, and under the operations of, the board. The member for Perth (Mr. Needham) said that the retailers might mar, if they chose, the object of the board itself; that the retailers could, if they desired, supply the public with something not up to standard, something not acceptable from a health point of view, or from any other point of view. That argument will not bear examination. It would not be possible for anyone retailing and supplying a food to do so if it did not conform to requirements. The argument will not bear any investigation at all. In connection with the point raised by the member for Perth and touched upon by the member for East Perth relative to the amount of moneys held by the board, the member for Perth indicated that the Minister was at fault because the Auditor-General had not completed his returns. I intend to show the House very clearly the amount of money held in funds, and also for administrative purposes as well. There is not one hon. member, I think, who would raise any objection if he understood the rate and basis of contribution and the amounts held in the various funds and the purpose of the funds. Before touching upon that subject, I would refer to the remark of the member for Subiaco (Mrs. Cardell-Oliver), who, in putting up her case for the retailer, submitted that in the poorer districts particularly, dozens more retailers could make more of the commodity available, and cheapen the cost to the consumer. The argument is almost too ludicrous to mention. All of these services have to be paid for. The retailers go into the matter as a business, and would not remain unless they were satisfied that it was a good business undertaking in which they were engaged. It is very evident that the retailer in the protection afforded him by the board has not been disadvantaged by there being only a producer-retailer on the board. In that connection the position is not one bit altered from that of last year when the matter was thoroughly ventilated in his House. All who know how the Act operates and the Board is elected, know that



in the case of the producers one is elected from No. 1 area and he is and always has been a producer-retailer. It would be almost impossible for anyone other than a retailer-producer to obtain representation in that section, for the reason that producer-retailers are in a very great majority in that district. The obvious result is that a producer-retailer will be returned. That has always been so and I find from a report in the Press of a meeting of the Metropolitan and Suburban Milk Producers and Stock Owners' Association that they are very loud in their praise of the representation of the producer-retailer. Many of the men in that association come under that category. They are producer-retailers. Which side of their business should they foster? They find that as producers they have insufficient for the round or district in which they operate, and therefore very many of them not only have milk of their own production for sale, but also purchased milk. To deal for a moment with the funds that are in question. There are two compensation funds, as most members know—the Dairy-men's Compensation Fund and the Milk Vendors' Compensation Fund. These funds were constituted by the moneys received from levies to compensate dairymen or milk vendors in the event of their licenses being cancelled or refused. If one of them applied for a license and a license were refused and the board could not sustain the attitude they had adopted, the dairyman or vendor would have a claim against the funds. Those funds have not yet reached proportions that would justify the abolition of the levy. The position at the end of June last was that there was £2,955 in the Dairy-men's Compensation Fund, and £4,250 in the Milk Vendors' Compensation Fund. As to the tremendous reserves in hand indicated by the member for East Perth (Mr. Hughes), the only amounts in the administration fund are sufficient to carry the board on for about seven months. Hence there is no excess of accumulated funds either in the compensation funds or in the administration fund. Members are aware that the contributions are made on a gallonage basis in both instances. No claims have been made on the funds since the inception of the board.

Hon. C. G. Latham: Are there likely to be any claims?

The MINISTER FOR AGRICULTURE: There might be some.

Hon. C. G. Latham: Why should there be any claims?

The MINISTER FOR AGRICULTURE: If a license came up for renewal and the board refused to grant it, there might be a claim.

Hon. C. G. Latham: Licenses are more likely to be extended.

The MINISTER FOR AGRICULTURE: That is possible, but we never know when a license might be refused and when the dairyman or vendor affected would have a claim on the fund to which he had contributed.

Hon. P. D. Ferguson: The board might dispense with a lot of licenses.

Mr. Lambert: Do not you think it would be better to use the excess funds so that milk could be distributed at the State schools?

Mr. SPEAKER: Order!

The MINISTER FOR AGRICULTURE: So far there is no excess amount. For milk purchased by a retailer either from a depot or from a producer, the amount paid to the producer was recently raised by 1d. per gallon. At the same time the Retail Dairy-men's Association raised the price by 3d. per gallon. They raised it to the maximum allowed under the Act. I have copies of several notices issued on behalf of the Retail Dairy-men's Association, A.M.P. Chambers, of which organisation I understand Mr. Crooks is secretary, and members have recently received circulars requesting their support of the case for retail dairymen, but I am not sure that they have been advised or requested to support this amendment. The member for Claremont (Mr. North) is in the unfortunate position of being in very close contact with the case of the retailer. When the opportunity came for the retailers to take the maximum permitted under the Act, namely 2s. 4d. per gallon, they received at least the amount that the producers receive for the services rendered by them. If we compare the conditions to-day with those obtaining when legislation was first introduced, we must admit that the retailer is in a very happy position. The man of straw who butted in wherever possible has been almost eliminated from the industry. Through the elimination of wasteful methods, the position of the retailers has been strengthened and many savings have been made possible. True, owing to the board's activities to secure quality, the retailer, by falling in with the desires of the board, has

contributed to the increased consumption. In spite of all that may be said in support of added advantages if the retailer had further representation, nobody has shown in the House this evening that the retailer is in any way disadvantaged by the present position. He occupies a most protected position inasmuch as no one can undercut him, and it is not possible for men who will not pay their way or do the right thing by the consumer or the producer to get into the industry.

Mr. Lambert: Does the Act restrict production?

**THE MINISTER FOR AGRICULTURE:** The hon. member should know that we are at present discussing the amendment. The Act, in fact, does not restrict production. It has facilitated the distribution of all the milk that the metropolitan area and other areas demand. Since the inception of the board the consumption has increased by nearly 1,000,000 gallons.

Mr. Cross: Well, the population is increasing.

**THE MINISTER FOR AGRICULTURE:** If the hon. member considered the matter, he would realise that every inducement is given to supply consumers with the largest quantity of milk of the best quality.

Mr. Lambert: And at the best price?

**THE MINISTER FOR AGRICULTURE:** Yes. When it was possible for the retailer to show that he was in sympathy with the consuming public, he took full advantage of the protection afforded by the Act and raised his price to the maximum. Though no case has been made out this evening why representation should be given to the retailer, there is a clear indication that his interests have been not only safeguarded but closely regarded in every activity of the board. Since he is suffering no hardship, and since representation is provided for him, inasmuch as in No. 1 district there must always be a representative of the producer-retailer section, he has very little need to fear. There having been no concrete argument raised in favour of the amendment, I see no reason why I should support it.

**HON. P. D. FERGUSON** (Irwin-Moore—on amendment) [7.53]: As you, Mr. Speaker, have ruled that the amendment is in order, the responsibility rests upon the House to decide whether it should be carried. I hope that members in their wisdom will not approve of it. No good pur-

pose would be served by altering the constitution of the board at this juncture. We have been told that the board have done useful service, and are capable of doing useful service in future if the Act is extended for a longer period than one year. Therefore it would be a pity to disturb the operations of the board by altering the constitution at this stage. As the Minister has pointed out, and as is well known, the people who are represented in this instance by the member for Perth (Mr. Needham) and who desire representation on the board, although they do not admit the fact, have had representation ever since the inception of the board. One of the members has been a producer-distributor of No. 1 zone since the inception of the board.

Mr. Needham: That is not genuine representation.

Hon. P. D. FERGUSON: There could be no more genuine representation than a producer-distributor. It is the most genuine representation possible.

Mr. Cross: No man can serve two masters.

Hon. P. D. FERGUSON: The hon. member is not capable of serving anyone.

Mr. SPEAKER: Order!

Hon. P. D. FERGUSON: I cannot see why the section engaged in distributing alone should have the right to demand representation on the board. Many other commodities are dealt with in the same way as is milk. Meat is distributed in the metropolitan area by more butchers than there are milk distributors. The supervision of that commodity, up to a point, is under the local board of health. Yet no one ever suggested that the butchers should have representation on the board. Bread is supplied by as many bakers as there are distributors of milk. There is no suggestion that the baker should have representation on the board of health who ensure that the quality of the commodity is maintained and that it is manufactured and distributed under hygienic conditions. Another commodity which is consumed in much larger quantities than milk is beer. No one has ever suggested that the publicans should have representation on the Licensing Bench. Because a man carts a few gallons of milk for distribution to customers in the metropolitan area, there is no more reason why he should have representation on the milk board than that a

publican should have representation on the Licensing Bench.

Mr. Needham: That is a cash-and-carry business.

Mr. Lambert: I would not betray my weakness if I were you.

Hon. P. D. FERGUSON: I am glad that my weakness is not the same as that of the hon. member. I cannot see that any benefit would accrue to the industry by giving retailers representation; the main sections concerned, producers and consumers, have representation on the board. It is not reasonable to expect that a small section interested in the distribution should have greater representation than is conceded at present. The retailers have a certain amount of representation, and that is all they should require.

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

Ayes	..	..	..	8
Noes	..	..	..	36
				—
Majority against	..	..	28	—

## AYES.

Mrs. Cardell-Oliver  
Mr. Cross  
Mr. Hughes  
Mr. Keenan

Mr. Needham  
Mr. North  
Mr. Styan  
Mr. Nulsen

(Teller.)

## NOES.

Mr. Boyle  
Mr. Brockman  
Mr. Coverley  
Mr. Doust  
Mr. Ferguson  
Mr. Fox  
Mr. Hawke  
Mr. Hegney  
Mr. Hill  
Miss Holman  
Mr. Johnson  
Mr. Lambert  
Mr. Latham  
Mr. Mann  
Mr. Marshall  
Mr. McLarty  
Mr. Millington  
Mr. Munale

Mr. Patrick  
Mr. Raphael  
Mr. Rodoreda  
Mr. Sampson  
Mr. Sleeman  
Mr. P. C. L. Smith  
Mr. Stubbs  
Mr. Thorn  
Mr. Tonkin  
Mr. Troy  
Mr. Warner  
Mr. Watts  
Mr. Welsh  
Mr. Willcock  
Mr. Wilson  
Mr. Wise  
Mr. Withers  
Mr. Doney

(Teller.)

Amendment thus negatived.

Question put and passed.

Bill read a second time.

*In Committee.*

Mr. Sleeman in the Chair; the Minister for Agriculture in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 7 of the principal Act:

Mrs. CARDELL-OLIVER: I move an amendment—

That the following proviso be added to the clause:—"Provided further that one of the

members appointed to fill the vacancy caused by the retirement of the representatives of the consumers shall be a woman."

I feel absolutely sure that every member of the Committee agrees with the amendment. We have heard about the retailers', the consumers', and the producers' point of view; but without consumers there would be very few producers. On the whole, it is women who are the consumers. In Australia we consume only 72 gallons of milk per head per annum, whereas in industrial England the figure is 92 gallons. In many Australian homes, it is deplorable to state, milk is not consumed at all. Numerous cases of maternity mortality are directly due to malnutrition caused in girlhood through malnutrition. Some Australian children suffer from rickets and anaemia through want of sufficient milk. If a woman were on the board, she would see that the interests of the consuming public were conserved. In Melbourne it was found that only six per cent. of school children were in perfect health, the reason for the small percentage being that the other children were not receiving enough milk. Had there been a woman member on the board, there would not have been the lengthy discussion of this afternoon. A woman member would have seen that there was a sufficient supply of milk in every district.

The CHAIRMAN: I am unable to accept the amendment. I rule it out of order.

*Dissent from Chairman's Ruling.*

Hon. N. Keenan: With all due respect, Mr. Chairman, I propose to differ from your ruling.

The Chairman: That cannot be discussed now. The hon. member must submit his objection in writing.

Mrs. Cardell-Oliver: Can I disagree with your ruling, too, Mr. Chairman?

The Chairman: No.

Hon. N. Keenan: I move—

That the Committee dissents from the Chairman's ruling.

*[The Speaker resumed the Chair.]*

The Chairman: I desire to report that on the discussion of Clause 2 of the Bill the member for Subiaco moved the following amendment:—

Provided further that one of the members appointed to fill the vacancy caused by the retirement of the representatives of the consumers shall be a woman.

I ruled that amendment out of order. The member for Nedlands has now moved that my ruling be disagreed with.

