Legislative Council,

Thursday, 8th November, 1934.

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

ASSENT TO BILL.

Message from the Lieut.-Governor received and read notifying assent to the Supply Bill (No. 2), £700,000.

BILL—SANDALWOOD ACT AMENDMENT.

Read a third time and *passed*.

BILL—CITY OF PERTH SUPERANNUATION FUND.

In Committee.

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

BILL—TIMBER WORKERS.

Second Reading.

Debate resumed from the 31st October.

HON. T. MOORE (Central) [4.38]: I think Mr. Mann stated the case fairly well. He pointed out that these people down here, whom he knows quite well, have been in the industry since 1918, for no new licenses have issued since that date. The men for the most part have little homes of their own on small pieces of land, and have reared families and been really good citizens. I have known a number of them for many years, because I was once associated with the industry. These men need to be protected under the Masters and Servants Act, as has been shown by Mr. Mann; but they have not had that protection, although for many years it was considered they were covered by the Masters and Servants Act, and the decent employers always treated them fairly and no question was raised about their wages. But it remained for a wily foreigner to discover that, by raising a point of law, he could evade payment of wages to the men. So I agree with Mr. Mann that these men do need that measure of protection, since they lost their wages in the cases mentioned, and the storekeepers, who had stood by them, lost their money also. For these hewers work on credit, and when they get their cash they pay the storekeepers, but of course when they have not the money they cannot pay. The man who employed them got the money and skipped away. Some opposition has been raised to the Bill, and it has been said that these men ought not to have their conditions set up by the Arbitration Court. One of the reasons given is that there may be a move made to reduce their hours, or to prevent them working when they like. But during all the years when they were covered by Arbitration Court awards, never at any time did they ask to have their hours curtailed. They say they want to work in their own time, so we can take no notice whatever of that argument against the right of those men to have their conditions set up by the Arbitration Court. There is no earthly reason why those men should not be covered by the Arbitration Court, as are all the other timber workers. In the past the judges have laid down what the timber is to be like, and when the timber was rougher the men made their own arrangements. But to-day there is a foreign element dealing with our men in the South-West, an element without much standing, sub-contractors. These men are pushing the cutters, knowing they can get them to work on rough timber, and they are reducing them to slave-like conditions. I could easily demonstrate to members how these men are being harassed. Until a minimum is set up for them, they have not a chance. The minimum itself is low enough. No employer of repute has sought to cut the minimum. It is the unfair competitor who is cutting the rates. These men are not any different from the fallers, who are covered by awards. There are piecework fallers, and there have been for the past 30 years. The hewers work with them side by side. The fallers first go through the timber. They cut down all the trees that are used for milling purposes.

There are certain trees that are not fit to take through the mills because they may be short lengths. The hewers come along after the fallers, working in the same country, and for the same people, and under the same conditions. The fallers are covered, and the hewers are not covered by having a minimum rate set up.

Hon. L. Craig: That does not appertain to-day.

Hon. T. MOORE: The same thing happens to-day. The hewers are following the fallers to-day. If they did not do so, there would be a great waste of timber.

Hon. L. Craig: In the forest country the trees are marked by the Forests Department officers.

Hon. T. MOORE: After the fallers have gone through, the hewers follow. The trees are marked for the fallers first, and for the hewers afterwards.

Hon. L. Craig: The fallers are not operating in that country.

