Legislative Assembly,

Thursday, 2nd October, 1902.

THE SPEAKER took the Chair at 4·30 o'clock, p.m.

PRAYERS.

PAPERS PRESENTED.

By the COLONIAL SECRETARY: 1, Amended By-law No. 20, made by the Municipality of Northam. 2, First and Second Progress Reports of the Royal Commission on the Public Service. 3, Return showing Port Dues paid by various shipping at Fremantle (Supplementary Return to order of the House, dated 10th September, 1902).

By the MINISTER FOR WORKS: 1, Detailed information *re* Deviation of the Perth-Fremantle Railway — Return to Order of the House, dated 27th August, 1902.

QUESTION—SUNDAY ENTERTAINMENTS, TO LEGISLATE.

MR. HIGHAM asked the Attorney General: Whether it is his intention to introduce, this session, legislation dealing with Sunday public entertainment?

THE ATTORNEY GENERAL replied: Yes; if there is sufficient time.

QUESTION—METROPOLITAN BOARD OF WORKS, TO ESTABLISH.

MR. DAGLISH asked the Premier: 1, Whether it is the intention of the Government to introduce a Bill for the establishment of a Metropolitan Board of Works during the present session. 2, If not, whether the Government will introduce an amendment of the Metropolitan Waterworks Board Act to provide that the rating system shall be applied within all municipalities supplied by the board.

THE PREMIER replied: 1, No. 2, The question is being considered.

SELECT COMMITTEE, CHANGE OF MEMBER.

On motion by MR. YELVERTON, Mr. Johnson was elected to fill a vacancy on the select committee appointed to report on the Friendly Societies Act Amendment Bill.

CONSTITUTION ACT AMENDMENT BILL.

Introduced by the PREMIER, and read a first time.

ELECTORAL BILL.

Introduced by the PREMIER, and read a first time.

REDISTRIBUTION OF SEATS BILL.

Introduced by the PREMIER, and read a first time.

PUBLIC SERVICE ACT AMENDMENT BILL.

Read a third time, and returned to the Legislative Council with amendments.

AGRICULTURAL BANK ACT AMENDMENT BILL.

SECOND READING (MOVED).

THE PREMIER (Hon. Walter James), in moving the second reading, said: Members are, no doubt, aware that the legislation which this Bill proposes to amend and extend is dealt with in the original Act passed in 1894. That Act established the Agricultural Bank, and defined the duties of the bank and the purview of its operation. There have been since that time amendments passed in 1896 and 1899. The present Bill proposes to extend the operation of that Act on lines which I think will commend themselves to every member of the House. By the principal Act of 1894 it is provided that an Agricultural Bank shall be established, and shall be placed under the care of a manager, the funds being raised by bonds. There is a limit of the capital to the amount of £100,00 That was extended by the amending Act of 1899 to a limit of £200,000; and one of the amendments now proposed is still farther to extend that limit to the

amount of £300,000. By Section 18 of the principal Act, it is provided that advances may be made to farmers and other cultivators of the soil on the security of their holdings in fee simple or under special occupation lease, or conditional purchase from the Crown. Those are the only two kinds of title recognised, fee simple or leaseholds held from the Crown by either special occupation leases or conditional purchase; and the advances are made for the purpose of making improvements on unimproved holdings or adding to improvements already made on holdings. The object therefore of the principal Act was to grant money to enable improvements to be made on unimproved holdings or to add to improvements already made on holdings. By Section 21 provision is made to define improvements for the purpose of the Act. Improvements include clearing, cultivation, and ringbarking, but it is laid down that the expression does not include any other kind of improvements. The Act also provides that no advance shall exceed one-half of the fair estimated value of the improvements proposed to be made, and at no time shall an advance or advances to any one person exceed the sum of £400. Those provisions have been modified by the amendment to which I have referred to this extent, that instead of limiting the advance to one-half of the value of the improvements proposed to be made, it stands now at three-quarters of the value of those improvements; and instead of imposing a restriction of £400, the maximum is now £800. But the advances are restricted to the value of the improvements mentioned in the original Act. The value upon which the advance is granted is the value of the improvements proposed to be made. The Act attaches no importance whatever to the value of the land or to the value of the improvements which are already made, the object being to secure that the money advanced by the bank shall be used for the purpose of carrying out defined improvements, and directly to improve the value of the land upon which the advance is made. Those restrictions somewhat limit the usefulness of the bank, because you make advances only for certain limited improvements. The limit of the advance is £800; but that is farther restricted by the fact that you make this advance upon a valuation of the improvements to be made, so that you may have land of very great value, improved or unimproved, but no advance whatever can be made upon the strength of that value. The amending Bill deals with that question, and proposes by Clause 2 that the manager shall have power to make advances on the security of improved holdings, to farmers and other cultivators of the soil, to enable them, first, to pay off liabilities already existing on their holdings. This gives the bank a power it does not enjoy at present. Secondly, to carry on farming, agricultural, horticultural, or viticultural pursuits on their holdings. Thirdly, to add to the improvements already made on their holdings. I propose to alter Sub-clause 2 to make it a little bit clearer, and insert after the word "farming," the words "and grazing," so that it would then read "to carry on farming and grazing, agricultural, horticultural, or viticultural pursuits on their holdings." That amendment will carry out what was the intention of the framer of the Bill, and what I believe to be sufficiently covered by the Bill as printed, but out of abundant caution we effect that amendment to make it clear. One of the main objects in introducing that amendment is to enable the cultivator of the soil to obtain advances from the bank for other than the restricted purposes provided for in the original Act. For instance, we could, under this clause, advance money for the purpose of purchasing stock. No advance would be made in any of these cases unless it was upon the security of the land. If we had that Clause 2 by itself we should at once be met by the difficulty under the Agricultural Bank Act of 1894, even if you enlarged the definition of "improvement" to include stock, you could hardly give a person an advance for the purpose of stocking his land unless you altered the earlier section, which provides that an advance can only be made on the value of the improvements proposed to be made. We could not well give an advance upon stock only, and so we want to avoid that. There are other instances too where it will be necessary to liberalise the conditions of this Act, and to provide in connection therewith that advances made under this

Bill shall be on the basis of valuation of the land itself. Clause 4 provides that no advance under this Bill shall exceed one-half of the fair estimated value of the land, with the improvements made and proposed to be made, and that at no time shall an advance exceed £1,200, so that for the purpose of advances under this amending Act we enable the value to be placed on the land. Under the original Act as I have explained already that cannot be done. However valuable land may be, improved or unimproved, no money can be advanced on its value, even although it may be desired and intended to use the money for the purpose of carrying on farming operations as defined.

MR. ILLINGWORTH: You mean freehold, I suppose?

THE PREMIER: Freehold or special occupation or homestead farms.

MR. ILLINGWORTH: What is the value of that?

THE PREMIER: That does appear later on in the clause. The classes of land upon which advances may be made under this Bill are the same as the classes of land upon which advances can be made under the principal Act.

MR. ILLINGWORTH: But if the land is not paid for?

THE PREMIER: That is provided for.

MR. JACOBY: What about the improvements?

THE PREMIER: It is obvious that it would be undesirable to advance upon conditional purchase leases, or upon any interest less than freehold, to the same extent as you would upon fee simple. I understand that in relation to the latter part of the clause there are some members of the House who think there should not be the special provision which is contained in Clause 4, Sub-clause 2; but the Government think it desirable that there should be that provision, which enacts that, in case of land not held in fee simple, such value shall be reduced by the amount of all rent payable and to become payable to the Crown in respect of such land before the issue of a Crown grant. In other words, under the terms of those leases referred to, a person has a right to the fee simple on performing certain improvement conditions, and on paying a certain sum of money. We do not propose to insist that he shall reduce from the fee simple value the money value of the improvements, but we say he shall reduce from that the amount of rent payable and to become payable to the Crown. It must be borne in mind that these leases are held under certain conditions, and that there is no guarantee that the conditions will be carried out. To the extent, therefore, to which we make advances on securities of that nature and disregard the improvement conditions, we are going much farther than any private institution would do; but on the other hand these holdings are the holdings under which our agricultural development is going on to-day, and if we desire this bank to serve the end intended, to encourage and stimulate settlement, it is essential that we should have provisions of this nature. Moreover, the great bulk of the money advanced under this Bill will—although the Act does not say so in express terms—be used for the improvement of the land itself. In those cases where money is granted for the purpose of purchasing stock, of course that observation will not apply. You cannot identify stock with the land. Stock may be here to-day and gone to-morrow, but on the other hand that is a risk we may well run. I do not think any member will cavil at the assertion that any advances made for the purpose will be meeting a long-felt want in this State, a want that is becoming more urgent and more imperative every day, and in the great majority of cases those to whom advances are made will serve a useful purpose, and we shall not in many cases find that, after advances have been made with the object of improving land or directly obtaining stock, the money has been applied to other purposes. I want to point out that although we have the value of that conditional purchase land, the improvement conditions would not justify an ordinary mortgagee in making the advances which we shall make.