Hon. N. Keenan: I draw your attention, Mr. Speaker, to the principal Act. Under Subsection 2 of Section 6 the board consists of a certain number of men, of whom two are appointed by the Governor. Those two are called representatives of the consumers. Then by Subsection 3 of Section 7, the section amended by the Bill, those members are to retire on the 31st December, 1936. The amendment included in the Bill provides for the re-appointment, but does not alter the necessity for the re-appointment by the Governor of those who will be nominated. The only effect of the amendment of the member for Subiaco is, not to alter in any respect the Bill, but to make it imperative that of the persons so appointed one shall be a woman. That amendment does not in any way contradict the section, but simply directs the manner of carrying it out. If you look up the language of the section, Sir, you will see that that is the natural and the only meaning to be attached to the amendment. The amendment, I submit, does not offend against any rule governing our proceedings, or against any of the practices of this Parliament, and therefore the ruling of the Chairman of Committees is wrong.

Mr. Watts: I support the objection to the ruling on much the same grounds as those stated by the member for Nedlands. There are strong grounds for saying that an amendment of this nature is acceptable in Clause 2 of the Bill. Section 6 of the principal Act provides that two representatives of the consumers shall be appointed by the Governor, and that representatives of the producers shall be elected in the prescribed manner. In the ordinary course of events those representatives would have needed re-appointment at the end of the year now current. The Bill proposes that when they are re-appointed, their appointments shall continue until the 31st December, 1939. It is apparent that while the same persons may be appointed for the ensuing term presupposed by the Bill, there is no necessity to re-appoint the same persons. When vacancies are created, as they must be, by the retirement of the members now holding office, as contemplated by Clause 2 of the Bill, other persons, and possibly not the same persons, will have to be selected to represent the consumers. So a

proviso of this nature, which directs the appointment of a woman, cannot be out of order, since it merely carries on from the intention proposed by Clause 2 and provides that one of the representatives of the consumers to fill the vacancies which will be created shall be a woman. It seems to me competent for the Committee to indicate that when the time comes, as it must come, for the appointment of representatives of the consumers, one of those representatives shall be a female person.

Hon. C. G. Latham: I support the ruling of the Chairman of Committees. The Bill merely provides that the figures "1936" in Subsection 3 of Section 8 of the principal Act shall be altered to "1939." The clause merely validates that appointment, and continues it until 1939. There is really no vacancy existing, and the Bill does not contemplate a vacancy caused by death. The clause simply continues the appointment of the board until 1939. There is in the Bill no provision for vacancies. I contend the amendment is at variance with the Bill and I support the Chairman's ruling.

Mr. Sleeman: Notwithstanding what my learned legal friends on the Opposition side of the House have said, I claim that no case has been made out against my ruling. The Bill deals simply with the term of the appointment of the board, not with the constitution of the board. Section 6 of the Act deals with the constitution of the board, and that is not affected by the Bill. It might be possible to have a board consisting of four ladies representing the various sections of the industry, but the amendment moved by the member for Subiaco makes it mandatory that one of the members shall be a woman, which is an interference with the constitution of the board. I contend my ruling was correct.

Mr. Hughes: I support the motion to disagree with the ruling of the Chairman of Committees.

Mr. Lambert: More legal talent!

Mr. Hughes: If the hon. member desires to speak, I am prepared to make way for him. The amendment moved by the member for Subiaco deals with the filling of any vacancy that may occur on the board.

Hon. W. D. Johnson: But there is no vacancy.

Mr. Marshall: Read the second line in the proviso.

Mr. Hughes: There will be vacancies, and the amendment suggests how one of those vacancies shall be filled. During this session we have had an epidemic of Standing Orders. During my previous term in this House I did not hear so many Standing Orders quoted. They are a fetish now, and are used to rule people out of order. We can place too exacting a view on Standing Orders. By taking a restricted view of what can, or cannot, be done under the Standing Orders, we can stifle Parliamentary discussion. If members are to be so restricted, we shall reach a stage at which there will be little freedom of thought or speech in this Chamber, and we shall be reduced to the status of some European Parliaments where legislation is introduced and members are merely allowed to vote "Yes" or "No." We should safeguard the liberties of members whenever there is an attempt to curtail their rights and privileges.

Hon. W. D. Johnson: You suggest we tear up the Standing Orders.

Mr. Hughes: Not at all. There is a difference between tearing up the Standing Orders and placing an interpretation upon them that will stifle discussion.

Hon. W. D. Johnson: While the Standing Orders exist, they must be observed.

Mr. Hughes: I do not say they should not be observed, it is a question of interpretation. It is the duty of the House to place a liberal interpretation upon the Standing Orders so as to enable members to fulfil the functions they were sent here to perform. The amendment deals with the filling of a vacancy that may occur on the board. If we cannot move such an amendment to a continuation Bill, there is hardly any need for us to take it into Committee. Whatever amendments we may move in Committee can be ruled out of order. The Chairman of Committees has taken rather a pernickety view of the amendment, which simply lays down conditions regarding a future vacancy.

Mr. Withers: But also limits it to one female member.

Mr. Hughes: I do not know that the member for Subiaco would have any objection to four women being appointed to the board.

Mrs. Cardell-Oliver: None whatever.

Mr. Raphael: What a lovely board that would be!

Mr. Hughes: The member for Victoria Park would not rest until he got a seat on such a board.

Mr. Lambert: I agree to a great extent with the member for East Perth. To-day the Standing Orders are altogether wrongly used to give elasticity for the conduct of Government business—

Mr. Speaker: Order! The hon. member must not make a statement like that.

Mr. Lambert: With all due deference, Mr. Speaker—

Mr. Speaker: Order! The hon. member must not make use of such a statement that the Standing Orders are used for the purpose of facilitating Government business. It is quite wrong to make a statement of that description.

Mr. Lambert: I regret, Mr. Speaker, that you placed upon my words a meaning I had not intended. It is true that the general tendency to-day is to use the Standing Orders to curtail the privileges and limit the usefulness of private members apart from Ministers. It is regrettable that that practice is made use of, because private members cannot usefully concentrate upon giving better effect to—

Mr. Speaker: Order! The hon. member is not discussing the Chairman's ruling.

Mr. Lambert: I do not desire the Standing Orders to be used so that they shall curtail the privileges and rights of private members of this Chamber. I regret having to disagree with the ruling of the Chairman of Committees whose judgment usually is sound. The Bill is merely a continuation measure, and it is quite competent for the Committee to insert any stipulation whatever regarding its continuation. It has been done time and again.

Hon. W. D. Johnson: Quote one instance.

Mr. Lambert: From memory I cannot at the moment. Does the member for Guildford-Midland suggest it is not competent for members to vary the power to continue a Bill?

Hon. W. D. Johnson: Definitely you cannot do that in connection with a Bill such as that before members.

Mr. Lambert: It is competent for members to say to what extent they will alter the constitution of the board and agree to its continuation.

Hon. W. D. Johnson: Not under this Bill, which does not amend Section 6.

Mr. Lambert: It is competent for members to say how far they will vary the Act, or continue it, if the constitution of the board is before them.

Hon. W. D. Johnson: But it is not before them.

Mr. Lambert: Undoubtedly it is.

Hon. W. D. Johnson: Sit down and read the Bill.

Mr. Lambert: There is nothing in the Standing Orders to exclude the amendment moved by the member for Subiaco. It is most important that we shall not allow our rights to be filched from us by means of incorrect rulings.

Mr. Sampson: I regret it is impossible to comply with the desires of many members to provide that a woman shall be appointed to the board. It is impossible for that to be done under the Bill now before us. The duty of the Chairman of Committees is quite clear. The Bill does not relate to Section 6 of the parent Act, which deals with the personnel of the board. In the circumstances, I am sorry that the ruling is correct. I am satisfied that if a woman were appointed to the board—

Mr. Speaker: We will not discuss that; we will discuss the Chairman's ruling.

Mr. Sampson: I regret that the Standing Orders do not admit of an incursion into Section 6 of the Act, which is not dealt with in the Bill.

Mr. North: When you give your ruling, Mr. Speaker, will you also inform members if you will accept an amendment in an altered form?

Mr. Speaker: I heard of a judge who said he would never give a decision on a hypothetical question. I do not propose to do so, either.

Mr. North: The Bill seeks to continue the appointment of the members of the board for three years, but during that period one or several of the members of the board may retire or die. Several appointments may have to be made during the next three years, and I cannot see why objection should be raised to varying the constitution of the board.

Mr. Sampson: You must amend Section 6 of the Act.

Mr. North: For those reasons I will support the argument of the member for Nedlands and others.

Mr. Marshall: If I do not speak to this, I fear that on some future occasion I may

be twitted with lack of courage to express an opinion on matters that come within the range of points of order. Notwithstanding that there is a distinct and sharp difference of opinion in the front row of the Government cross-benches, I think the Chairman of Committee's ruling is entirely wrong.

Hon. P. D. Ferguson: That's an end of that ruling.

Mr. Marshall: The board is constituted under Section 6 of the Act, which provides neither for males nor females, but merely for members. The members so constituting the board are in one respect appointed by the Government and in another respect elected by certain people. The Bill provides that the members so elected and constituting the board shall have existence from the 31st December, 1936, to the 31st December, 1939. The constitution of the board is not challenged by the Bill nor by the point raised, nor by the ruling given by the Chairman of Committees. The Bill merely provides for a further extension of the board for three years.

Hon. C. G. Latham: When it goes out of office.

Mr. Patrick: It then becomes an entirely new board.

Mr. Marshall: The amendment of the member for Subiaco provides that when the appointment or re-appointment is made it shall be obligatory on the Government to appoint at least one woman. The hon. member does not interfere with the constitution of the board, but she does attempt to interfere with the personnel of the board. From whatever aspect the hon. member may view it, the fact remains that the Bill affects only the life of the board, not the constitution of the board. Yet the hon. member's amendment proposes to force the Government to appoint a woman to the board.

Hon. W. D. Johnson: The amendment affects Section 6.

Mr. Marshall: It does not affect Section 6. Why does the hon. member display such stupidity?

Mr. Speaker: The hon. member must not reflect on another member.

Mr. Marshall: I am not reflecting on him, Mr. Speaker. I am sorry that I have to disagree with the Chairman's ruling. So far as I can interpret the Standing Orders, I propose to be as fair and just as I can, and therefore I will support the motion to disagree with the Chairman's ruling.

The Minister for Lands: The Standing Orders provide that any amendment must be relevant to the subject matter of the Bill. That is the rule of the House and there is no rule beyond that. The subject matter of the Bill is the amending of Section 7. Section 7 does not provide for the constitution of the board. Section 6 does that, and if that section had been the subject matter of the Bill the amendment would have been quite in order. As it is, the hon. member's amendment is entirely out of order. There is in this House some confusion about the Standing Orders. I have heard the extraordinary statement made that they interfere with the liberty of members. Of course they do; they were created for that purpose. The Standing Orders were adopted to provide for proper and relevant discussions in the House, and I am astounded that members should complain that the rights of members are being restricted. No one denies that. Members must respect the Standing Orders, and when they desire to make amendments they must frame them in accordance with the Standing Orders. Without that check there would be no order in this House at all.

Mr. Raphael: It would be just like an election at East Perth.

The Minister for Lands: The Chairman has no alternative to administering the Standing Orders and he was quite right in the ruling that he gave.

Mr. Hughes: What about Standing Order 287?

The Minister for Lands: The Standing Orders must be observed.

Mr. Patrick: If that were not so, then under the Bill we could appoint an entirely new board.

The Minister for Lands: Exactly. I appeal to members not to throw the Committee into disorder by objecting to a proper interpretation of the Standing Orders, merely because it does not suit their convenience for the time being.

Mr. Speaker: The member for Subiaco has moved to amend Clause 2 by adding the following proviso:—

Provided further that one of the members appointed to fill the vacancies caused by the retirement of the representatives of the consumers shall be a woman.

