

Mr. LINDSAY: The Kellerberrin hospital receives 2s. 3½d. per patient per day, while Goomalling hospital receives only 10d. Surely there is something comparable between those two districts. Why should Kellerberrin have so much more than Goomalling? The Minister has told me that the subsidy is according to the number of patients; but that does not work out in practice. It is not very nice for me to be told by my electors, "You have got us only so much for our hospital, and we read that some other place has got three or four times that amount." There should be some basis for computing the grants. The Minister mentioned sweeps in aid of hospitals. In my district a sweep for that purpose was proposed, but on going into the proposal I found that the cost of collection would be over 40 per cent. of the entire proceeds. Thereupon I dropped the matter. I agree with the Minister that some other means of financing hospitals should be found. I also agree with the member for Forrest that even if a hospital tax were imposed, considerable numbers of sweeps would still be run. In my opinion the Minister was perfectly right in introducing a Bill to run sweeps for the benefit of hospitals, and if he re-introduces it I for one will support it. If a hospital tax does come about, the hospitals should be placed on something like an equal footing. If the subsidy is to be 6s. per day, let it be 6s. per day to all Government assisted hospitals in country districts. The last time I brought up this question, the member for Cue nearly bit my head off. At Cue the amount is 12s. 6½d. per day. However, I acknowledge that a goldfields hospital, built for a large population and now used for very few people, must be costly to run. But hospitals that are comparable should be placed on something like an equal footing. That is my reason for making these remarks.

Progress reported.

House adjourned at 11.14 p.m.

Legislative Council,

Wednesday, 7th November, 1928.

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

QUESTION—LAND SETTLEMENT, PROCEDURE.

Hon. E. H. H. HALL asked the Chief Secretary: 1, Is it a fact that—(a) On the 7th September last, all Crown land north of the Mullewa railway and east of the Geraldton-Ajana railway was withdrawn from selection? (b) Numerous applications had been made by selectors for land in this area, and deposits paid on such applications eighteen months before such withdrawal, and that the Lands Department have held, and are still holding, those deposits? (c) In anticipation of the applications being granted the applicants have incurred considerable expense in clearing and fencing the land for which their applications were made? 2, If these are the facts, do the Government consider that the treatment of the applicants is reasonable and proper, and that the procedure adopted is conducive to encouraging settlement on the land?

The CHIEF SECRETARY replied: 1, (a) Yes. (b) About 35 applications, some of which were for 5,000 acres, and which had been made at various dates, were cancelled and the deposits were returned, or are being returned, to the applicants. (c) It is quite possible that in one or two cases improvements have been made. Applicants had no legal authority to do so. 2, It was considered advisable to withdraw the land from selection until a classification has been completed and the Government have information to guide them as to the area which should be granted to any one person. Some few pieces, which will not affect this principle, have been made available again.

BILLS (3)—THIRD READING.

1. Wheat Bags.

Returned to the Assembly with amendments.

2. Police Offences (Drugs).

3. Jury Act Amendment.

Passed.

BILL—BUNBURY ELECTRIC LIGHTING ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. E. ROSE (South-West—in reply) [4.37]: I desire to thank hon. members for the reception accorded the Bill. It merely represents a formal request for an extension of the Bunbury Municipal Council's borrowing powers. Only one member spoke against the Bill, and I do not think he altogether understood the requirements of Bunbury.

Hon. Sir William Lathlain: Yes, I do.

Hon. E. ROSE: It would not be right for this Chamber to dictate to any municipality as to what it should do. The Bunbury Council has carefully considered the estimates regarding the use of coal and crude oil for fuel purposes. After having secured expert advice, it was ascertained that electricity could be generated more cheaply by means of crude oil than by the use of coal. After careful investigation the council decided to instal a new plant because the old plant is practically worn out and may give out at any time. If that should happen, it would be a serious matter because the cranes on the Bunbury wharf, with one exception, are worked by means of electricity drawn from the municipal power plant. The old power house will be demolished and a new one will have to be erected and new and up-to-date machinery installed. The Bill will authorise an extension of the council's borrowing powers from £25,000 to £35,000.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—LAND TAX AND INCOME TAX.

Received from the Assembly and read a first time.

BILL—GROUP SETTLEMENT ACT AMENDMENT.

To refer to Select Committee.

Order of the Day read for the consideration of the Bill in Committee.

HON. A. LOVEKIN (Metropolitan) [4.43]: Before you leave the Chair, Mr. President, I move—

That the Bill be referred to a Select Committee consisting of three members.

The reason for my motion is that I have looked through the Bill itself, and I find that it means nothing. There is no basis upon which the board shall come to a determination. Clause 2, which contains the proposed new subsection, reads as follows:—

The amount of such expenditure on the area chargeable to the group settlers and the part thereof to be apportioned to each parcel of land intended to be granted shall be assessed and determined by a board of three members to be appointed by the Governor, one of whom shall be an officer of the Agricultural Bank and the decision of the board shall be final.

From the clause we do not know whether the determination of the board is to be based on the unimproved or the improved value of the land. We ought to know that, because we may have some group settlers who have been indolent and have done very little improvement to their holdings. On the other hand we may have settlers who have been very diligent and hard working, and have devoted not only the orthodox eight hours a day, but many more hours of overtime to improve their blocks, and thus have improved their holdings to a much greater extent than has the groupie who has been rather lazy. If the board is to go to the blocks and assess them on what it sees, that does not seem to be right. There should be some provision in the Bill laying down a basis of instruction to the assessors. Another point is that the clause proposes to give the board powers that are unchallengeable. I do not think that is quite a good thing, especially when the amount involved is so huge as it is in this case. I cannot be accused of saying anything against the members of the board because they have not been named: nor has any indication been given in the clause as to

who will constitute the board. We have just had a select committee inquiring into the City of Perth Superannuation Fund Bill. I suggest that we may take the members of the City Council as representing a board and we find that the employees do not consider the working of that board satisfactory. The City Treasurer, in his evidence before the select committee, made some remarks about the board—the City Council—and those remarks may also be applied to the board to be appointed under this measure. The City Treasurer said—

Section 155 is very unsatisfactory. In the first place, it merely provides that the council may pay certain sums. It will be seen, therefore, that the employee is subject to the whims of a council which changes from year to year. An officer may retire when the council is in a generous mood and get the maximum amount payable. On the other hand, possibly an equally good or better officer retires next year and the mood of the council has changed and he gets only half, or less, or possibly nothing at all. Log rolling is naturally prevalent, and the officer with the greatest pull gets better treatment than others possibly more deserving, but of a modest nature.

That is what was said of the City Council and it may equally be said of the board to be appointed under this Bill. When the board visits the group settlements, some of the groupies may be favourites and some may not be, and yet the decision of the board will be final. However much diligence a man may have displayed, he will have no redress with regard to the decision of the board.

Hon. A. J. H. Saw: Is that not inevitable with any human tribunal?

Hon. A. LOVEKIN: That goes without saying.

Hon. A. J. H. Saw: Then how will you get over it?

Hon. A. LOVEKIN: From the decision of most tribunals, there is some appeal. The decision is not final, except in the case of the very highest tribunal in the land. Mr. Stephenson, in speaking on this Bill last night, said the Peel Estate was bought on the recommendation of a board.

Hon. H. A. Stephenson: I was under that impression.

Hon. A. LOVEKIN: That is quite true, but it is not the whole truth. If members will take up the Lands Department files 542/18 and 702/22, which were before the Peel Estate Select Committee, they will see that although various portions of the Peel

Estate were purchased at the instance of boards, when the land was offered in the first place, it was condemned. Later on some portions of it were purchased after the personnel of the board had been changed. I mention this because we are going to have a board to assess the values of group holdings. On the 20th October, 1919, a board consisting of Mr. Brockman, Mr. Venn and Mr. Robinson reported that 12,000 acres of the Peel Estate could be made available for closer settlement under Mr. Oldham's drainage scheme. The country outside the good area was for the most part poor and sandy and quite unsuitable for closer settlement, but it could be made use of in connection with swamp land. On the following day, the 21st October, 1919, the Surveyor General put the following minute on the file:—

Property contains 60,577½ acres, of which estimated about 8,000 acres can by drainage be made available for closer settlement. Proportion of good land to bad land is small, but if it can be obtained at price recommended (8s. an acre) richer land should not be overloaded when the drainage is considered.

That recommendation was adopted and the Land Purchase Board bought 61,005 acres at a cost of £24,230. On the 3rd August, 1921, Mr. Bateman offered his estate of 12,093 acres for £15,000. Messrs Venn, Brockman and Robinson, as a board, recommended the purchase at £12,000. That was accepted by Mr. Bateman. In October, 1920 Mr. A. R. Richardson offered 5,511 acres at 28s. The board reported that only about 100 acres of the estate was first-class land and that before settlement it would require to be drained. The board could not recommend the purchase. Subsequently it was purchased at £1 per acre as being necessary in view of the proposed drainage scheme. I am putting this forward to show members what may happen under the proposed board. On the 14th September, 1922, Mr. Richardson offered a further block of 1,835 acres at 28s. 6d. per acre. The land was inspected by the board and Mr. Richardson was advised that, as on inspection it was found the land was not suitable for the purpose, the offer could not be proceeded with. Then Mr. Richardson re-offered the land at 21s. an acre. A new board consisting of Messrs. Camm, Craig and Robinson reported that the land would be required for the more economical settle-

ment of the swamp and flat lands on the Peel Estate and recommended its purchase at a price not exceeding 21s. per acre. Twenty-one shillings an acre for land that was no good at all!