MR. ILLINGWORTH: Where is the security?

THE PREMIER: The land reverts to us in case of nonpayment.

MR. ILLINGWORTH: If the improvements be not made, where is your security?

THE PREMIER: I wish to point out that, with the exception of those advances which are used for the purchase of stock, the money is put into improving the land,

and therefore the State gets those improvements back, either as mortgagee or as landlord. We run so little risk that the great good to be accomplished by this provision ought to justify our passing the Bill. Of course if the money be borrowed to carry on mixed farming or to improve the breed of stock, and a week afterwards the borrower use it for other purposes, that is no doubt a risk, and a risk which would appreciably affect the mind of the ordinary lender. But so great good is to be obtained by encouraging mixed farming and providing the necessary breeding stock amongst those already settled in our midst, that we can well afford to run the risk, considering the advantage which will accrue to the State as a whole. This is the main alteration to be effected by the Bill —the question of policy as to whether advances should be made on somewhat different lines from those of the Act of 1894, which in effect said: "We shall give you money for the purpose of putting in improvements; but we shall advance you only one-half"—afterwards altered to three-fourths—"of the value of the improvements you propose to make by virtue of the money we give you." The effect was that we gave, say, £100 for the purpose of making the improvements, and in consideration of that advance improvements had to be made representing £133.

MR. ILLINGWORTH: No; pound for pound.

THE PREMIER: No; three-fourths. Under the old Act we can always say "The improvements to be made with this money will entail on you, the borrower, the obligation of putting some of your own money, either in hard cash or in labour, into carrying out those improvements." Those lines, as has been well said, are abundantly safe; but by the present Bill we are widening and liberalising the Act, because it has been found necessary in its working to widen and liberalise it. Last year the select committee who sat on this question made recommendations which we have not entirely followed in the Bill, because we thought they went farther than is at present justifiable. The committee took evidence dealing with proposals to allow advances to be made for discharging existing mortgages, for the purchase of stock, and for expenditure on orchards, vineyards, and other like purposes; and they recommended that the operations of the bank be extended to allow of advances for the purpose of paying off interest on loans from private sources on the security of agricultural properties. This we allow in the Bill. Secondly, they recommended that advances be made to purchase stock; and that provision we intend to be covered by Sub-clause 2 of Clause 2. Thirdly, they recommended that there should be advances for the improvement and development of agricultural, horticultural, viticultural, or pastoral resources. The Government are not prepared to go to the extent of advancing on purely pastoral land. If the money is to be used to purchase stock to carry on mixed farming, the Government think such extension of the bank's operations fully justifiable; but to extend the operation of the Act simply and entirely for carrying on pastoral work the Government do not think a desirable alteration at the present moment. I am glad to hear from the member for Beverley (Mr. Harper), by his interjection that it was intended by the committee that pastoral and agricultural operations must be carried on in conjunction, by borrowers. Members will see we practically cover that proposal by Clause 2 of the Bill. Then there is a farther recommendation from the committee that in no case should the amount of the advance exceed £3,000. The Government think that maximum too high, and that the advance to any one person should not exceed £1,200. That is the limit placed upon it by Clause 4 of the Bill; and I should say that for the class of farmer we desire to encourage, and who has a right to expect encouragement from the State, £1,200 is an ample maximum. But to prevent the "big" man coming into competition with the "small" man, we provide by Clause 6 that applications for advances under £500 shall have priority over those for larger amounts.

MR. HARPER: How can effect be given to that?

THE PREMIER: It must be left to the manager; because it is obvious that Clause 6 in practical operation would not have effect unless the two applications referred to came in at the same time;

and that of course would hardly ever occur. But I take it that clause is inserted more for the purpose of guiding the bank manager.

MR. HOPKINS: There might be a bad season, and a considerable number of applications.

THE PREMIER: But there could hardly be two of the sort contemplated on the same day, when the question might arise. However, it might be laid down by regulation of the Governor that applications should be dealt with every month, or at any longer or shorter interval. But the Government think it desirable to insert that proviso, not putting too many restrictions in the clause itself which might unduly tie the hands of the manager, but affirming the principle that as far as possible preference shall be given to applicants for advances under £500 as against those who apply for the larger amount.

MR. ILLINGWORTH: Thus satisfying more people.

THE PREMIER: Not only satisfying more people, but assisting those small farmers we desire to assist. I have already pointed out that by Clause 7 we extend the amount of capital advanced to the bank from £200,000 to £300,000. In connection with that clause, as in connection with the original Act, we have always behind us the reassuring fact that while we have the bank managed as it has been managed in the past—if we can be satisfied that the bank will always be managed by the same or a similar manager—the present and future Parliaments will be prepared to give him a perfectly free hand, believing, as all believe who watch the operations of the institution, that no money has ever been spent more beneficially to the State than the money distributed by the Agricultural Bank. Just to make it certain, however, that the principle contained in the Act of 1894 remains intact so far as the advances under that Act are concerned, we provide by Clause 5 of the Bill that the principle of valuations provided by Clause 4—that is, half the value—shall not apply to advances made under the principal Act, where the margin of security is three-fourths, so that when we wish to make a departure on lines thought to be less safe, we have a wider margin of security, and insist that advances shall be made up to only half the value. Where we are making advances under the principal Act we are more liberal, and allow the margin to be 25 per cent., that of course being an additional cover, as we have the value of the land and of the existing improvements. As hon. members know who understand its principles, this is a Bill which will appeal more strongly and directly to agricultural representatives than to those who do not so closely and personally know the wants of agriculturists. My own desire is at all times to give every possible facility to those who wish to utilise the provisions of the Agricultural Bank Act. I believe we shall now have unique opportunities of securing a settled and extensive agricultural population in this State; and I personally think that hardly any sacrifice is too great, if we reasonably believe that the money we propose to venture will be successful in bringing to our shores additional population, and in making those who are with us more settled and contented. For myself, I shall always have the utmost pleasure in carrying out wherever practicable the recommendations of a select committee so representative as that which dealt with this question last session, on which we had the members for Beverley (Mr. Harper), Boulder (Mr. Hopkins), Swan (Mr. Jacoby), Moore (Dr. O'Connor), and Wellington (Mr. Teesdale Smith). We have not been able to go to the extent they desired, although I do not think that they will quarrel with the Bill now before the House. I submit it to hon. members with this final word. I am absolutely certain that the provisions contained in this Bill, the liberalising influence and tendency which the measure will have on the original Act, will result in as great if not in greater benefits than the Agricultural Bank Act of 1894 has conferred on this State.

HON. G. THROSSELL (Northam): In this little Bill there are some points which I think need consideration. I fully recognise the desirableness of an enlargement of the original Act, and that some effect should be given to the recommendations of the select committee, so as to enable small selectors to purchase stock. On that matter Clause 2 is not quite clear; for Sub-clause 1 reads, "to pay off all liabilities already existing on

their holdings, to carry on farming, agricultural, horticultural, or viticultural pursuits." It is quite clear that there an error is committed. The sub-clause should read: "to carry on grazing, agricultural, horticultural, or viticultural pursuits on their holdings." However, I desire to say a few words with regard to paying off the mortgages. The provision for that is well intended; but I do not anticipate that the Bill will be taken advantage of to a large extent, as it deals mainly with the "small" man. We can imagine a case where, as already explained, half the value of a holding is under this Bill to be advanced to the borrower; and we can imagine a man holding £1,000 worth of property, the deeds of which are lodged in a private bank as security for an advance of £500. Under the Bill the mortgagor would be eligible for an advance from the Agricultural Bank of only £500. To make such advance would be putting the man himself in a better position, but it would give no return whatever to the country; for, when he had taken the £500 to discharge his obligation to the private bank, he would have received all the Act allowed him to borrow. I shall not say anything against that because, after all, the man is placed in a better position. Instead of having to pay a high rate of interest and being subject to the liability of having the loan called up any day and possibly his holding taken away from him, he would be paying a lower rate of interest on a loan granted on the more generous terms offered by this Bill. It is quite clear, however, that no gain will result to the State from relieving that man. In such circumstances, the owner of a property worth £1,000 would borrow £500 from the State on better conditions for himself; but beyond that there is no advantage whatever to the State. We know that the Eastern States have raised the limit of borrowing to far beyond £500, that they lend thousands for the purpose of placing settlers in a better position. I have nothing to say against the clause, but merely wish to point out that no advantage to the State can result from it. The great difference between this Bill and the existing Act—the difference which accounts for the bank manager being able to tell us after eight years' work that he has made a loss of only £10—is that the Act provides, whilst this Bill does not provide, that all the money to be borrowed shall be returned to the land and so become additional security. That is the great difference between this amending Bill and the original Act. With regard to Sub-clause 2 of Clause 4, I think there is more serious objection, though the provision is well intended. The sub-clause provides:—

> In the case of land not held in fee simple, such one-half value shall be reduced by the amount of all rent payable and to become payable to the Crown in respect of such land before the issue of a Crown grant.