The Chairman having ruled that amendment out of order, the member for Nedlands moved to disagree with the Chairman's ruling. In regard to one or two arguments

put up against the Chairman's ruling, especially by the member for East Perth and the member for Yilgarn-Coolgardie. Those hon. members said that too exacting a view was being taken of the Standing Orders, and that the rights of members were not being safe-guarded. I want to say briefly that the rights of members are amply safe-guarded by virtue of the fact that both the Chairman's ruling and the Speaker's ruling can be disagreed with, and the majority of the House decides the question. I could understand the arguments used by those two members if the Speaker's ruling was final and there was no appeal against it. But there is an appeal from his ruling, and the majority decide whether he is right or wrong. As to the Chairman's ruling, Clause 2 does not provide for the constitution of the board. The constitution of the board is provided for entirely by Section 6—there is no occasion for me to read it, but there is the constitution of the board without a shadow of doubt. The amending Bill provides that the members who are elected or appointed to fill vacancies under Subsection (3) of Section 8 of the Act, which reads as follows:—

The election of the present members of the board is hereby validated and, notwithstanding anything contained in this or the preceding section, the present members of the board shall hold office until the 31st day of December, 1936.

The amending Bill proposes to alter the date of that board for the time being to 1939 but does not interfere in any way with the constitution of the board. It is not for me to say what the Government can do at ordinary times; that is for the Government themselves. Every member knows that the appointment of two members of the board is in the hands of the Government. However, the amending Bill provides an alteration of date only, and the Standing Orders and the custom of Parliament provide that an amendment must be relevant to the subject matter of the Bill. In my opinion the amendment of the member for Subiaco is not relevant to the subject matter of the Bill and therefore I uphold the Chairman's ruling.

#### *Committee Resumed.*

Mr. HUGHES: I move an amendment—  
That in line 9 of the clause "nine" be struck out and "seven" inserted in lieu.

Without this amendment the clause will deprive the Committee of another chance of reviewing the legislation for the next three

years. It has been shown that some members would like to review the existing legislation. If the Act is extended for three years we shall have to wait until 1940 to do that. We should be given an opportunity to discuss this enactment next session.

Hon. P. D. FERGUSON: I oppose the amendment. We have been trying since 1933 to have this Act made permanent. This is the first opportunity we have had of considerably extending the life of the board. The member for East Perth says that this matter will be tied up for three years. He is trying to put something over the Committee. He knows the Act can be amended at any time when Parliament is sitting. I want the board to be given a reasonable chance to frame a policy of continuity, and to carry into effect reforms that are long overdue. I should have preferred to see the date cut out altogether.

Mr. McLARTY: I oppose the amendment. Three successive Ministers have promised that when this legislation passed the experimental stage it would be given a longer lease of life than one year at a time. I tried last year to secure for the Act a life of three years, but failed. If the board is to function successfully it must do so on a long-term policy. The member for East Perth does not know as much about the board as many other members do.

Mrs. CARDELL-OLIVER: I support the amendment. A year of office for the board will be long enough on its present representation. Next year members may be in a better frame of mind to alter the constitution, and see that a woman is appointed to the board.

Mr. LATHAM: It is competent for the member for Subiaco to bring down a Bill herself to amend Section 6, dealing with the constitution of the board.

Hon. N. Keenan: It would have no effect.

Hon. C. G. LATHAM: The hon. member is wrong. This Chamber has changed a great deal since last year. If the board is given a life of only one year it cannot frame a policy for the future. This legislation has passed the experimental stage.

Mr. CROSS: I support the amendment. A new board will probably be appointed, but we do not know what its policy will be. Not everyone is satisfied with the present board, some of whose actions have been detrimental to certain people.

Mr. Sampson: It has acted advantageously in most cases.

Mr. CROSS: I know of one case in which it has acted otherwise. A man purchased a dairy farm, and paid off £400 of the money owing. He then sold the farm on a small deposit, but the purchaser sold the milk round attached to the farm and walked off. This man now has a farm that is of no use to him.

The CHAIRMAN: I cannot allow the hon. member to proceed along those lines.

Mr. CROSS: When the new board is appointed we shall want to know what its policy is.

Hon. C. G. Latham: You did not want to know what the policy of the Agricultural Bank Commissioners was going to be.

Mr. CROSS: There is land in my electorate suitable for dairying purposes, but the owners of it cannot get the right to establish dairy farms there. A new board may give those people a chance. Next year members may want a retailer or a woman appointed on the board.

Mr. LAMBERT: I am inclined to support the amendment. Many boards that have been set up under statutory authority have become overbearing and have defeated much of that which the legislature set out to do. There is nothing wrong in re-enacting these measures from year to year. If a board is functioning properly there would be no objection to its being given a longer lease of life. As we are reaching the stage when practically everything is being put into the hands of boards it is essential that Parliament should preserve its last right of reviewing their activities. This particular board was set up to fix the price of milk in the metropolitan area. In my district milk is being retailed at 25 per cent. less than in Perth.

The CHAIRMAN: That has nothing to do with the amendment. I do not want to rule the hon. member out of order.

Mr. LAMBERT: I hope the Committee will support the member for East Perth. He is on sound ground.

Mr. Hughes: Support from an unexpected quarter.

Mr. SAMPSON: It is unreasonable to attempt to restrict this to one year. It would mean that dairymen would have no sense of security in making arrangements for their businesses. It has been proved that excellent work has been done by the board



and that the milk sold in Perth to-day is of the best possible quality. I shall vote against the amendment.

Mr. NEEDHAM: I am not sufficiently optimistic to believe that if the amendment were carried the personnel of the House would be any different a year hence. If I thought that the insertion of "seven" in the place of "nine" would bring about a change that was so badly needed, then nothing would give me greater pleasure than to support the amendment.

Amendment put and negatived.

Clause put and passed.

Clauses 3, 4, Title—agreed to.

Bill reported without amendment and the report adopted.

### BILL—PETROLEUM.

Returned from the Council with amendments.

### BILL—LOTTERIES (CONTROL) ACT AMENDMENT.

#### Second Reading.

Order of the day read for the resumption from the 5th November of the debate on the second reading.

Mr. HUGHES: I move—

That the debate be adjourned.

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

Ayes	..	..	..	..	20
Noes	..	..	..	..	23

Majority against .. .. 3

#### Ayes.

Mr. Doyle  
Mrs. Cardell-Oliver  
Mr. Doust  
Mr. Ferguson  
Mr. Hill  
Mr. Hughes  
Mr. Keenan  
Mr. Latham  
Mr. Mann  
Mr. McLarty

Mr. North  
Mr. Patrick  
Mr. Sampson  
Mr. Shearn  
Mr. J. M. Smith  
Mr. Thoru  
Mr. Warner  
Mr. Watts  
Mr. Welsh  
Mr. Doney

(Teller.)

#### Noes.

Mr. Coverley  
Mr. Cross  
Mr. Fox  
Mr. Hawke  
Mr. Hegney  
Miss Holman  
Mr. Johnson  
Mr. Lambert  
Mr. Marshall  
Mr. Millington  
Mr. Needham  
Mr. Nulzen

Mr. Raphael  
Mr. Rodoreda  
Mr. Sleeman  
Mr. F. C. L. Smith  
Mr. Styants  
Mr. Tonkin  
Mr. Troy  
Mr. Willcock  
Mr. Wise  
Mr. Withers  
Mr. Wilson

(Teller.)

Motion thus negatived.

MR. HUGHES (East Perth) [9.13]: As the report of the Lotteries Commission was laid on the Table only this afternoon, I have not had an opportunity to peruse it. I may be able before midnight to go through the report clause by clause and then, I am afraid, I shall have to defer the remainder of what I may have to say to the third reading stage. I am aware, however, that members do not approve of speeches on the third reading. I asked certain questions about the distribution of lottery funds and had they been answered promptly the information would have been made available last Thursday and members could have had the opportunity of studying them over the week-end. The answers and the report, however, were made available only this afternoon and of course the Leader of the Opposition, exercising the prerogative attaching to the honourable position he holds, was the first member to peruse the document. Thus I have had only a few minutes in which to read what is set out. In these circumstances, therefore, it would have been reasonable for the Government to agree to the adjournment of the debate. In the first place, of course, we know that the Lotteries Act prescribes that the affairs of the Commission shall from time to time be examined by an auditor appointed by the Commission. I have no doubt that from time to time audit reports have been laid on the Table of the House. Here we have a very valuable document. We have a report made by a Government auditor independently of the Commission's own auditor's. Although three such reports have been made since 1933, those reports have never reached the Table of the House. It is a surprising state of affairs, that reports should have been made by Government officers on a quasi-Government institution that has been functioning for four years, and that these reports should have been withheld. Why were they withheld? The Auditor-General's reports on the other accounting activities of public affairs are laid on the Table without request. Why were these reports not made available to hon. members? There are 17 pages of this file. The first page reads as follows:—

Subject: Lottery No. 2 Under Lotteries (Control) Act 1932. Audit of Accounts.  
The Hon H. Millington  
(Minister in Charge of Lotteries Control Act 1932).

In pursuance of a request to have an audit made by an officer of this Department of the accounts

of the No. 2 Lottery conducted by the Commission under the Lotteries (Control) Act 1932, I enclose his report.

2. I have previously explained that in the course of the work the officer became seriously ill and the completion of the audit was postponed until his return to duty.

C. Toppin, Auditor-General.

The report is as follows:—

Subject : Lottery No. 2 Under Lotteries (Control) Act 1932. Audit of Accounts.  
The Auditor General,  
Sir,

I beg to advise having made an audit of the accounts of Lottery No. 2 conducted by the Commission under the Lotteries (Control) Act 1932, and submit the following report. A Statement showing the financial result of the Lottery is attached.

2. According to the records the collections were brought to account, but certain irregularities were noted in the process. The details are set out hereunder—

Certain irregularities were noted in the process in 1932, and I think I am right in stating that I am informing the House of this fact for the first time. The report continues—

Regulation 7 requires that moneys received by the permit holder (Commission) shall not be held longer than two banking days. There were instances when collections were held considerably longer than that period, e.g.:

Collections 23rd March to 3rd April, banked 4th April.

Collections 7th April to 11th April, banked 12th April.

Collections (part) 17th May, banked 27th May.

We know that in the Government service the Treasury regulations promulgated under the Audit Act are very exacting with regard to the banking of Government funds. The Government auditor does not allow the latitude a private auditor would allow. There is an insistence that public funds shall be banked when received, and it would be serious for an officer handling money, a receiver of public moneys as he is called, if he did not comply with that stringent regulation. He would probably find himself suspended. But as far as the Lotteries Commission are concerned, apparently they have had carte-blanche to dispense with all the usual Treasury safeguards and regulations. The next clause goes on to say—

In a number of instances sums less than the total collections at a given date were banked. It was explained that collections had been used to defray expenses and a cheque drawn at a later date to reimburse the collections. This procedure is contrary to the provisions of Section 11 (b) which requires that all moneys received shall be paid into a bank account, and that all disburse-

ments (except items under £1) shall be made by cheque drawn on such account.

That clause telling us that the disbursements were made from cash and the bankings made good by means of recoup cheques shows conclusively to me that the Commission had no voice at all in the distribution and expenditure of the Lotteries Commission's funds. Apparently some officer had full control to pay the accounts without reference to the board, because obviously when the collections were taking place the board would not have a meeting. If it had been conducting its affairs in a businesslike manner, the board would have had meetings from time to time, and passed the amounts for payment; but the board was apparently only a "yes" board. It said "yes" to whatever the secretary or some other dominant official prescribed. I ask would that be tolerated in any other Government department? Would any officer collecting money in any other department be allowed to pay what he liked out of funds and put through a recoup cheque? The first suggestion that he had done so would bring about his suspension.

Mr. Sampson: It suggests lack of knowledge.

Mr. HUGHES: It is not lack of knowledge, but complete defiance of all Treasury regulations. It shows that the sooner we bring the Lotteries Commission into the Public Service as a branch of the Treasury, where Treasury regulations apply and Treasury officers would have control of the Commission's affairs, the better. There is no reason in the world why we should have a separate quasi-Government institution for lotteries. Lotteries are a revenue-gathering institution and should belong to the Treasury and be subject to Treasury regulations. I venture to say Government officers could distribute the proceeds as satisfactorily as an independent board. We in Parliament should say how the funds are going to be disbursed. We do not allow an independent party to say how the income tax shall be disbursed.

