

In Committee.

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

House adjourned at 10.20 p.m.

Legislative Council,

Thursday, 23rd November, 1916.

	PAGE
Papers presented	1115
Bills: Franchise, 3a.	1115
Special Lease (Stirling Estate), 2a., Com.	1116
Nelson Rates Validation, 1a.	1120
Treasury Bills Act, Amendment, 2a., Com.	1120
Betting Suppression, Com.	1132
Prohibition of Treating, 2a.	1136

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

PAPERS PRESENTED.

By the Colonial Secretary: 1, By-law No. 37, City of Perth. 2, Kimberley Cattle—Contract for purchase of (ordered on motion by Hon. J. J. Holmes.)

BILL—FRANCHISE.

Third Reading.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [4.34]: I move—

That the Bill be now read a third time.

Hon. Sir E. H. WITTENOOM (North) [4.34]: I think an amendment was moved by Mr. Hickey to the effect that wives should have the right to vote in the absence of their husbands on active service. I think also this was withdrawn, and the Colonial Secretary suggested that the wives of sol-

diers on active service should have the right to vote in the names of their husbands conditionally on their being registered. It seems to me a simpler way would be for the husband to transfer his vote to his wife when he is going away. I am not quite clear as to how it has been arranged, and I shall be obliged if the Colonial Secretary will inform me on the point. If the wives had an *ex officio* right to vote it might lead to a mis-carriage of intention. I have myself known husbands and wives vote diametrically opposite in the presence of each other.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East—in reply) [4.37]: The provision under consideration applies to only one class of vote, namely, that of the Legislative Council elector, who is qualified to vote by virtue of being the occupier of a residence of an annual value of £17. The objection to the course suggested by Sir Edward Wittenoom is that it is necessary that the rolls should be kept clean, that the person whose name is on the roll shall be the person who has to vote. The Bill as originally prepared provided that the occupier going away on service should still be regarded as the occupier so long as his family remained in the tenancy of that house. The objection taken to that was that it would set up the anomaly that so long as the family remained in that house with the husband away no one could vote at all in respect to that house, whereas if the family transferred their residence to another house the wife would become the occupier of that house, and as such would be enrolled on the Legislative Council roll. The amendment simply provides that the husband having gone away, the wife can, if she choose, claim to be the occupier of the house, and register, and so enjoy all the privileges of an occupier. I think that if a man goes to the war for two or three years, leaving his wife and family, and his wife continues to occupy the house, she is entitled to be registered as the occupier. Of course, directly the husband comes back the provisions of the Bill, as far as they apply to him, will cease.

Question put and passed.

Bill read a third time and returned to the Assembly with an amendment.

BILL. SPECIAL LEASE (STIRLING ESTATE).

Second Reading.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [4.40] in moving the second reading said: This short Bill is very similar in intention to the Lake Clifton Special Lease Bill, which has been partly considered in the Council in Committee. It proposes to give a special lease of a portion of the Stirling Estate for the purpose of working a lime deposit, and it also proposes to give a lease of an area in the Swan River for the purpose of dredging for oyster shells for the making of cement. The matter has been under consideration for a long time. The concession was first applied for over 12 months ago. Hon. members will recollect that the question came up for discussion in the Council towards the end of last year. The application was considered by our predecessors in office, and the agreement, and I think the Bill itself, were drafted by them. Most of the remarks I made in introducing the Lake Clifton Bill will apply to this measure. It will be of immense value to the State if we can have these lime deposits exploited and the manufacture of cement established on a satisfactory footing in Western Australia. The importation of cement is a very large item indeed, and its value has gone up considerably during the last two or three years. It will be a very decided advantage if these two measures can go forward together, so that the two companies can start their operations at once, and be in competition with each other. By that means the best interests of the public will be conserved. When the Bill was under consideration in another place a proviso was inserted at the end of Clause 7, Subclause 3, as follows:—

Provided always that the said Henry James Scott and his transferees shall not hold or have any interests in any lease or license of a like nature in any other part of the State, except the lease and license granted under this Act.

The object of the proviso was to prevent these two companies forming an amalgamation and thereby setting up a monopoly which might be to the disadvantage of the

State. On further consideration, however, it is considered that the same end can be achieved without quite so drastic a proviso as that contained in Subclause 3 of Clause 7, because it is pointed out that the proviso would prevent the company from acquiring any other lease anywhere. That is not the desire of the Government. Therefore, when the Bill reaches Committee, I intend to submit an amendment to that proviso which will make it clear that the intention of the Bill is merely to prevent any amalgamation between the two companies under consideration, namely, the company concerned in this Bill and the company concerned in the Lake Clifton Bill. For the portion of the Stirling estate which is to be leased under the Bill, there is a rental of £50 per annum. The lease is for one year, with the right of renewal for 21 years. There is provision that the lessee shall spend £10,000 in the first year of the lease, and £10,000 during the following two years.

Hon. J. F. Cullen: When does the lease start?

The COLONIAL SECRETARY: I think, forthwith. Of the total lime output one-half is to be available for sale to agriculturists at 12s. a ton, the same price as in the case of the other lease. Power is given to construct a railway from the Stirling Estate to Capel under the same conditions as the powers conferred under the Lake Clifton Bill, with this important difference that whereas the Lake Clifton Bill provides for a railway of some length, this one is only a short line of about 2½ miles. There are the same conditions in regard to the acquiring of alienated land and the same provisions in regard to the running of the railway. The second portion of the Bill refers more particularly to the lease of 226 acres of the Swan River. In regard to that, I have an amendment on the Notice Paper which I propose to submit. The intention is, so far as this 226 acres of the Swan River are concerned, that the lessees shall have the exclusive right to get shell from it. That is not at present specified in the Bill. The reason why it is not so specified is that at the outset they were given a sort of general right over a very large area of the river. In the Bill this area is confined to 226 acres.

Hon. W. Kingsmill: At the outset of what?

The COLONIAL SECRETARY: At the outset of the negotiations. It is proposed to amend the Bill so as to give them the exclusive right over that small portion. I do not see that there is any objection to that course. For the area in the Melville Water for which this lease is given the rental is fixed at £50 per annum and provision is made for payment of a royalty of 3d. per ton. It is reported by the officers of the Public Works Department and the Harbour Department that there will be an actual advantage to the river to have this dredging work done. It would, of course, be a very serious objection to the passing of the Bill if it was going to detrimentally interfere with the river in any way. Their opinion is that so far from doing that it will be an absolute advantage. In this case, the lease is granted for a year and is renewable for 21 years. The Commonwealth Government have already given their sanction to the formation of this company. The capital of the company is £75,000 and it is intended to proceed with the work at once. In this case also it is not asked that the lessee shall not start until the end of the war. As a matter of fact, he commenced his negotiations only last year, long after the war had started. I hope the House will pass both of these Bills and I hope it will pass both of them into law before we rise for the Christmas vacation or the close of the session, whichever it may be.

Hon. J. F. Cullen: Is the lessee substantial?

The COLONIAL SECRETARY: I think so. I do not think there is any question about that. The people associated with the lessee I know are very substantial. I think it is highly desirable in the interests of the State that these works should be set going as quickly as possible. I believe that the promoters of these companies have already had applications from the Commonwealth Government and other people asking them when they will be in a position to supply cement. Cement is the larger proposition of the two. It will be of great advantage to the agricultural industry to be able to obtain cheap lime and in regard to both of these Bills lime at 12s. a ton on rails is exceptionally cheap. It cannot be got at that price in any other

State in the Commonwealth. The only reason why these companies will be able to deliver lime at that price is that they are running their lime business in connection with their cement works. I move—

That the Bill be now read a second time.

Hon. J. F. CULLEN (South-East) [4.50]: It will be remembered that last session this Bill was before this Chamber. It was delayed chiefly on the ground that it was being rushed to the detriment and prejudice of the Lake Clifton promoters who had been besieging the Government for years and could get no satisfaction. Having advanced the original concessionaire to a certain stage, I agree with the Colonial Secretary that it is a fair thing to proceed, *pari passu*, and let both promoters have a fair chance. No one would imagine that there was a demand for such a quantity of cement as can be produced by these two companies. There will not be for many years to come room for utilising such a large amount of that commodity. That, however, is the concern of the companies. My only reason for asking as to whether the lessee is substantial is this: that Parliament should not waste its time without evidence that the petitioner for the concession is substantial. The Colonial Secretary says that the lessee and the people with whom he is connected are substantial. I shall vote for the passing of both of these Bills.

Hon. J. DUFFELL (Metropolitan Suburban) [4.52]: I desire to support the second reading of this Bill. In doing so I realise that if ever there was a time in the history of the State when its natural resources are calling for development it is the present. Whilst on this thought, I am reminded of the part played by the peasantry of France in the time of their dire necessity when they had to provide a fund for the huge indemnity which was imposed upon them by Germany in 1872, and of how it was the natural resources of France which helped on that occasion to bring about a liquidation of that indemnity. I am convinced that the natural resources of Western Australia are vast and have been calling for many generations for labour and capital with which to develop them. I have the more pleasure in supporting this Bill because I realise that it is one which

has for its object the bringing into requisition of some of the lands and the latent forces and wealth which are now lying dormant in this State. As regards that portion of the Bill referring to the dredging of the Swan River, I am not so sure that this is going to have the same favourable consideration as the former part, which deals with the supply of lime. If we are going to interfere with the bed of the Swan River it may be that we shall be interfering with the currents, or altering and damaging the foreshore of the river. Therefore, as regards that portion of the Bill, I reserve to myself the right to express my opinion in Committee, and after I have received the information which it is my intention to seek, I shall know what to do.