Thus, clearly the progressive man is penalised. A progressive man may have taken up land on conditional purchase and during the first five years of his tenure have effected considerable improvements with his own capital. He then applies to the Bank for a loan on his property, which has a market value of £500. But since he has paid rent for five years only, 15 years' rent has to be deducted from the amount he intends to borrow. To make it quite clear, I may put the matter in this way. A man eligible for a loan of £250, his property being declared worth £500, would have £187 10s. deducted for 15 years' rent in advance. Thus, the man with a property worth £500 and eligible for an advance of £250 would, in the result, be able to borrow only the paltry sum of £62 10s. I regard this clause as a mistake: certainly, it is altogether unnecessary and ought to be struck out. The property, having been appraised at a market value of £500, should be eligible for a loan of £250 without any deduction whatever. By those who know the subject it will be readily recognised that the conditional purchase holder who has made improvements on his land is in a better position to sell his property, or the State is in a better position to sell the property, than if it were freehold. The fact of five years' rent having been paid and 15 years' rent still remaining to be paid brings the property within the reach of a small man; whereas, if the 15 years' rent additional to the five years' had been paid, the property might be beyond the reach of the small man. I hope I have made it clear that the sub-clause is altogether unnecessary. If a conditional

purchase property is valued at £500, it should be eligible for a loan of £250 in just the same way as if it were a freehold property. I have consulted friends in this House who understand the measure, and I may say that I have also spoken to the Minister for Lands in regard to it. I think the Minister now sees pretty clearly the force of what I urge. With regard to advances for viticultural and orchard purposes, I think our aim should be to encourage in every possible way the settlement of land in the shape of vineyards and orchards. It becomes a duty to point out, however, that security of this nature is attended with the greatest possible danger. I am prepared to take some risks; but, at the same time, I wish to make it clear that we know what we are doing in the matter. It is plain that where an orchard or a vineyard forms portion of a larger estate, little risk, indeed no risk, is run in advancing money. Where, however, an orchard or a vineyard of 100 acres forms the whole of an estate, the security is clearly attended with danger; because, if anything goes wrong with the orchard or vineyard, the whole estate goes wrong. In one district an orchard or a vineyard can be laid down and made a going concern in return for a capital outlay of £5 or £10 an acre, while in another district the same end will take a good, honest £20 to attain. Therefore, it is clear that the greatest care will have to be observed in the valuation of vineyard and orchard securities, where the estate is a small one and consists entirely of orchard or vineyard land. We have to remember, in such cases, that if the vineyard or orchard goes wrong the whole security is gone. Of course, as I said before, if the 100 acres of orchard or vineyard form portion of, say, a 500-acre estate, it is another matter altogether, the additional 400 acres constituting an ample security. I believe the Bill will do good in this particular direction. Wisely carried out and liberally interpreted, it should tend towards the attainment of what, after all, is the chief object set forth by the report of the select committee which inquired into the operations of the Agricultual Bank during last session—that a considerable area of second and third-class lands may be taken up for the purpose of grazing sheep. Not for the purpose of grazing sheep in large numbers, be it noted. I think it is as great an advantage to have close settlement in regard to stock-raising as in regard to agriculture pure and simple. We are living in days fortunate for the grower of stock, though unfortunate for the consumer. Meat is very dear, and the man with, say, 400 sheep may look for a good return. I am glad to observe that the maximum amount of loans is proposed to be raised by this Bill from £800 to £1,200. Thus the man who under the Act has already exhausted his borrowing power by geting a loan of £800, and while having ample security is no longer eligible for a loan, will, under this Bill, be able to borrow an additional £400. I hope that when the Bill is in Committee the amendments which I have referred to will be made. Certainly, Sub-clause 2 of Clause 4 ought to be struck out; for, instead of penalising the progressive man, we ought to offer him every encouragement. The chief consideration of the Government must be: Is the security there? How much will the property fetch in the market? If those questions be answered satisfactorily, the manager of the bank will, under this Bill, be justified in advancing half the value of the property.

MR. C. HARPER (Beverley): I am glad the present Government have realised the success which has followed the operations of the original Act. Recollecting the degree of hostility which the Agricultural Bank Bill, as originally drafted, encountered here, one is really refreshed to find that the House now feels some little confidence in the capacity of the farming community to improve their holdings and in their readiness honestly to pay their debts. The present Bill has one or two defects, as has been pointed out by the member for Northam (Hon. G. Throssell). Sub-clause 2 of Clause 2 might have been better framed. The word "farming" might have been accepted as a generic term to include all the rest of the terms set forth. "Farming," however, has not been used in that sense, and thus the necessity arises for proceeding to specify other branches of farming. "Grazing," however, is not mentioned as a branch of farming. The select committee on the Agricultural Bank dealt with the matter in another

form, by recommending the statement of a specific direction in which money advanced should be expended. I cannot help thinking that this sub-clause ought to be framed so as to express more fully and clearly what is intended. After all we must rely largely on the discretion of the bank manager, and that is the point at which I think many people go astray in their desire to bind the manager by cast-iron rules in dealing with elastic circumstances. The result is to put the manager in an impossible position. I think that if we confine ourselves to providing that there must be sufficient security, we can leave other details to the discretion of the manager; for that, after all, is what has produced the success of the policy in the past, and that alone, I feel confident, will produce success in the future. The Premier, in moving the second reading, said that it was justifiable to run some risk in advancing money for the purchase of stock. I do not recognise that the State will run any risk at all, for the security is there. The man who borrows the money will run the risk. He hands over his security; and if he loses on his stock it is his lookout, and not the State's. Everything hinges on the security. Therefore, I consider the expression used by the Premier, that the State may run some risk, is misleading. The business of the manager is to see that there is ample margin for security, in his opinion. I feel confident that Sub-clause 2 of Clause 4 is a mistake; because, as the member for Northam has pointed out, if we reduce the amount available for borrowing by the amount of rent which has to be paid, a wrong position is created. That is to say, we shall be practically asking a man to pay money, which is not due for many years to come, without rebate.

MR. ILLINGWORTH: No; we reduce the value of the security on which an advance is made.

MR. HARPER: I know that. The point I wish to make is that if the words "one-half," in the first line of the sub-clause, were struck out, it would read all right and would put the position fairly. Otherwise, the class of man referred to is altogether shut out from the benefits of this Bill. Indeed, he can readily get money from outside sources on easier terms than those offered by the Bank, because his security will be ample, for the amount of money due on the land is so far ahead that it meets itself. It is an unfair thing to take one-half, but it would be fair enough to take the whole of it. I should say this must be a mistake in drafting. With regard to the other point raised by the Premier, that of paying off mortgages, I think, as has just been pointed out by the member for Northam, in that case it would be fairer that the operation of the original Act should never come into force. Supposing a person had a property worth £1,000 with a liability of £500, he could only pay off that £500, but if he were allowed to borrow three-quarters of the value for improving the rest of the estate, the State would be getting something out of it; yet under the conditions a man could do no more than pay off the liability. If it is sound business to advance three-quarters of the value under the original Act, it will be just as safe to advance three-fourths in this case. Beyond paying off his liability, the borrower would have something for farther permanent improvement. The Bill only allows one-half, but by the original Act three-fourths is allowed.

THE PREMIER: We allow him three-fourths on the improvements, and we hold in hand the land as well.

MR. HARPER: After a man has got rid of the liability he will be able to improve his property, and then he improves the security held by the State. What the man puts on is not cash, but work. He puts on the £250 which you have advanced to him under the principal Act. The Bill proposes to lend money to pay off the security. First of all you get the advice of the manager if the land is worth more than one-half, and having received the advice you put the man in the position of improving his land. We should assist him if we can. The point taken by the hon. member for Northam is that you assist the man and not the State. I want to go farther and assist both.