Hon. T. MOORE: If the hewers did not follow the fallers there would be a great waste of timber. If the trees that are knocked about when others are felled are not removed—they are not fit to go to the mill—that timber would soon be of no use. The hewers have to follow the fallers, or the timber that is down would have the fire put through it when the cleaning-up goes on, and it would be lost to the country. These men are working under the same conditions as the fallers, who have a minimum rate set up for them. Why cannot a minimum rate be set up for the hewers to protect them against the wily foreigners? These men are allowed to work where they like. They have a certain area of country to roam over, just as the fallers have. There is no difference regarding them. I do not see how anyone possessing a practical knowledge of the timber industry could say that the fallers have the right to an award rate, but that the hewers have no such right. I have seen both direct action and arbitration tried out in this country. We know that if men are not covered, trouble is likely to arise. Take the shearing industry. We have got peaceful conditions there because all the men are in the one organisation, and all are covered by the one award. If that were not so, we would have sheds striking here and striking there, and acting independently. It is better to have them all covered by the same award. I am sure the pastoralists take the same view. If all these men in the timber industry were covered by arbitration, as they should be, there would be one set of conditions for all, and we would not have any local troubles that are likely to become greater if allowed to go on. There are those who believe there is an idea that the hewers wish to curtail their hours. That is not so. One can go back through the awards of the court for the last 30 years. At no time have the hewers asked that their hours should be set up. It is the same with fallers. Both classes of men work when they like. The only people who have their hours set up are those who work in and around the mills themselves. I hope members will take no notice of the statement that there is any intention on the part either of the employers or the employees to have the hours interfered with. That is merely a bogey. The persons who have asked for this measure of protection are men who are really good citizens of the South-West. They are splendid characters, and have been here for many years. No new licenses have been issued since 1918. They are men who ought to be protected.

Hon. R. G. Moore: Are they not piece-workers?

Hon. T. MOORE: They are all piece-workers.

Hon. R. G. Moore: Then what difference do the hours make?

Hon. T. MOORE: It has been said that arbitration would interfere with their hours. I want members to understand that for the past 30 years neither the employers nor employees have attempted to alter the hours. These are piece-workers, and they have always asked for the right to work when they like. No one is likely to ask that the hours should be altered. If these men are allowed to go to the Arbitration Court, all they want is a fair minimum rate set up for them. When they have that and come to tackle the rougher bush, they will be able to make arrangements with some basis to work on. If no basis is left to them, the wily foreigners will continue to make use of the good men, as they are doing to-day.

HON. L. CRAIG (South-West) [4.50]: I agree that the Bill does not suggest that any attempt will be made to interfere with the hours that sleeper-cutters work: neither do I think that has been seriously suggested.

Hon. T. Moore: It was suggested by Mr. Baxter.

Hon. L. CRAIG: It has never been in my mind that they want their hours interfered with. It is as well to remember the value of the sleeper industry to Western Australia. We produce a sleeper of the highest quality in the world. No sleeper can compete with the jarrah sleeper. Most of the sleepers are exported, and are the means of introducing new money into the country. That is of great value to the State. A royalty is provided for the Government. Most of the timber to-day is being cut from Crown lands which belong to the Forests Department, and the trees are all marked. About 800 cutters are employed in the industry, who would otherwise be on sustenance. Freights, cartage, fodder and so on are provided. A huge industry is created by the sale of sleepers. Competition to-day is very keen, and it is not as easy to effect sales as it was before the depression. Already our markets in China and New Zealand have been lost to New South Wales. The sleeper from New South Wales is inferior to ours, but in bad times the importing countries have said they must be satisfied with the inferior article. Big contracts for sleepers have, therefore, been lost to this State. I have endeavoured earnestly to find out the reason for the introduction of this Bill. I can see no redeeming feature in it. To protect the workers under the Masters and Servants Act is a nice gesture, and if it can be done it is all right. The sleeper-cutters have the same rights as farm labourers or any other labourers with regard to payment. Conditions to-day are not what they were two or three years ago when there was some exploitation of labour. Slavs and people who were working in the timber industry did exploit labour. There were many cases in which sub-contractors, and many times sub-contractors, employed hewers or cutters but did not pay them. That percentage is very small to-day. I understand there is not one sub-contractor employing cutters who is a man of straw and unlikely to pay wages. It is suggested that the main reason for the introduction of this Bill is to enable the union to secure members. I do not know whether that is so. Many of the sleeper-cutters are not members of the union. One cannot blame the organisation is an effort is made to enrol them. If they become workers under the Industrial Arbitration Act, they will naturally join the union. Another reason apparently is to enable the cutters to earn more money. To-day they are earning, throughout the industry, 40s. per load for cutting sleepers. I have tried to ascertain whether there is any known case of a man cutting for less than 40s. a load, but I cannot find one. It is the recognised rate that has been agreed to by all responsible merchants and contractors.

Hon. T. Moore: Why not make that the minimum?