Hon. W. KINGSMILL (Metropolitan) [4.55]: When the leader of the House stated that this Bill was similar to one introduced last session he was not quite accurate, inasmuch as the Bill which was introduced then did not contain any provision for dredging the Swan River.

The Colonial Secretary: I do not think I said it was similar.

Hon. W. KINGSMILL: This, in my opinion, makes a very great difference to the Bill. I am quite in accord with the idea of supporting as many of our native industries as we can, and also with the system of allowing Parliament to pass criticism on the terms under which industries are to be started by bringing down Bills for the consideration of both Houses of Parliament before they become law, and of giving both Houses of Parliament an opportunity of inspecting the agreements or proposed agreements between the parties who are willing to start these industries under Government. I must confess that I have a certain amount of trepidation, however, about the effect upon our river as a result of this Bill. The Swan River is one of the greatest assets which this State possesses, and I have some fear in allowing these people a free hand in regard to dredging. From the sentimental, or rather, scenic point of view and that of practical use, I can foresee a danger. I want to be fully assured that absolutely no harm is going to be done to our river in either of the

two directions I have mentioned before I will give my support to the passing of this portion of the Bill. As regards the Bill itself, as a matter of drafting I cannot congratulate the people who have put in the proviso which has been referred to by the Colonial Secretary, because that amendment simply refers not to any leasing for the getting of lime but to any license for dredging. That is an absurdity. If it was going to be put in, it should have been put in as a separate clause. There is no similarity between the dredging operations of the proposed company and the working of lime deposits for cement. I cannot understand how it is that this company requires this shell for the manufacture of cement. The Lake Clifton company is able to do without shell, and I understand from what I have heard that this deposit at Capel is somewhat like the Lake Clifton deposit only that its owners claim it is very much better. If they can make cement without the admixture of oyster shells in the case of the Lake Clifton company, then I claim there is no necessity for this company to make use of these oyster shells and that by so doing, they are likely to destroy our river, either from the scenic point of view or from the point of view of actual use, in the obtaining of the shell. I shall have very great pleasure in supporting the second reading of the Bill, but I hope that Clause 7 will disappear before the Bill goes through to its third reading.

Hon. C. SOMMERS (Metropolitan) [4.58]: I happen to know about the proposals of this company which is about to be formed. As to the bona fides of the people connected with it, I need only mention the names of two of the members of it to place the question beyond all doubt. One of these members is Mr. R. O. Law, the well known contractor, and the other is Mr. R. P. Vincent. These two gentlemen are associated with this venture. I am assured by Mr. Law that not only will £30,000 be spent on the development of the concession, but that it is proposed to spend £70,000 in the different works. All that these concessionaires are asking for is to have the right to dredge shell, which is lying in the Melville Water and not in the Perth Water. They only have the right to 226 acres and Mr. Law

assures me that it will last for something like between 60 and 70 years. They have the lease for 21 years.

Hon. J. F. Cullen: It is an annual license.

Hon. C. SOMMERS: The shell is from 4ft. to 12ft. in depth. In reply to the fear expressed by the hon. Mr. Kingsmill as to the detriment to the river, I may say that the shell is an excrescence really and should be removed. There is a clay bottom underneath the shell, and the proposal of the concessionaire is to dredge the shell down to the clay deposit. The dredging will stop there, because the clay is of no use to the company. With regard to the concession at Capel, I venture to say that there will be no profit in supplying lime to the agriculturalists at the price. The company proposes to erect in the vicinity of the Belmont racecourse a plant for the treatment of the shell. I understand also that it is the company's intention to burn Collie coal, which will mean that this concession will provide another market for Collie coal and also that the Government will be able to obtain revenue from the transport of the coal. Speaking as a metropolitan member, I do not see that any great harm would be done by the granting of this concession. There is one thing I like about this Bill, there is no time limit; the company must expend £10,000 within the twelve months. I understand that the product of this shell is valuable, and that the naval authorities are very anxious to make a contract with the company if it is at all possible. It is proposed that the shell be dredged by means of suction dredges, and there need be little doubt that the supply will become exhausted for there cannot be a demand, at any rate for the present, for more than, say, four to five thousand tons a year. Those who know Melville Water will know that the shell deposits are in great number and variety. The factory is proposed to be erected on the Burswood side well away from the City, and I do not think we need fear any spoiling of the river by the presence or anchoring of barges. I have had assurances regarding the personnel of the proposed company and of the proposed work, and I am satisfied that there can be no very serious objection to the granting

of the lease. I have, therefore, pleasure in supporting the Bill.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East—in reply) [5.4]: The only thing I have to say in reply has reference to Mr. Sommers's estimate of the area of this lease, which he has placed at 50 acres. That is the area of the special lease in connection with the Stirling Estate Bill. The area of the lease in Melville Water is fully described in the Third Schedule and totals approximately 226 acres.

Hon. W. Kingsmill: Have you any reports on the shell at all?

The COLONIAL SECRETARY: No.

Question put and passed.

Bill read a second time.

In Committee.

Clauses 1 to 4—agreed to.

Clause 5—Power to run traffic on railway:

Hon. J. F. CULLEN: I move an amendment—

That after the word "fuel" in line 3 the words "subject to the approval of the Minister for Lands" be inserted.

The Committee will remember that a similar amendment was made in the Lake Clifton Bill.

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

Clause 6—agreed to.

Clause 7—Power to grant dredging license:

The COLONIAL SECRETARY: So far as the clause is concerned information supplied to me is that the officers of the Public Works Department and of the Harbour and Light Department have reported that the proposed dredging operations are not likely to be in any way injurious. When the Bill reaches the third reading stage, I shall endeavour to have those specific reports on the Table for the information of hon. members. I move an amendment—

That in line 3 after the figures "1898" the following words be inserted, "confering a sole right and license."

This sole right will apply only within the area described in the third schedule.

Amendment put and passed.

The COLONIAL SECRETARY: I move a further amendment—

That all the words in Subclause 3 be struck out.

The fault in drafting drawn attention to by hon. Mr. Kingsmill on the second reading will be overcome by striking out this sub-clause. The fault was not due to the Parliamentary draftsman in any way. This sub-clause was inserted by way of amendment in another place, and as frequently happens it would have been desirable for it to have been first submitted to the Parliamentary draftsman.

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

New clause:

The COLONIAL SECRETARY: I move—

That the following be added to stand as Clause 8:—"The said Henry James Scott and his transferees shall not hold or have any interest in any lease or license granted in pursuance of the Special Lease (Lake Clifton) Act, 1916."

Hon. J. F. CULLEN: I am afraid this will not serve the purpose intended. It will prevent Scott from taking an interest in Lake Clifton, but it will not prevent Lake Clifton absorbing Henry James Scott. Personally, I do not believe in the amendment at all, but if it is wholly struck out it might prejudice the Bill in another place. Unless a similar amendment is put in the other Bill it will not answer the purpose.

New clause put and passed.

First schedule:

The COLONIAL SECRETARY: I move—

That in paragraph 1, lines 19 and 20, the words "and cement" be struck out.

That portion of the lease only applies to the lime.

Amendment passed.

The COLONIAL SECRETARY: I move a further amendment—

That in line 22 the words "this Act" be struck out and "The Special Lease (Stirling Estate) Act, 1916," be inserted in lieu.

This amendment is purely to correct an error in drafting. The words which are to

be struck out amount to calling the lease an Act.

Amendment passed.

The COLONIAL SECRETARY: I move a further amendment—

That in paragraph 3, line 5, after the words "hereby demised" the following words be inserted:—"Or the dredging works used in connection with the license granted under the said Act."

The effect of the amendment will be to leave it optional to the lessees exactly in what direction they shall spend the £20,000 which has to be spent within the first three years.

Amendment passed, the Schedule as amended agreed to.

Second and third schedules—agreed to.

Bill reported with amendments.

BILL—NELSON RATES VALIDATION.

Received from the Legislative Assembly and read a first time.

BILL—TREASURY BILLS ACT AMENDMENT.