Hon. H. A. Stephenson: Dirt cheap!

Hon. A. LOVEKIN: I am not a judge of that, but there were two boards, one of which said the land was no good and the other of which recommended its purchase at 21s. an acre, not because the land was valuable, but because it would make for the more economical settlement of Peel Estate.

Hon. Sir Edward Wittenoom: And the umpire says it was dirt cheap.

Hon. A. LOVEKIN: That does not affect the point I am making, namely, that such boards are not infallible. Anyhow, on the 1st September, 1922, the land was purchased at 20s. an acre. Members may be surprised to know that on the advice of boards, the Peel Estate, consisting of 61,005 acres, was purchased of which only 8,000 acres was good land; in Bateman's Estate there was 12,093 acres, mostly good land; and in Richardson's estate, 5,511, of which 100 acres was good and the balance unsuitable. Of Richardson's No. 2 estate 1,835 acres was taken by the board and all of it was unsuitable. Therefore, 80,444 acres was purchased of which 20,193 acres was good land, or roughly 25 per cent., leaving 75 per cent. of the land purchased bad and unsuitable. Members who were on that select committee can verify my statement because it is taken from the evidence tendered to the committee. Now we are going to have another board to value the group blocks, and I say that what has happened in the instances I have cited may happen when the group holdings come to be appraised. We should provide some appeal for the unfortunate groupies from the decision of a board, the composition of which we know nothing, except that one member shall be an officer of the Agricultural Bank. We are to give the board unlimited authority to write off millions of borrowed money, whilst allowing no appeal to a groupie who may feel himself injured by an unsatisfactory decision of the board. Before we pass the Bill, these are matters into which there should be at least some inquiry. Therefore, I move for the appointment of a select committee before we proceed further with the Bill.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.57]: I was under the impression two minutes after the hon. member moved his motion that he intended ultimately to withdraw it, because nine-tenths of his time was occupied with a recital of the earlier history of the Peel and Bateman Estates. I do not know what justification that history is for a motion for the appointment of a select committee. What would a select committee do if it were appointed? The hon. member suggests there is not sufficient machinery in the Bill to enable the board to operate.

Hon. A. Lovekin: The committee could find out what should be the basis of appraisal.

The **CHIEF SECRETARY**: There is complete machinery to enable the board to assess the value of the various holdings.

Hon. A. Lovekin: On an improved or unimproved basis?

The **CHIEF SECRETARY**: The board will ascertain the value of the improvements debited against each settler, and then it will have the duty of investigating and deciding whether the improvements are fair, and whether it is possible for the settler to succeed under the financial burden placed upon his holding.

Hon. A. Lovekin: Is the basis to be improved or unimproved land?

The **CHIEF SECRETARY**: Clause 2 of the Bill reads—

The amount of such expenditure on the area chargeable to the group settlers—

Last night I read a list showing that the amounts charged against group settlers range from £2,000 to £6,000, and it will be the duty of the board to decide whether the amounts chargeable are fair and just and will enable the settler to succeed on his holding.

—and the part thereof to be apportioned to each parcel of land intended to be granted shall be assessed and determined by a board of three members to be appointed by the Governor, one of whom shall be an officer of the Agricultural Bank, and the decision of the board shall be final.

There is no doubt that the board will have tremendous power. No one knows the total amount it will write off, but what is the remedy? The hon. member says boards are not infallible, which statement is quite true. What body would be infallible? Can the hon. member suggest any?

Hon. A. Lovekin: From the Criminal Court there is an appeal to a higher court.

The CHIEF SECRETARY: Should there be a court of appeal, even then would that court be infallible? Then, again, if we have a select committee, what is to be the scope of its operations? Travelling round the country, around the groups and taking evidence, and in the end no finality. That would be the position and in the meantime there would be delay and the vast expenditure incurred in the past would continue, and the settlers would get no relief. I hope that other hon. members will show that there is really need for a select committee because Mr. Lovekin has utterly failed to convince the House that a select committee is essential.

HON. G. W. MILES (North) [5.3]: I think the appointment of a select committee would serve a good purpose. My mind goes back to the time in 1917 when pastoral leases were being appraised and a board was to be formed. It was laid down in the House at that time, and the Leader of the House stated definitely, that distance from a port and a railway would be taken into consideration, and also as to whether water was obtainable at a shallow depth, and the quality of the land, etc. The then Leader gave us that assurance and told us how the board would operate. The appraisalment of the pastoral leases resulted in anomalies from one end of the State to the other, and cases such as cited by Mr. Lovekin prove that where a man has been more energetic than others, where some have put money back into pastoral areas, the leases have been appraised at a higher rate than those the profits from which have been invested in some other parts of the State. In connection with the groups it has been pointed out that if a man puts in 10 or 12 hours on a block, that should be taken into consideration by the board, and there should be definite instructions given as to how the value of a block is to be arrived at. Reverting back to the pastoral leases, in the Ashburton district there is a property adjoining the coast and in the vicinity the Government have spent £100,000 on a wharf. That is an argument why there should be low rental in cases where there are no such facilities. But we find that the man outback has been appraised at a higher rate than the man who has better land and is closer to the coast. The man

who has put his money back into his property appears to be the one who has been penalised. Unless definite instructions are set out, we shall have the same position in connection with group settlements. Time after time the then Leader of the House gave us the assurance that we sought in connection with the appraisalment of the areas, but nothing came of those assurances. How are we to know that a similar position will not arise in connection with the group settlements if we do not provide for definite instructions being set out in the Bill?

HON. J. CORNELL (South) [5.5]: I do not think that a case has been made out for the appointment of a select committee on the principle involved. Mr. Miles has touched on the question of appraisements, but that is open to some wonderful stretches of imagination. Let us analyse the positions in which a group settler finds himself to-day. The Act that it is proposed to amend by the Bill before us sets out—

The amount of such expenditure on the area, chargeable to the group settlers, and the part thereof to be apportioned to each parcel of land intended to be granted shall be assessed and determined by the Managing Trustee of the Agricultural Bank.

That is the group settlement position to-day and there is no way out under that subsection which the amending Bill repeals, no way by which the settler can get any easement, even if there were a million capitalisation on the property. The Managing Trustee of the Agricultural Bank will only assess and determine on the expenditure.

Hon. A. Lovekin: The committee can recommend something else.

HON. J. CORNELL: The Bill proposes to repeal that subsection and put in the place of the Managing Trustee of the Agricultural Bank a board to do what the Managing Trustee does to-day. To-day the Managing Trustee of the Agricultural Bank fixes the charges and he can only fix them on the actual expenditure. Now it is proposed to appoint a board to do that work, but I take it, as that will only apply to new groups, it is intended to give the board power to write down, if it thinks fit, the actual expenditure. That is the difference between the Act as it stands and the amending Bill. Assuming we give to the board the power that the Managing Trustee has to-day, plus the power to reduce the capital cost, then we get to a point where you

are going to lay down a definite or hard-and-fast rule as to how the board shall reduce the expenditure. For the life of me I cannot see how we can, in an Act of Parliament, lay down a hard-and-fast rule that shall be followed by any board in the writing down of expenditure. Since the inception of the Group Settlement Act, power to assess and apportion expenditure has been left unreservedly in the hands of the Managing Trustee of the Agricultural Bank. There was no objection to his doing that, but the difficulty has arisen that where the apportioning of the expenditure has reached the point at which the settler cannot carry the capital cost, there must be a writing down. I am not opposed to a select committee being appointed, but I fail to see how it can make any recommendation to the House on the principle involved. The principle involved is really whether we are going to allow a board to do the writing down, or whether we shall give the board power to write down without direction and give the individual the right to appeal to some other tribunal on the question whether the writing down has or has not been properly done. I am of the opinion that the board that will do this work will be the board that is functioning. It would have been infinitely better if Cabinet had given us to understand that that was going to be the case.

The Chief Secretary: It is not going to be the case.

Hon. J. CORNELL: If it is not to be the case I think it is deplorable. I do not think, if we search the country, we could get two men more qualified for the work they are doing than Mr. Rose and Mr. Mazzeletti, and with all due respect to the Managing Trustee of the Agricultural Bank, who would not be available for the position, it would not be possible to get a more qualified person than Mr. Hewby.

Hon. A. Lovekin: You want now to sign a blank cheque.

Hon. J. CORNELL: I do not know what is going to be done now and who will constitute the board. However, I am not opposed to the select committee now that the position has been clarified and we know that there is to be another board to do the work.