Hon. L. CRAIG: It is also admitted, although this rate of 40s. is being honestly paid, that all cutters are not making the basic wage, or, let me say, the sleeper-cutter's wage, which is above the basic wage. The industry will not stand a higher rate.

Hon. T. Moore: The country is too rough.

Hon. L. CRAIG: The country is not available. It has been cut over once or twice, or more often. Whatever the rate may be, if it is raised for sleeper-cutting on most of that country, the men will be put off. Many men are cutting three loads a week, and making £6 a week. Odd ones are making more, and others are making less. It is not denied that they are not all making the basic wage. Suppose the 40s. rate was fixed. It was once fixed under an award as the minimum. The result would be that half the hewers engaged to-day would lose their jobs, because the industry cannot stand a higher rate. I am informed on the best authority that if a higher rate was paid at present, no contracts would be obtained overseas. This Bill apparently says, no bread is better than half a loaf. I say it is better to have half or three-quarters of a loaf than nothing at all. It is claimed that these men have been working for years under an award. They had an award in 1914, the Burnside award, and in 1917 they had the Northmore award. In 1919 the Federal Court, through Mr. Justice Higgins, gave an award. It was really an agreement between the sleeper-cutters, the timber workers and the merchants. Mr. Justice Higgins would not make an award. He said it was too difficult to make one but that as they had an

agreement, he would insert that agreement in the award.

Hon. T. Moore: That is all we want now.

Hon. L. CRAIG: This agreement was embodied in an award granted by the Federal court. Never since have the men worked under an award granted by that tribunal. In 1923 the Deputy President of the Federal Arbitration Court, Mr. Justice Webb, issued an award and I will read what he said at the time. It deals with sleeper-cutters—

> The log of claims in the last case included a long list of items of piece-work rates. Except that a few piece-work rates which had been established by long custom in Western Australia were agreed to for that State, the piece-work rates were not dealt with in any agreement or award which was arrived at in that case. The parties could not agree and the court could not award, and the task was abandoned as hopeless. I doubt if a claim which presents greater difficulty was ever put before the court. The difficulty is that what is fair in one locality is unfair in another; everything depends on the character of the bush and the nature of the particular patch of country where the work is done and the kind of timber which is being worked. Some work is done in precipitous hills and some on level plains.

And it goes on, showing how impossible it was to fix an award for sleeper cutters.

Hon. T. Moore: Are you sure that was not in connection with hauling?

Hon. L. CRAIG: No, sleeper cutting. In 1924 as a result of a strike in the sawmills certain increases were granted and they included sleeper cutters. Even then no award was made, but the Deputy President of the Court was induced to include an increased rate in the award for sleeper cutters, showing that the court itself had not made an award but actually included in the award an agreement arrived at between the cutters and the merchants. It has been claimed that the timber workers should be protected under the Workers' Compensation Act. They are to-day protected under that Act. I hope members will be very careful when voting on the Bill. I can see no good in it at all. The bush that has been cut over is not like what it was some years ago.

Hon. T. Moore: That is where the men suffer.

Hon. L. CRAIG: They do suffer, but mostly those men who have not been cutting for long. Expert axemen are making considerable money to-day. It is admitted that many men to-day are not making as much as one would like them to get, but if an award is sought, and presumably by that it means that they want more money, then they are going to do harm. It is not suggested that many are getting less than the 40s. per load.

Hon. T. Moore: It is suggested.

Hon. L. CRAIG: Well, not to my knowledge less.

Hon. W. J. Mann: Yes, it is so.

Hon. L. CRAIG: The point is that if the Bill be agreed to the industry will be ruined. Is it not better for the men to work in their own time, the majority earning as much as they would if they had an award, than to lose their jobs altogether? The Bill should be rejected so as to protect the men themselves, and I hope the House will vote against it. If it is possible to protect the workers under the Masters and Servants Act or any other Act or bring in an amendment whereby sub-contractors may be compelled to put up a fidelity guarantee, I will give any such proposal my support, but not as to granting an award that will be to the detriment of the industry and the workers themselves. I shall oppose the Bill.