Second Reading.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [5.22] in moving the second reading said: This Bill is required to increase the provision which is contained in the existing statute for the issue of Treasury bills and also to grant extended powers to the Treasurer in respect to the rate of interest. By the original Act the Treasurer was empowered to issue Treasury bills to the extent of £300,000 and in the amending Act of 1897 this provision was increased to £3,000,000, which sum in normal times would probably have been sufficient, but in view of the market for the issue of inscribed stock having been very limited, and having indeed been controlled so far as Western Australia is concerned by authorities outside this State, it has been found necessary to issue Treasury bills to a larger sum than provided in the 1897 Act. It will be remembered that last year the Commonwealth arranged to advance £3,100,000 to the State. The money was paid in monthly instalments, the last of which fell due in November, 1915, the advances being gov-

erned by the Treasury bills which, with some local issues, necessarily more than exhausted the bills authorised by the existing Act. This fact was not discovered until Parliament was in recess. Although Treasury bills were issued for the £3,100,000, had it been realised at the time that the authority had been exceeded, debentures could have been issued under the General Loan and Inscribed Stock Act, which would have been quite in order, particularly as the Commonwealth Government in advancing the money did not specify the class of security they required. At the present time the authority to borrow by way of Treasury bills to the extent of £3,000,000 has been exceeded by £1,006,860. There is authority under the Loan Act for the borrowing of the whole of this money, but there is not at present authority for the issue of any Treasury bills in excess of the £3,000,000. At the present time the loan authority is unexhausted to the extent of £1,330,000, that being the amount that the Government have power under the existing authorisation from Parliament to borrow at the present time. It will thus be seen that although the authority to issue Treasury bills was exceeded, the authority to borrow the money was not exceeded. The issue of these Treasury bills was carried out by the previous administration. The present Government, in view of it having been discovered during recess that the authority to issue Treasury bills was exhausted, did not issue any pending the passing of this Bill. At the present time the total issue of Treasury bills current is £4,006,860. The first of them were issued on the 1st July, 1912, representing £61,000 and bearing interest at $3\frac{1}{2}$ per cent. The principal amount is one of £3,100,000 issued over a period extending from the 17th December, 1914, to the 15th November, 1915. That is the amount advanced by the Commonwealth and for which Treasury bills were given in return. The interest in this case amounted to $4\frac{1}{2}$ per cent. Further Treasury bills were issued on the 7th July, 1915, to the amount of £307,410 at the same rate of interest, namely, $4\frac{1}{2}$ per cent. On the 10th September, 1915, a small lot of £2,000 were issued carrying interest at the rate of 5 per cent., and on the 1st June, 1916, there was a further lot issued, amount-

ing to £31,000. These also carried interest at the rate of 5 per cent. In addition to these Treasury bills the Commonwealth will probably require further Treasury bills from the State for the sum of £1,100,000, being this State's share of a loan of £4,000,000 at $5\frac{1}{4}$ per cent., which was recently placed on the London market for the Australian States. It is estimated, however, that certain costs will add another $\frac{1}{4}$ per cent. to the interest and that these Treasury bills will have to carry interest at the rate of $5\frac{1}{2}$ per cent. That is one reason why the Bill before hon. members is necessary because under the present Act Treasury bills cannot carry that rate of interest.

Hon. J. F. Cullen: What is the maximum now?

The COLONIAL SECRETARY: Five per cent. There is still a balance of £980,000 to be raised during the present year by the Commonwealth Government on behalf of this State. Clause 3 of the Bill deals with the rate of interest. In the original Act the rate of interest was fixed at 5 per cent; but, as I have already indicated, that rate will not suit present conditions. The Commonwealth Government cannot borrow at 5 per cent., and we cannot expect to get our money as cheaply as the Commonwealth Government. The proposal in this Bill is to leave the rate of interest open. Clause 3 says—

Notwithstanding the provisions of Section 4 of the Act, the interest payable on Treasury bills issued during the continuance of the present war and for two years thereafter may be at such rate per centum per annum as the Colonial Treasurer may in his discretion think fit.

The reason for making this wide provision is that it is quite impossible to say exactly what rate of interest the State may have to pay for money borrowed during the next few years. As I have already indicated, there is absolutely no prospect of getting money at 5 per cent.; and it is by no means certain that $5\frac{1}{2}$ per cent. is the highest rate of interest this State may have to pay. It is considered more desirable that discretionary power should be given to the Treasurer in this matter of interest, than that a high rate of interest should be fixed, because, if

we provide a rate of interest which we know will be quite sufficient, our action may be regarded as an indication on our part that we are prepared to pay that rate of interest. For this reason it is thought that the best course is to leave the rate of interest during the continuance of the war and for two years afterwards to the discretion of the Treasurer, who will undoubtedly make the best bargain he can in the circumstances. I move—

That the Bill be now read a second time.

Hon. A. SANDERSON (Metropolitan-Suburban) [5.33]: I second the motion for the second reading of the Bill because it is a Committee Bill. Probably it will be well, however, to have a discussion on the second reading. It will serve to arrest the attention of hon. members if I venture the opinion that this is unquestionably the most important Bill which has been brought before the Council since I have been a member; that is, during the last four and a half years. I think I shall be able to satisfy hon. members on that point before I finish. Hon. members will admit that during the last couple of years we have dealt with some legislation of prime importance—I refer, of course, to what may be termed war emergency legislation. The present Bill, however, opens up the whole financial position and prospects of this country. I desire to indicate the amendments which I shall propose in Committee, and which, in view of the importance of the subject, I shall press to division, if necessary. My first amendment will be to limit the amount which can be raised under this Bill. The limit I shall propose is £5,000,000. In the last clause of the Bill I shall propose to strike out the words which leave the rate of interest payable on Treasury bills during the currency of the war and for two years after its termination to the Treasurer, and shall propose to insert words limiting the rate of interest to a maximum of 6 per cent.

Hon. C. F. Baxter: That means that the State will have to pay 6 per cent.

Hon. A. SANDERSON: I want to see how far hon. members are prepared to go. I want to see, and I want the country to see, who is responsible for supporting a measure which, I have no hesitation in saying, repre-

sents the most reckless financial proposal that has ever been brought before any Western Australian Parliament. When we have finished with this Bill, and have had the assistance of a complete discussion, hon. members and the country will appreciate the fact that this is the most reckless financial proposal ever introduced in Western Australia. It is rather disappointing to think that in another place, which is supposed to be the guardian of the public purse, the Bill—it is no exaggeration to say this—was not discussed. It is quite true that the leader of the Opposition contributed to the discussion, but that hon. member and the Treasurer reminded one of the Roman augurs—they both know a thing or two in dealing with the public. This is a Labour Bill. The Treasurer has told Parliament so. The report has appeared in the public Press that the Treasurer found the Bill on the table when he entered the Treasury. The hon. gentleman openly admits that this is a Labour proposal. Certainly, it fits in very well with the reckless finance to which we have become accustomed. I have indicated my two amendments, and I desire to compress my remarks within reasonable limits; but I must emphasise the fact that this measure opens up the whole financial policy of the country. It is pretty obvious that hon. members do not wish, even if it were permitted, to go into an exhaustive analysis of the financial position of the State, especially as the Treasurer a few weeks ago stated that the finances were in a state of chaos. I do not propose to attempt to analyse chaos. I propose to stick as closely as I can to the measure before us; but it will be necessary for me to refer to the question of what power this Council has over money Bills. This is only an aside, so to speak, but I wish hon. members to appreciate the fact that I have not neglected to look into that aspect of the matter. If hon. members will refer to the report of the select committee appointed to inquire into the procedure on money Bills, which is signed by the Hon. Walter Kingsmill, they will find that paragraph 6 states—

It will be seen that the Bill enumerates the measures which the Council have no power to amend, viz., taxation Bills, loan

Bills, and Bills appropriating revenue for the ordinary services of the year. In the case of these Bills, the Council will have the right to request amendments, but not to repeat or to insist on their amendments.

Hon. members may consider the matter for themselves. I would like to hear Mr. Kingsmill's opinion on the subject, because that gentleman is recognised as an authority on the question. I wish also to deal with the Imperial factor—a very important factor in the present situation. We have arrived at the position that there is an Imperial factor absolutely controlling—this is the important point—the money markets of the world; certainly that of London. We have the Federal Government, and we know perfectly well the agreement that was made, under which Western Australia is not to borrow except through the Commonwealth. We have our own finances to deal with, and these, we are told by the Treasurer, are in a state of chaos. I do not desire to go too far into the Imperial factor, but I wish to emphasise that we cannot deal with the money market question, that we cannot even deal with a Treasury bill, unless it is clearly realised what power the Imperial Government have and are exercising in this respect. So far as regards the Federal Government, I at once give Mr. Cullen my assurance that I am not going to touch on the question of unification. I admit, of course, that all these factors are bound up together; but I wish to speak as a Western Australian taxpayer looking after the interests of Western Australia. It is impossible, owing to the agreement between the State and the Commonwealth as to loan issues, thoroughly to understand and appreciate the position unless trouble is taken to examine it. I will not say that I am going to examine the position exactly, because I do not intend to quote any figure lower than a million or half a million; but one cannot deal with the financial position of Treasury bills, or of Western Australia, unless one remembers that we have pledged our word that no Western Australian loan flotation shall take place on the London market, or indeed elsewhere, unless it is with the express approval of the Commonwealth Government.

That gets rid of the question of procedure on money Bills. To a certain extent it gets rid of the Imperial factor. Further, it gets rid, to a certain extent, of the Commonwealth factor, although I may have to refer to that factor again. Perhaps I ought to have mentioned before—though this seems the most suitable place to mention it—that this Bill represents a breach of faith with the Commonwealth Government, and with the Imperial Government. Because, what is a Treasury bill? If hon. members will look at page 248 of *The System of National Finance*, by Mr. E. Hilton Young, they will find a very clear explanation of what a Treasury bill is. To read the whole page will take too long, but the following paragraph is interesting and significant—

When a house of business of any sort finds itself in a fix for money, because, for instance, it has to meet payments before the money out of which its payments are to be made has not come into its hands, it goes first in many cases to its bank for an overdraft.

I think it is important that hon. members should clearly understand what a Treasury bill is. I wish to refer to what I may call the history of Treasury bills in this State. The Colonial Secretary has outlined the position. We had the 1893 Act for half a million of money, and the 1897 Act for three millions of money. These Acts of Parliament are important, but if one wishes to get an idea of the thing, desires to get the intention of the Bill, one cannot do better than turn up *Hansard* on the debate. This was what Sir John Forrest is reported to have said in 1897—

The Premier again pointed out that the Bill was intended, not only for the present time, but for all time, and he hoped it would be found useful for 100 years.