THE PREMIER: If you admit that principle, we can simplify the Bill in a few lines.

MR. HARPER: That is the principle underlaying the Bill. I hope when the measure gets into Committee we shall be

able to deal with the points I have raised, and I believe the Bill can be improved on these lines.

MR. F. ILLINGWORTH (Cue): The Government have acted wisely in extending the operation of the Act, which has proved itself to be a great success. I believe, however, and I think I have said this before, that we owe all the success to the wonderful capabilities of the manager. I hope this bank will always be under the control of a man of equal calibre to the present manager. I want to point out to the House that by Subclause 1 of Clause 2 we change this bank altogether: it now becomes a land bank. Before it was an agricultural bank, which lent money for the purpose of promoting agriculture. This sub-clause will make it a land bank, and that is the one point which I think we are to consider, and the only point I would like the House to discuss. I am not going to express any opinion as to that at this stage, and perhaps not later, but I think we ought fairly to understand what we are doing. I am inclined to think this departure, for it is a departure, ought to have its limitations. As far as I read this clause now, any person who has a mortgage on his holding may make an application to this bank for money to pay off the mortgage. A man may have a mortgage of £500 on his land, and he can apply to the bank for money, and if the bank is satisfied with the security it can lend him £500 to pay off his mortgage. Whether the bank would do that I do not know, but the bank can do it, and consequently that makes the bank a land bank and not an agricultural bank, because in making that change we do not promote agriculture in any way. We do not increase the value of the holdings; we do not increase the improvements or settlement at all. The whole operation of the existing Agricultural Bank is to promote settlement. Now we take a step farther on which we propose to take on also the responsibilities of a land bank. It seems to me we perhaps are going a little too fast. I would rather see this clause eliminated; but if the House thinks it desirable to take the step, I would strongly urge that there be a limitation. If, for instance, a man with a property worth £1,000, on which he has a mortgage of £500, makes application for money to pay off that mortgage, I think that proposal ought not to be entertained; but if a man makes an application for £500 and proposes to pay off a mortgage of £250 and spend £250 on farther improvements, I think that application ought to be entertained, and it is only to this extent I would feel justified in supporting Subclause 1. I think the Premier will recognise the point I am endeavouring to make. It is that we ought not simply to take the money of the State to relieve existing mortgages. The only advantage the individual would secure is a difference in the interest and the convenience of repayment. I do not think that is sufficient ground on which to lend money, because we have not enough money to go round; the whole of the money allowed by the Bill would be almost immediately absorbed. If at present a man makes application for money and he is willing to carry out certain improvements, the bank will lend that man three-quarters of the value of the improvements. That is a great stimulus to agricultural settlement; but if we let a man come and say, "I have a mortgage on a property, I am paying eight per cent. to the bank, I would like to borrow from you as I shall get better conditions," that is a desirable proposal, but it is not sufficiently desirable as it does not encourage agriculture in any way. I do not think a man ought to be able to take the money from the bank to pay off his mortgage. He could take a certain amount to pay off the mortgage, but he should have a certain advance which the House may suggest, perhaps half, to expend in farther improvements. At present persons with mortgages are excluded from the operations of the bank. It is desired to extend the operations of the bank and allow persons having mortgages to borrow to pay off those mortgages. If a man shows his security not for the limit of the mortgage but for double the limit of the mortgage, and he is willing to spend one half in improvements and the other to pay off the mortgage, if we make that limitation we might adopt the new departure; but to leave the clause as it is, without limitation, means that we shall have no end of applications for more than the bank could stand, to pay off existing mortgages. The £100,000 would not go far in granting applications for £1,200 each.

The other item referred to in the sub-clause I think is a small mistake. In Sub-clause 2 of Clause 4 I think one-half has crept in by mistake, because the operation would be fatal as it reads. I think it is intended to take the rent due off the whole amount. If a man has £1,000 worth of property and he owes £200, that amount is taken off the value and the property is held to be worth £800; then the bank would advance him £400. I think the term one-half requires to come out, but I am not sure whether the clause is required at all. The only matter I rose to point out was that we were taking a new departure and making the Agricultural Bank to a certain extent a land bank. If we take that step we should go slowly, and while we are willing to lend a certain amount of money to pay off mortgages, we ought to insist that one-half or a certain proportion of the money borrowed should be expended on the property, not merely to enable a transfer to be made from one mortgagee to another mortgagee. The only advantage a man would get would be the return of three per cent. in regard to interest, and I do not think that would be a sufficient reason. I do not think that we ought, at the present stage, to go that far. That is a matter, however, for the Committee. I shall be glad to assist in making the Bill as perfect as we possibly can.

MR. W. M. PURKISS (Perth): I have very great pleasure in supporting the second reading of this Bill. It is a liberal and progressive measure. In fact I would go farther than this Bill purports to do, and would increase the individual advances to £2,000, and the amount of bond in the aggregate to half a million. I may say that, so far as I can see, it is wise to retain Sub-clause 1 of Clause 2, enabling persons to pay off liabilities already existing on their holdings, because I recognise that we should be assisting the agriculturist and assisting agriculture. If the owner of land has a mortgage carrying probably eight or nine per cent., and we enable him to pay that off by granting a loan at five per cent., we assist him to that degree. If you take a chain off his neck to that extent you are assisting him as an agriculturist, and the difference in the interest between eight and nine per cent. and what he would pay to this bank would go into his holding. It is a very legitimate thing indeed to permit this bank to advance money on good security which will enable a man to pay off a mortgage carrying almost double the interest he will pay under this Bill. It is no novel provision. I think the House would be rather astonished to find the millions that have been advanced in New Zealand under somewhat similar Acts to the principal Act here, with its various amendments, including the present; absolutely millions, with the greatest success. At the time such a system of State assistance was introduced in New Zealand many farmers were weighed down by mortgages; not only mortgages to banks, but to outside parties, to Jews and so forth, and carrying a very large proportion of interest. That was a chain round the neck of the agriculturist, and, consequently, it handicapped agriculture. It is, I say, a very wise provision to enable a man to get money from the State to relieve himself from paying a heavy rate of interest.

MR. M. H. JACOBY (Swan): I have to congratulate the Government on the very liberal amending measure which they have introduced. I am pleased indeed they have followed so closely the recommendations of the select committee who sat on this matter last session. The member for Cue (Mr. Illingworth) in his criticism of the new departure was perfectly right in his appreciation of the old system, where advances were only made for improvement; but, unfortunately, in practice this was a most cumbersome and difficult thing to work. It practically meant that the only man who could take any real advantage of the Bank was the man with some amount of money to go on with, because he had first, if he wished to work under this Bank, to do certain improvements before he could get any money from the Bank, and then only, of course, according to the amount spent on improvements. The result was that most of the men who were working under this Bank had to finance with some other bank for the improvements before they were able to get any assistance from the Agricultural Bank. In the case of clearing fresh land, for instance, a man had to make contracts and to get the work done, and then wait until the inspector came on the property before he could get