Mr. Sleeman: Parliament refused that.

Mr. HUGHES: Did Parliament have this report?

Mr. Sleeman: No.

Mr. HUGHES: I venture to say that Parliament would not have refused if this

report had been available. The report continues—

Examples came under notice indicating that it was the practice to use the collections for the purpose of cashing cheques for parties not having business with the Commission.

What an extraordinary thing to appear in an auditor's report and to go unchallenged! It must have been rather a prevalent practice for the auditor to consider it of sufficient importance to include in his report. He refers to it as a practice and not as an isolated case. I submit that before we pass the Lotteries Bill and renew the tenure of office of the Lotteries Commission we should have a complete list of the cheques so cashed and for whom they were cashed. The report goes on:

Instances came under notice where agents (ticket sellers) did not remit to the Commission the cash from sales of tickets until the close of the Lottery, although the records indicate that the books of tickets were sold and the butts returned to the Commission progressively during the currency of the Lottery. No authority from the permit holder (Commission) as required by the first part of regulation 7 was produced. The Secretary contended that that portion of the regulation was of a protective nature, only to be forced if considered necessary.

What a dominant position the secretary, as a public officer, occupies in this concern! The Act of Parliament and the protection put in the Act by this House is, according to the secretary, only to be enforced if he feels it is necessary to do so. No other officer in the Public Service would dare to make such a suggestion. He would be promptly told that the regulations were to be carried out and that it was not for him to say whether or not they were to be enforced. The report continues:—

In the case of the Fremantle representative (a member of the Commission) considerable delay took place in remitting the collections (£501 10s. 6d.) to the Commission, the remittance not coming to account until 2nd June although the Lottery closed on 15th May, 1933.

Surely that is a serious statement for a responsible officer of the Audit Department to make concerning a member of the Commission. Yet apparently it went unchallenged. It was not even reported to Parliament—something that the auditor considers a very serious irregularity. The report further states:—

The approval of the Minister as required under Section 10 (f) was not produced for the distribution of excess subscriptions, nor was the distribution confirmed in the Minutes. The extra payment for prizes was £107 3s. in excess of the *pro rata* figure.

Here we have an expensive Commission costing a thousand a year to run a lottery and they do not even bother to carry out the Act and get the approval of the Minister. What was the good of this Parliament or a previous Parliament passing the Lotteries Act? Those in charge of the Commission appear to have no regard at all for the conditions laid down in the Act. They do not even supply the Minister with the prescribed details. Apparently some officer, without consulting the Commission, decided he would increase the prize money. What is the Commission for? One would have expected that an unauthorised additional expenditure of £107 would have had a special reference in the minutes of the Commission. Naturally this officer, who is trained to inspect accounts, looks to the minutes when he comes to unauthorised payment to see whether the minutes confirmed it. The Lotteries Commission appears to have consisted of one officer who did exactly what he liked. It shows that the Commission is not necessary. We can decide how the funds are distributed, and there is no need for a Commission. The report states—

No bonds as contemplated by Regulation 8 were in existence.

Regulations were promulgated under the Act, but these people took no notice of them. The report continues:—

The system of accounts does not provide for a record, to be entered by officers opening the mail, of moneys received through the post and their disposal.

It is an elementary principle where a firm is doing a large business that the opening of the mail and the recording of what comes through it is done by some responsible officer. Those who have any knowledge of audit know that it is an avenue where there may be not only mistakes but extensive frauds. Extensive frauds might be worked in any mail order system. Therefore people who run a concern where there is an extensive mail order business take considerable pains to ensure that the mail shall be opened and checked by at least two officers. Naturally the auditor directed attention to the matter.

Expenses under Section 10 (a)—

(a) Certain expenditure (proportion of salaries, rent, telephone, stationery) is incurred by the Commission in carrying out their duties under Section 4 (b). Such expenditure is charged against the particular lottery running at the time. The Act does not appear to provide for the procedure, but there are no other funds available.

(b) No fees were paid to the members of the Commission from No. 2 lottery.

(c) There was no approval in the minutes for the commission (10 per cent.) allowed to selling agents.

The Commission were so careless of the responsibility placed upon them that they apparently did not deem it worth while to consider at a meeting what amount of commission should be allowed to sellers of tickets, and 10 per cent. on the total proceeds of the lottery, of course, runs into a very large sum. From this particular lottery £13,732 was garnered and 10 per cent. of that amount is £1,373. Apparently some subordinate officer had carte blanche to fix the rate of commission to sellers of tickets without reference to the commissioners who were paid £1,000 a year to do the work.

(d) The rate of commission (2½ per cent. on collections) paid to the Kalgoorlie representative for distribution of books and collection was not approved in the minutes.

Apparently, when people were writing in for agencies and were glad to get agencies to sell tickets, some lucky person in Kalgoorlie was allowed an overriding commission of 2½ per cent. for distributing the tickets, though the work could have been done through the post efficiently and without trouble. That apparently was not approved in the minutes, either. Some subordinate officer fixed on 2½ per cent. As an overriding commission that percentage is extraordinarily high. If a person gets half or three-quarters per cent. for that service he is getting a high rate, but this 2½ per cent. was paid without any approval from the board.

(e) The secretary stated that accounts were subject to an office check prior to payment, but the vouchers supporting payments to creditors do not bear any certificates as to the correctness as regards "goods or service," "rates and calculations" or "authority for payment." In some instances cart notes, indicating delivery, were attached. It is not the practice to obtain written quotes for printing and supplies, and there is no order book. In a few instances payments were not supported by the creditor's account form, and the details of the service were not set out on the office form receipted by the creditor.

From an audit point of view it is hardly possible to have a more damaging statement from a responsible auditor. Here is a public department spending large sums of money and nobody troubles to get quotes for supplies. It is a well-known fact that no matter how small a business might be, if any quantity of purchases of any kind has to be made, the precaution is taken to get quotes. All Government departments go

to the extent of using the Government Tender Board in order that the Government should have competition from suppliers and get the best service at the cheapest price. Apparently there was no desire to obtain the best service at the cheapest price. There was plenty of public money and it was available to be spent without the ordinary safeguards. A Government department differs from an ordinary commercial enterprise. In a business undertaking there is an annual barometer which shows whether the company or firm is being managed efficiently. That barometer is the profit and loss account. If the business is not being efficiently managed, the profit and loss account soon discloses the position to the board and steps are taken immediately to improve matters. In a public department we have not that barometer. There is no means of checking whether the department is being efficiently managed. Therefore additional safeguards are inserted to govern expenditure. It is the practice that, before an audit is reached, some officer in the department must certify that the goods have been supplied or the services have been rendered, that the rates and calculations are correct, and that the expenditure was duly authorised. I know of no Government department, State or Federal, that would dream of allowing expenditure to be passed without this very essential certificate. All that the auditor got apparently was the statement of the secretary that the accounts were subject to office check previous to payment. Obviously, there could not have been any evidence before the Commission that the office check was independent and efficient, because no auditor would include a clause like that in his report if he was satisfied that an independent and efficient internal check had been made. Later on the auditor directed attention to the purchase of large supplies without quotes and without tenders being called.

(f) Organiser. There was no approval in the minutes for the scale of travelling allowance paid to this officer. The rate paid was 15s. per day for country trips, a whole day being paid for "starting" and "finishing" days and on an occasion when a sleeper was provided. Small accounts for metropolitan and suburban expenses were not supported by details. In the schedule of payments attached to the minutes, the items were bulked under a heading styled "transport and expenses of J. S. Denton."

As to the rate of 15s. per day for travelling expenses, I consider that the officer was

under-paid. I should not like to travel around the country performing a service on 15s. per day for expenses. Apart from the ordinary business procedure of providing vouchers and details, there does not seem to be any room to cavil at the payment of 15s. per day, which was little enough.

(g) (i) Except in the case of the secretary, there is no record in the minutes of appointments of the staff and their remuneration. Section 4 (c) gives the Commission power to hire and dismiss servants. No authority was sighted for the delegation of the power to the secretary.

Although Section 4 places the onus of appointing and dismissing servants upon the Commission, the Commission abandoned their authority, would not function, and did not carry out the duties prescribed. Apparently the secretary took charge and appointed and dismissed whom he liked. It would be interesting to ascertain the number of people employed in the office, their names, their salaries and their duties. Here we parted with control and handed it over to a board of four Commissioners, or at least we thought we did. As a matter of fact we handed it over to one man, the secretary, who, in the ordinary course of events, would have been the confidential adviser to the Commission. Apparently, he was a dictator and the Commission never challenged the things he did. So, as to the appointment and dismissal of servants, the Commission did nothing.

The Premier: Apparently the Leader of the Opposition conducted the office very loosely.

Hon. C. G. Latham: We ran only one lottery.

Mr. HUGHES: The report continues—

(ii) An increase of salary to a member of the staff was not approved in the minutes.

Had the Premier agreed to an adjournment of the debate, it would not have been necessary to go into this matter to-night. Still, I should be failing in my duty if I did not read this report to the House. The Premier may justify, if he can, his ignoring of this report. He may justify, if he can, the withholding of the criticism of this public body. That is a matter for him.

Mr. Sampson: I should like to move that the member for East Perth be permitted to continue his speech at a later date.

Mr. SPEAKER: The hon. member is out of order in moving anything while the member for East Perth is on his feet.

Mr. HUGHES: I have no intention of sitting down as I might not be permitted to rise again.

(iii) With the exception of two officers who received £1 each, extra sums equal to one week's salary were paid to members of the staff. The secretary explained that the payment was for overtime worked. There was no specific approval in the minutes for payment. In the schedule of accounts passed by the Commission the total sum expended on salaries appeared in a bulk item "salaries" unsupported by details.

Surely the Premier must admit that that is something warranting drastic action. The secretary of the Commission arbitrarily decided, without consulting the Commission, to give every employee a bonus of a week's salary, which, he says, was in lieu of overtime. Apparently no records were submitted to show whether the overtime was actually worked. What Government department would tolerate that? Imagine the head of one of our Government departments deciding to give everyone a week's salary instead of paying the overtime prescribed by the regulations.

The Premier: You know it is not a Government department.

Mr. HUGHES: I disagree with the Premier; the Lotteries Commission is a Government department. It was established for the collection of funds.

The Premier: No, it is a Commission given certain power to carry out certain duties.

Mr. HUGHES: If it is to be conducted along those lines, I hope that the tenure of the Commission will be terminated in December, 1936. I do not say that we should stop the lotteries, but the work should be undertaken by the Treasury. If the lotteries were run by the Treasury, we in Parliament should say how the money should be distributed. Why should one officer, the secretary, have the right to pay employees a week's salary as a bonus in lieu of overtime? Why were not the proper overtime accounts prepared? What was the Commission's own auditor doing to pass those items in defiance of the Act?

Hon. C. G. Latham: Judging by the report, I think they must have sent for a junior to run out a few figures.

Mr. HUGHES: The report continues:—

(h) There is no specific authority in the minutes for the payment from the funds under the control of the Commission of the rent and calls of a telephone in the private residence of the secretary.

It might have been necessary for the secretary to have a private telephone at his home, but surely he might have paid the Com-

mission the courtesy of asking their permission and obtaining their authority. He did not do so. He just had the telephone put on and paid for it. The Commission's auditor had no right to pass that item without the authority of the Commission. The Premier would immediately suspend any officer of his department who had a private telephone put on to his home and paid for it out of office funds without permission.

The Premier: I told you that this is not a Government department.

Mr. HUGHES: The Premier would suspend any officer who acted in that way. He would tell him that he had no right to do it without his permission.

(i) A sum of £16 was paid to the secretary on an account for which the only details supplied were "motor hire, man and petrol."

Surely that is an extraordinary item. The secretary of the Commission puts in that bald entry. The Premier must know that if one goes to a petrol garage and gets five or six gallons of petrol and asks for a voucher, the garage keeper will make out an account and give a receipt. He would have given the secretary a receipt. What was the hire for? Was it the secretary's own car the Commission were charged £16 for, or was it a car that was hired? If one has cause to engage a taxi driver and is to be recouped the expenditure, one need merely say to the taxi driver, "I want a voucher for this," and he will give a voucher.