The discussion in the Council took place in August, 1897. Sir Edward Witteroom was in charge of the Bill, and it went through with very little debate. That is the history of Treasury bills in this State, or rather, I have indicated where it can be found. It is a perfectly legitimate form of finance in ordinary circumstances, and unquestionably, any way we look at it, we must be prepared to admit that finance is a most difficult task and that the Treasurer is entitled to the

fullest sympathy and support. But I am quite unable to give any sympathy or support to a measure of this kind. The Treasury bills carry no sinking fund. The hon. member asked me why I proposed to press for a division. Am I to think that hon. members deliberately, and with their eyes open, are going to pass Clause 3? It reads as follows:—

Notwithstanding the provisions of Section 4 of the principal Act, the interest payable on Treasury bills issued during the continuance of the present war and for two years thereafter may be at such rate per centum per annum as the Colonial Treasurer may in his discretion think fit.

There is a blank cheque if you like! It will be interesting to see how the division goes. I sympathise with the suggestion made by the Colonial Secretary about putting it down in the Bill, but what does it mean? It means that as we cannot get money at 5 per cent.

The Colonial Secretary: I do not know.

Hon. A. SANDERSON: Well, that is good. Let us put down 5½ per cent. in the Bill. That is the amendment I will move, with the concurrence, I take it, of the Colonial Secretary. I do not know what his colleagues will say, but it will be interesting to have a division on the 5½ per cent.

The Colonial Secretary: I told you I do not know whether it will be 5½ per cent. or 6 per cent.

Hon. A. SANDERSON: That is so. It may be anything, and we are asked to endorse that policy. If the Treasurer had an overwhelming majority behind him in both Houses of Parliament, and in the country, if he was the one strong man we looked to to pull us through this great crisis, I would not even then permit a man of that description to have the power which the Bill seeks to give him. "The continuance of the present war"—God knows how long it is going to last; we have had wars last anything up to 100 years. Yet here is a Bill which seeks certain things for the continuance of the war and two years afterwards. The Treasurer, at his own discretion, may issue bills at any price he likes.

The Colonial Secretary: That is hardly the case; there is the limit of the authorisation.

Hon. A. SANDERSON: I am coming to that. But what is the authorisation at the present moment. We have six million pounds worth of loans authorised but not floated. I am dealing only in round millions. I do not think that statement will be questioned.

The Colonial Secretary: It is £1,330,000.

Hon. A. SANDERSON: No. The loan authorisation at present in existence is for six millions, and against that we have issued 4½ millions of Treasury bills.

The Colonial Secretary: Just four millions.

Hon. A. SANDERSON: There is considerable difficulty in reconciling the statements in the *Statistical Register of Western Australia*. Hon. members have heard what the leader of the House said. If they will turn to page 5 of the *Statistical Register* dealing with the public debt of Western Australia in each of the years from 1907 to 1916, they will there see that the amount is given as £4,682,625. I call that 4½ millions. I do not know how that is reconciled; probably it has been taken in by the Statistical Department, because the bills are practically mortgaged to that amount.

The Colonial Secretary: Some may have been redeemed since then.

Hon. A. SANDERSON: Surely it is of the utmost importance, in considering a matter of this kind, that we should have the figures put before us showing exactly how we stand. If hon. members will look up the matter, I think they will find that I am not far out. We have 4½ millions of Treasury bills out. We have six millions of loan authorised, but not a penny of it has been raised by inscribed stock. That is to say, we are financing entirely on Treasury bills.

Hon. J. F. Cullen: We are forced to do it.

Hon. A. SANDERSON: Are we to be forced to continue to do it? Is the country going to attempt to finance itself in this way? The interjection that Parliament has control through loan authorisations is very paltry. I have pointed out that six millions is the present authorisation. But

what did the Treasurer tell the public the other day? As reported in the *West Australian* he said—

If our Loan Bill for this season should be for, say, two millions or three millions, then the Treasurer will be at liberty, as occasion requires, to raise that money by issuing Treasury bills.

I hope hon. members will appreciate that. We have six millions authorised, but not a penny of it raised by inscribed stock. The whole of that can be financed under the amending Bill before us. That would be bad enough, but we are practically told that a loan Bill for two millions or three millions is to be put through. That brings it up to eight millions. How is it to be financed? It is to be financed by Treasury bills issued at the discretion of the Treasurer at any rate of interest he likes to pay. It will be interesting to see how hon. members will vote on this question. I have referred to the difficulty of getting accurate information on the subject. If hon. members will look at the Estimates of revenue and expenditure up till the 30th June, 1917, they will find there a statement of the Treasury bills. I frankly confess I am unable to reconcile it with statements made by Ministers. I can make it quite clear to hon. members that there is six millions authorisation and four and a half already raised by Treasury bills. The hon. member said four millions; even that leaves two millions to raise. I say that would be bad enough, but we are to add to that the proposed Loan Bill of two millions or three millions, which will then come under this Bill and enable the Government to finance it at any price they name. That will not do. I cannot believe that the Council will agree to it. If it does it will lead to unification in the speediest possible time. Coming to the question of debentures, my impression is that, although the hon. member referred to debentures for practical purposes, in the discussion of this we can omit the debentures; because here again, looking at the *Statistical Register* we find 300,000 debentures, 34 millions of inscribed stock and four and a half million of Treasury bills. For the purpose of our finance we can entirely disregard the debentures. It is all done under the General Loan Inscribed Stock Act but it will make the discussion

much easier for the people to follow if we confine ourselves to these other things. The public, after all, are the people primarily interested. I have here a note to the effect that, in the words of the Premier, "It is a terrible task for me to unravel the devious methods of finance adopted by the late Premier." It is a terrible task for anyone. Looking at the position of affairs, inside and outside this country, it is a terrible task to come down to the Legislative Council and attempt to unravel this kind of thing which has gone through in another place practically without any discussion at all. Here are figures which throw an interesting light on the position of Western Australia. I am not a pessimist about this country, but there are limits to which even this country can go and we have gone perilously near them. I do not wish to put a false construction on anything and I will admit that these figures are not complete. They deal with the wealth census cards which we were called upon to fill up some 12 months ago. If hon. members will look at page 167 in Digest No. 25, they will find a statement drawn up by the Statistical officer of the Commonwealth of the private wealth in the different States. These enable one to follow to a certain extent the position of Western Australia as compared with the other States. Take Victoria which is at the top of the list, and we find that the private wealth of that State is 234 millions and that the State debt is 73 millions. Western Australia is at the bottom of the list, and is different from all the other States in having less for her private wealth than she has of debt. In Western Australia there are 34 millions of private wealth and a debt of 37 millions. I do not wish to alarm people or claim that this does anything more than give an indication of the position of affairs in this State. Will anyone tell me, with a Bill like this which seeks to break this country, if we allow it to pass as it is, that we are going to have eight millions out in Treasury bills with the interest unfixed, and as they come back, renewed? It is incredible that this House should stand that. Possibly we may have some discussion on the question before we send it back to another place. I do not wish to influence the House in any degree whatsoever. My object is to ask

hon. members and the public to look into these figures for themselves. It is a state of chaos, but at the same time one can get the outlines of the chaos. Let us look into the matter, and consider it quietly, because there is no need for panic or alarm, but with the warning that we have had from the British Prime Minister (Mr. Asquith), from the Chancellor of the Exchequer, and the warning we have had from the Commonwealth Treasurer, and the warnings that we have been giving to each other, even if we have not paid much attention thereto, how can we expect this country to continue disregarding all these warnings. My point is dealing with loan money, and we can deal only with loan moneys, is that the more money we raise by loans in London for Western Australia the more will Western Australia pay over to the Treasurer of the Commonwealth for customs taxation. I had a return from the railway department two years ago, in reply to a request from me, asking how much the railway department in this country had paid to the Federal Customs Department since Federation. The amount that the railway department alone had paid was £300,000, handed over in hard cash to the Federal Customs Taxation. It is not surprising that the railways are feeling the pinch when they have to conduct their affairs on such lines. I hope the Colonial Secretary in dealing with the matter in Committee is not going to quote to me what the Imperial Government have done; that they have issued one thousand million pounds in Treasury bills. Look at the difference. What is the essential difference between the Imperial Exchequer and the Australian exchequer. In a time of trouble when it comes in Australia, do we look to the Government to assist us? Why the first crack in this country in August, 1914, was at once seen in the Government. The Imperial Exchequer is holding up the credit of the whole Empire and the whole of the allies in this great war. How has it been able to do that—Owing to the great care it has exercised in the past in the time of Britain's affluence? Why are we in such a deplorable position now? It is because when things were going well we spent money recklessly and now that things are going badly with us, we are becoming even more reckless than

we were, even in the time of our prosperity. I fully appreciate the difficulty of the question of interest. In the *Economist* of the 30th September, 1916, the following appears:—

It was officially announced on Wednesday evening that an issue would shortly be made of 6 per cent. exchequer bonds with a currency of three years.