any advance from the Bank. The result of working under this system, as pointed out by witnesses before the select committee, was that a large number of people were sorry that they attempted to work under it, and a good many did not go on with their borrowing from the Bank. As I said, the system practically shut out the small man and only allowed the man in a larger way of working to have any real advantage from this Bank. It is no doubt true that under the present system the State does insist that the money shall be spent on improvements; but the country can rely on it that any money given to the farmers under this amending Bill will be put into the ground. Every farmer has in his mind work which he wants to do, and is waiting until he gets the money to do it. So I say that 99 out of every 100 farmers who bank under this system will, I feel sure, spend the money on improvements. Some exception has been taken to the provision that will permit a farmer to buy stock with the money advanced by the bank, owing to its being considered somewhat of a risky thing; but if the State is certain that it has full security for any money it advances on the land itself, or on improvements on that land, I fail to see that any risk can arise. On the other hand we must remember that we have enormous areas of holdings in the south-west portion of the country, and in other parts of the State, where during the few good seasons we have had recently there has been a vast amount of grass, but the farmers holding the ground have not been able to finance to purchase the stock to utilise that grass. Personally I look forward to the operation of this clause, so far as the question of stock is concerned, being a very material factor in reducing the cost of meat in the near future in this State. I disagree with Clause 4, which provides that no advance under this Act shall exceed one-half of the fair estimated value of the land. On looking to other States, and seeing what they do there, I find that in New Zealand they advance up to £2,500, and three-fifths of the fair estimated value; in South Australia up to £5,000, and three-fifths; in Victoria up to £2,000 and two-thirds. In New South Wales they had a special Act to deal with special circumstances of a particular year, and I do not think it is in operation now, but they advanced to a limit of £200. In Western Australia, under the present Act we advance up to £800 and three-fourths. Under the working of the Bank, so far as I have been able to see into it, up to the present the estimates of the Bank manager have been on a very conservative basis, and rightly so. I trust that system will be adopted; but working under a very conservative basis of valuation, and only allowing the advance up to one-half of the estimate, is I think rather small, and I would favour an increase of the advance up to at least three-fifths of the fair estimated value. Regarding the objection that has been taken to Subclause 2 of Clause 4, I am not altogether inclined to quarrel with the principle attempted to be laid down in this subclause; but I think it would perhaps be better to leave it out of the Bill and make it a matter of administration that in all values of these properties the rent owing to the Crown must be taken into consideration. I do not think there is any need to put it specifically into the Bill. It looks as though it were doing some injustice to the conditional purchase holders. We can get at the same thing by administration. Perhaps the Government may be justified in restricting the total amount advanced to £1,200. It is just as well that we should advance carefully in that direction. I have pointed out that other States advance more than we propose to do under this Bill, and the select committee made a recommendation that advances should be made up to £3,000. In doing so we were guided by the evidence given by Mr. Paterson, the manager of the Bank. He was able to inform the committee that there are several estates now held idle, and if the holders were enabled to pay off comparatively small mortgages on these estates, the estates could be cut up and brought under cultivation. Personally, I indorse the recommendation that advances should be made up to £3,000, although I do not quarrel with the Government for being a little bit cautious as they are now. We have to justify the working of the Bank to the people of this State, and I feel sure that working under this amending Bill we shall justify to the people of the State the trust they propose to place in the farming community; and that if at some future time this Government,

or some other Government, comes down to this House and asks to be allowed to give larger advances, the good results of this measure will be such as to justify that being done. I have much pleasure in supporting the second reading of the Bill.

PROCEDURE—A DIFFICULTY.

The Speaker: Before this discussion proceeds any farther, I think it is necessary I should point out to the House that, in my opinion, there is a legal difficulty in proceeding with this Bill. Section 66 of the Constitution Act says:—

All Bills for appropriating any part of the Consolidated Revenue Fund, or for imposing, altering, or repealing any rate, tax, duty, or impost, shall originate in the Legislative Assembly.

I think this Bill comes under the provisions of that section, and in order that the Bill may not be lost altogether, I myself suggest that the Bill should be laid aside and a similar measure introduced in this House. That is the course adopted elsewhere; and I think it would be the safer course for us to adopt.

The Premier: I should like to seize the opportunity of getting hon. members to express whatever views they may have on this question. Of course the last clause was inserted at the last moment. I do not question your ruling, Mr. Speaker; but I thought that giving power to raise money by issuing bonds would not be imposing taxation.

Mr. Speaker: I think the proceeds of those bonds go into the Consolidated Revenue Fund. I am not positive on that point. It is more a legal question than one on which I should give my ruling.

Mr. Illingworth: The difficulty can be settled by paying the Agricultural Bank manager out of the Estimates.

The Premier: This point has nothing to do with the manager's salary. Under Section 8, the principal and interest of the mortgage funds are certainly chargeable to the Consolidated Revenue Fund.

The Speaker: Yes. I think it would be the safer plan to lay this measure aside and bring in a fresh Bill.

The Premier: I shall take this opportunity of asking that any other member who desires to speak on the Bill be allowed to do so.

DEBATE.

Mr. J. M. HOPKINS (Boulder): I was a member of the select committee which dealt with this question last session; and I frankly admit that the thanks of this country are due to Mr. Paterson, the manager of the Agricultural Bank, for the splendid services he has rendered from the time he took up the work connected with that financial institution. I wish to draw special attention to the risk which must necessarily be run in providing moneys for loans in aid of viticulture. In taking evidence before the select committee, I asked Mr. Paterson in Question 226:—

But regarding farmers who have planted orchards?—Answer: Dozens have failed. At Katanning I advised a man to plant trees, which he did; and when they were just starting to grow, I happened to be there, and pointed out that he had not pruned them. He pruned them with my assistance; but he did not know that it had to be done, and had I not told him of it the trees would have been ruined.

Hon. F. H. Piesse: That would be where a man had a few trees round his house.

Mr. HOPKINS: Then I will read the question preceding it:—

Question: In this country, have settlers started orchards and subsequently abandoned them?—Answer: Not orchards connected with the bank. There was one case on the eastern line of a settler who planted, and went bankrupt. We have now a good man on that land, and he is successful.

I say that statement must receive serious consideration from hon. members. There is one thing I should have liked to see. In the Eastern States, in a reasonably prosperous district, a farmer can always buy his stock, on a three, four, or six months' bill, from the various stock and station agents. I take this opportunity of saying that there is in the Eastern States a class of auctioneers very superior to what we have in Western Australia; and that is accounted for by the fact that in the East such business men are controlled by a proper Auctioneers Act and have to pay a proper license fee, while licenses are not issued to billiard-markers and people of that sort for the purpose of running "Murrumbidgee schools." And those persons in their daily routine of business are always affording immeasurable help to the farmer and grazier.

That fact is undeniable. Perhaps they may have clients with whom they have for some time being doing business, and who may be struck by bad seasons. Then the station agents secure their advances to such clients by means of bills of sale. And when we speak of grazing, I would suggest: is there any reason why, where a settler reasonably values his property at £1,000, and owes a bank £400 and wishes to buy £200 worth of stock, he should not have an advance from the Agricultural Bank? I see no reason why in such a case the manager of the bank should not be given power to use his discrimination, and accept, besides the security over the freehold lands, the additional security of a bill of sale over the stock the man wishes to purchase. I think that would probably help the borrower, and at the same time be a safeguard to the State for any advance made. The member for Cue (Mr. Illingworth), in speaking of this, doubted whether it were wise to advance money to a person who owed to some financial institution 50 per cent. of the value of his holding. Well, say the property is worth £1,000, and there is owing on it £500, on which the borrower is probably paying from 8 to 10 per cent. interest; if the mortgagor is able to transfer the mortgage from the mortgagee to whom he is paying an extortionate rate of interest, and who has no sympathy with him, and probably desires to get possession of his property, to the Agricultural Bank at 4½, 5, or 6 per cent. as the rate of interest may be fixed, the mortgagor has an opportunity either of succeeding or of being left as he is with nothing but failure staring him in the face. That was the object in the mind of the select committee, when it suggested the advisableness of granting money to wipe off existing liabilities. As to how much the borrower should be granted, the manager of the bank would no doubt decide. I should like to see an alteration, not only in the limit of the advances to be made by this bank, but of its title also. I should like to see the limit extended so that it could advance anything up to £3,000; and those advances should be made to local governing bodies if required. Very often young municipalities require assistance; and this provision would obviate the necessity of their coming—because the day will arrive when they will come in vain—to the Colonial Treasurer. They should be able to raise £1,000 loan straight away, to put them on their feet. The time is coming when the revenue of this country will not be as it is to-day; when the Treasurer will not have his three and a-half millions to play with, or if he has he will have more obligations than he has now. For that reason I think the operations of the Bank should be extended. In Western Australia, under our Agricultural Bank Act we may lend to farmers and cultivators. New South Wales lends to freeholders, or on lands in process of alienation, and lends money on leased land also. South Australia lends money to farmers and other producers, to local governing bodies, and industrial establishments. The rate of interest in this State under the principal Act appears to me to be high, if we are to judge by the Bill. I do not know what the various rates of interest are, or whether the manager of the bank discriminates between one property and another, or between one person and another. [MR. JACOBY: No.] Well, under the Bill the rate of interest is not to exceed 6 per cent. New South Wales charges only 4 per cent., Victoria only 4½, South Australia not exceeding 5, New Zealand 5, and Western Australia not exceeding 6. [MR. JACOBY: Five.) Not exceeding six is what the original Act states. [MR. JACOBY: Five.] Another thing is that repayment under our existing Act starts from the first of June or the first of January next following the date on which the loan is issued or raised. It seems to me that is rather soon. A man may borrow in the last quarter of the year; and he is called on to make a reduction perhaps at the end of six or eight weeks. That is too soon; because it is only an inducement for that man to borrow more money than he would otherwise require, so that he may be able to meet his obligation to repay. I think we should give the manager of the bank power to discriminate in fixing those repayments, and perhaps grant a term of exemption extending over two years. The question as it applies to local governing bodies is one which I think should also be taken into consideration in its application to the various friendly societies established throughout the country. I

know of one friendly society which has a magnificent building which cost about £2,000 to build, on a good freehold property in the centre of a town. Within 18 months the society paid off between £400 and £500 of their mortgage; and they are paying 9 per cent. to a banking institution. That is an excessive rate of interest, which has come under my notice; it is a glaring instance of the high rate extracted from people who have shown their *bona fides* by the manner which in the last 18 months they have discharged their liability; and I am pleased to hear the Treasurer say they should apply to the Savings Bank. I was not aware that the Savings Bank would make an advance to a friendly society; and I think if the Savings Bank is not in a position to advance loans to such institutions, on good freehold properties, it is advisable, while this measure is before the House, to amend it so as to enable such bodies to raise loans at reasonable rates; for we can, I think, just as well trust the Bank manager to carry out such arrangements to the satisfaction of the country as we have trusted him with the other important duties connected with his office.