HON. SIR EDWARD WITTENOOM (North) [5.13]: Mr. Lovekin deserves some commendation for giving careful consideration to a Bill of such importance. There is not the slightest doubt

that when this money is written off, it will be a very serious matter for the State and it will be very troublesome for the Treasurer to deal with. I have been trying to think how a select committee can help the position, but I have failed to arrive at any conclusion. There are a few ways, of course, in which I can see a select committee would be of some use, but really we should have a satisfactory board of three members to deal with the matter. We want to exercise particular care in seeing that those members are of the right class to undertake this important work. That is the main consideration, and from what I have heard of the debate, I am in accord with the suggestion that one of the members should be one of the present board, because he would have an intimate knowledge of all the details and of what the individuals have been doing. His advice would be valuable. I would suggest deleting the word "final" and inserting "reported for the Governor's consideration." Thus it would be provided that the decision of the board would not be final but would be submitted to the Governor for his consideration. There would then be an opportunity for appeal. I consider it would be better to amend the Bill in that direction than to appoint a select committee.

HON. J. J. HOLMES (North) [5.15]: I would not for a moment support the motion for a select committee if I thought it would *delay the passage of the Bill*. But I am satisfied from what I know of members of this House that they are not going to allow an outside authority in the shape of a board to handle so enormous an amount of money as is proposed, without knowing how it is to be done. This matter should have been faced long ago.

Hon. E. H. Gray: What about the manager of the Agricultural Bank?

Hon. J. J. HOLMES: He has only power to apportion the expenditure; he has no power to write down. Speaking from memory, when the manager of the Agricultural Bank was before the select committee he made it clear that if his bank were to take over the group settlements it would take them over on value, not on cost. That was a very wise decision, for without it the bank might easily get into difficulties. The Chief Secretary has suggested that this proposed select committee would travel around the country. That is only sidetracking the issue, for there will be no necessity for them to travel round

the country. The select committee would meet and deal with the Bill on the spot, and see how best they could evolve an equitable scheme, fair to the State and fair to the settler. If we are not careful we shall be driving the best settlers off the blocks, the men who have put their own money and their spare time into the improvement of their blocks. If the result of their energy and capital is to be charged up against them in the valuation of the estate, and if the man on the next block is one of those who has sat down and done nothing, and if because of that the value of his block is to be written down—well, talk about dissatisfaction that has obtained in the group settlements in the past! We shall be starting out with dissatisfaction as against which the past will be nothing. If these are not matters for the consideration of a select committee, I do not know what are. The Chief Secretary in reply to Mr. Lovekin said he had dealt with these boards in the past. But surely we can only take the past as an indication of the future. Personally I would sooner see a permanent officer appointed to do the job; not a board to be reconstructed, as we found on the Peel Estate when the board reported against a certain proposition and straightway another board was appointed in their stead. I would sooner see a permanent officer. But, even so, Parliament should authorise the writing down. Parliament, including this House, has provided seven millions of money for the purpose of group settlement. Is Parliament now going to sidetrack the issue and let some outside authority write off millions of money? If Parliament sidetracks the issue, as proposed in the Bill, it will be doing what every officer attached to group settlement is doing to-day. Five years ago departmental officers were falling over each other to prove that they were the initiators of the scheme, but to-day we cannot find one man who would claim to have had anything to do with it. I remember the men who came before the select committee to support the scheme, but I do not know where they are to be found to-day. Now that we have got the country into a mess by expending seven millions on group settlement, is Parliament going to agree to appoint an outsider to do the writing down? I do not think that would be decent or right. Mr. Miles referred to what happened up North in the past. That is quite right. The pioneers that

went outback put every penny into their holdings to improve their stations and provide water and carry additional sheep. Then the appraisal board came along and raised the value of their leases, and there was no appeal till 1948. But the man who sat down and did nothing was granted a lower rental. The same thing will apply here, unless some effective steps are taken to prevent it. But whereas up North a man separated from his neighbour and not getting a mail for six months did not know what was happening to the other fellow's lease, on the group settlements, where we get the groupies side by side, with one block to be written down and another to be maintained at its full value simply because of the energy that has been put into its development—it will be the last chapter in the history of group settlement! If the select committee can devise some means by which the matter can be equitably adjusted it will have done immensely valuable work. I tell the Minister to-day that he is four years late. Four years ago I said, "Get in early or you will have to carry the baby."

The Chief Secretary: Four years ago the hon. member himself weakened in his opposition.

Hon. J. J. HOLMES: I remember that we weakened in the writing of our report on the Peel Estate. As a select committee we drafted it and re-drafted it. We wanted to provide for anybody who would read into it the real seriousness of the position, but on the other hand we did not want to alarm the people at the other side of the world. If I weakened on it, it was for that object alone, namely I did it to avoid creating alarm at the other side of the world. I remember only too well the time when my father's sustenance was no longer available. It may be that I had that in mind when I predicted disaster when the sustenance for group settlers should fail, as my sustenance had failed when my father died. If I did weaken, it was because I thought I could see exactly what would happen to the group settlers when their sustenance failed. As a rule I am not in favour of select committees, for the reason that their recommendations are not taken up. But here we have a Bill of far-reaching effect, and if in the course of a day or two a select committee can evolve some scheme by which an equitable apportionment of the

expenditure can be made with justice to the State and to the man who is endeavouring to do his job, I think it is worth trying. Therefore I will support the motion for the appointment of a select committee.

HON. J. EWING (South-West) [5.25]: I hope the hon. member will not insist upon his motion for a select committee. In my opinion all that is required is for members to place before the House their views on the Bill. As for the proposed select committee, the hon. member who has moved for it did not say what he is going to do. Presumably the committee will simply consider the Bill. That might take 24 hours or it might take 24 days. But time is the essence of the contract. At present the group settlers do not know where they are. They desire information on that point, and that this board should be appointed as soon as possible so that the settlers themselves may know their position. I do not think the case mentioned by Mr. Miles at all analogous to that which we are considering. The position is entirely different. The Government are going to appoint a board because they know the position the group settlers are in. We can be assured that it will be a thoroughly good board. All that the Government have to do is to instruct the board to fix valuations that will give the group settlers an opportunity to make a living. The Minister himself will be able to exercise his powers, for if he does not think the board is doing well he can report that fact to Parliament; whereas if the Minister is satisfied that the work is being done well, he will approve of it. I prefer to take the Minister's approval in this matter.

Hon. G. W. Miles: What about the extra work put in by one group settler as against another?

Hon. J. EWING: The board will have to determine the asset created, whatever it may be. All the group settlers have a certain amount of assets. Those assets will be assessed, and it will then be determined by the board whether the settlers can make a living on the capitalisation. About 600 of the settlers have left, so there are some 1,700 remaining, and all those will be capable of being settled. That is the position to-day. Those still on the blocks are really good settlers, and it will be easy for any board to come along and assess a true valuation of the blocks and see that it is necessary

to cut down in order to allow a man to make a living. The hon. member who moved for the select committee probably has his mind made up as to what he wants to do. But he might be able to persuade the committee, or he might not. In any event it will serve to delay matters, and I am sure that is very far from what members desire. I hope that in the interests of the settler and of the State, the Bill will not be referred to a select committee. Any member can make up his mind now as to what he wants, whether the board's finding shall be final or whether it shall be subject to the approval of the Minister. There is involved in the Bill only one principle, which is to let the settler make a decent living. I appeal to members to support the Minister and allow the Bill to go through Committee.

Hon. G. W. Miles: If there are only 1,700 group settlers left, it means a valuation of over £4,000 for each block.

Hon. J. EWING: We are all aware that the valuations must be cut down. Let us make up our minds to get a first-class board to do the cutting-down as they think fit. I am not opposed to the Minister being referred to as the determining factor whether the board are doing right or doing wrong, but let us get to that position and see what is best in the interests of the State.

HON. A. J. H. SAW (Metropolitan-Suburban) [5.31]: I have not yet heard during the course of the discussion what particular benefit is to accrue from the appointment of a select committee. Nobody has told us in what way the select committee will improve on the amendment, which, I understand, the Chief Secretary intends to move, that the board shall be able to fix the amount chargeable at so much below the actual expenditure as in their discretion they may think fit. That amendment gives the board unlimited power and enables them to take into consideration every point that is germane to the issue. No doubt one important point with a board fixing the amount to be charged would be what amount of capitalisation a particular block can bear in order that the holder of it may make a living. That is one issue. There are other issues, as for instance the amount spent on the block. But the amount spent must be so cut down, in the last resort, that the person holding the block may be able to make a living. What other basis for valuation can

the select committee find? Nobody has told us. It seems to me that the whole crux of the matter will consist in the quality of the board to be appointed. That, perhaps wisely, perhaps unwisely, has not been told us. As the personnel of the board, doubtless some members would prefer this person and others that person, and perhaps the personal equation might enter into the discussion. As it is, we are undoubtedly giving the board wide-reaching powers. Up to the present no point has been made as to the way in which a select committee may improve the basis of valuation announced by the Chief Secretary. A good deal is to be said in favour of an appeal, but there again I do not know, provided a satisfactory board be appointed, how the matter is to be improved by the appointment of an appeal board unless we can get a better tribunal to determine the issue. When a case is tried in the law courts, there is an appeal from a person of relatively inferior status to one of a higher status, and so one gets a higher authority, a person more highly qualified to determine the point. But in this case, if there is to be an appeal, how is a more competent tribunal to be obtained than the one previously appointed under the Bill? I am reminded of the story of how the Macedonian King Philip, in a drunken frenzy, once struck a favourite courtier. The courtier said, "I appeal." The King asked, "To whom do you appeal?" The courtier replied, "I appeal from Philip drunk to Philip sober." Unless we assume that the board to be appointed under the Bill are incompetent, how are we going to improve matters by any appeal? That is, no doubt, a matter subject to debate in the Committee stage. I fail to see why any points which can be brought out by a select committee cannot be brought out on the floor of the House for the impartial consideration of those who sit here.