The secretary explained that the payment was for the use of his motor car for himself and staff in the business of the Commission. The only authority sighted for the payment was its inclusion as part of a bulk heading styled "Transport and expenses of J. S. Denton" in the schedule of accounts. To enable the voucher to be checked the Commission should specify the service to be rendered and the rate to be paid.

The report shows clearly that the secretary of the Lotteries Commission regarded the Commission's funds as his own money, to do with as he liked. There were four members of the Commission being paid £1,000 a year, and they raised no objection. No other Government department would tolerate a junior officer, or even a senior officer, using his own car for the purposes of the department and charging up an amount in the absence of any agreement with the contractor or any details or information being furnished to the auditor regarding mileage.

(j) Sums amounting to £18 were paid to the secretary during the currency of the lottery on accounts which contained no detail other than "Petty cash and expenses."

Another £18 paid to the secretary for items that contain no details except "Petty cash and expenses." Apparently during the current year the secretary must have spent his time in running about and incurring expenses.

The secretary explained that the items covered entertainment, etc.

What entertainment has the secretary to do? Whom has he to entertain? He does not sell the lottery tickets. He is an administrative officer without any occasion to take anyone out and buy him a drink for the purpose of inducing a sale. What other public officer would be allowed to charge up £16 for "entertainment, etc."? What about the accounts published from time to time? What about the accounts that were laid on the Table of the House? There has never been any intimation to members that the secretary felt it incumbent upon him to spend the Commission's funds in entertaining his friends.

Other than the items that appeared as part of a bulk heading styled "Sundry small accounts" the minutes contained no approval of the arrangement.

One could understand, perhaps, the Commission carrying a resolution to the effect that in connection with each lottery the secretary should be granted a refreshment allowance of £10, £15, or £20; but apparently this secretary did not bother to consult the Commission. It is obvious that during the period in question the Commission were not functioning as a Commission at all. They were getting their money under false pretences.

(k) The unexpended balance £1,013 18s. 8d. of expenses was not paid to a special bank account as required by Section 10 (d).

The Act thus was a nullity. The secretary and the responsible officers, including the auditors, had no respect for the Act of Parliament under which they were functioning. They simply had carte blanche.

7. The Act has been interpreted to provide that for each lottery the Minister shall approve of all distributions for "Charitable purposes." Also Section 15 (a) requires "with respect to every lottery that an account shall be kept of the receipt and disposal of all property received and disposed of in connection with such lottery." Having regard to the foregoing and in the circumstances set out hereunder no audit could be made as regards No. 2 lottery of the disposal of profits available for distribution to "Charitable purposes."

What a scathing denunciation for an auditor to write! When this report came in, there

was only one of two things to be done by the Minister—either to suspend the officials of the Lotteries Commission, or to suspend the auditor who wrote such a report if it were not true. There is no purpose in having an auditor if, when he submits such a scathing report, it is apparently treated facetiously.

The circumstances referred to above are as follow:—(a) The permit for No. 2 lottery did not detail the "Charitable purposes" which were to benefit, nor was any list of the proposed distribution supplied to the Minister by the Commission. (b) The profit of No. 2 lottery available for distribution to "Charitable purposes" was placed in a "Suspense account" containing similar items relating to other lotteries (e.g., undistributed balance from Art Union Control Committee, No. 1, No. 3, No. 4 Lotteries, and so on). Except for certain amounts earmarked against No. 1 lottery, none of the payments to "Charitable purposes" from this "Suspense Account" are referenced off against any particular lottery. At the time of making the audit there was an undistributed balance in the "Suspense account."

I think it will be remembered that both the public of Western Australia and the Legislature of Western Australia were astonished one day to learn from evidence given before a Federal Royal Commission that a large balance had accumulated in the hands of the Lotteries Commission of Western Australia. Apparently the fact was well known to the Government. Apparently the auditor had given that information to the Government, but it was withheld from this House.

As against the foregoing, the auditor (Commission's appointee) has supplied the Minister with lists (not referenced off against any particular lottery) of all payments from the "Suspense Account" from the inception of the Commission.

Apparently the appointee of the Commission supplied the Minister with a list that did not comply with the Act.

During the currency of No. 2 Lottery £1,439 1s. 9d. was withdrawn from the funds under the control of the Commission to re-imburse the Art Union Control Committee for plant and furniture taken over by the Commission. In the accounts the expenditure has not been charged against any lottery or lotteries that appears as an "asset" account in the ledger.

Hon. C. G. Latham: What became of that money?

Mr. HUGHES: I will come back to that point.

It is considered that the Act only contemplates that the accounts shall be dealt with on a basis of receipts and payments, and that expenditure is only chargeable against various lotteries, and for this reason the entry is incorrect. The entry has the effect of showing the expense accounts with greater unexpended balances than are available in cash. There was no approval in the minutes

for the action or method of treating same in the accounts. An inventory register should be kept of any plant, furniture, etc. acquired by the Commission.

Apparently the Lotteries Commission purchased from the Art Union Control Committee certain plant and equipment for £1,439. The amount was shown as cash in hand, because the auditor says—

The entry is incorrect. The entry has the effect of showing the expense accounts with greater unexpended balances than are available in cash.

Therefore the statement of accounts put forward for the information of this House and the public was false. The auditor, of course, uses the word "incorrect." The cash was shown, but in point of fact the cash was not there. It would be interesting to know who assessed the value of the furniture of the Art Union Control Committee, which became the Lotteries Commission. The Lotteries Commission were the successors. As one who has some experience in auditing accounts, I would want to see a fairly large quantity of valuable furniture and equipment for £1,439. There was not even an inventory of that furniture. The report goes on to say that an inventory register should be kept by the Commission.

Hon. C. G. Latham: Who determined that value?

Mr. HUGHES: There is no information to show that. The Commission never even bothered to establish an inventory register, which is one of the commonest practices in Government departments. The function of an auditor is to examine accounts and present a report to the prescribed authorities. There his function ends. I doubt whether an auditor would go to the length of saying that a valuation was either excessive or conservative, but he might say that there appeared to have been no independent valuation of the furniture. In this instance it is obvious from the auditor's report that this was a transaction where the secretary alone took over certain furniture and withdrew £1,439 from the funds. Having received the report of the Auditor General, it was the duty of the Minister responsible to this House to lay the report on the Table for the information of members. When members were asked to extend the life of the Lotteries Commission, this information should have been before them. Members of the House should have been told "Although you are passing certain legislation to control

the Lotteries Commission, the secretary to the Lotteries Commission takes no notice. He ignores your instructions, and you might as well save your labour."

9. Sums representing undistributed balances were received from the Art Union Control Committee and incorporated in the accounts of the Lotteries Commission. A portion of the amount was credited to the "Suspense account" referred to in paragraph 7 (b). There is no statutory authority for the procedure.

In paragraph 7 (b) was a list of undistributed balances.

10. It was observed that one of the telephone numbers of the Lotteries Commission appeared in the telephone directory (May, 1933) under the name of the Ugly Men's Association. The secretary explained that it was left under that name for the convenience of parties who were used to that heading for lottery business, and also for those who may ring him in his capacity as secretary of the Ugly Men's Association. He stated that his work for the association was voluntary and honorary, and that the same remarks applied to clerical work done by a member of the staff in overtime. He further stated that the telephone was not used for outward calls in connection with this matter. The terms of appointment of the secretary, as recorded in the minutes, do not restrict him as regards other work. No matters came under notice which would preclude the acceptance of the explanations.

The secretary served the Commission how and when he liked. The Commission made no agreement with him that he would not carry on outside work. He was also acting as the secretary of the Ugly Men's Association, who were distributing large funds received from the Lotteries Commission, and he says he acted in that position in an honorary capacity. I hope the Ugly Men's Association, for the information of Parliament, will produce their balance sheets, covering the years since the Commission was established. I have not seen any public balance sheet issued by the Ugly Men's Association who, apparently, have been running the Lotteries Commission.

11. The Financial Emergency Act, 1931, would appear to apply to the members of the Commission and their staff. No fees were paid to the members of the Commission from No. 2 lottery. As regards the salaries paid to the staff, the documents sighted did not indicate the extent, if any, the Act had been applied when fixing the rate.

So the members of the Lotteries Commission have ignored the Act under which they were supposed to function and ignored the provisions of the Financial Emergency Act, 1931. They did not subject the officers of the Commission to any reduction under the Financial Emergency Act. As a matter of fact, accounts presented to the

auditor did not enable him to say whether or not the financial emergency deductions had been made. Apparently the members of the Lotteries Commission had no respect for Parliament, which could pass any law they liked, but the members of the Commission were above that law and did what they chose.

12. It came under notice that the marbles were drawn from the barrel by a member of the Commission. It would appear that the action was contrary to Regulation 10 (g). The matter is only mentioned inasmuch as the point may have been overlooked.

Then there is an attached statement showing the financial results of the next lottery. Surely, Mr. Speaker, a report that contained a scathing indictment of the Lotteries Commission, charging them with absolutely ignoring the Act, ignoring ordinary methods of accounting, and expending public funds without vouchers, would have warranted more than placing such a document in a pigeonhole. If the Government did not consider the report warranted further action, they could not have had any confidence in the public auditor who made the report. If we employ a highly paid auditor who can submit such a scathing indictment against public officers and the Government can ignore such a report, then the best thing they can do is to close down the Audit Department and save so much public expenditure. In any other branch of the Public Service, or in any other State of Australia or any other part of the British Empire, such a report would immediately have been the subject of inquiry, and drastic action would have been taken against those responsible for doing the things outlined in the report. Then we have the second report from the Auditor General's Department and the covering letter from the Auditor General was as follows:—

In pursuance of a verbal request to have an audit made, I enclose a report by the inspector appointed by you for the purpose.

In the event of the audit as referred to by the inspector in paragraph 1 of his report not covering all the requirements, I shall be pleased, on advice, to have any additional work undertaken.

The auditor's report is not a short one like the last, for the officer goes to some length in dealing with various matters. His report stated:—

I beg to advise having made an audit of the accounts of No. 9 lottery (drawn 30/12/33) conducted by the Commission under the Lotteries (Control) Act, 1932, also the transactions to the



19th January, 1934 (the day prior to commencing the audit) and certain payments between that day and the 26th January, 1934 (the date of the first meeting of the new Commission).

A statement of the financial position of the Commission as disclosed by the books after the finalisation of No. 9 lottery is attached.

2. Cash: (a) It was reported in connection with a previous lottery that, contrary to the provisions of Section 11 (b), expenses had been met out of current cash collections instead of being paid by cheque. The remarks still apply. The procedure precludes the carrying out of Regulation 7 in connection with the banking of collections. One cheque drawn 23/12/33 and passed through the bank on 28/12/33 covered expenditure on various dates from 11/11/33 to 22/12/33. The secretary stated that in future cheques would be drawn with greater frequency.

Thus we have these officers ignoring Parliament and the regulations that have been framed, and also definitely ignoring the auditor's report—that is, if the first report of the auditor was ever brought under the notice of the Commission. I wonder if the Minister had the temerity to suggest to this public officer that a hostile report had been submitted on the operations of the Lotteries Commission? Apparently, if he had, no notice was taken of the report, because the secretary of the Commission continued in defiance of the auditor in the same old way. The report continues:—

(b) It is the practice, in instances of a minor nature, where ticket sellers remit less than the amount required for tickets sold, to issue receipts for the full amount due and show a corresponding shortage in cash on hand. The procedure is incorrect.

That is an extraordinary statement. Here we have an officer issuing public funds. The lotteries agent gets money from public funds and gets a receipt for more than he pays in and the shortage is shown as a shortage in cash. What would there be to stop a favoured agent short remitting on his sales and his shortages being made up and covered under an item such as "travelling expenses and petrol, £16"? That is the first thing anyone trained in auditing would look for. If there had been short payments in, he would ask if those payments had been made up, and if a full receipt had been issued he would look for some item that could be used to cover the shortage. Such a shortage can be covered up under the term of "general expenses." If an officer said he had spent £10 in travelling expenses and put in a voucher accordingly, that could be made to cover any shortages. Even the merest tyro in auditing would look for an item that could be used to cover shortages and, at any rate,

that would be an instruction that would be given by a senior. Naturally the first thing an auditor would do would be to look for an item that would provide such an opportunity. Then the report proceeds—

(c) The records indicate that it is the practice to use the collections for the purpose of making payments on behalf of the Ugly Men's Association and to obtain periodical recoups from that body. The Act does not provide for this procedure.