Mr. W. B. GORDON (South Perth): I also join in congratulating Ministers on introducing this measure; and I think even the goldfields people now realise that the Government are endeavouring to assist farmers so as ultimately to reduce the cost of living. The member for Cue (Mr. Illingworth) takes slight exception to Sub-clause (1) of Clause 2; but I think the sub-clause should stand unaltered, because we know that a farmer with a leasehold finds it hard to raise money on such security, consequently he has to pay a much higher rate of interest than a man borrowing on the security of the fee simple. I dare say there are many borrowers paying a high rate of interest on leasehold securities; and if they can be relieved by transferring their liabilities to the Agricultural Bank, that must eventually result in the farther improvements of their holdings. The member for Boulder (Mr. Hopkins) advocates the maximum advance being extended to £3,000. I think the amount here fixed, £1,200, is quite sufficient for any person to borrow at one time. I do not know whether Clause 4 is quite definite. I almost think that, under it, one man might borrow on two different properties. I do not say that it is possible; but if the words "in the aggregate" were inserted after "no advance," the clause would be quite clear. I have to take some exception to the remarks of the member for Boulder (Mr. Hopkins) in regard to the class of auctioneers in this State. The hon. member is himself an auctioneer, and I will not gainsay his qualifications to speak as regards the auctioneers with whom he has rubbed shoulders during his residence in Western Australia. I allow him that liberty, but I must remind him that there are in this State auctioneers who are every day selling stock to farmers on three-months and six-months bills. That is a class of business out of which I myself, as a matter of fact, make a good deal. I am glad Parliament is coming along, because money is to be made by advancing on stock. Depreciation of such a security is most exceptional: the security appreciates in value if the farmer has any grass at all. I admit that in the Eastern States auctioneers were at one time very liberal in this respect, but they are not so to-day. Circumstances have completely changed in the Eastern States as regards selling stock on terms. However, the fact remains that a respectable class of auctioneers in Western Australia is still prepared to advance stock to farmers on bills. There is some truth in the hon. member's statement that auctioneers' licenses are granted here without proper inquiry.

Mr. Hopkins: And without restriction.

Mr. GORDON: A blackfellow can get a license. The existing law requires amendment. On the whole, I think the Bill commendable; and I hope the good intention of the Government to assist farmers will be taken advantage of as it should be. I support the Bill as it stands.

Mr. T. F. QUINLAN (Toodyay): I rise merely to say a few words in support of the Bill, and to suggest one or two minor alterations. If the total capital of the bank were increased to £400,000, it would be desirable to raise the maximum of loans to £1,500, or perhaps even to £2,000. We know that banking and other monetary institutions charge high rates of interest for loans on country properties. While I admit that extra care is needed in regard to this class of

security, I still feel confident that a large indirect benefit would result to the State if the Government saw their way to extend the maximum of loans. I compliment Ministers on their policy in this regard, and I am glad indeed that it has fallen to the lot of the James Government to introduce a measure which has been advocated in this House for years past. I give all credit to the Right Hon. Sir John Forrest for the introduction of the Homesteads and Agricultural Bank Acts. I have from time to time brought to the attention of the House the necessity for some measure of this kind, and on more than one occasion I have raised the question of initiating here the *crédit foncier* system. This measure, however, will meet all the requirements of this State for some years to come. While I consider the Government are acting wisely in extending the operations of the bank, I urge them to be most careful in extending the scope of the Bank's operations to vineyard and orchard securities. We know the diseases to which vineyards and orchards are unfortunately liable in this State; we know that vineyard properties are likely to depreciate; and loans granted on viticultural securities should, therefore, be well within the margin. I observe that the measure provides that the advances to be granted shall not exceed one half the value of the security; so that the manager of the Bank is allowed ample discretion. Certainly, there is danger ahead in regard to vineyards. There is no reason for alarm, in my opinion, so far as agricultural securities are concerned. I anticipate that the drought in the Eastern States will cause an influx into this State of people seeking good agricultural lands. Indeed there is such an influx already, especially into our Eastern districts. I may mention, for the information of the House and by way of emphasising the necessity for this Bill, that I know of a local financial institution which has advised its head office to extend operations in the Avon Valley districts—those districts probably being regarded as more favourably situated than other portions of the State in respect of rainfall and proximity to market. The member for Boulder (Mr. Hopkins) touched on the question of repayments. The existing Act provides that for five years no part of the principal need be repaid, interest alone falling due during that period. The present measure is one of the best ever introduced into this House, and I am confident of its unqualified success so long as the officers of the Agricultural Bank are careful in their appraisement of securities.

HON. F. H. PIESSE (Williams): I regret that I was not present when the Premier made his second-reading speech on this Bill, for I should have liked to hear his remarks. I feel certain that everyone who takes an interest in farming will indorse the observations of a congratulatory character passed on the measure. As one who took a deep interest in the introduction of the existing Agricultural Bank Act—that Act which has done so much to develop farming in this country—I am indeed pleased at the introduction of the Bill now before the House. The measure will materially assist in farther developing the country. Although several amendments proposed to be made in Committee have been mentioned, I consider that the Bill is satisfactory on the whole. No doubt, when the amendments which have been suggested are brought forward they will be considered in a liberal spirit, so that the Bill may be made as useful as possible for the development of the State's agricultural, pastoral, and viticultural resources. I have not so much fear as some members in relation to viticultural and horticultural securities. The statements of the manager of the Agricultural Bank quoted by the member for Boulder (Mr. Hopkins) referred no doubt to the case of people who have merely planted a few trees around their farm houses. That, however, is not the kind of security on which the bank is to lend money under this Bill. Viticultural or horticultural securities, I take it, will consist of holdings where the work is of a specific character, where men are employed in the industry, and where the industry is pursued with as much knowledge as is the cultivation of grain, for example, elsewhere. It is true that vineyards are liable to disease; but crops are also liable to destruction by red rust, by grubs, and many other diseases and pests. I take it that the Bank manager will advance on viticultural or horticultural securities only to careful men, who will continue to plant and increase the

area of their vineyards or orchards, and who will take the necessary precautions to keep their properties in order. When lending on purely viticultural or horticultural holdings, the manager, it is to be presumed, will take particular pains to assure himself that those holdings are in good order, that their owners understand the work, and that the securities are good in every respect. After all, the whole question is one of judgment. The success of the bank depends on the judgment of the man in charge. It is the same with all monetary institutions. Those in charge of the smallest monetary concern in the country must in every case ask themselves what is the value of a security offered, and having arrived at that value must decide what amount they can safely advance. From my knowledge of the methods adopted in connection with the bank and of the manner in which securities have been valued in the past, I have little fear. The manager, though empowered under the amendment of the original Agricultural Bank Act to advance three-quarters of the value of a property, rarely lends more than one-half. As the member for the Swan (Mr. Jacoby) has pointed out, the manager is most conservative in his valuations: he is always rather under than over. On the whole, the valuations have been lower than they should be; but the undervaluation has been in the nature of a safeguard for the country. The Agricultural Bank has undoubtedly worked well; but nevertheless there have been complaints of unduly low valuations. Our great need is a careful administrator for the Bank. After all, we must leave in the hands of the manager much the same power as the directors of great business concerns leave in the hands of their managers. The question is purely one of selection. Notwithstanding that some members have expressed strong doubts as to the soundness of viticultural or horticultural securities, I think vineyards and orchards may with perfect safety be taken as portion of a security, at all events. We know that more money is put into orchards and vineyards than into any other class of landed property; and therefore we may reasonably assume that the man who puts his money into vineyards and orchards will be careful to see that the value is preserved. Disaster may come in any industry, just as phylloxera came in the viticultural industry of Victoria. To-day, however, science plays a most important part in combating such pests. In the old times the means to cope with them did not exist; but now we can effectively combat them. Systematic spraying, for example, will be neglected by no careful man. Money will be put into spraying a vineyard three times a year, because the process acts as a preventive against disease and insures a better return. After all, viticulture and horticulture are industries, and the results of those industries will be protected because they are a means to the end of obtaining a livelihood or making a profit. When the Bank manager has to deal with horticultural or viticultural properties he will deal with them in the same way as with any other property offered him by way of security. He must take into consideration the position and the amount of development. Generally speaking, he has to judge as to the fencing and clearing and the position of any security offered him. As we know, the Agricultural Bank does not, as a rule, lend money on buildings. Loans are mostly granted on what may be termed developmental improvements. I trust that horticultural and viticultural properties will not be excluded from the scope of the Bill. Grazing might also be included within its scope; for, as has already been pointed out, great assistance can be given to farmers in regard to stock-raising. In Committee I hope to make, on that head, a suggestion which will meet with the approval of the House. There are one or two other points I should have liked to mention, but I shall leave them till the Committee stage is reached. I consider the Bill a step in the right direction. Having before our eyes the wonderful success which followed the introduction of the original Agricultural Bank Act, and the great development which has taken place as a consequence of that measure, we may well congratulate ourselves on the introduction of this Bill, and on the support which has been accorded it by members who, in the past, were not too favourably impressed with legislation of this nature. I have much pleasure in supporting the second reading.