HON. C. F. BAXTER (East) [5.37]: It is to be deplored that a Bill of this kind should have to be submitted to Parliament, but we know the position of the groups to be such that unless the capitalisation is written down, very few of the settlers will be able to carry on successfully. No matter what system of writing down may be followed, anomalies will occur; and in that direction the work of a select committee

could not assist. Anomalies have been advanced as the main reason by the advocates of a select committee. I do not know that there is much cause for alarm as regards the appointment of the board. I feel like Mr. Cornell in regard to the personnel of the existing board, whose work will have to be carried on at the same time as the work of the board to be appointed under the Bill. The Government have not exhausted the number of officers with a good knowledge of group settlement work. I have especial confidence in the chairman of the existing board, but there are other good men available for selection. In order to protect the interests of the Country, the Government will take care that capable men, with an adequate knowledge of the position, are selected for appointment to the board under the Bill. Possibly they will choose some members of the board from those who have handled various parts of the group system. The writing down is to be left with the board, which really means with the Agricultural Bank. A great many properties have been written down by that institution, and there has been no appeal. Neither has there been justification for demanding an appeal. The bank have been reasonable and just both to the State and to the person who took over the abandoned property, or who had his property written down. Many holders have succeeded since their properties were written down. It is to be regretted that so much money has been wasted in connection with the group settlements, but all Governments have had warnings in that respect. The land and the settlers cannot be blamed. The losses are due to bad administration. I have heard it asserted that there need be no writing down, but the day has come when capitalisations must be reduced if we are not to lose more settlers off the blocks. How the measure is to be improved by the appointment of a select committee, I fail to see, and therefore I cannot support the motion.

HON. H. A. STEPHENSON (Metropolitan-Suburban) [5.41]: I fail to see that a select committee can do much in this matter. We have got ourselves into an unholy mess over the group settlements. Unquestionably the capitalisations must be written down. The sooner we realise that, the better it will be for the State and the settlers. Dr. Saw covered the position in his remarks, which were very sound. They largely express my own views. The hon. member pointed out

that the select committee, if appointed, could only recommend something, and that after it was all boiled down we would have to get someone to classify the blocks for writing down: To disagree with that classification would merely put us back in our present position. A classification would then have to be obtained from someone else, and we do not know that the officer making the next classification would be any more capable. Delays are dangerous. The matter must be cleared up. We are bound to trust the board to be appointed under the Bill. The only safeguard, and it is a poor one, is that suggested by Sir Edward Wittenoom, namely, that the board should report to the Minister and that he should be allowed to take the responsibility. I fail to see how we can get further than that. I would support the appointment of a select committee if the position could thereby be improved, but it would only mean coming back to where we are.

HON. E. H. GRAY (West) [5.43]: I oppose the appointment of a select committee, and desire to justify an interjection I made while Mr. Holmes was speaking. That hon. member said I was "wrong as usual," but under the Industries Assistance Act Amendment Act of 1924 the same powers were conferred upon the Industries Assistance Board as the present Bill proposes to confer upon the board to be appointed under it. Section 2 of the amendment Act provides—

It shall be lawful for the Industries Assistance Board to write off so much of the indebtedness of any debtor to the board for advances under Part 2 of the Industries Assistance Act, 1915, as, with the approval of the Governor, the board may think fit

And Section 3 provides—

The Governor may, by Order in Council, extend the authority conferred by this Act on the Industries Assistance Board, to the Trustees of the Agricultural Bank in respect to advances made by the Trustees under the provisions of the Discharged Soldiers' Settlement Act, 1918, or otherwise.

Hon. G. W. Miles: But the matter is to be referred to the Governor in Council before being finalised.

Hon. E. H. GRAY: That would be a wise provision to include in this Bill. I do not believe in imposing such a burden upon the Minister. If there is a right of appeal from the proposed board to the Minister, he will be overwhelmed with applications from settlers for further relief. There has been

no outcry against the action of the Industries Assistance Board in writing down properties, and not only abandoned properties, but properties still held by the settlers. We had better make the best of a bad job. It does not pay to cry and moan so much about group settlement. As regards the Peel Estate, the Royal Commission knew that much of the country was poor. Mr. Rose expressed himself to that effect, and every member of the Commission was of the opinion that too much money was being spent on the poor, sandy portions of the estate. I think the day will come when that land will be brought into production. That is the history of rural development in other countries. If we consider the position in the United States of America, we find that land that is very similar to that under discussion, has become valuable for the growing of peas and other crops by means of intense culture. So it is that the day will come when land that is now condemned will be a valuable asset, but it will have to be treated on a different basis from that adopted at present.

Hon. J. J. Holmes: Is that not an argument against writing down?

Hon. E. H. GRAY: No, because we must give the settlers a chance. We should not ask the settlers to carry the burden of their own mistakes, in addition to the burden of the mistakes of administration. I agree that action is required quickly and therefore it will be valueless to refer this measure to a select committee.

HON. E. ROSE (South-West) [5.48]: I cannot agree that the appointment of a select committee to consider the Bill will hasten matters or improve the position. We have a large number of good settlers who are waiting for their land to be re-valued, and I am afraid it would take very little to induce some of them to leave their properties. If we appoint a select committee it will mean further delay. It will mean putting off the day when those settlers will have their land re-valued and know just where they stand. I think we can trust the board that is proposed to re-value the properties, and the Minister can have the final say. I think Mr. Lovekin would gain his point if he were to move amendments when the Bill is in Committee. He could state what the object of the appointment of the board was, how the valuation should be carried out, and he could provide for other matters as well. I think it is a simple matter and I do not

think the select committee is necessary. Since the 15th October, we have been considering the Bill at the second reading stage. At this late hour, I consider we should not waste further time, but should finalise the measure for all time so that the settlers may soon know where they stand. In the South-West, as well as at the Peel Estate, we have many men who are patiently waiting to know what their position is to be. If a valuation of £3,000 or £4,000 is put on some of the blocks, I am afraid many of the settlers will be inclined to leave their holdings. Until the board is appointed to reduce the valuations and enable the settlers to know where they stand, we shall not make much progress. All the time expenses are going ahead and I see no reason to support the motion. I shall oppose the appointment of a select committee.

THE HONORARY MINISTER (Hon. W. H. Kitson—West) [5.48]: The question involved in placing the group settlers in a satisfactory position, of extending the justice to them that they are entitled to, and at the same time giving justice to the State itself, is bristling with difficulties. Every speaker has recognised that fact. At the present time the responsibility is upon the Managing Trustee of the Agricultural Bank who has to undertake the writing down. In my opinion it is not fair to place that responsibility upon the shoulders of one man. The Managing Trustee to-day has more work on his hands than he should have. In many ways he has been called upon to exercise huge responsibilities, and to add to his existing burden would not be fair.

Hon. J. J. Holmes: Your Government was told that 4½ years ago.

THE HONORARY MINISTER: That may be so, but at any rate they are recognising the fact at present. From what I have heard in this Chamber, it appears to me that some hon. members seem to be possessed of the idea that the Government propose to appoint the board for the purpose of doing something that may not be in the best interests of the group settlers. That was the suggestion made by Mr. Holmes and also by Mr. Miles. It is a suggestion of which hon. members should not take any notice.

Hon. J. J. Holmes: Should not the interest of the State be conserved too?

THE HONORARY MINISTER: Surely hon. members can trust the Government to appoint a board, the members of which will

be impartial in their dealings with the group settlers! Surely to goodness we have had enough trouble with the group settlers so far without having any desire now to take an action that will be calculated to create more dissatisfaction than in the past! Hon. members have spoken about the right of appeal. Do members think that irrespective of what amount is written off the blocks, absolute satisfaction will be expressed by all group settlers? If provision is made in the Bill for the right of appeal, I should say 99 per cent. of the group settlers will take advantage of it.

Hon. Sir Edward Wittenoom: I should say 100 per cent. of them.

THE HONORARY MINISTER: Each group settler will say, "I must appeal against the writing off because I may get a little bit more knocked off."

Hon. Sir Edward Wittenoom: That is just like the attitude of unionists in the Arbitration Court!

THE HONORARY MINISTER: Surely we must trust the Government in the direction I have indicated. Hon. members have expressed satisfaction with the board created by the Government to deal with group settlement matters. That being so, surely the Government can be trusted with the appointment of a board for the purposes of the Bill. If the select committee is appointed to consider the Bill and makes recommendations as to how the board should operate, how will it be possible for the members of that body to arrive at the suggestions they may wish to make. If they could do so by spending an hour or two in an office or even giving attention to the Bill for a day or two, I would not mind, but I do not think any select committee could make recommendations upon this subject without going into the whole question and visiting all the groups. They would have to take notice of different holdings on different groups, because it must be remembered that different conditions prevail in various parts of the country. There are variations even in individual groups. There are many things that would have to be taken into consideration before the select committee could lay down definitely suggestions for the guidance of the board in dealing with different matters. I do not think the appointment of a select committee will result in any advantage. The matter dealt with in the Bill is one of urgency in the interests of group settlers themselves. Those settlers are look-

ing for some consideration, and I believe the means outlined in the Bill will achieve that objective. I hope the select committee will not be appointed.