HON. J. NICHOLSON (Metropolitan) [5.6]: The views expressed by Mr. Craig impress me and I hope they will likewise impress other hon. members.

Hon. G. Fraser: The other speaker who has worked in the industry was not impressed.

Hon. J. NICHOLSON: I listened intently to what was said by other members who have spoken on the Bill, but Mr. Craig's remarks certainly disclose the position, and enable me to declare that he was quite right in what he said. The industry has passed through a very parlous time and efforts are being made to resuscitate it and once again put it on its feet. Anything, however, that can be done to influence or direct the carrying away or diverting of orders for timber from this State will react in a detrimental way to the industry and those engaged in it. What Mr. Craig said with regard to orders having been taken by other States, and one of those States, New South Wales, is absolutely correct. Even when

I was in London last year I learnt of a large order which had been secured by New South Wales, a State which had never been regarded in Australia as a serious competitor with Western Australia as far as the supply of timber was concerned. New South Wales secured that order notwithstanding that the quotations put in by the Western Australian people had been cut to the bone in the hope of getting the order and trying to provide employment for our own people. These are the conditions that we as a House have to consider.

Hon. G. W. Miles: And the Government had to go to the rescue of the industry by reducing railway freights.

Hon. J. NICHOLSON: That is quite true. We have to consider whether legislation which comes before us will truly react to the benefit of that industry and those engaged in it.

Hon. T. Moore: Was the order that went to New South Wales for hewn or sawn sleepers? I have my doubts about their being hewn.

Hon. J. NICHOLSON: Unfortunately I have not the particulars; I did have them in London, but I really forget now. If my memory serves me, the order was for partly hewn and partly sawn. In any case it was a large order and an order it was confidently hoped would be secured by Western Australia. Other orders likewise have gone to New South Wales and I believe Queensland has come in for some of them. That is a position which is very serious for our industry here. The position is, as far as outside orders are concerned, that in competition we find there are many other uses for materials that are sometimes employed in the place of timber, steel sleepers for instance. Even when we find that steel sleepers are not employed, other methods are used to try to employ local timbers so as to secure supplies at the cheapest possible cost. It is essential for the maintenance of the industry that we should be able to compete with other outside places.

Hon. G. Fraser: Without sweated conditions.

Hon. J. NICHOLSON: If the hon. member thinks I am advocating sweating conditions, I assure him I am not. There is no desire on the part of those legitimately engaged in the industry here to attempt such a thing as sweating conditions. The whole matter is one of sheer necessity, economic necessity and nothing else, because one wants to keep the industry alive. If the hon. member desires to close down the industry, he has a method of doing it, a simple method, and the Bill before us will be one of the means of achieving his end; but I am sure he does not want that. If he made a close study of the matter he would find that what I have said, and what Mr. Craig has told the House is perfectly correct. Mr. T. Moore's principal complaint was in regard to the conditions that were suffered by certain men employed by some foreigners in hewing. No one regrets that more than I do. Even hon. members here would try to prevent those methods being employed.

Hon. T. Moore: Sheer robbery.

Hon. J. NICHOLSON: I agree that it was and it is a state of affairs that we wish to have eliminated from our industrial life. We want nothing of that sort. I do not think the Government will attain their purpose in any way by introducing a Bill of this nature. This Bill is designed to do two things—to make those persons engaged in the industry employees under the Masters and Servants Act, and to make them workers under the Industrial Arbitration Act. The result of attempting that will be to eliminate one of the main principles of our law—what is regarded as contracting as distinct from the relation of master and servant. It is quite clear that the Masters and Servants Act applies only to a person employed as a servant and subject to the control of the master. But a contractor stands in a totally different position. A person who contracts to do certain work such as to supply a certain quantity of sleepers is free to go about his duty as he pleases and when he pleases, so long as he delivers the sleepers in accordance with the contract. Hewing contracts are entered into from time to time and the contract usually stipulates that a certain number of sleepers shall be delivered at a certain place within a given time. The man who contracts to supply the sleepers may produce them in his own time. He is not subject to the direct supervision of the person with whom he has contracted. He may turn out at six o'clock in the morning or six o'clock at night or at

mid-day, whatever time suits him, and start his work then. If I happened to be a servant enjoying the benefits of the Masters and Servants Act I would be subject to the control of the employer. Yet we are seeking to make the people who are really contractors and who are not possessed of any of the attributes of a servant persons entitled to the advantages and subject to the provisions of the Masters and Servants Act. Likewise the Bill seeks to make hewers workers under the Industrial Arbitration Act. The moment we do that, the men, as Mr. Craig suggested, will be formed into a union and seek registration under the Act, and then will follow the usual consequences.