WITHDRAWAL OF BILL.

THE PREMIER: I beg now to move for leave to discharge the Order of the Day for the second reading of this Bill.

THE SPEAKER: According to our Standing Orders if an Order of the Day be discharged it cannot be brought on again during the same session.

THE PREMIER: I was going by *May*.

THE SPEAKER: Yes; but our Standing Orders differ from *May* on that point.

THE PREMIER: Then I ask leave to withdraw the Bill, and at the same time move for leave to bring in another Bill instead thereof. I wish to mention that when reintroducing the measure I shall ask members to let this be the second-reading discussion, and to go into Committee at once.

Bill by leave withdrawn, and leave given to introduce a new Bill in lieu.

At 6·30, the SPEAKER left the Chair.
At 7·30, Chair resumed.

ADMINISTRATION (PROBATE) BILL.

COUNCIL'S AMENDMENTS.

Schedule of two amendments made by the Legislative Council now considered, in Committee.

No. 1.—Add new clause, to stand as Clause 89 (Bank may pay money not exceeding fifty pounds, if no probate or administration is produced within three months of death):

THE ATTORNEY GENERAL: This amendment compelled a bank to pay over small balances standing to the credit of a testator at the bank if probate was not obtained within three months. It appeared to be a very good provision, and he moved that the amendment be agreed to.

No. 2.—Add new clause, to stand as Clause 90:—

The Court may, by way of remuneration, allow to an executor or administrator for the time being, on passing his accounts, a commission not exceeding Five pounds per cent. on the assets collected by such executor or administrator, including rents and income. No allowance shall be made to any executor or administrator who omits to pass his account pursuant to any order of the Court.

THE ATTORNEY GENERAL: The Council proposed to allow the Court power to grant to an executor or administrator commission not exceeding £5 per cent. on the assets collected by him. Personally he disapproved of the amendment so far as it sought to confer on the executor the right to claim commission. The law as it existed to-day in the State, and as it existed in the old country, and had done so for years, was that an executor acted in a purely voluntary capacity; he was the person chosen as executor by the testator because of his personal friendship; because he was a person whom the testator could trust, and who had a personal knowledge of the desires of the testator or a personal acquaintance with the family. It rested entirely with the executor whether he accepted the trust or not. It was not obligatory on him, because he was appointed executor, to act. If, when the testator died the executor thought it undesirable to act, he was perfectly free to decline to act, and by the Administration Bill provision was made by which even after the executor accepted the trust he had power, with the consent of the Court, to retire from the fulfilment of the duties. It was undesirable when a testator appointed an executor, and did not by the will give to the executor a right to commission or remuneration, the law should give that which the testator himself did not give. It was quite competent for the testator by his will to give to an executor remuneration; he could provide as was sometimes provided, that the executor should be entitled to a certain fixed sum or a certain percentage, but, if the testator refrained from doing that, the presumption was that he desired that the executor should act voluntarily. In the great majority of cases executors did so act, and with the greatest of pleasure, because they felt they were discharging a duty which they owed to a dead friend, and they were serving the family of a dead friend. The clause introduced a mercenary element, and provided that a man who was chosen as an executor should have the right to obtain remuneration. That was undesirable. When dealing with the question of administration, it was different. There the administrator acted when the testator had left no executor, or when the executor appointed by the testator refused to act. An administrator also acted where a person died without a will. The administrator therefore was a person who acted involuntarily. Some-

one must act, therefore the administrator had to act whether at the instance of the creditors or the surviving members of the family, or to protect his own interests. In cases like that there should be the right to obtain commission; but it was undesirable to adopt the alteration of the law as proposed by the amendment. In some of the other States it was the law that an executor, if the Court saw fit, could obtain commission; but the law should be left as it was here. There was this evil underlying the amendment: it would be found that a great number of persons would be keenly anxious to obtain the position of executor, because they would get the remuneration attaching to the position. He moved that the amendment be amended by striking out the words "executor or" in line one.

MR. HASTIE: Why was it not desirable to give this power to the Court? It seemed absolutely impossible for the Committee to imagine all the different circumstances that might occur. A man might say to his friend: "Will you be my executor?" and the reply was "Certainly." At that time the person appointed executor was in fairly comfortable circumstances, and it might be years before he was required to perform the duties of executor. After the death of the testator the executor might not be able to afford the time or give attention to the work, and he would have to devote a large amount of time to the business of his trust for nothing. In a case like that it would be desirable to allow the Court to see that the executor was paid. The Court would be in a better position to say whether it was fair for an executor to be paid for his services, than the Committee was. Whatever rule we could adopt just now, we could be sure it would not meet all cases that would be brought before the Court. The Attorney General mentioned that payment was allowed in some of the States; but he had not given us instances in which this power had acted unfairly. It was unfair to pass one general rule by which the Court should not have power to order expenses to be paid, when, in the opinion of the Court, those expenses were advisable. Therefore, he would oppose the amendment by the Attorney General.

MR. ILLINGWORTH: As one read the amendment, the Court might, by way of remuneration, grant commission not exceeding £5 per cent. It was not fair to cast upon executors a lot of work without any remuneration whatever. It would be wise to accept the Council's amendment. The matter would be wholly in the control of the Court, the amendment only stipulating that not more than five per cent. should be given. The Court might give one or two per cent., as might be required, and he did not think we should tie the hands of the Court in a matter of this kind.

MR. FOULKES: In 99 cases out of 100 no person was appointed as executor until he had previously given his consent to the testator to act. And if the executor thought fit to throw up the executorship, he could do so at any time; so there would be no hardship whatever placed upon him. If we allowed commission to be paid, it would mean that we should have a class of people here who would be on the lookout for appointments of this kind. From his experience, the people who would have the greatest opportunities of obtaining these appointments would be solicitors; because, in the majority of cases the wills would be made by solicitors, and it might be a temptation to them to try to obtain the appointments for themselves. Supposing remuneration not exceeding five per cent. were allowed, and there were a widow and children, the widow perhaps would not like to object to the executor obtaining the commission, because she would know that if she did so it would mean a conflict between the executor and herself, and in some cases it would involve hardship. If an application for remuneration were refused, the executor would still hold on to the executorship, and perhaps deliberately refrain from looking after the estate in the way he should. No commission should be allowed. There was a distinction between an administrator and an executor; for an administrator was not appointed by the testator, but was appointed only in cases where no executor was appointed.

THE ATTORNEY GENERAL: One was a voluntary trustee, and the other an involuntary trustee.

MR. PURKISS: The remarks by the Premier and the member for Claremont (Mr. Foulkes) met with his thorough approval. It could not lie in the mouth of any executor to say he should

be paid for that which he voluntarily undertook. An executorship could be renounced straight away. The Premier had said that almost invariably a close and trusted friend of the testator was nominated as executor. If a person asked him (Mr. Purkiss) to do something out of kindness, and he did it, he did not expect fee or reward.

MR. PIGOTT was unable to conceive a case where hardship could arise through an executor not being able to claim 5 per cent. An executor accepted the office absolutely voluntarily.

MR. HASTIE: As a general rule lawyers were satisfied to allow fees, even if the fees were to go to the other side. He preferred strongly to trust to the Court, and the Court alone could judge whether it was fair that fees should be paid to an executor.