All the thousand million pounds' worth of Treasury bills had been carrying interest with the British Government's credit behind them, from 5½ per cent. to 6 per cent. I am not surprised that the Colonial Treasurer should have been frightened to put down what the amount is going to be by way of interest. I want hon. members to decide on that question for themselves. If they are going to allow the Government to finance that eight millions' worth of Treasury bills at 5½ per cent., 6 per cent., or 7 per cent., neither I nor those who agree with me can stop them. At any rate we can point out to hon. members and to the country that if the Government are going to finance on these methods at a time like this, it is the most reckless financial proposition which has ever been introduced even in Western Australia. I am not going to say who is responsible for this, but the division will show. It would have been pertinent of me to have dealt with the financial position of the country but I am not going to do that. Hon. members probably know more about that than I do. My one object in rising and taking up the time of the House was to ask hon. members to look into this matter for themselves and give us the benefit of their experience and advice so that the country can see clearly what we are doing and what we are proposing to do. Let me conclude by saying that I am not an alarmist but that I think every care should be exercised. I do not wish to embarrass the Government—far from it. I deeply regret that since they have taken office I have not been able to find one indication, and I am dealing with finance only, that they are going to handle the finances of the country on a sound basis, admitting, as I do most readily, the difficulty and perplexity of the situation. If the alternative that is before us and the country is a continuation of this Treasury bill system such as we have had this after-

noon, and unification, I feel convinced that the commercial and financial classes and the merchants, as well as the Labour party, will join hands to stop this extravagant system of Government. I think if hon. members were to read an article in the *Age*, under date 25th October, and see what has been going on in Australia in the way of an increase in the cost of Government in all the States in the Commonwealth, they would see that the State least able to afford extravagance is Western Australia. I leave hon. members to discuss the question themselves, and give the country and the Government the benefit of their opinions, on the only important matter at the present moment, and that is the financial position of Western Australia.

Sitting suspended from 6.15 to 7.30 p.m.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East—(in reply) [7.31]: I listened with much interest to the speech of the hon. member, and I have no doubt that other members equally with myself will feel they may congratulate Mr. Sanderson on the trouble he has taken to collect and place before the House the facts which he has given us. But I should have had more reason for congratulating the hon. member had he suggested some practicable, workable alternative to the proposal put forward by the Government. The only alternative the hon. member seems to suggest is some scheme of unification.

Hon. A. Sanderson: Hear, hear!

The COLONIAL SECRETARY: If we had entire confidence that the Federal Government has wisely administered those public affairs over which they have complete control, if we felt that this State had benefited greatly, for instance, by the transfer of the post office and of the telegraph and telephone business to control in Melbourne, if also we felt the administration of the Federal Government in its public works policy in the construction of the trans-Australian railway, the building of the Federal capital, the naval docks, and many other things I could mention had been sound and economical, then possibly some others of us might be inclined to join with the hon. member in favouring a policy

of unification. But at the present time I think it is the opinion of a majority of members of this House, and of a majority of the thinking people of this State that it is better for us to "bear those ills we have than fly to others that we know not of." I do not intend, as I might, to use the hon. member's speech for party political purposes. There can be no doubt that during the past five years there has been a spirit of financial recklessness in this State, and there can be no doubt but that Western Australia would be in a much better position to face the critical times in which we live, and in which we may expect to live for many years to come, had prudence been exercised in the matter both of loan and revenue expenditure during the past five years. During those years the loan expenditure has averaged something like three millions per annum, and the result is that the interest and sinking fund bill to-day is three-quarters of a million higher than it was five years ago. Five years ago the concerns on which money borrowed by the Government of Western Australia had been expended provided the whole of the revenue required for interest and sinking fund purposes, so that our debt was not in any way a burden upon the taxpayers. To-day the concerns on which money borrowed by the State of Western Australia has been expended fall short by three-quarters of a million sterling of providing interest and sinking fund. Consequently, the whole of that three-quarters of a million has to come out of the pockets of the taxpayer. That is a condition of affairs which I, equally with the hon. member, deplore, but I do not see how the difficulty is to be lightened or removed by throwing obstacles in the way of the present Government, as suggested by the hon. member, who proposes to amend this Bill in two directions. First of all he would limit the amount to be raised by Treasury bills to five million pounds. Already the amount raised, taking the lower of his two figures—I am quoting figures supplied to me by the Treasury—the amount already raised by Treasury bills is £4,006,860.

Hon. A. Sanderson: Four millions and a half.

The COLONIAL SECRETARY: No. £4,006,860.

Hon. A. Sanderson: I do not like interrupting the hon. member, but if he will look at the Western Australian Statistical Returns published in September, he will find that up to the end of June the precise figure is Treasury bills £4,682,625. That is the official statistical return published by the Western Australian Government.

The COLONIAL SECRETARY: Undoubtedly there is a discrepancy between the two sets of figures, and I have no doubt there is a simple explanation for it. I am quoting the lower set of figures and in doing so I am quoting figures which are really more against the argument I am about to use than would be the higher figure; because if I take his figure of £4,680,000 then the amount proposed by him would limit the Government to issuing new Treasury bills of only £320,000. I take the figures supplied by the Treasury, and I have no doubt it will be found that those figures are correct, because I have here the complete details of the whole issue of the current Treasury bills at the present time, beginning from July, 1912, down to the last issue on the 1st June, 1916. Some of those bills fall due shortly, some on the 1st December this year, others on the 13th December, others again next year, while some extend so far as July, 1919. If we take those figures as accurate, the carrying of the hon. member's amendment would mean that the Government would be limited in the issue of Treasury bills to one million pounds.

Hon. A. Sanderson: In addition.

The COLONIAL SECRETARY: Yes, in addition. And already it is expected that the Commonwealth will demand at once £1,100,000 in Treasury bills as against this State's share of the loan of £4,000,000 recently floated. So that I want hon. members to understand that the carrying of Mr. Sanderson's amendment must prevent this Government from receiving urgently needed money. The hon. member's second suggested amendment is that the rate of interest shall be limited to 5½ or 6 per cent.

Hon. A. Sanderson: Six per cent.

The COLONIAL SECRETARY: I can only say that it will be unwise to fix 6 per cent. in the Bill. I am not going so far as to assure the House that the Government will not pay more than 6 per cent. We do

not know, and we cannot tell, what the rate may be. The hon. member has referred to British finance. Since the commencement of the war British finance has been the envy and the marvel of the whole world, and probably when the history of the war comes to be written it will be found that the chief factor in saving civilisation was Britain's financial and commercial methods. But in spite of this, it has been found necessary within the last few months to raise the bank rate; and there are other indications that money is becoming more valuable. And if money is of greater value, then we shall have to pay that greater value. After all, it is more or less a matter of comparison. It would be a very dreadful thing for any country if it borrowed large sums of money extending over long periods at a high rate of interest and then the value of money suddenly dropped. That would be a calamitous position for any country. But supposing, as I think must be the case, that money during the currency of the war and for a long time afterwards will be worth a great deal more than in the past, so long as the money value remains high we shall not be particularly prejudiced as compared with other countries by having paid so much. That is to say, if 6 per cent. be the value of money, and it remains for ten or twenty years at 6 per cent., we will be no worse off in the transaction than any other country. I would again point out to hon. members that to carry the amendment may possibly mean that the Government would not be able to raise money that is urgently required. The only alternative open to us under the hon. member's amendment is that we should refrain from borrowing, that we should practically shut up shop. I do not for a moment think it will be possible for Western Australia to raise in the immediate future anything like as much money as we have borrowed in the past. When the Premier returns from the conference in Melbourne we shall probably know more about it; but, as members must recognise, at the present moment it is not merely a matter of interdependence between State and Federal finance. In the long run the British Government will probably dictate the amount of money that Western Australia shall spend by way of loan during the next

and the subsequent years. But I do think it would be entirely unwise for this House to throw obstacles in the way of the Government raising what money is needed, because it seems to me although the position is bad we cannot entirely suspend the expenditure of loan money in Western Australia. To do so would undoubtedly bring about calamity. We must persevere with the development of our industries; we must as far as possible make ready for the encouragement and reception of immigrants into the country. Because, after all is said and done, it seems to me to enable Western Australian and Australia generally to carry the enormous burden of debt that is to be placed on our shoulders we must take steps to secure a much larger population. If the amendment be carried the effect will be to prevent the Government receiving money likely to be wanted. If that were to happen would it not follow there would be restriction of enterprise and development everywhere? And then, when the war is over, we should find ourselves burdened with debt and in a poor position indeed so far as the encouragement of additional population is concerned. I want to impress upon members that this Bill does not give the Government a blank cheque to borrow money indiscriminately. These Treasury bills can be issued as Mr. Sanderson knows only in respect of amounts authorised in Loan Bills and still unraised, so that the Bill does not in any way increase the borrowing powers of the Government. Inasmuch as it is impracticable for the Government to issue inscribed stock, I know of no other method equally commendable by which money can be raised except by the issue of Treasury bills. I do not think that this proposal in any way constitutes a breach of faith with the Commonwealth Government. As a matter of fact, the greater proportion of these Treasury bills will be handed over to the Commonwealth Government as security for the money that they have advanced to us from the loans raised in London from time to time. It has been argued that Treasury bills bear no sinking fund. That is the case, but it must also be remembered that Treasury bills are all short dated, and loans when raised do not bear a sinking fund in the first few years. It will be said that by carry-

ing on with Treasury bills for two or three years and then floating a loan, we shall defer the period in which the sinking fund starts to operate. That is true, and if the worst that happens to our finances as the result of the war, and of the reckless expense in the past, is that we have to start paying sinking fund on some of our loans two or three years later, then I think we shall escape very lightly indeed. I can assure the hon. member it is the intention of the Government to exercise the greatest care in financing the affairs of this country. The hon. member said, and rightly too, that this Bill was prepared by our predecessors in office, and I venture to say that if they had remained in office and brought down the Bill, I would have supported it because whatever Government is in office, they must have powers greater than Parliament would feel disposed to entrust them with in normal times. I shall be glad to listen to any further argument the hon. member may have to advance in favour of his proposal when the Bill has reached the Committee stage, but I do not think hon. members will be inclined to throw obstacles in the way of the Government raising what will necessarily be a comparatively small sum of money. I say comparatively, in view of the very large loan expenditure of the past five years, and we shall have to use our best endeavours to make it go as far as possible in the development of the resources of the country, so that we may be in the position to carry the load which is now almost unbearable.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Kingsmill in the Chair, the Colonial Secretary in charge of the Bill.