Hon. T. Moore: Many of them are in the union now, and have been good unionists for the past 30 years.

Hon. J. NICHOLSON: Why should a contractor in prineiple be brought under the Arbitration Act? A person who is a contractor is not a worker within the meaning of the Act; nor is he a servant under the Masters and Servants Act. I believe that what Mr. Craig said regarding the condition of the industry is correct. There are not the same abuses now as existed some two years or so ago. They have been gradually eliminated. Still, I am at one with members in the desire to ensure that there shall be no repetition of the abuses. I do not wish men to suffer as some of the hewers suffered.

Hon. T. Moore: Then here is your chance.

Hon. J. NICHOLSON: The chance is not to be obtained by passing a Bill of this kind. The measure would destroy the industry and seriously affect the men engaged in it. I suggest that a Bill be introduced to render it necessary for anyone not legitimately engaged in the industry, as are established firms or individuals—people who have been or may become a source of trouble—to lodge an adequate bond with the Government and the funds to be resorted to, if necessary, to pay the wages of the hewers. The men should not be compelled to wait for their wages as they have been.

Hon. T. Moore: The men mentioned have never received payment.

Hon. J. NICHOLSON: A Bill along the lines I have suggested would achieve the object, but to pass this Bill would be destructive of the industry, and because of that, I must oppose the second reading.

HON. R. G. MOORE (East) [5.22]: When a similar Bill was previously before the House I opposed it because it contained clauses that I considered objectionable. Some of them were retrospective in their effect. At that time I was under the impression that if the men obtained an Arbitration Court award, they would be able to sue for wages, and as they would not have been working under the supervision of their employers, I thought that would be unfair. I am given to understand that that is not the case. The reason for wishing to bring the hewers under the Arbitration Act, I am informed, is to enable the fixing of a minimum price for sleepers at piece-work rates, to give the men the protection of the court and the right to sue in the court, not for wages, but for the amount earned at piece-work rates for the sleepers supplied. I congratulate Mr. Craig on his speech, but I must admit that I have not been converted. I have changed my opinion for the reason I have explained. I am a firm believer in the Arbitration Court, and I do not think the Bill would prove to be the dangerous measure that Mr. Nicholson has suggested, or that it would injure the industry. All the matters mentioned by Mr. Craig could be brought forward in the Arbitration Court when the fixing of rates was being considered. The rates would be fixed on evidence produced to the court. In some instances wages have been reduced because an industry could not afford to pay a high rate, although it was admitted that the rate prescribed was too low.

Hon. T. Moore: That happened in the timber industry.

Hon. R. G. MOORE: And in the mining industry. The Kurrawang wood-cutters work on piece-work and are under no supervision. They work when they like. Some of them earn good money, and some do not. They are under an Arbitration Court award.

Hon. V. Hamersley: If this Bill were passed, the hewers would be in the same position.

Hon. R. G. MOORE: The rate is fixed for piece-work, and the cutter is paid according to results. I should welcome the introduction of more piece-work, and then the men who did the work would get the money. In many industries the strong men carry the weak; the willing men often carry the lazy men. That makes the system of wages unfair. I can see no harm in bringing sleeper-hewers under the Arbitration Act and the Masters

and Servants Act. Even if they desire to join a union, that would not influence me. I believe in unions and if I were a working man I would belong to a union. A point has been made about the serious competition prevailing but I consider a good deal of the trouble is due to people in this State. Some time ago a report was issued on sleepers used in the Trans. line. Western Australian jarrah, Western Australian powellised karri and Eastern States sleepers were used, and after some years, details of the life of the sleepers were published. It was astonishing to find how much superior were Western Australian sleepers to Eastern States sleepers. There was no comparison between the two.