HON. E. H. H. HALL (Central) [5.53]: It is with the greatest reluctance that I rise to take up the time of the House on this important question. While I have listened to the debate, I have been astounded at various statements that have been made and I feel impelled to say a few words out of consideration for the people who have sent me here. It is deplorable that a new member to this Chamber should have to listen to the recital of colossal mistakes and blunders that have been made in connection with the group settlements. Not having had a share in the expenditure of £7,500,000, which, I am sorry to say, we have been told by members of this Chamber has been absolutely wasted, I can only assert that if members of Parliament intend to justify the trust and responsibility with which they have been vested, they will embrace every opportunity, as I shall do, to take such steps as will avoid the continuation of mistakes that have been so costly in the past. If hon. members do not consider that phase of their duties, then I consider they fail to realise the responsibilities that rest upon them. It has been urged that the appointment of a select committee will delay the work to be undertaken by the board. We realise that the writing down and the re-valuation of group holdings will be a long process. In those circumstances the slight delay that may result if we appoint a select committee to make the necessary investigations, will not be of any account whatever. On the other hand, if we adopt that attitude, it will show that members of this Chamber, at any rate, tried to do something to ensure that the board, whose duties we have been told will be so great and whose powers will be so extensive, will carry out their duty in a manner commensurate with the importance of their task. The present Government are embarking upon another colossal undertaking and it is useless saying that it is no good crying about mistakes that have been made in the past, unless we take steps to profit by those mistakes and see that we avoid them in the future. Every member should use his best endeavours to see that mistakes such as those that occurred in the past shall not be repeated. I shall vote in favour of the appointment of

a select committee in order to demonstrate to the people that I, at any rate, will take advantage of every opportunity that presents itself to me to check in every way possible the expenditure that each man and woman in the State is called upon to bear.

HON. V. HAMERSLEY (East) [5.57]: I do not wish to cast a silent vote because I know that the motion will be taken to a division. I agree with what Mr. Hall has said, and I shall vote for the appointment of a select committee. The short delay that may be occasioned will be repaid to the State a hundredfold. I feel that the remarks of Mr. Miles were very appropriate. He pointed out that when the revaluation of the pastoral areas was undertaken, a great many injustices were inflicted. Those who had spared no efforts in improving their holdings did not always have their efforts recognised. We know that quite a number of the group settlers, with the aid of their families, have done an immense amount of good work. It is quite true that a number of the settlers have not carried out much overtime work on their holdings and have not attempted to make their holdings a success to the extent that many others have done. I think special provision should be made in the Bill as a direction to the board that due consideration should be given to the amount of work a settler has carried out on his holding. There are many matters that have not been placed before us, but which should receive attention. The Honorary Minister gave us additional information on some points, and I feel sure that if the select committee went thoroughly into the matter, they could secure information that would be of great assistance in helping us to arrive at a decision regarding the appointment of the board and the powers to be granted to them. It would also be of assistance to members in connection with the powers to be given to the board regarding writing down.

HON. A. LOVEKIN (Metropolitan—in reply) [6.0]: I do not consider I would be doing my duty if I were a party to giving to a board a blank cheque to write off millions of State money, of the composition of which board we know nothing at present. It does not seem to me to be a proper thing for a Chamber like this to

do. The board, when appointed, must appraise the writing off on certain lines. It cannot go to the four corners of the earth; it must confine itself to the terms of the measure that has created it, and the terms of this Bill are that the board shall appraise on the expenditure that has taken place. As Mr. Holmes and other members have pointed out, one man might have expended £100 to achieve a certain purpose, while another man may have spent only £10, but the man who has spent £10 may have devoted his energy and spare time to the work while the other man who has drawn £100 was indolent. Under this Bill, the board has to appraise on the basis laid down and that is on the expenditure, and it will be in favour of the man who has been indolent.

Hon. E. H. Gray: Would the board be showing commonsense in penalising the energetic man?

Hon. A. LOVEKIN: It is not a matter of commonsense. The board will be appointed by statute and it will have to make its appraisal, not on what the man has done, but on the expenditure that has taken place. That principle is wrong. A select committee would be the means of altering it—

Hon. A. J. H. Saw: What about the Chief Secretary's amendment?

Hon. A. LOVEKIN:—and drafting for insertion in the Bill some terms that would give the board a wider margin. If that could be done, the select committee would have done some good.

The Chief Secretary: I have an amendment on the notice paper to cover that.

Hon. A. LOVEKIN: I am pleased to hear it. If the Minister intends to enlarge the board, it will be a move in the right direction. Dissatisfaction exists among the group settlers and I think if we could create a measure of satisfaction, it would redound to the benefit of the country and of the scheme. If the board went to two groupies and differentiated in the writing down, and the groupies claimed they had done the same amount of work, the man who had received more money than the other would get a larger writing down and there would be dissatisfaction. Such dissatisfaction works for harm. I had an example of it the other day before the select committee on the City of Perth Superannuation Fund Bill. Some men wanted to give evidence complaining that

the City Council had voted £900 to one man, while to the next man it had given only a week's wages. Such dissatisfaction I wish to avoid. If a select committee, not by traversing the country, but by sitting down and conferring perhaps with the officers of the department, could improve the Bill, it would involve only a matter of a few days and that would be nothing as compared with the period that the appraisal of the groups must take.

Hon. C. F. Baxter: The essence of the whole business is to put the group settlers in a position to make a success of their holdings.

The Honorary Minister: Do not you think the discussion here this afternoon will tend to increase their dissatisfaction?

Hon. A. LOVEKIN: No; conversely it will have the effect of giving the group settlers confidence in this House. It will make them feel assured that the House is determined to see they get a fair deal. That is all I desire. To let it go out to them, as it will under this Bill, that the writing down is to be solely on the basis of the money spent and on the basis of the money that a settler has been able to get out of the Government, will be a source of great dissatisfaction.

Hon. A. J. H. Saw: The Chief Secretary's amendment will alter that.

Hon. A. LOVEKIN: I have not yet seen it.

Hon. A. J. H. Saw: It is on the notice paper.

Hon. A. LOVEKIN: The amendment is to add after the word "bank" the words "with power to the board to fix the amount chargeable at so much below the actual expenditure as in its discretion it may think fit." That does not cover the point.

Hon. J. J. Holmes: Anything to get it out of the hands of the Government.

Hon. A. LOVEKIN: As Mr. Stephenson said, we have got into a mess. Why, does not matter for the moment. The point is that no one wants to touch it. The Government wish to wash their hands of the nasty job of writing down some millions of money. They do not want the responsibility at all, and so they pass the duty on to a board.

Hon. C. F. Baxter: What other way could you suggest for doing the writing down?

Hon. A. LOVEKIN: The point I wish to make is this: I do not agree that the board should have the power to write off so much

as it thinks fit below the actual expenditure. That is what writing off means. I wish the board to take into consideration some factor other than the expenditure, namely, the energy that the man has expended on the land after the sun has gone down.

Hon. Sir Edward Wittenoom: You assume the board will not do that?

Hon. A. LOVEKIN: I assume so because the board will ask, "What are our powers?" The powers are contained in the Bill, and the Bill says all the board can do is to have regard to the expenditure and nothing else. The board will certainly feel that it is bound by the Act. I suggest that a select committee could improve that in a few days, but if the House is not with me on the question of a select committee—I am not desirous of sitting on it—well and good. I have just been on a select committee: I have served on many, and I know that they involve a vast amount of work for which one receives nothing, and very little notice is taken of the result. I do not wish to sit on any more select committees. In moving for this select committee I think I am merely doing the right thing to the people who sent me here. If members think it is a proper thing for the House to give a blank cheque to a board not yet appointed—we do not know who will constitute the board; Brown, Jones or Robinson; or whether its members will be competent or incompetent, though I grant the Government would appoint a board of competent men—a board from whose decisions there is no appeal and the writing down of which can be done on the basis only of the amount expended, then I cannot look for their support.

Hon. A. J. H. Saw: Cannot those points be considered during the Committee stage?

Hon. A. LOVEKIN: Yes.

Hon. A. J. H. Saw: What special grace is there in a room upstairs?

Hon. A. LOVEKIN: None, but it is very difficult to discuss the framing of amendments on the floor of the House because it is boring to many members. The most convenient way to frame amendments is for several members to sit round a table in a room upstairs. We have had examples of attempts to frame them in the House and we know what tangles we have got into because of the absence of an ordinary round table chat. I have done what I con-

sider is my duty. I shall divide the House on the question and my responsibility will then end.

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

Ayes	9
Noes	12

Majority against 3

AYES.

Hon. J. Cornell	Hon. A. Lovekin
Hon. E. H. H. Hall	Hon. G. W. Miles
Hon. V. Hamersley	Hon. J. Nicholson
Hon. J. J. Holmes	Hon. H. Seddon
Hon. G. A. Kempton	(Teller.)

NOES.