Clause 1—agreed to.

Clause 2—Repeal of Section 1 and substitution of new section. Power to issue Treasury Bills:

Hon. A. SANDERSON: I move an amendment—

That all the words after "amount" in line 5 be struck out and the words "Of

six million pounds sterling" be inserted in lieu.

If the Committee reject this amendment, it will be their business. The issue is clear; the man in the street can understand it after five minutes conversation. I would draw hon. members' attention to the words which were used by the Premier "The powers I seek are practically unlimited." Hon. members understand the position of affairs. Let us go to a division at once. Are hon. members prepared to hand over to this Government or any other Government what the Treasurer himself has called unlimited powers?

The COLONIAL SECRETARY: Just before tea the hon. member said he was going to limit the amount to five millions. Probably if we sat a little later and gave the hon. member a good supper, he might make the amount seven millions. This is not the Bill in which to limit the borrowing powers of the Government. At the present time Treasury Bills are practically the only method by which the Government can borrow. The borrowing powers of the Government can only be limited in a loan authorisation Bill.

Hon. A. SANDERSON: With our knowledge of affairs, for this House to reject a loan Bill is a different matter from the House saying that as far as Treasury Bills are concerned, we will not permit their issue to be more than six million pounds. How much of our financial difficulty in Western Australia is due to the war? To give the present Government or any other Government power to raise more than six millions sterling by Treasury bills would be unsound. I feel sure that if this Chamber does not make a protest the public will.

Amendment put and negatived.

Clause put and passed.

Clause 3—Rate of interest:

Hon. A. SANDERSON: I move an amendment—

That, in lines 4 and 5, the words "may be at such rate per centum per annum as the Colonial Treasurer may in his discretion think fit" be struck out, and "shall bear interest at a rate not exceeding 6 per centum per annum" inserted in lieu.

If there is any member of the Committee

who supports me in this amendment let him call for a division—I cannot call for it.

Hon. J. F. CULLEN: On first perusing the Bill I took the view which Mr. Sanderson has been urging. It is worthy of note, however, that 34 millions of our loan indebtedness were entrusted to the Treasurers for the time being, absolutely without any limitation. These successive Treasurers went on the world's markets and did the best they could. In normal times, undoubtedly, there is some reason for fixing a maximum rate of interest for Treasury bills, because Treasury bills are often negotiated privately. I do not think there is much in the Treasurer's point that to fix a high rate of interest would not be wise inasmuch as it would lead lenders to expect more generous terms than the Treasurer ought to give. After all, the negotiations are between hard headed business men, and not between children. However, the times are abnormal, and if Treasurers can be trusted with enormous negotiations of Inscribed Stock, surely Parliament can trust them to do the very best with Treasury bills that the exigencies of the times will permit. Suppose a maximum of 6 per cent. were fixed and the Treasurer found it absolutely impossible to get money at that rate; then Parliament would have to be called together; and the very fact of this discretionary power having been refused to the most responsible man in the State would have a very bad effect. Therefore I shall vote for the clause as it stands.

Hon. J. EWING: I am quite sure Mr. Sanderson is wrong in thinking that he has made no impression on the Committee. I believe the Committee recognise the able manner in which he has dealt with the finances of the State. But we are not living in normal times, and we should not at this juncture cease expenditure of loan moneys. We want to attract population—among other reasons, in order to reduce our indebtedness per head. To that end we must borrow to develop the State. Six per cent. is undoubtedly high in view of the fact that Western Australia has obtained the larger part of her loan moneys at 3½ per cent. But great countries are now paying as much as 6 per cent., and we shall have to pay the current rate, whatever it may be—even 7 per cent. or 8 per cent.—unless Western

Australia is to lag behind the rest of the World. We must not tie the Treasurer of the day down; we must trust him.

Hon. H. MILLINGTON: I should not have spoken on the amendment, but unfortunately I find myself unable to support Mr. Sanderson. I give that hon. member my assurance, however, that I very much appreciate the manner in which he has dealt with the question. Instead of discouraging, I maintain we should encourage, hon. members to examine important questions as Mr. Sanderson has examined this one. There is a tendency, a regrettable tendency, to leave the matter of finance to one man—the Treasurer. The laws on the Statute Book show that Mr. Sanderson's argument is normally sound, inasmuch as they limit the rate of interest.

Hon. V. HAMERSLEY: I wish to express my appreciation of Mr. Sanderson's efforts to elucidate this question. I will certainly support him. There must be a limit to the rate of interest paid, whether by a Government or by a private person. That has been recognised in all stages, and in this instance the limit should be fixed in the Bill. If it be found necessary to exceed that limit, Parliament could be called together to consider the question.

The COLONIAL SECRETARY: It may interest members to notice the rate at which the value of money has increased since the war. Before the war we borrowed money per Treasury bills at $3\frac{1}{2}$ per cent. After the war started Treasury bills were sold at 4 per cent. The rate gradually went up, and the large amount for which Treasury bills were issued, some three or four millions, between the end of December, 1914, and the middle of November, 1915, was borrowed at $4\frac{1}{2}$ per cent. On a small issue at the first June of this year the rate was 5 per cent. and the first issue contemplated under the new Bill, in respect of the loan raised by the Commonwealth Government in London recently at $5\frac{1}{4}$ per cent., it is expected will eventually cost $5\frac{1}{2}$ per cent. So in less than twelve months the rate has gone up from $4\frac{1}{2}$ per cent. to $5\frac{1}{2}$ per cent., and it is quite possible that the ratio in increase will be found greater as the war continues. If the amendment is carried, it may mean that money raised in London at

6 per cent. and the expenses of which will mean another quarter per cent., will be unavailable to the Government, although the extra quarter per cent. on a million would mean only £2,500 a year. Under the amendment the Government would have to refuse the money and perhaps bring the public works of the State to a stand-still. As Mr. Ewing has said, the rate of interest will not be fixed by the Treasurer of Western Australia, but in all probability by the Imperial Government. I agree that in normal times there should be a limit, but at present we can borrow in only one way.

Hon. A. SANDERSON: In regard to the control of the Imperial Government over the money market as it affects Western Australia I do not claim to speak with special authority, but merely with that authority which anyone can obtain by perusing the official and financial papers. In effect Western Australia has pledged itself to the Commonwealth Government not to float loans except through the Commonwealth. Now what is the relation between the State, the Commonwealth, and the Imperial Governments? All that the Imperial Government say to the Commonwealth is "We will not give you permission to float a loan on the London market." But if the permission is given, it becomes a question for the market to work out its own price. That is the position. The State is pledged to the Commonwealth, but the Commonwealth is not pledged to the Imperial Government. The Imperial Government have expressed the intention of taking control, as far as possible, of the market for war purposes. To talk of raising money at 6 per cent. for the purpose of carrying out reproductive public works when we have failed to get reproductive public works, even when we could borrow money at $3\frac{1}{2}$ per cent., is to set up a grotesque position.

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

Ayes	..	..	..	5
Noes	..	..	..	14

Majority against .. 9

AYES.

Hon. R. G. Ardagh	Hon. A. Sanderson
Hon. J. Cunningham	Hon. J. A. Girdle
Hon. V. Hamersley	(Teller.)

NOMS.

Hon. J. F. Allen	Hon. J. J. Holmes
Hon. C. F. Baxter	Hon. A. G. Jenkins
Hon. H. Carson	Hon. C. McKenzie
Hon. H. P. Colebatch	Hon. G. W. Miles
Hon. J. E. Dodd	Hon. H. Millington
Hon. J. M. Drew	Hon. C. Sommers
Hon. J. Ewing	Hon. J. F. Cullen

(Teller.)

Amendment thus negatived.

Clause put and passed.

Title—agreed to.

Bill reported without amendment, and the report adopted.

BILL—BETTING SUPPRESSION.

In Committee.

Resumed from the previous day; Hon. W. Kingsmill in the Chair, the Colonial Secretary in charge of the Bill.

Postponed Clause 11.—Powers of police to suppress street betting.