Hon. W. J. Mann: Ours had nearly double the life.

Hon. R. G. MOORE: I think it was more than double. If it were known that Western Australian sleepers would have double the life of other sleepers, surely competition should have no terrors.

Hon. L. Craig: The authorities do know. New Zealand used to buy our sleepers, but switched over to New South Wales because the sleepers from that State were cheaper.

Hon. R. G. MOORE: I have every respect for New Zealand, and do not want to forfeit my respect, but it is surprising that the dominion should favour an article of much inferior quality simply because it was cheaper. Mr. Nicholson said that orders had been lost to this State despite the fact that the price had been cut to the bone. The inference is that the only way to obtain orders is to cut below the bone. When it becomes necessary to cut below the bone, it is time to knock off cutting.

Hon. G. Fraser: Because that would mean sweating.

Hon. R. G. MOORE: I will support the Bill because I do not think it will do the harm some members fear, and it may be beneficial to the cutters. I consider that the countries that patronise Western Australian sleepers should be made aware of their durability as compared with the timbers supplied by other countries. That would do more good than cutting the price of our first-class sleepers to the price of inferior sleepers procurable elsewhere.

HON. H. S. W. PARKER (Metropolitan-Suburban) [5.31]: In this Bill I notice a desire to bring piece-workers under the Masters and Servants Act. The only object of that can be that if a worker does not fulfil his job the employer can proceed before honorary justices in order to have the matter settled; that is to say, an employer can for various resons call a man up before two honorary justices and have him dealt with, or it may be that the worker will have the so-called employer up for damages, and then two honorary justices can adjudicate. However, even if they do adjudicate, before either party can get any money, it is necessary for that party to send the judgment along to the local court to be registered, whereupon proceedings can be taken to enforce it under the provisions of the Local Courts Act. So that there is really no object in having these people brought under the Masters and Servants Act in any shape or form, to my way of thinking. At the time that the actions which have been mentioned were brought, the Masters and Servants Act provided a speedy remedy for the recovery of wages, by imprisoning the employer. That was done away with in 1932; now there is no imprisonment under the Masters and Servants Act. So there is really no advantage in having these people brought under the Act. They can only get a judgment and they can get that under the Local Courts Act, and that is certainly quicker. However, some of this quick justice is not entirely satisfactory.

Hon. R. G. Moore: Will not the Bill bring these men under the Workers' Compensation Act?

Hon. H. S. W. PARKER: They are under the Workers' Compensation Act now. Personally, I do not like placing matters of such importance as this before honorary justices. I do not think it fair to ask honorary justices to consider matters of this kind. We have gentlemen appointed, virtually for life, to deal with these matters; and they are trained for the job. I think they should adjudicate in a matter such as this. As regards bringing these workers under the Industrial Arbitration Act, that measure has far-reaching effect. In fact, our Act has far greater effects than the Commonwealth Conciliation and Arbitration Act. Under the latter

Act the parties have to be named and have to be brought before the court before they can be embodied in an award. Furthermore, a Commonwealth award applies only to members of a union. If you are not a member of a union, the award does not touch you. No doubt it is for that reason industrial agreements are embodied in an award. Where agreements already existed, it really did not matter whether there was an award or not. An award made by our court, however, binds everybody, right through, and has this effect, that a man who wants to carry on sleeper-hewing and is not able to earn a full and sufficient wage cannot be employed at all, because he has to be paid the full rate.

Hon. T. Moore: In connection with piece-work rates, what does that matter? A man does not want to get so much less.

Hon. H. S. W. PARKER: From my experience of the State Arbitration Court, a piece-work rate is a certain percentage over and above the weekly wage. Our Arbitration Court awards, rightly or wrongly—I do not deal with that aspect—do not encourage piece-work, and when there is piece-work the court always provides a percentage above the weekly wage.

Hon. T. Moore: There is no weekly wage in this case.

Hon. H. S. W. PARKER: Above the basic wage, then. I do not like the idea of restricting. A man need not take on a contract unless he likes. I do not care for the idea of forcing our citizens into doing something that only one party to the contract wants done. I like our citizens to be free agents as far as possible. For those two reasons, I oppose the Bill.