How many members of Parliament, when they agreed to continue the Act, knew that the Ugly Men's Association could send accounts to the Lotteries Commission and have them paid and that the Commission would trust to get a recoup? What other organisation could have been permitted to benefit similarly by sending in their accounts to the Lotteries Commission and have them paid, the money to be recouped to the Commission at some future date? If it had been known outside that that practice could be adopted, the Commission would probably have had a spare room filled with income tax accounts. What an extraordinary thing this is! Fancy such a procedure being allowed to continue and not even being challenged by the Minister to whom the report was submitted! Apparently the person in control of the Lotteries Commission had a very dominating influence throughout the whole business.

(d) As reported previously, certain ticket sellers were permitted to retain the cash from sales of tickets until the close of the lottery. No authority from the permit holder (the Commission) as required by the first part of Regulation 7 was produced. The secretary contended that that portion of the regulation was of a protective nature, only to be enforced if considered necessary.

That statement was made in the first report, but the secretary of the Lotteries Commission, notwithstanding the challenge of the auditor, persisted in saying that the provision in the Act was protective and was to be enforced only if considered necessary. Then there is this from the report:—

In the case of certain sales at Fremantle considerable delay took place in remitting the collections (£572 14s. 9d.) to the Commission, the remittance not coming to account until the 17th January, 1934, although the lottery closed on the 29th December, 1933. The secretary stated that the arrangements as regards Fremantle are being altered. No bonds as contemplated by Regulation 8 were in existence.

(e) The absence of a register of remittances received through the post (ticket sellers' collections and applications for tickets) prevents the auditor from verifying the cash accountable for at any given time. The secretary contends that in the peak period (the last week) the applications by mail are very heavy and that their registration would require extra assistance. The question of

the necessity to register applications for future reference in case of dispute with applicants is a matter to be determined by the Commission.

The man who has drawn attention to that is a trained man.

3. The permit for No. 9 lottery authorised the sale of 100,000 tickets with prize money amounting to £5,500. The actual sales were 130,946 tickets and the prize money paid was £7,204 19s. 6d. The approval of the Minister as required by Section 10 (f) for the payment of extra prize money was not produced. It is considered that without such authority any excess subscriptions (subject to deductions for expenses) should be available for distribution to charitable purposes. The secretary produced correspondence which indicated that the matter had been taken up for future lotteries.

So apparently the Commission ignored the Minister. They have no right to pay out that extra money because it should be available for charities. The Commission ignored the Minister, although the safeguards were included in the Act.

#### 4. Expenses under Section 10 (a) :

(a) Certain expenditure (proportion of salaries, rent, telephone, stationery), is incurred by the Commission in carrying out their duties under Section 4 (b). Such expenditure is charged against the particular lottery running at the time. The Act does not appear to provide for the procedure, but there are no other funds available. The matter has been previously reported.

(b) Although in some instances there is evidence of an office check on accounts, there is no organised system provided for certificates as to the correctness of vouchers (including wages), and the authority to pay. It is not the practice to obtain written quotes for printing and supplies, and there is no order book.

There we have a repetition of the same complaint. Here the Commission spent public funds without any of the usual safeguards. There are three reasons why, in a well-organised business, quotes are obtained for supplies. The first reason is that people shall have an opportunity to quote so that the best standard of service may be rendered. The second reason is so that the lowest price available shall be given for the public service. A third reason is that, as a matter of precaution, the officer purchasing supplies shall not be submitted to the temptation of receiving commission for placing the business. If one has been trained in this particular type of work, one knows there is a grave danger if any officer is allowed to buy goods and dispense public funds, of commission being offered to him. Recently in New South Wales there was an inquiry into contracts entered into with the Sydney Municipality. As a result of the inquiry, a representative of Bahcock and

Wilcox, a firm of machinery merchants, admitted that he had handed £2,000 to an alderman in Sydney for distribution amongst his fellow aldermen for placing an order. Now we have the same firm tendering for supplies in Western Australia from time to time. The reason why we have proper tenders is so that no officer shall be placed in the position of having temptation put in his way. The report continues—

In the absence of any approval in the minutes for the scale of travelling allowance paid to the organiser, a check could not be made on these vouchers. Small accounts for metropolitan and suburban expenses were not supported by details.

It was reported on a previous occasion that except in the case of the secretary, there is no record in the minutes of appointments of the staff and their remuneration. These remarks still apply. Section 4 (c) gives the Commission power to hire and dismiss servants. No authority was sighted for the delegation of the power to the secretary. It was observed that an increase in salary had been paid to a member of the staff since the previous inspection.

Again the auditor repeats his complaint. The report continues—

With the exception of the secretary, the practice of paying a sum equal to one week's salary from each lottery to the members of the staff for overtime has continued. No record is kept of the overtime worked. In addition, tea money at 2s. per night is paid. There is no specific approval in the minutes for the procedure.

It was previously reported that there was no specific authority in the minutes for the payment from the funds under the control of the Commission of the rent and calls of a telephone in the private residence of the secretary. No further action in the matter was sighted.

Sums amounting to £17 19s. 6d. were paid to the secretary on vouchers which contained no details other than "petty cash and expenses and motor transport." Similar items were mentioned on a previous occasion, and it is again reported that in the absence of any specific authority by the Commission as to the service to be performed, and the rates to be paid, the vouchers could not be checked. The inclusion of the amount in a bulk item styled "sundry small accounts" in the schedule of accounts passed by the Commission for payment is not considered sufficient.

Again we have repetition of the complaint of the secretary allocating to himself any sum he likes, and putting it down to "motor expenses," in this instance £17 19s. 6d. Covering a period of three weeks, that is approximately £6 per week. If the secretary is to have £6 per week to spend on small items, he must have covered a lot of transport. The report continues—

Section 15 (a) requires "with respect to every lottery that an account shall be kept of the receipt and disposal of all property received and disposed of in connection with such lottery." The profits available for distribution of all lotteries are placed

in a common ledger account styled "suspense account," and it is possible to trace the profits of each lottery into this account; but the disbursements are not earmarked against any particular lottery. In this latter respect it is considered that the provisions of the Act have not been followed.

Payments to charitable purposes. Mr. Wolff, Assistant Crown Solicitor, has advised that the details of distribution of moneys should be specified, either in the Permit or in a subsequent list submitted to the Minister for his approval of the proposed allocation. It is the practice to distribute profits without compliance with either of these conditions. In the circumstances, it can only be concluded that such distributions have been made without the necessary approval. It is further pointed out that the practice includes payments under Section 2 (g) and (i), which require the sanction of the Minister.

So where Parliament has specifically provided that payment shall require the sanction of the Minister, that sanction was not obtained. It shows how necessary it is to transfer the Lotteries Commission to the Treasury, so that proper accounting methods and proper control shall be established. Apparently the gentleman running the Lotteries Commission was not afraid even of Mr. Wolff. He ignored the Commissioners, he ignored the Minister and he ignored even Mr. Wolff. The report continues—

Payments from 31-12-33 to 26-1-34 (date of first meeting of new Commission) affected by the above remarks are:—

	£	s.	d.
Sec. 2 (a)—Wyalkatchem Hospital...	37	10	0
Ron Doig Memorial Ward	500	0	0
Sec. 2 (g)—Clothing delivered to Ugly Men's Association for distribution	...	13	17 3

This is a strange item. According to information supplied to me by the Minister for Police, the Ugly Men's Association were getting £2,500 in cash per annum from the Lotteries Commission. They got that up to 1935, and for 1936 they have had £500 so far. Why would the Lotteries Commission give them clothing? Surely the secretary of the Commission did not go up town and buy some Japanese specials at Woolworth's and take them round to the Ugly Men's Association. The next paragraph reads as follows:—

	£	s.	d.
Sec. 2 (i)—Model Homes Committee	250	0	0
Victoria Park Married Men's Unemployed Or- ganisation	...	30	0 0

Why did the unemployed at Victoria Park get £30? No other unemployed have had it. Why was Victoria Park singled out for this distinction?

Mr. Cross: Some of them wanted a wood truck.

Mr. HUGHES: Did your electors get a wood truck?

Mr. Cross: No.

Mr. HUGHES: Well, that is remarkable.

Hon. C. G. Latham: You will find that the A.L.P. got something.

Mr. HUGHES: The report continues—

The Minister has been supplied with periodical lists of all payments from the suspense account, from the inception of the Committee to 31-12-33 by the auditor (Commission's appointee).

Since the inception of the Commission to the close of No. 9 lottery, the unexpended balances of expense accounts aggregate £11,257 14s. 8d. (subject to plant and furniture £1,862 12s. not charged).

Mr. Hegney: Which page is that on?

Mr. HUGHES: Page 3.

Hon. C. G. Latham: How many pages are there, all told?

Mr. HUGHES: There are 34, without the appendices.

Hon. C. G. Latham: I think we can take them as read.

Mr. HUGHES: The report continues—

Section 10 (d) directs that this amount shall be paid to a special bank account in the name of the Commission for distribution from time to time with the sanction of the Minister.

I may inform the member for Middle Swan (Mr. Hegney) that if he is not interested in this report, he can always move that I be no longer heard.

Mr. Hegney: Oh, I would not do that now.

Mr. HUGHES: The report continues—

The provisions of the section have not been followed, the amount having been transferred to the suspense account from which the general distributions of profits are made.

It appears they just confused the accounts without regard to the wishes of the auditor. The report continues—

The records disclose that £1,862 12s. has been expended since the inception of the Commission on plant and furniture. The expenditure has not been charged against any lottery or lotteries, but appears as an asset account in the ledger. It is considered the expenditure is only chargeable against various lotteries, and the entry is incorrect. The entry has the effect of showing the expense accounts with greater unexpended balances than are available in cash, and so affects the amounts available for distribution under Section 10 (d).

When we have a sum of £1,862 for furniture and plant, it would be interesting to see how the money was expended. The place must be palatial inside. I have never been invited in to collect a prize. The report continues—

An inventory register should be kept of any plant, furniture, etc., acquired by the Commission. The matter was previously brought under notice.

It was reported on a previous occasion that certain undistributed balances were received from the Art Union Control Committee and incorporated into the accounts (part in suspense account). The position remains unaltered.

(Dated) 10th February, 1934.

Although the auditor delegated to make this special investigation reported all these irregularities, which would have brought about the dismissal of any other officer of the Public Service, nothing was done.

Hon. C. G. Latham: The Minister refused me those papers.

Mr. HUGHES: Well, that is between you and me. I can well understand the Minister not wanting this report to be published, because no Parliament in its senses would accept the state of affairs. In view of this report, I hope the Lotteries Commission will become an ordinary branch of the Treasury and will cease to function as a Lotteries Commission. Now this is the same file from which I am reading, as follows:—

In accordance with your instructions dated the 18th ultimo, an audit has been made of Lottery No. 38, and I enclose a report by the inspector (Mr. Brigdale) appointed by you for the purpose. Particular attention is directed to the following matters:—

(a) Cash. All collections should be banked daily and all expenses should be met by cheques. The practice of using cash to pay accounts is unsatisfactory, and should be discontinued.

(b) Assets and property. An inventory of the plant, furniture, etc., acquired by the Commission should be kept.

(c) Supplies of stationery, printing, etc. All supplies to the Commission, and all printing, advertising, etc., should be covered by orders signed by a duly authorised officer.

(d) Grants. The Commission should not be involved in the purchase of any articles concerned in their grants. The practice is liable to abuse. Grants for hospital supplies (refrigerators, etc.) should be made to the Medical Department and the purchases effected through the usual Government channels.