Hon. C. F. Baxter	Hon. Sir W. Lathlain
Hon. J. M. Drew	Hon. A. J. H. Saw
Hon. J. Ewing	Hon. Sir E. Wittenoom
Hon. J. T. Franklin	Hon. H. J. Yelland
Hon. G. Fraser	Hon. E. Rose
Hon. E. H. Gray	(Teller.)
Hon. W. H. Kison	

Question thus negatived.

In Committee.

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

Clause 1—agreed to.

Clause 2—Amendment of Section 3:

The CHIEF SECRETARY: I move an amendment—

That after "Bank" the following words be inserted:—“(with power to the board to fix the amount chargeable at so much below the actual expenditure as in its discretion it may think fit).”

Amendment put and passed.

Hon. A. LOVEKIN: I move an amendment—

That a paragraph be added as follows:—“The board shall report its decisions to the Governor for his approval.”

Hon. A. J. H. Saw: Would it not be necessary first to delete from the clause the words “and the decision of the board shall be final”?

Sitting suspended from 6.15 to 7.30 p.m.

Hon. A. LOVEKIN: I am satisfied that amendments are necessary to the Bill to protect the group settlers. I propose to indicate the nature of the amendments I intend to move, and will ask the Chief Sec-

retary to report progress and to permit the amendments to be placed on the Notice Paper so that members may have an opportunity to peruse them. As I have already indicated the first amendment I desire to move is that the words "and the decision of the board shall be final" be struck out with the view of inserting the following inserted in their place:—

Expenditure in this subsection includes the money value of the work and labour expended by the prospective lessee on his property in addition to the expenditure incurred from sources other than advances made under the Group Settlers Advance Act, 1925.

Then at the end I propose to insert a new clause which will be Clause 2 (a) reading "The board shall report its decisions to the Governor." Those are the amendments I desire to have placed on the Notice Paper.

Progress reported.

BILL—WATER BOARDS ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. V. HAMERSLEY (East) [7.35]: The Bill seems to me to be particularly far-reaching, and although there is no doubt that the Government are anxious to see that any improvements or additions or waterworks that are inaugurated by them for the country districts shall be duly paid for by the people using them, I consider the measure goes a little further than is intended. It seems to me it is apt to spread its tentacles throughout the country and that it will give power to the Government to tax the areas in which supplies were put down in days gone by. At that time the exchequer was very low and the country was very poor. Waterworks were then looked upon as national undertakings and were necessary to open up various districts. So stock routes were made, and wells were sunk, and water supplies provided to enable settlers to go into the interior. Facilities were thus provided for them to take their stock to the market. The provision of water supplies was thus of mutual benefit. The settlers were not the only ones to benefit by the work because the stock was required for people living in the city and the larger towns. Had those facilities not been supplied, it would

have been impossible for the settlers in the pastoral areas to have taken their stock to the market. I do not see why a penalty should now be put upon those people. The same thing applies to many goldfields centres where water supplies were provided, and it was all done to encourage the development of the industry on the goldfields. The Bill, it seems to me, embraces all the works that were carried out in days gone by, and it is so far-reaching that certain amendments will be necessary to safeguard the interests of those concerned. I was struck by the speech of the Minister when he introduced the Bill. It sounded particularly pleasing and it seemed so reasonable that I feel sure had a vote been taken just after he had finished his speech, the Bill would have been put through quite readily. But the more closely we look into it, the more does it seem to bristle with difficulties. The personnel of a board that may be in existence to-day may change to-morrow and we may find them deciding that more revenue is required, and an onslaught on the consumers would very quickly convert the measure into one for raising taxation. The possibilities are very far-reaching indeed. It is all very well for the Leader of the House to say that that is not the intention and that it is impossible to read such ideas into the Bill. But we have to remember that much the same thing was said to us when the present Vermin Act was being discussed by this House. That Act has become a second taxation measure. Road Boards and other local authorities had the right to tax and were taxing the community to keep down rabbits and other troublesome vermin, and we were asked to pass the Vermin Bill to deal with the dingo. We had the assurance that exemptions were to be given to all those who had put in vermin-proof fencing to the satisfaction of the chief inspector. It was never dreamt by hon. members or any section of the community that the department would act so arbitrarily in deciding that rabbit-proof fences were not dog-proof. The result was that those who thought they would be exempt from the operations of the measure were roped in. I think only one property escaped and that was Tootra, the property of the New Zealand Land Co., around which a most elaborate fence had been built. Many people whose fences were looked upon as distinctly vermin proof were compelled to pay taxation. Therefore it becomes increas-

ingly necessary for us to look very closely into Bills of this description when they are brought before us. I congratulate the Government upon the energy that has been displayed in providing water supplies in country districts. The Minister for Agricultural Water Supplies has been particularly active, and he has been responsible for carrying out some very good schemes in the rock catchment areas. Under this measure, however, there will be no limit in regard to the area to be embraced and taxation will be possible for recouping the department for any expenditure that has been incurred in connection with the supply of water. To start charging those people in their earliest days a rate of 3d. per acre or £12 10s. per thousand acres will be a severe tax upon them. The limit of two years is scarcely sufficient. I would prefer to see it provided that a man should have the free use of that water for a longer period to enable him to get his initial work carried out. It would be a very much better proposition for him and for the country if all those payments he is to make to the Government could be put into the clearing and development of his areas. The rate could be raised, and still in years to come he would be able to make whatever payments were necessary. Special provisions should be made for those people who have already put in their own water supplies. This measure is going to rope in many centres where private enterprise has made its own provision for water. In a good many instances people have spent very large sums on their private holdings in providing water for their own requirements. There is to be no exemption for these people. They will have to pay the same rate as a new settler coming into the locality and sitting down to wait for the Government to supply him with water. Frequently that settler is not of the same calibre as the earlier settlers who led the way in providing their own water supplies. Special exemption should be given to those who have done that work. It is being mulct in charges of this nature that deters many men from embarking in development of water supplies; for they know that probably whatever money they have put into these enterprises will be wasted. And so they are inclined to say, "We will wait for the Government to come along with their scheme." We know the trouble it is for the Government to anticipate all the requirements of the new settlers in the way of roads,

water supplies and other things of the sort. So it is our duty to encourage private individuals to embark their own capital in these things and not to expect the Government to spoon-feed them with everything they want. We should encourage that spirit of enterprise which a measure such as this has a tendency to destroy. To a great extent we are getting right away from the spirit that some of these works should be put in as national undertakings. Because the success of these men is not only their own success; they are carrying out a work by which the whole of the community benefits. It is not only those who go out and make a success of their work who benefit by the development of their own areas and by water supplies being inaugurated. These schemes are of great convenience to others going farther afield. It is not only people situated close to a rock catchment or to a well who get the benefit of that work; it is also those who come after and those who are induced by the success of their operations to go still farther afield. However, as earlier Governments recognised water supplies as a national work, I think it is rather drastic to come along now and say that people should be brought under a rating system in the early stage of their careers as settlers. It may be said that that kind of thing happens in large centres of population where water supplies and reticulations are put into all the blocks in a township. But these outback schemes are not on all fours with those in townships, for there is no reticulation and the cost of the water is very great, and still the settlers have to go to stand-pipes and cart their water five or seven miles. So their handicaps are quite sufficient without their being charged a 3d. rate for the water. It may be claimed that we cannot expect to have these schemes put in for nothing. We must recognise that something may be due by the settlers, but we must remember that a great many men who have made a success of their land operations have borrowed money from the Agricultural Bank for the development of their areas, and have done noble work. In the aggregate they borrowed nearly 11 millions sterling, but also they have paid back over nine millions sterling and that money has been made use of by the people of the State in some other direction. It has not been paid off the public debt, but probably has gone into Consolidated Revenue.

Hon. J. Nicholson: That should not be.

Hon. V. HAMERSLEY: But those who have been successful in their operations and have returned nine millions of their borrowings are still being rated, and have to pay income tax and land tax, and so are still contributing towards the interest bill of the State, whereas nine millions of borrowed money has been paid off by them.

Hon. J. Nicholson: But would loan repayments go into Consolidated Revenue?

Hon. V. HAMERSLEY: I do not know. I should like the Minister to explain.

Hon. Sir Edward Wittenoom: The money has gone back to the Agricultural Bank.

Hon. Sir William Lathlain: It is a million or so of money being used over and over again.