Hon. A. G. JENKINS: I have no desire in moving any amendments which I have moved to restrict the operations which would in any way control street or shop betting, but while I have that desire, I do not want undue power placed in the hands of the police to interfere with private citizens. With that object in view I last night moved that Subclause 1 should be struck out. It will follow, if that amendment which I intend to move again is carried, that Subclause 2 and 3 will also be struck out. I hope the Colonial Secretary will agree to this. Under Clause 4, before a constable can enter what is known to be a gaming house, he has to get a warrant. By Clause 10 any person betting in a public street has to be proceeded against by summons, but under Clause 11 power is given to a constable to practically arrest any person who in his opinion, may be indulging in street betting without any warrant. Similar power is not given in any other Act if the kind in Australia or elsewhere in the British Empire. Any private citizen who is seen talking to a bookmaker is subject to this clause; if it becomes law, of being taken by a policeman direct to the watch-house, searched, and brought before a police magistrate, and has no redress. I may say that I saw the drafts-

man about this clause and asked him from what Act he had got it, but he could not point to any similar section in any other Act. I move an amendment—

That Subclause 1 be struck out.

Hon. C. F. BAXTER: If Subclause 1 is struck out it will practically destroy the whole measure and will leave the position as it stands to-day. The police cannot suppress street betting at the present time. If a policeman suspects a person he has to get a warrant and by the time he returns he has a poor chance of effecting an arrest or getting sufficient evidence to prove his case.

Hon. A. G. JENKINS: Mr. Baxter is quite wrong. The only way that a policeman can proceed against a person at the present time on this question is under a municipal by-law. This Bill enters into new legislation altogether. Power is already given in the Bill to stop street betting and shop betting, but this subclause provides power to arrest any person whatsoever without a warrant.

Hon. J. F. CULLEN: I understood the Colonial Secretary was looking into the matter to see if it was necessary in the judgment of the Government, to have this provision in the Bill. It will have to be modified or go out.

The COLONIAL SECRETARY: I am prepared to go to a division on the clause, and intend to support the retention of the subclause. I must confess I do not like the idea of giving a constable free power to arrest a person and take him to the police station without a warrant and without real evidence that he has committed an offence. At the same time, it is very urgent that we should have ample power for the suppression of street betting. It might, I agree, be a difficult matter to get a warrant to arrest a man in the street in time to make out a case against him, but I do not agree that the striking out of that subclause will destroy the Bill. It will undoubtedly take away some of the powers that the police would otherwise have, and it is a question for the Committee to decide whether they will give a constable these exceptional powers for the suppression of street betting, or whether they will say it is better to preserve the principles of our British law, even if it made it a little more difficult in one or two in-

stances to secure convictions. At any rate under Clauses 4 and 10 the Government have greater powers than they possess under any existing legislation. I intend to put the matter to a division.

Hon. J. M. DREW: When the Criminal Code was passed into law it was the intention of the Government, and of this House, that betting should not be permitted. The House, however, has decided now to legalise the bookmaker on the racecourse, and I would point out that under this clause a bookmaker travelling anywhere to or from a racecourse would be liable to arrest without warrant and to prosecution, and probably conviction, because he would have betting documents in his possession, and the onus would be on him of proving that he was not in the street or other place for the purpose of betting.

Hon. J. E. DODD: While I am in favour of some measure of power to the police, I am not prepared to vote for the clause entirely as it stands. A similar position arises in this matter as in the gold stealing business. There is a provision in that legislation which is quite as harsh as that proposed here, and while I was prominent in endeavouring to suppress gold stealing, I was opposed then to the principle which is the same as in this clause. At the same time the Committee must be careful to see, if we are to suppress betting, that there shall be no loopholes in the legislation. I should be glad to support the clause with the exception of Subclause 4. It has to be remembered that the bookmaker and the bettor are prepared to take their case to the highest court in the land.

The COLONIAL SECRETARY: I am advised that the Bill contains every provision for the suppression of street betting but that the power of arrest without warrant is contained only in this Clause 11. The amendment which I have suggested, if agreed to, will meet the difficulty. The necessity then will only exist for striking out Subclauses 2 and 3 and the police would retain all the powers necessary for the suppression of street betting, except this power of arrest without warrant.

Hon. J. F. ALLEN: Regarding the objection raised by the hon. Mr. Jenkins, members unlearned in law cannot, of course,

point to any other Statute containing similar powers, and in regard to the objection raised by the hon. Mr. Drew, of the danger of bookmakers being arrested on the train, if a bookmaker could show in court that he was not in the street for the purpose of betting, but was merely going to, or returning from a racecourse, that would be a sufficient answer before the court.

Hon. J. J. HOLMES: I support the clause as it stands. If the Bill is to be made effective, the police must have the power of arrest and search. None of the dangers pointed out when we gave drastic powers to the police under the amending Health Act have been shown to exist. If the Committee desires to deal with the wily bookmaker, the police must be given the power to arrest without warrant.

Hon. A. G. JENKINS: If, as suggested, the Colonial Secretary's amendment will bring about a similar position insofar as the suppression of street betting is concerned without this power of arrest without warrant, I shall be content.

The COLONIAL SECRETARY: This clause gives the police power to arrest without warrant. The point is, do the Committee wish that the Government shall have that power, or do they not? I recognise there may be objection to it but it is for the Committee to answer the simple question which I have now put.

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

Ayes	..	..	..	11
Noes	..	..	..	7
				—
Majority for	..			4
				—

AYES.

Hon. R. G. Ardagh	Hon. C. McKenzie
Hon. J. Cunningham	Hon. H. Millington
Hon. J. E. Dodd	Hon. A. Sanderson
Hon. J. M. Drew	Hon. C. Sommers
Hon. J. Ewing	Hon. J. F. Cullen
Hon. A. G. Jenkins	(Teller.)

NOES.

Hon. J. F. Allen	Hon. J. J. Holmes
Hon. C. F. Baxter	Hon. G. W. Miles
Hon. H. P. Colebatch	Hon. H. Carson
Hon. J. A. Greig	(Teller.)

Amendment thus passed.

The COLONIAL SECRETARY: I take it Subclauses 2 and 3 will be consequentially

struck out. They were dependent on Sub-clause 1.

On motion by Hon. A. G. Jenkins, Sub-clauses 2 and 3 were struck out.

Clause as amended agreed to.

Postponed Clauses 12, 13, 14 agreed to.

Postponed Clause 15—Act to be subject to Section 211 of Criminal Code and the Totalisator Regulation Act, 1911:

The COLONIAL SECRETARY: I move an amendment—

That the following proviso be added to the clause:—"Provided as follows:—(a) No person shall for fee, commission, reward, share, or interest of any kind whatsoever, or upon any understanding or agreement, either express or implied, for such fee, commission, reward, share, or interest, receive from any other person any money for the purpose of placing, investing, or depositing the same in any totalisator, licensed or otherwise, or shall receive any money upon any such agreement, understanding, or intention that such money shall be so invested, placed or deposited; and any person acting in contravention hereof shall be liable to a penalty of not more than One hundred pounds. (b) Any person who shall in any public place or street, directly or indirectly, invite or solicit any other person to give or entrust to him any money or valuable thing for the purpose or intent that such money or thing or any part thereof respectively shall be placed or invested in any totalisator (whether such totalisator shall be lawful or not) shall be guilty of an offence, and be liable to a penalty not exceeding Twenty-five pounds or to imprisonment for not longer than two months with hard labour."

Hon. A. G. JENKINS: I would ask the Colonial Secretary to be careful in regard to paragraph (b), which may mean that if we meet a man in the street and ask him to put £1 on a race, a penalty of £5 may follow, in spite of the fact that this individual may not be putting the money on for any fee or reward. The first paragraph is all right because that refers to the person who will execute a commission for fee or reward.

The COLONIAL SECRETARY: The hon. member need not have any anxiety in

regard to the second paragraph. If someone asks an individual to put 10s. on a horse for him at a racecourse there will not be the slightest fear of the person being arrested. The object of the paragraph is to relieve the prosecution of the necessity of proving that an act of that description was done for fee or reward.

Hon. J. E. DODD: I shall support the retention of the paragraph. The absence of it will make it very easy for the law to be evaded.

Hon. A. G. JENKINS: I do not mind whether it passes or not. I have made my protest.

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

Postponed Clause 9—Penalty on persons advertising as to betting, etc.:

The COLONIAL SECRETARY: The consideration of this clause was postponed in consequence of a point raised by Mr. Sanderson to the effect that we had no power to make it an offence for any person to send a particular telegram. I have consulted the Crown Law authorities and they assure me that there is nothing at all in the point. The Victorian Act contains exactly the same provision, and our present Police Act contains the provision. As a matter of fact a case has already been tried which is on all fours with the one the hon. member has suggested. It was a case in which a person was charged with forging a telegram, and the defence was set up that he could not be prosecuted under the State law. That defence failed and it was held that the State law applied to an individual who forged a telegram.

Hon. A. SANDERSON: We make it an offence apparently to send such a telegram from Perth to Melbourne but it is not an offence to send a similar telegram from Melbourne to Perth.

Hon. A. G. JENKINS: I move an amendment—

That in line 2 the words "or otherwise" be struck out.

If these words are allowed to remain in the clause it will mean that no person will be able to send a telegram to a racecourse or to anyone in another State on the subject

of a wager. The Bill was never intended for that purpose. The reason why the words were inserted is that a certain man received a telegram and replied to it, quoting a certain betting price. The telegram he received was put into a private letter box. The police tried to convict the man for using a private letter box as a public place within the definition of the Gaming Act, but the magistrate dismissed the case. A law cannot be made for hard cases—made to convict one individual and incidentally involve 99 other individuals in hardship. If the State officials notify the Commonwealth that a person is using the post office for betting purposes, the Postmaster General at once proceeds to inquire, and, if satisfied, will stop that person's correspondence immediately. I quite agree with the rest of the clause.