That is a revolutionary statement to see in a report. How many of us were under the impression that when we saw that grants had been made to hospitals, they were money grants? As a matter of fact, the hospitals did not receive money grants, but the secretary of the Commission went up town and bought such large items as refrigerators, without quote or tender. And so we have the chief of the Audit Department drawing attention to the fact that the practice is liable to abuse. Of course it is! Human nature being what it is, what responsible officer would allow an officer

of his staff to go along and purchase articles for £100 without quote or tender? It is almost inevitable that the officer should have been offered commission. Anyone who knows the keenness there is to sell these articles would know that an officer in that position would be offered commission; and, if put on oath, and if he told the truth, he would tell us that he was offered commission.

Hon. C. G. Latham: Do not all men tell the truth when on oath?

Mr. HUGHES: There are two reasons why an oath should be inviolate. There is the fear of the hereafter, and the fear of the present. Even when combined these are not sufficient to ensure that everyone shall tell the truth when on oath. No man with any knowledge of the commercial community would believe that an officer authorised to buy expensive things like refrigerators, at £100 a time, could fail to have been offered a bribe for the business. The last report I read was dated 1934. Notwithstanding that report, these malpractices have continued almost up to the present. The report goes on to say—

Suspense accounts:—In practice the unexpended balance of the 25 per cent. earmarked for expenses and the profits from each lottery are credited to an account in the ledger styled "suspense account." If the intention of Section 15A of the Act is that each lottery shall be regarded as a separate entity the principle is destroyed by merging such moneys in one account. This could be overcome if individual ledger accounts were kept showing all debits and credits applicable to each lottery.

3. The financial position of the Commission abstracted from the banks after the finalisation of lottery No. 36 shows a cash balance of £65,512 3s. 11d. as set out in statement (b) attached to the report. Of this amount the sum of £53,191 9s. has been allocated to charitable purposes, the details of which are shown in statement 3.

If the Lotteries Commission are going to accumulate a lot of cash and keep the money out of circulation, they will do more harm than good to the community. If they are going to withdraw certain moneys from circulation by building up a big balance, for all that charities get out of the funds it would be better for us to provide the money by taxation. If the money were brought in this week and spent next week, it would go back into circulation within a few days. Whilst small accumulations might be justified, I do not think anyone would agree that it is in the interests of the community to withdraw £65,000

from circulation for long periods. The report continues—

4. Generally the system of internal check and audit of the transactions is good; but I am not satisfied that the check as carried out under regulations 10c and 10B (checking of marbles) is perfect.

I understand that the secretary to the Commissioner for Police has something to do with the Commission. I think he goes along at the week-end before a drawing takes place and makes some sort of an audit of the Commission's affairs. If the checking of the marbles is not done satisfactorily, why did he not send in a report to that effect? It was absurd to appoint the secretary to the Commissioner of Police to carry out that duty. He is not an auditor; he is simply a clerk.

Hon. C. G. Latham: He only sees to the marbles going in and to the butts being checked.

Mr. HUGHES: He could not do that in the time. The fee he receives for the job is ridiculous. If one person had to check the butts with the marbles to see that all the marbles were in the barrel, he could not possibly do it in 24 hours.

Hon. C. G. Latham. He does not check them all.

Mr. HUGHES: Did the hon. member ever see him doing it? How does he know what the secretary does? It would not be a check if he merely watched someone else carrying out a check. He might simply have a little refreshment, etc., as detailed in the report.

Hon. C. G. Latham: I think he issues a certificate that all the marbles are there.

Mr. HUGHES: He should not have been appointed to do the job. The report continues—

It should be so, but under present conditions I am afraid that the duties carried out by your appointee are too onerous for one man to perform with absolute certainty in the limited time that is available to him.

Here we have a trained man complaining that in the limited time at his disposal he cannot carry out the duties placed upon him by the Act and yet another man who is not trained is supposed to have done the work. The report continues—

5. I am definitely of the opinion that he should be assisted by another officer, whose duty it would be to carry out an independent check of the marbles withdrawn from the cabinets, and to satisfy himself that all matters pertaining to the lottery are in order before the drawing takes place. Such

appointment could be made by you under Regulation 10E.

6. I would be pleased to discuss this proposal with you and any other matters relating to the Commission with you if you so desire.

S. Toppin, Auditor-General.

Apparently, the matter was viewed so seriously in the Audit Department that the Auditor General took the matter in hand himself. He examined the reports of his subordinates, and felt it incumbent upon him to make a special report to the Minister. I have here the report of the inspector, made apparently in 1934.

I beg to advise having made an audit of the affairs of No. 36 Lottery (drawn 29th January, 1936) conducted by the Commission under the Lotteries (Control) Act, also the payments to charitable purposes between 1st January, 1936, and the close of 36 lottery.

Cash—(a) It has been previously reported that contrary to the provisions of Section 11 (b) expenses were met out of current collections while waiting for cheques to be drawn. The remarks still apply, although cheques to reimburse collections are now drawn with greater frequency. The procedure also results in non-compliance with Regulation 7 as far as the banking of collections is concerned. (b) The chairman was reminded that the question of the safety of valuable contents of the mail, including the method of collection from the post office, was the concern of the Commission. It is understood that only one officer is present at the opening of the mail. (c) For part of the time the funds under the control of the Commission do not earn interest. This could be remedied by transferring the account to the Commonwealth Savings Bank. Whether the loss of interest is outweighed by the advantages of the present method should be determined. The audit has frequently requested the information, but the advice at date is that the necessary inquiries have not been made.

It is most unusual for an auditor to be denied information. He always expects to be given the information he asks for. The report continues—

3. Expenses under Section 10A. (a) This subject was discussed generally with the chairman who indicated that the Commission was aware of the details of the expenditure, and that it had been duly checked and passed for payment. (b) The audit pointed out that salary sheets should be used and properly certified, and an appropriate certificate applied to all other expenditure.

When the auditor made his inquiries he was told by the chairman, I suppose in a dictatorial manner, that things were all right. In other words, what had it to do with the auditor, when it was the auditor's particular business? The report continues—

Suspense account: The profits from all lotteries are credited to a common ledger account styled "Suspense account" against which the payments

to charitable purposes are debited, but not earmarked against any particular lottery. This is contrary to the provisions of Section 15 (a) which it is contended requires a separate ledger account for each lottery. Also, a Crown Law authority advises that the Act contemplates the allocation of profits of each lottery to specified charitable purposes approved by the Minister. In the past this has not been given effect, but the Commission recently commenced obtaining Ministerial approval for payments without, however, earmarking them against any particular lottery. There were certain payments in the period under review for which approval had not been obtained. These referred to certain commitments that had been made before it became the practice to obtain approvals.

5. The suggestion was offered that in cases where grants in kind (*e.g.*, refrigerators), were made direct (*i.e.*, not to Medical Department) to beneficiaries, the Commission might take advantage of the facilities offered by the Tender Board when making purchases. It is understood that consideration will be given to the matter.

6. Statements (a), (b), (c), (d) attached give certain information concerning the Commission and contain remarks relative thereto.

A. B. Brigdale,  
Senior Inspector,  
7th March, 1936.

After three years, during which the Minister had been in possession of the report of the Auditor General, an officer of the Lotteries Commission was still buying refrigerators without tenders or quotes being called. The Audit Department repeated the statement, and still all this was withheld from Parliament. That is the worst feature of the whole business, when we get responsible officers making condemnatory reports telling us that the law is not being carried out. This is an important revenue-collecting department. Its reports are ignored by the Minister and withheld from Parliament. The report continues—

Statement (b). Financial position of the Commission abstracted from the books after the finalisation of No. 36 Lottery: Suspense Account. Unexpended balances of 25 per cent. allowed for expenses, £54,934 8s. 4d. (a), less plant and furniture account, £2,532 19s. 2d. (b); total £52,401 9s. 2d.; undistributed profits £12,295 16s. 5d., total £64,697 5s. 7d. (c). Unclaimed prizes £711 17s. 8d.; Unclaimed tickets not in drawing £43 0s. 8d.; Reserve for telephone charges, £80; balance as per cash book £65,512 3s. 11d. (a) Section 10 (d) directs that the unexpended balance of the 25 per cent. allowed for expenses shall be paid to a special bank account in the name of the Commission for distribution from time to time to charitable purposes with the sanction of the Minister. The provisions of the subsection have not been observed, the amount being credited to "suspense account." In the absence of any information to the contrary the statement has been prepared on the basis that none of this money has been distributed. (b) the ledger shows £2,532 19s. 2d. expended on plant and furniture since the in-

ception of the Commission as an "asset account." The expenditure should be charged against various lotteries. The present method of accounting has the effect of showing the expense accounts with greater unexpended balances than are available in cash, and so inflates the amount recorded as available for distribution under Section 10 (d). On the other hand no inventory register is kept of any plant, furniture, etc., acquired by the Commission. Mention has previously been made of the matter, and it has now been brought under the notice of the Chairman. (c) As against the balance (£64,697 5s. 7d.) in the suspense account the Commission supplied details of commitments for charitable purposes amounting to £63,691 9s. as per statement (c) attached. The attention of the chairman was invited to the necessity for a suitable record for commitments and payments of instalments thereon since they are assuming such proportions. He has undertaken to give the matter consideration.

Statement (c): Commitments Lotteries Commission: Albany hospital, operating theatre £1,000; Anglican orphanages, refrigerators £200; Boyup Brook hospital, refrigerator £85; Carnarvon hospital, diaphragm £80, extensions £1,000, 2 calorifonts £17 5s.; Children's hospital, nurses' quarters £8,500; children's cottage home, refrigerator £85; Children's Protection Society, renovations £250; Collie hospital, two sterilisers £35; Corrigin hospital, shadowless lamp £34; Cue hospital, equipment £85, refrigerator £85; Dalwallinu hospital, renovations £150; Department of Public Health, equipment nurses' quarters £1,500; Dumbleyung hospital, refrigerator £85; Dwellingup hospital, repairing underground tank £75; Esperance hospital, operating theatre £250; flying doctor, pedal transmitter £120; Geraldton hospital, equipment £374; maternity home, renovations £150, refrigerator steriliser £200; Goomalling hospital, renovations £100; Government receiving home, refrigerator £85; Greenbushes hospital, equipment £50; Hall's Creek hospital, equipment £25; Harvey hospital, hot water service £200; Hospital social services £1,125; Housing Trust, two cottages £600; Infant Health centre, Armadale, £100; Jarrahdale hospital, equipment £100, £200, refrigerator £42; Kindergarten, Bayswater, building, £100; King Edward Memorial hospital, additions £15,000, £500; Kondinin hospital, operating theatre £225, repairs £120, refrigerator £85.

It is very noticeable that apparently refrigerators can be had for the asking. These are all bought by officers of the Commission without tenders or quotes being called.

Koorda hospital additions £500; Lake Grace hospital refrigerator £85; Marble Bar hospital operating table £42; Meekatharra hospital refrigerator £187; Meckering hospital equipment £50; Manjimup hospital equipment £50; Menzies hospital refrigerator £85; Mingenew hospital building, £250; Mt. Barker hospital, building, £500; Mullewa hospital refrigerator £85; Nannup hospital X-Ray plant £200, additions £30, equipment £50; Narembeen hospital refrigerator £85; Narrogin hospital refrigerator £85; Norseman hospital building £1,000, refrigerator £85; lighting plant £50, X-Ray plant £200; Northampton hospital additions £375; Parkerville Home new

dining block £1,000; Pemberton hospital sewerage £220; Perth Dental hospital building £1,000, £4,000; Pingelly hospital additions £175; Quairading hospital equipment £72, refrigerator £85; Reedy's Progress Association Building £400.

I should like to know under what section of the Act the Lotteries Commission were able to make a grant of £400 to a progress association. That definitely is a payment not authorised under the Lotteries Act, and the people who made the payment should be called upon personally to refund the money, just as any other officer who made an unauthorised payment would have to do. In a bank, should an officer make an unauthorised loan, he is not only made to repay the money so advanced, but he is reduced in rank, and sometimes dismissed. Other progress associations should have an equal right to apply for funds from the Lotteries Commission.

Roebourne hospital, operating theatre, etc., £500; Shark Bay hospital, equipment, £300; St. John's Ambulance, Narrogin, building, £150; St. John's Ambulance, Margaret River, van, etc., £350; St. Joseph's Orphanage, additions, £700, £800, £300; Southern Cross hospital, additions, £250.