Hon. V. HAMERSLEY: Eleven millions have been borrowed and the borrowers have repaid nine millions. In that they have done noble work and are due for consideration. The work they are doing is of such a nature that we should encourage it. Whereas if we start against the new man coming in, almost before he can get on his feet, with these heavy charges, we are going to deter him from continuing with his operations, to facilitate which these water supplies have been established. I feel more nervous about the retrospective effect of the Bill on the settlers that do not come within the immediate areas that have been mentioned. That, I hope, is not the intention of the Government. But we require to safeguard the position. It would be better if particular areas were put into the Bill so that it would be confined to those areas rather than allowed to apply to the whole of the State. The Bill deals with the whole of the State and I do not think that can be intended. So it would be better for us to define which particular parts the Government intend to deal with. Several big water schemes, including pipe stands and reticulation, have been put in in different parts of the country. I think it would be better if the Bill were to deal merely with those particular schemes rather than having it apply everywhere. I understand the Government have put in several of these schemes at the instance and request of settlers who wanted them, and that the agreements entered into with the Government by which the settlers undertook to pay so much according to the land they held have not been carried out. I

have been told that in some instances the owners of the properties, those who signed the agreements, have since sold their properties and that the new owners have repudiated the agreements entered into by the previous owners. I presume that was due to an oversight on the part of the Government in drawing up the agreements. I do not see why further agreements should not be entered into where schemes are required by the settlers who, however, cannot agree amongst themselves as to the charge to be made upon their respective lands. To ask the House to pass a measure that will apply all over the State, merely because certain agreements were faulty, is rather too severe a proposal. I remember that when the Coolgardie water scheme was inaugurated and the water was run right through to the goldfields it was not anticipated that it would be made to apply to the settlers in old-established centres along the route who had made their own provision for water supplies. Subsequently York, Beverley and Toodyay all wanted supplies just for the townships. They applied to have the pipe scheme extended to them, and a Bill was passed enabling the Government to rate properties through which the pipe scheme went. Although the people have never used the water, they still have to pay for it. That is a tremendous burden on the holders of large properties along the route, for whose land the water is not used. We may be passing an innocent-looking measure which will put many other property owners in the same difficult position. I hope other members will give their attention to the Bill with a view to the discovery of lurking dangers, so that in Committee safeguarding amendments may be introduced. Otherwise the measure may become a menace. I realise the importance of continuing the work of providing water supplies. It is essential for the opening up of new areas. Therefore I shall not oppose the second reading. However, unless we see ways of safeguarding the points I have indicated, and other points which may occur to hon. members, I shall feel inclined to oppose the Bill. The Government should realise that since so many districts have had water supplies furnished to them as a national measure, other districts should be furnished with facilities in the same way and in advance of settlement. The increased value should be placed upon the areas when

they are disposed of by the Government. In those circumstances the new settler would know what the position really is. But it is a problem to the man, who having settled in a district, finds himself surrounded by new settlers and then is asked to shoulder a burden which he never dreamt of.

HON. SIR WILLIAM LATHLAIN (Metropolitan-Suburban) [8.2]: I desire to congratulate the Chief Secretary upon the clear and lucid manner in which he presented the Bill to the House, and also on the substantial evidence he submitted in favour of the provisions of the measure. Mr. Hamersley has given the Minister for Agricultural Water Supplies one of the best testimonials I have heard any Minister receive since I have been in this Chamber. But I would like to ask how that Minister is to proceed with his work unless he is enabled to get revenue from the people who are furnished with supplies? Again, Mr. Hamersley asks for certain exemptions. But what exemptions are there in the metropolitan area? If a citizen has a windmill, it makes no difference to the water rates he has to pay. On the premises I occupy the water rate is about £800 a year.

Hon. V. Hamersley: You can pass it on.

Hon. Sir WILLIAM LATHLAIN: Everything can be passed on by everybody except the old primary producer. He is the man who is hardly done by. One gets a little put out by the argument about men who never have anything. Although I can "pass it on," I can never use any water except for sewerage, and a sewerage rate is also charged. Really no hardship is imposed upon settlers. As regards the cases cited by the Chief Secretary, I think every member must have been deeply impressed by the fair way in which the Minister stated the case. Certain places had, at the request of the settlers, been provided with a water supply. In addition, a certain amount of reticulation had been done, and standpipes had been provided so that the settlers would not have to come so far for their water. If these conveniences are provided for the settlers, the least they can do is to pay for them. Personally, I consider that each municipality, each road board, and also the city itself should pay for its own requirements. Unless the people who are fortunate enough to be the recipients of these great conveniences are going to pay for them, how are the people who are not yet supplied, to be

furnished with similar conveniences? That is the point which strikes me. Mr. Hamersley stated that 11 millions of money had been borrowed by the people on the land and nine millions paid back. In round figures that is correct. But the Agricultural Bank never at any one time had 11 millions of money in its coffers. It had a certain amount of money, and it kept on lending out that money as it was repaid. I say without hesitation, and with a feeling of great pride, that that is a remarkable achievement. So proud was I of it that I showed the figures to Sir Robert Gibson, the Chairman of the Commonwealth Bank, as one of the finest things that had ever happened in Australia; and he quite agreed with me. An enormous sum of money has been advanced to the settlers and a very great deal of it has been repaid; but I repeat, the bank never had 11 millions sterling or anything like that sum at any particular time. There may be certain amendments required in the Bill, though at present I fail to see it. However, I am quite amenable to reason if Mr. Hamersley can put forward something definite and tangible. But this fact remains, that taxation of any sort, or even payment for services rendered, is obnoxious to anyone—not only to the man on the land, but to the ordinary man in the street. As long as people can escape those liabilities, they will endeavour to do so. In this particular instance, unless something is done to enable the Government to rate the land or to obtain some other definite means of collecting revenue from the people who receive the direct benefit of the various schemes, it will be impossible for them to afford other new settlers similar privileges. The case mentioned by the Chief Secretary is a most outstanding instance of the desire of people to get something for nothing. The people in question made a definite promise as to what they would do if a water supply was furnished to them. A supply was furnished and stand-pipes were erected, and then the people refused to pay. The Chief Secretary stated the case very fairly, and I shall support the second reading of the Bill.

HON. E. H. H. HALL (Central) [8.10]: While I have no desire to say anything derogatory concerning Sir William Lathlain's wish to encourage the man on the land, his remarks on this Bill have failed to convince me that he realises just what

he means by concern for the primary producer.

Hon. Sir William Lathlain: I do realise it.

Hon. E. H. H. HALL: Sir William's comparison of the water rates paid by people in the city and in the municipalities with the water rates levied on men engaged in primary production does not go to establish that he has that consideration which he claims to have, and which every man in the State should have, for the primary producer.

Hon. Sir William Lathlain: We pay for water we do not use.

Hon. E. H. H. HALL: I will deal with that aspect presently. Perth citizens are not the only people in Western Australia who pay for water they do not get. Unfortunately the ratepayers of Geraldton are in exactly the same position. I can cite cases like those quoted by Sir William Lathlain. Personally I am in the happy position of having quite a sufficient supply of water; but I am forced, and quite rightly, to pay rates in respect of the water pipe that runs past my door. As a member of the Geraldton Municipal Council I make no apology for having helped to pass a by-law rendering it compulsory for every Geraldton ratepayer to pay a water rate, whether he uses the water or not.

Hon. Sir Edward Wittenoom: I have to pay it myself.

Hon. E. H. H. HALL: Water supplies for people engaged in primary production, however, are quite a different matter. Sir William was good enough to indicate that if some simple amendments could be put up, they would receive his consideration. I am sure that when the Bill reaches the Committee stage, an amendment will be put up, and that satisfactory and convincing reasons for its adoption will be advanced. This simple looking Bill, which as Sir William stated was very ably introduced by the Chief Secretary, is not quite so simple as it looks, and for this reason, that it is of a retrospective nature. The original Act lays down that two-thirds of the people in a given area must first requisition the service, and in addition must represent at least 50 per cent. of the land to be served. Under the Bill that is not so. Unless I am greatly mistaken, the Min-

ister may, without the taking of any referendum, levy a rate upon any district he thinks fit. Considerable amounts have been spent in providing water throughout the agricultural areas, and the present Government—to their credit be it said—have shown themselves vigorous and enterprising in that regard. But I would have hon. members bear in mind that, apart from the Coolgardie Water Scheme, there has been spent on water supplies for mining townships a total of £1,090,645, from which no revenue at all has been obtained. Therefore hon members should have no hesitation in voting supplies of money to provide water for the agriculturists, who are adding to the wealth of the community. Sir William Lathlain says he is getting tired of hearing about the man who produces wealth.

Hon. Sir William Lathlain: No, not tired of that.

Hon. E. H. H. HALL: I hope Sir William will hear a great deal more about that man. Agricultural water supplies must be looked upon as revenue-producers. What about Canada, which supplies ready-made farms? I admit that Western Australia has gone a long way in the matter of liberalising the land laws and granting Agricultural Bank advances, but more attention should have been paid by the present Government and by past Governments to the provision of water supplies in the backblocks, with a view to the opening-up and development of our lands.

The Honorary Minister: Do you suggest that water should be supplied free of charge?

Hon. E. H. H. HALL: I remember being in Northampton on holdings that are now looked upon with pride by all of us. In those days the farmers were in grave difficulty because of the absence of water supplies. The Minister referred to the Wilgoyne scheme last night. At the outset he said the settlers were agreeable to the payment of a rate per acre, but subsequently they agreed to pay so much per holding. Governments, like individuals, learn by experience. Instead of making a charge against land held by individuals, the Government made agreements with individuals. The result was that when the land changed hands the incoming owner disclaimed, and rightly so from his point of view, any re-

sponsibility in respect of the liability incurred by his predecessor.

Hon. Sir Edward Wittenoom: Repudiation!

Hon. E. H. H. HALL: That is a point that should receive consideration at the hands of hon. members when the Bill is in Committee. I shall not delay the House any longer except to say that when the measure is in Committee an amendment will be moved and I hope it will receive the consideration and support of hon. members.