The COLONIAL SECRETARY: I hope the Committee will not carry the amendment. The words apply not only to telegrams, but also to letters, circulars, handbills, and advertisements. The deletion of the two words "or otherwise" would mean that before a conviction could be obtained it would have to be proved that the defendant kept a betting-house. The case to which Mr. Jenkins referred failed because it could not be proved that the act was done in connection with a betting-house. This clause, with the exception of the two words "or otherwise," is taken from the English Act, and "or otherwise" has been inserted because the English section proved ineffective for the want of it. If the words are struck out, one would first of all have to prove that the defendant was keeping a betting-house, which is an offence in itself.

Hon. A. G. JENKINS: The Colonial Secretary is not quite right. A person cannot, under this clause, "for the purpose of and in connection with a betting house, send, exhibit, or publish any letter, telegram, or circular." The retention of the words "or otherwise" would mean that no person whatever could send a telegram relative to betting. Betting is perfectly legal in four States of the Commonwealth, and will be legal on the racecourse here. Indeed, it is now legal in Western Australia to bet on the totalisator. A man who wired to me from Melbourne to put £5 on a horse for

him would not be guilty of an offence; but if I sent such a telegram to him, assuming that the clause is passed as printed, I would be guilty of an offence. Any bookmaker sending letters or telegrams through the post office must have an address to which replies can be sent, and that address constitutes a betting house. One cannot imagine that a bookmaker is going to be insane enough to send wires or letters through the post office without stating where the reply is to be addressed. If the police go the right way about it, a conviction can be easily enough obtained. But in the case to which the Colonial Secretary refers, they did not go about it in the right way, and therefore they failed.

Hon. J. F. CULLEN: Mr. Jenkins is warning the Committee against legislating for hard cases. But he is arguing against only two words in the clause. The carrying of the amendment would make a loophole big enough to admit three-quarters of the offences which the clause is intended to prevent. Indeed, the deletion of the words would wreck the clause.

Hon. J. J. HOLMES: The words "or otherwise" should remain. If they are omitted, the bookmaker need only have a confederate to send away telegrams and letters for him.

Amendment put and negatived.

Hon. A. SANDERSON: I do not know whether the words "or elsewhere" after "Western Australia" in the second line of paragraph (a) are intended to protect the morals of other States.

The COLONIAL SECRETARY: No. The object is to prevent bookmakers in other States being advertised in Western Australia. The retention of the words prevents anyone from advertising here a bookmaker elsewhere as willing to make wagers with people in Western Australia.

Clause put and passed.

Schedule:

On motions by the COLONIAL SECRETARY, consequential amendments were made in the Schedule, as follow: After "payment of money," in line 12, the words "and all instruments of betting" inserted; also after "cards," in line 13, the word "books" inserted.

Schedule as amended, put and passed.

Title—agreed to.

Bill reported with amendments.

BILL—PROHIBITION OF TREATING.

Second Reading.

Hon. J. J. HOLMES (North) [9.30] in moving the second reading said: It is not necessary for me to go to any great length in explaining the provisions of the Bill. It is a distinct improvement on the measure which I introduced last session. It clearly prescribes that the conditions to be imposed shall apply to licensed premises only. It will not apply to Parliament House, although I would like to see it so applied. It was suggested last session that Parliament House should be included, but it was subsequently explained that Parliament House could not be included. I may say that, in connection with the 9 to 9 movement, there was a breach of faith on the part of the House Committee. A member of that committee said the committee would see to it that the House was brought into line, but this has not been done. However, I will be quite prepared to include Parliament House in this amending legislation if I am proffered any support. Licensed premises are dealt with under Clause 2. In addition to all the other licenses granted under the 1911 Act, some 14 or 15 different classes, this includes State hotels, refreshment rooms, restaurants, cars, packet licenses, and registered clubs. Liquor is defined. The Bill last session was lost in the other Chamber because of an imperfect definition of liquor. In this Bill liquor means "intoxicating liquor as defined in the Licensing Act, 1911." Clause 3 provides that no person shall purchase liquor on licensed premises and invite any other person to consume such liquor on licensed premises. It is proposed to fix a definite penalty of £10. In New Zealand a penalty of £100 is provided, with alternatively 12 months imprisonment. In the Bill a £10 penalty also is provided as against the publican, or his assistant, for the first offence, with £20 for any subsequent offence. A similar penalty is provided for the offence of lending money for the purpose of purchasing liquor. It is prescribed that any person providing a friend with a meal may also

provide him with liquor. I think this is a wise exception. There is a great difference of opinion as to the possible results of this proposed legislation. Mr. Duffell said last session that it would make us a laughing stock of the world. Yet good results are accruing elsewhere from similar legislation. Archbishop Riley had this to say before leaving for the Front—

I do not want to curtail your liberty, but I beg that you will remember that the men at the Front are put to some inconvenience of character compared to which the inconvenience caused by the early closing is nothing. For the sake of our men at the Front, and in order that we may save money to carry on the war, I appeal now to you to put on one side your convenience and vote for early closing. I believe if we had anti-shouting with 9 o'clock closing, we would do better than with 6 o'clock, but if we cannot get anti-shouting let us get early closing.

His Grace puts anti-shouting first. Now, as it happens, we cannot get early closing, so let us have the anti-shouting. Travelling through New Zealand 12 years ago I saw a body of men paying for their own drinks, and I realised that they were on the right track. And New Zealand has seen the result of the individual effort and has made it compulsory. There the penalties are very much more drastic than those in the Bill. In other respects the Bill is practically on all fours with that of New Zealand. It is objected that it will be difficult of enforcement. But we legislate against many offences that cannot be altogether stamped out. There is to-day a body of thinking men who are satisfied that this pernicious practice of shouting must be put down. It is an old-established habit, but we only require effective legislation to put a stop to it. I am not worrying so much about the grown men, who all their lives have been in the habit of shouting. My concern is for the youths of our community. I have seen scores of men personally known to me go out under the drink habit, induced in the first place by the practice of shouting. I want the law to step in and save the young men from it.

Hon. J. Duffell: Do you take alcohol?

Hon. J. J. HOLMES: Yes.

Hon. J. Duffell: I thought so.

Hon. J. J. HOLMES: But I object to the shouting system. I have practised what I preach. I do not think I have shouted more than 12 times within the last 12 months. I have sat down in the club with a dozen other men, each paying for his own liquor, and we have the same social chat as we would have had under the shouting system; but with this difference, that no man took more than he wanted. There is not in this any real interference with the liberty of the subject, or not nearly so much as is to be found in other legislation. At present a man cannot drink after certain hours. Give us this Bill and we will not need to trouble about the hours. A certain man with big interests in the liquor traffic at Home said on this question of anti-shouting—

The publican who took £100 under the old system takes only about £10 under the new. Denied the opportunity of extending hospitality, men tire of each other's society pretty quickly.

I do not think it is right in these times for men to be hanging around a hotel at all hours both day and night, shouting for one another and enjoying one another's society by the instrumentality of alcohol. I do not think it needs many more words from me to commend this Bill to the House. If hon. members will read the clauses and consider their good effects, and consider also the economy that is likely to arise by reducing the consumption of enormous quantities of alcohol and directing money that would otherwise be spent upon it into proper channels, they will have no difficulty in supporting the Bill. I move—

That the Bill be now read a second time.

On motion by Hon. C. Somers debate adjourned.

House adjourned 9.48 p.m.

Legislative Assembly,

Thursday, 23rd November, 1916.

	PAGE
Questions: Wheat handling, 1916-17 harvest	1137
Rabbit and Dingo pests	1138
Railway Construction, Wyalcathem-Mt. Marshall	1138
Agricultural Industry	1138
Assent to Bills	1138
Bills: Land Act Amendment, 1a.	1138
Agricultural Lands Purchase Act Amendment, 1a.	1138
Permanent Reserves Re dedication, 1a.	1138
Agricultural Bank Act Amendment, 1a.	1138
Roads Act Continuation, 1a.	1138
Nelson Rates Validation, 1a.	1138
Workers' Homes Act Amendment, Message	1138
Industries Assistance Act Amendment, Message	1138
Franchise, return	1138
Paper presented	1138
Annual Estimate, 1916-17, general debate	1139

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

QUESTION—WHEAT AGENTS, 1916-17 HARVEST.

Mr. S. STUBBS asked Hon. J. D. Connolly (Honorary Minister): 1, Is he aware that notice has been given to a prominent firm of wheat shippers and millers that their services will not be required in the handling of the 1916-17 harvest, either in the capacity of shipper or milling agent? 2, Is it not a fact that if the notice has been issued that no charges have been formulated against the said firm as to why they have been dismissed, and the acquisition of wheat which means a serious loss to them and their representatives in the country taken out of their hands. 3, Did not the Prime Minister give a pledge to all the wheat shippers and millers that the operations of the pool would disturb as little as possible the business connections and organisation of the wheat shippers and millers?

The HONORARY MINISTER replied: 1, Ockerby & Co., Ltd., have been notified that it is not intended to appoint them to be Government agents in the handling of the 1916-17 wheat harvest either as shipper or miller agent. 2, The company is not being dismissed from its present agencies, which are being continued. The non-appointment on further agencies should not mean any other loss than that of commission, and the Government are satisfied, after