Apparently the member for Yilgarn-Coolgardie never participated in a refrigerator.

Tambellup hospital, refrigerator £85; Wickopin hospital, nurses' quarters £281, refrigerator £85, additions £140; Wiluna hospital, washing machine £142; Wongan Hills hospital refrigerator £85; Wyalkatchem hospital equipment £160; Youanmi hospital renovations £500, total £53,191.

I do not suppose members would care to wait while I dissect the total to ascertain how much was actually spent in goods. Next we have Statement "D," the heading to which is—

Distribution to charitable purposes from 1st January, 1936, to close of No. 36 lottery:—

Boypur Brook hospital concrete tank £50; Goldfields League of Youth block of land, £500; Corrigin hospital additions £500; Brookton hospital refrigerator £42 18s. 6d.; Pingelly hospital refrigerator £85; St. Vincent de Paul Society £100; Alexander Home, repairs to fence £6 5s.; Surf Life Saving Association equipment £300; Infant health centre Walgoolan £5, hospital social service £375; Catholic Youth Employment League £20; Kondinin hospital X-Ray £15; Parkerville Home, additions to dining room £500; Woodanilling hospital refrigerator £43 8s. 4d.; British Sailors' Society £25; Boys' Employment League £20; Wyalkatchem hospital radio £13; Carnarvon hospital lamp £34; Quairading hospital lamp £34; Parkerville Home maintenance £500; Onslow hospital renovations £400; Merredin hospital new block £3,000; Medical Department nurses' quarters £500; M.C.L. Convalescent Home, tickets £20; Railways and tramways hospital fund, £100;

A.L.P. Perth school books £50; Parents and Citizens' Association, Busselton, school books £5; Government Receiving Department weighing machine £13 13s.; Perth Dental Hospital new building £500. Total £7,757 4s. 10d.

Members will know that Section 19 of the Act places the limit for such amounts at £250, but the Lotteries Commission apparently do not regard themselves as bound by the law. There is a footnote reading—

In the cases marked \* the donations are in excess of the £250 limit imposed by Section 19. As previously mentioned, payments to charitable purposes have not been assigned to any particular lottery or lotteries. In the case of the "Railways and Tramways Hospital Fund £100" acknowledgment of the donee had not been received for the payment.

The next report deals with lotteries 23 and 24 and is addressed to the Under Treasurer. It refers to disbursements made between the 1st January, 1935, and the 3rd March, 1935, in respect of any lottery conducted prior to such period. The auditor states—

I have to report having made an audit of Lotteries Nos. 23 and 24 and any disbursements made between 1st January, 1935, and 3rd March, 1935, in respect of any lottery conducted prior to such period. Attached are statements of receipts and payments for Lotteries 23 and 24 and statements showing the financial position after the close of No. 24 Lottery.

#### Banking.

Regulation 7 provides that all moneys received by the permit holder shall not be held for any longer period than two banking days, and shall be paid into the bank account provided by Section 11 of the Act. This regulation has not been complied with. It has been the practice to utilise collections for expenditure purposes, and later to make a recoup by cheques drawn for expenditure. This procedure is irregular, and is contrary to Section 11 (b) of the Act, and makes it possible for collections from a subsequent lottery to be used to make up deficiencies in a previous one. I was informed that the procedure would be discontinued in the future.

#### Permit to conduct a lottery (Section 5).

Under Section 4 (a) of the Act the Commission is given power to raise money by conducting a lottery subject to obtaining a permit from the Minister under Section 5 (a). Contrary to Section 5 (c) which provides that the application for the permit must state the purpose for which the lottery is to be conducted, the permits for lotteries 23 and 24 merely stated "for charitable purposes." This precludes compliance with Section 10 (c) which provides that the balance remaining for distribution, after payment of expenses for conducting the lottery, and payment of prize moneys, shall be applied to the charitable purposes specified in the permit. The Crown Solicitor is of the opinion that although the Commission may apply for a permit to conduct a lottery for any specified type of charitable purpose, the ultimate distribution of moneys should be specified in a subsequent applica-

tion by the Commission to the Minister for approval of its proposed allocation.

#### Distribution of available moneys.

The moneys available for distribution in respect of lotteries 23 and 24 as set out in Section 10 (c) amounted to £4,459 15s. 8d. and £4,447 5s. 8d. Section 10 (d) provides that if the total amount allocated to the payment of expenses is not spent, the Commission shall pay any excess to a special bank account in its name, and may apply such moneys, with the sanction of the Minister, to any charitable purpose. Under this section the total available from the inception to the close of the No. 24 lottery amounted to £32,653 19s. 9d., of which £1,639 17s. 2d. and £1,496 0s. 2d. were in respect of lotteries 23 and 24.

Moneys available under Sections 10 (c) and (d) in respect of all lotteries are transferred to a Suspense Account. This is contrary to Section 15 (a) which provides that an account shall be kept of the receipt and disposal of all property received and disposed of in connection with such lottery. From the Suspense Account, distributions have been made from time to time by the Commission, a list of such payments being forwarded to the Minister at a subsequent date. These payments are not made against any particular lottery, nor is it known if they are from the excess funds created under Section 10 (d), the distribution of which requires the sanction of the Minister. In view of the Crown Solicitor's interpretation of the Act, as set out in paragraph 3, it can only be concluded that all disbursements have been made without the required approval.

The amount distributed during the currency of Nos. 23 and 24 lotteries was £2,977 9s. 2d., of which £200 was provided by the Hospital Fund, and £200 by the local authority, as set out in attachment "A." It will be noticed that one item requires the sanction of the Minister under Section 2 (g).

The Commission decided to make donations to hospitals by assisting in purchasing X-Ray plants. Arrangements were entered into whereby the Commission purchased the plants in consideration of the hospital fund and local authorities contributing on a proportionate basis. These plants were all purchased by W. Watson & Sons, Ltd., and cost approximately £300 each. For several hospitals refrigerators were provided by the Commission, and were all purchased from Blackman & Law, Ltd.

Apparently only one firm had the opportunity of quoting to the Lotteries Commission for these particular items, in spite of the fact that there are a number of firms in the State who trade in them.

The balance of the suspense account, after finalisation of the No. 24 lottery was £64,634 14s. 9d., which included £3,883 6s. 8d. carried forward from the Art Union Control Committee. At date of this report commitments totalled £29,195.

#### 7. Expenditure (Section 10 (a).)

(a) Certain expenditure is incurred by the Commission in carrying out its duties under Section 4 (b). This expenditure is charged against the particular lottery running at the time. No other funds are available.

(b) The practice is to submit accounts for approval after payment has been made. For the

items "Transport and Organising" and "Sundry Small Accounts," particulars were not supplied. From the No. 23 Consultation, these amounted to £18 15s. 6d. and £31 5s. 6d., and No. 24, £14 2s. 6d. and £38 4s. 6d. The former item includes £10 paid to the secretary of each lottery for the use of his car for all transport around the metropolitan area.

So apparently the secretary of the Commission hired his own car at a cost of £10 per lottery, which works out at £3 10s. per week. For the payment of such a rate, the Commission could have owned a first-class up-to-date car, and could have paid for it in three years. As it was used in running round the city only, the depreciation would be negligible. That being so, the secretary has had his car paid for two or three times over. Then the report proceeds—

It was observed that during the currency of these two lotteries, £4 18s. was paid for taxi hire, and several small amounts for other transport in this area.

So while the Commission were paying £10 per lottery for the use of the secretary's car, they also had to hire outside taxis, whereas the work should have been paid for by the contractor who undertook to provide transport.

(c) With the exception of the secretary, one extra week's salary is paid to each member of the staff each lottery, "for overtime worked," but I was informed that it was granted as a bonus. In addition, tea money amounting to £15 6s. for the two lotteries was paid. There is no specific approval for this procedure. The overtime worked by each officer was approximately 15 hours each lottery.

So that an officer who was receiving £4 10s. a week was paid overtime at the rate of 6s. per hour. That was a magnificent rate that would make other civil servants turn green with envy.

(d) Accounts are not certified as to their correctness, although I understand they are checked by a senior officer. Salary sheets should be used and certified as correct by a responsible officer. Full particulars of all expenditure should be submitted to the Commission, and, except where of a petty nature, should be passed before payment is made.

8. It came under notice that a telephone number in the name of the Ugly Men's Association also appeared under the name of the Lotteries Commission.

So the Ugly Men's Association also charged the Lotteries Commission with the cost of their telephone. The next deals with Lottery No. 23 but those papers have been on the Table so I shall not weary members by dealing with that. The same applies to the statement relating to Lottery No. 24.



At the end of the report there is a statement showing that there was a balance of £62,610 9s. 8d. Then there is the following:—

Payments made to or on behalf of charities during currency of No. 23 and No. 24 Lotteries.

Date paid.	To whom donated.	Amount.			Particulars.
		£	s.	d.	
25-1-35	Wiluna hospital ... ..	250	10	5	Refrigerator approved by Commission 10th August, 1934. Purchased from Blackman and Law, Ltd.
"	Mt. Barker hospital ... ..	200	0	0	Purchase of X-Ray Plant. In addition £50 was provided by the hospital fund and £50 by the local authority in each case.
"	Katanning hospital ... ..	200	0	0	
30-1-35	Yarloop hospital ... ..	200	0	0	
15-2-35	Goomalling hospital ... ..	200	0	0	
31-1-35	Beverley hospital ... ..	80	0	0	Refrigerators purchased from Blackman & Law, Ltd.
"	Cunderdin hospital ... ..	80	0	0	
"	Southern Cross hospital ... ..	80	0	0	
1-2-35	York hospital ... ..	80	0	0	
"	Northampton hospital ... ..	80	0	0	
"	Goomalling hospital ... ..	80	0	0	
16-2-35	Wagin hospital ... ..	80	0	0	
6-3-35	Gnowangerup hospital ... ..	80	0	0	
7-3-35	Merredin hospital ... ..	180	10	0	Refrigerator purchased from Malloch Bros.
31-1-35	Yarloop hospital ... ..	100	0	0	Erection of new surgery.
"	Tambellup hospital ... ..	150	0	0	Nurses' quarters.
6-3-35	Do. do. ... ..	150	0	0	do.
12-3-35	Housing Trust ... ..	300	0	0	3rd instalment of £1,200 grant.
5-2-35	Williams and Wyalkatchem hospitals	6	8	9	Electric fittings.
		£2,577	9	2	

The list suggests that Blackman and Law must have run out of refrigerators, and so Malloch Bros. were asked to supply one. The last item on the file is the following under date the 4th April, 1935:—

I, Harold Millington, of Public Works Department, Minister charged with the administration of the Lotteries (Control) Act, 1932, hereby authorise pursuant to Section 15 of the said Act you, Constantine Paul Mathea of Perth, to make an audit of all or any of the following lotteries.

1. Any lottery opened or conducted by the Lotteries Commission during the period commencing on the 1st day of January, 1935, and ending on the 3rd day of March, 1935.

2. Any lotteries opened or conducted prior to such period from the funds of which any disbursements were made by the Lotteries Commission during such period.

I have not made a detailed check-up. The file starts at page 17 and I may have an opportunity to ask the Minister to lay the other 16 sheets of the report on the Table of the House. I shall not do so now. I am afraid he would not accede to my request if I did. I am sorry that so much time has been devoted to the reading of these reports. It has provided a very inadequate analysis of what is contained in them. I have not been able to collate the information.

Hon. P. D. Ferguson: You are not going over them all again?

Mr. HUGHES: Not unless the hon. member feels that it is necessary. It is not possible to give a very efficient and effective summary of what is contained in the reports by merely reading them. The extraordinary feature is that these documents were withheld from Parliament when the Bill was submitted for consideration. I hope the effect of making the report available to members will be that the Lotteries Commission will become a branch of the Treasury, the Commission as such will be abolished, and that we shall accept our responsibilities and say how the funds shall be distributed. I am sorry I have been compelled to read this report and I shall take an opportunity to make any further remarks I may desire to place before members at the third-reading stage. In view of what has been disclosed, I feel there is nothing for me but to oppose the second reading of the Bill.

On motion by Hon. C. G. Latham, debate adjourned.

*House adjourned at 11.6 p.m.*