HON. H. A. STEPHENSON (Metropolitan-Suburban) [8.16]: I support the Bill and also take this opportunity of congratulating the Government upon their efforts to provide settlers in the outback areas with water supplies. They are to be highly commended for the efforts they are making. One of the first essentials in successful farming operations is the provision of water supplies. I know a great many farmers, and I do not know many who would repudiate an agreement entered into for the provision of water supplies. I understand that repudiation has taken place, and I am very sorry to hear of it.

Hon. Sir William Lathlain: Does that not apply to portion of Mr. Hall's province?

Hon. E. H. H. Hall: The Wilgoyne supply does not affect my province.

Hon. H. A. STEPHENSON: It is difficult to carry on farming operations without adequate water supplies. During the last seven or eight months, I understand many of the people who repudiated the agreement that had been entered into by previous holders of their properties, have lost heavily owing to inadequate water supplies. In fact, many of them have lost more stock than would pay for their water rates over and over again. Some of them have lost thousands of sheep and lambs, and their stock have been depleted appreciably. I think they will have to get rid of more stock yet, and that is not a good thing for the country.

Hon. Sir Edward Wittenoom: Was the water cut off from them?

Hon. H. A. STEPHENSON: No, they did not have sufficient water to keep the sheep and stock going.

Hon. V. Hamersley: The difficulty was that there was not sufficient feed.

Hon. H. A. STEPHENSON: Feed is no good without adequate water supplies. In

my own case, I am praying for the time when I shall be able to get my water supplies from one of the Government schemes. I will not have to carry on then under the existing difficult conditions.

Hon. J. Nicholson: The water will not be laid on; you will have to cart it still.

Hon. H. A. STEPHENSON: I understand that the water will be laid on if it is at all possible. Most of the farmers last season had to cart water for upwards of 20 miles, and even now they will soon have to start carting water again.

Hon. V. Hamersley: The Bill does not apply to reticulation. The Government have power to do that under other legislation.

Hon. H. A. STEPHENSON: I am dealing with the question of water supplies generally, and am congratulating the Government upon what they have done. We have schemes installed in different parts of the agricultural areas that enable farmers to draw their supplies under more satisfactory conditions. If the farmers do not meet their obligations in respect to the water supplies, how can the State carry on and provide expensive water supply schemes for the agriculturists?

Hon. Sir Edward Wittenoom: Have the farmers who repudiated their obligations to the Government continued to get water from the Government supplies?

Hon. H. A. STEPHENSON: I understand that they have.

The Chief Secretary: And they are using the water still.

Hon. H. A. STEPHENSON: Is that a fair thing? I was surprised to learn that there were farmers who would repudiate obligations under such a water scheme as that referred to by the Minister. Despite their repudiation, those farmers still continue to avail themselves of the water supply. Surely, in view of the importance of a water supply in connection with farming operations, the least we can expect the farmers to do is to pay for water supplies that are provided for them. At one railway dam on the loop line the water was getting very low and the officials communicated with the Government, as they were afraid the supplies were getting too low for their own requirements. The Minister considered the position and decided that the authorities should continue to allow farmers to draw water from the dams as long as was possible. Luckily, rain fell and the difficulty was overcome.

I can assure the House that during the next few months a large percentage of our farmers in the wheat belt will be in for a bad time, and a great many of them will have to get rid of the larger proportion of their sheep and certainly will have to reduce their stock. That will be a serious thing for them. Unless we get rain in March or April the position will indeed be serious, not only for the farmers but for the State as a whole. Every encouragement should be given to the Government to induce them to secure a return in respect of the costly schemes that must be undertaken. I support the second reading of the Bill.

HON. J. NICHOLSON (Metropolitan) [8.22]: I have a few remarks only to make regarding the Bill. No one can gainsay the importance of providing water supplies throughout the agricultural areas. We all recognise the effort on the part of the Government to make those supplies available and we give all credit to the Government for their activities in that direction. But I notice there is introduced into the Bill a principle that represents a material departure from recognised practices in connection with water supplies. It is proposed to impose an annual rate on all land within a prescribed area. There is no limitation to the area that may be prescribed. The Minister may prescribe an area that may be 20 miles away from the source of supply. That would mean that the whole of the people within that prescribed area would be subject to the annual rate. The recognised principle in connection with water supply rating has been that the imposition of the rate followed upon the service being brought to the doors or boundaries of the properties of the persons to be supplied. Mr. Hall mentioned his experience and stated that, as a councillor, he had concurred in the proposal that ratepayers should be made responsible for water brought alongside their properties. In that instance the ordinary practice was followed. Sir William Lathlain mentioned the large amount he had had to pay for the provision of water supplies for his property. That was simply due to the method of assessment on the value of the property owned by the individual to be supplied.

Hon. H. A. Stephenson: Would you say that that was not a fair thing?

Hon. J. NICHOLSON: I am not questioning that phase of it at all. I am not arguing against a proper charge being made against the property owner, but I am calling attention to the departure from a recognised principle. Under the existing legislation all properties within a certain distance of the mains are rateable, and that principle should be adhered to. Mr. Stephenson mentioned his own difficulties and his remarks serve to emphasise the necessity for the provision of water supplies in the rural districts. I question very seriously the advisability of imposing a rate in the way suggested. Mr. Stephenson intimated that he would welcome the provision of a water scheme in his district, but he apparently anticipates that the water will be brought to his door or boundary. As a matter of fact, his property may be 10 miles away from the source of supply.

Hon. H. A. Stephenson: As a matter of fact, my property will be furthest away from the scheme.

The Chief Secretary: Who do you say would bear the expense of taking the water supply to the holding?

Hon. J. NICHOLSON: Assuming for a moment that the property was 10 miles away from a rock catchment dam. There is no obligation upon the water board to take that water to a farmer's door or boundary or to, say, even within a mile of an individual's property. On the other hand, the individual would be rated and in addition he would have to pay for the cost involved in carting the water over a distance of 10 miles. I question whether he would even be able successfully to carry many sheep if he had to cart water to maintain a sufficient supply for the stock.

Hon. J. Ewing: Could not he put in pipes?

Hon. J. NICHOLSON: That would necessitate putting in pipes along public roads for a distance of ten miles. I do not think Mr. Ewing realises the force of my remarks. I was pointing out that the property might be ten miles distant from the source of supply and no pipes would be laid.

Hon. J. Ewing: He could lay pipes.

Hon. J. NICHOLSON: He would not be allowed to lay pipes. Only the local authority, which is authorised by Act of Parliament, could interfere with the road. If he did lay pipes, while directly they might

be of benefit to him, he would be laying them along the frontages of other people's property.

Hon. J. Ewing: They could pool the expense.

Hon. J. NICHOLSON: The hon. member's interjections are in line with my argument. The pipes should be laid by the board and then a rate imposed. The cost of laying the pipes would be reckoned in estimating the annual rate to be imposed on the different properties served by the pipe line.

Hon. H. A. Stephenson: That is the position exactly. They are making provision for laying down the pipes.

Hon. J. NICHOLSON: But if it were a rock catchment dam, it might be impossible to lay pipes throughout the area, and the parties themselves could draw probably sufficient water for domestic supply and for a few horses, but insufficient to carry a large number of stock. We should recognise that, if we pass the Bill, we shall be authorising the Government to impose a rate on property for this class of water supply and under a method that I do not think has been adopted elsewhere. I am quite prepared to support a measure to authorise the imposition of a rate if the water supply is taken to the door of the property.

Hon. H. A. Stephenson: Taken to the boundary, not to the door.

Hon. J. NICHOLSON: I mean to the frontage of the land.

The Chief Secretary: In an agricultural centre that would cost half a million of money.

Member: That is not the purpose of this Bill.

Hon. J. NICHOLSON: If there was a rock catchment and a man drew so many gallons of water from it, a charge could be imposed to defray the cost of providing the supply, but I do not see how properties that are not served and cannot be served by means of reticulation should be subjected to an annual rate merely for the construction of a rock catchment dam or similar supply. I shall consider the question whether I can support the second reading of the Bill, but I would like the Minister to inquire into the point I have raised about the departure from the important principle that has always been adhered to.

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

House adjourned at 8.36 p.m.

Legislative Assembly,

Wednesday, 7th November, 1928.

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

LEAVE OF ABSENCE.

On motion by Mr. Wilson, leave of absence for one week granted to Mr. Corboy (Yilgarn) on the ground of urgent private business.

BILL—LAND TAX AND INCOME TAX.

Read a third time and transmitted to the Council.

Bill transmitted to the Council.

BILL—HOSPITAL FUND.

Second Reading.

THE MINISTER FOR HEALTH (Hon. S. W. Munsie—Hannans) [4.36] in moving the second reading said: I am submitting this Bill with a considerable amount of pleasure. There is not the slightest doubt that for many years past the financing and maintaining of hospitals in this State has become more and more serious. The position of the hospital authorities is that almost all of them are finding it exceedingly difficult to run their institutions as they should be run, and make ends meet. It is commonly said that it is the duty of the Government to look after the indigent sick, a responsibility which, I agree, rests with the Government. But if the Government are going to do it they must have the funds with which to do it. In my opinion there is no other way of successfully raising funds for the purpose than by some means whereby everybody who receives income contributes something while he is well to provide for the days when he