On motion by Hon. G. Fraser, debate adjourned.

BILL—ROAD DISTRICTS ACT AMENDMENT (No. 3).

Received from the Assembly and, on motion by Hon. C. F. Baxter, read a first time.

BILL—ROAD DISTRICTS ACT AMENDMENT (No. 2).

In Committee.

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

Clause 1—agreed to.

Clause 2—New sections:

Hon. J. NICHOLSON: I move an amendment—

That in paragraph (a) of proposed Section 285A there be inserted the following, to stand as subparagraph (i):—"(i) Notice in writing has been given by the secretary of the board concerned by registered letter within one month after the date of expiration of such order to the owner or person appearing as owner of such land, and every mortgagee, encumbrancee and caveator whose name or record of whose dealing or interest may appear on the title of such land addressed to the address appearing on the title or instrument under which each such person may be entitled to claim, notifying each such person of the expiration of the order made for the sale of such land and that failing payment of the amount of rates due to the board in respect of such land within a period to be named in such notice then all rights of property of every person therein will absolutely cease and determine and be and become vested in His Majesty freed and discharged from all encumbrances and otherwise as provided by this section."

Whilst the schedule to the principal Act provides for certain notice to be given to those interested in the land—the mortgagee and so forth—I am informed that in practice such notice is rarely given when action is taken under the Act. The Bill proposes to empower the road board to get rid of lands which have been offered for sale under Section 285. Where the lands are not sold, then after the expiration of three months from the date of expiration of the order, the lands automatically, as provided in this clause of the Bill, become vested in the Crown freed and discharged from all rates and taxes and all encumbrances on the land. Cases are known where encumbrancees or mortgagees have not received notice of a contemplated sale under Section 285 of the Act. It is only right to safeguard the position of these persons by making it compulsory for notices to be sent by registered post to all persons whose names may appear as claiming any interest in the land.

Hon. G. W. Miles: Would not the secretary of the road board know about them?

Hon. J. NICHOLSON: Yes. Road boards are bound to search lands in any event in order to get the particulars, but sometimes it is not done. When they find out the particulars, notice can be sent to the people concerned. The amendment suggests that the notice shall be sent within one month of the expiration of the order, and that will

leave two months to come and go on prior to the time when the land will automatically become vested in the Crown, which will not be until three months after the expiration of the order. The advantage of such a notice, so long as it reaches the encumbrancee, is that the mortgagee will be compelled, for the protection of his security, to pay the rates, which will be of benefit to the road board. We should not agree to anything likely to prevent investment of money by way of mortgage on country properties, but unless some safeguard is provided, people may hesitate before embarking upon such an undertaking. Many mortgagees leave their affairs in the hands of an agent, particularly if the properties in which they are interested are in the country. Should the agent neglect to pay the rates, without the party concerned being aware of the fact, it is merely fair that before the land is forfeited to the Crown, a final notice shall by registered letter be despatched to the mortgagee and others concerned.

The CHIEF SECRETARY: I regret I have not had an opportunity to discuss the amendment with the Parliamentary Draftsman, but its purport, to my mind, is very clear. In the first place, every mortgagee or person who holds encumbrances on land, has to be notified in the terms set out in the schedule. Mr. Nicholson builded better than he knew when he drafted the amendment. I have not been able to discuss it with the Minister controlling the Road Districts Act, but I take it to mean that before the land reverts to the Crown, the road board must, through their secretary, carry out the conditions imposed by the amendment. If they do not wish the land to revert to the Crown, they will not give the required notice in writing to the owner or mortgagee, but simply sit still. The land, in those circumstances, will still remain under the control of the road board. If they desire the land to revert to the Crown, and so clear their rate book, they will provide the necessary notice to the owner or mortagee. That seems quite fair, to my mind. I shall not oppose the amendment because it will leave the decision in the hands of the road board. It appears to be a compromise. I do not know that the amendment will fit in exactly as suggested, but that can be looked into and, if necessary, the Bill can be recommitted.

Hon. J. Nicholson: That is so. I had not realised what you have pointed out, namely, that a road board will be able to prevent land from reverting to the Crown, should they so desire.

Hon. G. FRASER: It would be better if the notice suggested in the amendment were despatched by the road board prior to the sale.

Hon. J. Nicholson: It might speed up the payment of the rates if the notice were sent as suggested in the amendment, because the person concerned would know that the land was to revert to the Crown.

Hon. G. FRASER: If the land should be of any value, it will be sold.

Hon. J. Nicholson: Then the clause will not apply in that instance.

Hon. G. FRASER: I certainly think it would be better, nevertheless, if the notice were sent prior to the sale.

Hon. G. W. Miles: Provision for that notice is already made in the Schedule.

Amendment put and passed.

Hon. J. NICHOLSON: I move an amendment—

That in line 14 of paragraph (d) of proposed new Section 285A the words "subject to compliance with the provisions of paragraphs (a) and (b) hereof" be inserted.

Amendment put and passed.

The CHIEF SECRETARY: I move an amendment—

That the following paragraph be added at the end of proposed new Section 285A:—"For the purposes of this section, and of Sections 285B and 285C of this Act, the term "vacant land" means land of any tenure, which has not been improved (other than being enclosed with a fence) or cultivated and used for any purpose, or, which, after being improved or cultivated and used, has ceased to be used by the proprietor thereof or by any person acting for, under, or through such proprietor in such a manner as to indicate that the said land has been abandoned by such proprietor."

During the discussion it was suggested that a clear definition of what was vacant land should be included in the Bill. Accordingly, the Parliamentary Draftsman has drafted the amendment I have moved.

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

Clause 3—agreed to.

Title—agreed to.

Bill reported with amendments.

BILL—GOLD MINING PROFITS TAX ASSESSMENT.

Second Reading.

Debate resumed from the previous day.

HON. C. G. ELLIOTT (North-East) [6.1]: I should like to congratulate the Government on having brought forward this measure; though somewhat late, yet better late than never. The tax is expected to provide £80,000 and is ostensibly for the purpose of recouping Consolidated Revenue for amounts that have been paid and are payable to men notified under the Miners' Phthisis Act. But for some reason this is not specified in the Bill, and in my opinion this is unfortunate. According to the Minister, the major mining companies have given their unqualified endorsement and blessing to the Bill which, of course, simplifies matters considerably. This endorsement can be easily understood when a comparison is made with the taxation levied in other gold producing countries. The London "Times" last April recorded that the South African Government in 1933 took over 52 per cent. of the working profits of 17 mines under review, compared with 35½ per cent. in the previous year. Notwithstanding the tax levied, the dividends paid by those companies increased from less than £2,400,000 to £7,933,000, and the total taxation increased from £6,750,000 to £10,225,000. The Financial Minister on the Rand Goldfields, Mr. H. Havenga, points out in his yearly report that in 1933 Rand dividends increased 48 per cent., and he expects the excess profits tax for 1934-35 to yield £7,400,000. And it must not be forgotten that, besides this tax levied on the South African companies, the mines are responsible for all compensation payable to mine workers suffering from diseases contracted in the mines. The Dominion of Canada imposes a 10 per cent. tax on gold production, and New Zealand levies a tax of 15s. per fine ounce on all gold produced. It therefore can be readily seen that the proposed gold tax to be levied in this State pales into insignificance compared with similar taxation levied in other countries. I should like to suggest that an amendment be inserted in the Bill specifically setting aside the whole amount collected for the purpose of forming and building up a fund, not only to liquidate the amount said to be owing to Consolidated Revenue for payments made under the Miners' Phthisis Act, but also to provide more reasonable and adequate compensation for the men suffering from diseases contracted as a result of working in the mining industry. The present rate of compensation payable to beneficiaries under the Workers' Compensation Act and the Mine Workers' Relief Act is totally inadequate and is a disgrace to a civilised community. I have pleasure in supporting the second reading.

On motion by Hon. H. V. Piesse, debate adjourned.

House adjourned at 6.7 p.m.

Legislative Assembly.

Thursday, 8th November, 1934.

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

ASSENT TO BILL.

Message from the Lieut.-Governor received and read notifying assent to the Supply Bill (No. 2), £700,000.