THE ATTORNEY GENERAL: What was done became a matter of habit.

MR. HASTIE: Was that the case in the States in Australia where this proposed law was in force?

THE ATTORNEY GENERAL: Yes.

MR. HASTIE: Why had not the Premier told the Committee so?

THE ATTORNEY GENERAL: Why should he state that which was obvious?

MR. HASTIE: It was not obvious to him, and he felt sure it was not obvious to the hon. gentleman when he spoke previously. He also felt certain that those gentlemen in the other House who inserted the amendment were not aware of that, otherwise they would not have passed the amendment in the form in which it stood. Still he refused to accept the idea that we could fairly judge every case as well as the Court could do.

MR. HOPKINS: Why take exception to the Council's amendment? By the Premier's proposal, an executor in reduced circumstances, finding it inconvenient to act, would have the alternative of renouncing only, and then he would hardly be chosen by the court to receive a fee for the administration of the estate. Surely if a commission must be paid it should be to the person familiar with the estate and chosen by the testator.

THE ATTORNEY GENERAL: Surely, if appointed as a friend, he would not demand payment.

MR. HOPKINS: Wills with which he was acquainted provided commissions. There should be some limitations, exempting small estates.

THE ATTORNEY GENERAL: It was in small estates that the necessity arose for saving everything for the widow and children.

MR. HOPKINS: Granted; but in large estates the commission should be paid to the executor selected by the deceased mainly because of knowledge possessed of the estate.

MR. GORDON: The last speaker had convinced him that the Premier was right. If a friend promised to act for nothing as executor, he was not entitled to sympathy if he demanded payment.

MR. HOPKINS: A friend might not be consulted before nomination as executor.

MR. GORDON: Only an executor in poor circumstances would need a commission; and however poor, he could administer a very poor estate, while if the estate were large the beneficiaries would surely allow him a commission.

MR. HOPKINS: It would be unique if a person requested to act as executor were to haggle over terms with the testator.

MR. FOULKES: The Council's amendment meant that the executor would be rewarded. If the court could allow a commission of five per cent. the widow herself might prefer to act as executor, which the amendment would prevent. In reply to Mr. Hopkins, any executor could renounce at any time; nor was there anything to prevent a testator's arranging terms beforehand with an intended executor.

Amendment on amendment passed

THE ATTORNEY GENERAL farther moved that the words "executor or," in line 3, be struck out.

Amendment passed, and the Council's amendment as amended agreed to.

Resolutions reported, the report adopted, and a message accordingly transmitted to the Council.

FACTORIES AND SHOPS BILL.

SECOND READING.

Debate resumed from the 23rd September.

MR. F. ILLINGWORTH (Cue): The one object I had in moving the adjournment on the former occasion was to give

the persons most interested an opportunity of expressing their views. I am now of opinion that sufficient time has not yet been given for that purpose; and I hope the Premier will at any rate consent not to press this Bill on very quickly; that opportunity will be given for a farther adjournment, or plenty of time afforded before we reach the Committee stage.

The Premier: The small and the large shopkeepers, and the chambers of commerce, have expressed their views.

Member: Perth does not represent the State.

Mr. F. Illingworth: I take it the Government desire to proceed with the second reading; and I may first of all congratulate the Ministry on bringing in a Bill of this character, and particularly the Premier for the very lucid manner in which he placed his principles before the House. He went a little farther than principles, and dealt very largely with Committee work in that excellent speech with which he introduced the measure. I am entirely in favour of the main principles of the Bill. The discussion will, I think, mostly arise on the question of the early closing of shops; and many of the contentious points had better be treated in Committee. There is, however, one principle I should like to see embodied in this Bill. I think the Bill is the proper measure in which to begin a work which will have to be begun not only in this but in all other States of the Commonwealth. We have the Asiatic question constantly with us, and we have legislated for restricting the introduction of Asiatics to this State, and also the Commonwealth generally. I have for a long time held the conviction that the best way of dealing with the Asiatic question is to curb and restrict the modes of operation of Asiatic immigrants. I believe if we can make this Australia of ours a place where Asiatics cannot amass fortunes—without going any farther than that—we shall do more to prevent Asiatics coming here than we could by any other legislation. Moreover, this kind of legislation is entirely within our own control. When we say that certain persons shall or shall not come to this part of the British dominions, we are landed in great difficulties of a national character. When we have endeavoured to legislate, we have had to moderate our restrictions, and to make them of universal application. If there be one feeling that is stronger than another in the Commonwealth, it is a desire to make Australia a place for white people rather than for Asiatic races; and it seems to me that if we are to restrict the trades or the occupations of these undesirable immigrants. we shall effectively deal with the whole question. I have in mind a circumstance which has created great difficulty and great contention in Victoria and in this State also. I shall give an illustration. Take the cabinetmakers, for instance. In Victoria, nearly the whole of the cabinetmaking work has for years been handed over to the Chinese; and all the legislation that has been applied has not yet met the difficulty. The system of branding has no particular effect, because people, if satisfied with the price of an article, are not greatly concerned if they find, by turning the article upside down or opening a drawer, that it has been made in a Chinese factory. The fact is that with most people the question of cost comes in first. I must confess that many who, like myself, have constantly advocated the exclusion of Asiatic races are often the first to purchase goods produced by Asiatics. I think here we should be acting more wisely and more effectively if by our legislation we attempted to make these people rather hewers of wood and drawers of water, if we sought to make this country less attractive to the class of people who we desire should not enter it. The Bill provides for registration. One member reminds me, in this connection, that he has an amendment on the Notice Paper. I am speaking, however, of the principles of the Bill. I know of no reason why we should register a Chinese cabinetmaker's establishment, for instance, as a factory. I see no reason why we should register such an establishment; but I do see every reason why we should refuse to register it. By refusing to register we should get at the very root of the question. The same remark applies to Afghan shops. The moving principle of the Early Closing Act was to close a number of shops kept open all hours of the day and night, and so interfering largely with trade. Clause 15 of this Bill provides that shops which remain

open after certain hours shall be registered. I wish to see a limitation imposed in the registration, so that no Asiatic shall be permitted to keep his shop open after certain hours. I desire the introduction in the factory portion of the Bill, in Clause 7 particularly, of the principle that an establishment which is distinctly an Asiatic factory shall not be registered at all. This may perhaps be going a long way according to the thinking of some people; but I contend it is better that we should restrict a trade than that we should run the risk of ineffective legislation regarding the restriction of individuals. I am not disposed to alter existing legislation; but the fact remains that existing legislation does not meet the case. For example, we do to a certain extent, practically if not legally, exclude the Chinese from our goldfields; and there is no reason why we should not provide that the trades and businesses which this Bill is intended to regulate shall be carried on by European and not by Asiatic labour. We can do that by refusing to register a factory carried on by Asiatics; and we can go farther still by refusing to register any factory which employs Asiatics. With this exception, the amendments which have been placed on the Notice Paper will perhaps meet the objects I have in view. I should like to make the Bill operate in the direction indicated. I have every sympathy with the Bill and its main objects. It is well, perhaps, that this measure has come early in our history as a State. At present, our manufactures are limited, and the difficulties which have beset manufacturers in other States have not accentuated themselves in Western Australia. It is well that we should have a Factories Act on our statute-book, so that as our factories grow they may be able to comply with the conditions of the Act right from the beginning; for it is a difficult thing for manufactures which have sprung up and established themselves, which have accustomed themselves to certain styles and modes of operation, suddenly to change their methods in order to comply with the conditions of an Act. It is well that we should have on our statute book a measure of this kind, so that as our factories grow—and I hope manufactures will grow in this State—they may accustom themselves to what Parliament considers proper conditions of factory work. In the absence of this measure, as factories increase, difficulties will increase. The necessity for this legislation will be more clearly seen as the days go by. I have pleasure in supporting the second reading of the Bill, and I hope that when in Committee we shall be able to deal effectively with the Asiatic question, so far as the Bill will permit us to do it.

MR. C. HARPER (Beverley): Two points raised by the member for Cue (Mr. Illingworth) are, I think, worthy of attention. A good deal has been said about refusing registration to shops and factories carried on by Asiatics. Really, the course proposed amounts only to carrying out the principle adopted by this country in refusing to allow Asiatics to become miners. There is, however, this important difference, that we began with such a restriction when our goldfields first opened. The difficulty of applying the restriction in this case is that in doing so we shall practically ruin a number of people who are now in a position to engage in trade.

MR. HOPKINS: We might register Asiatics now engaged in trade, but refuse to register other Asiatics in future.

MR. HARPER: The restriction proposed would mean the closing up of every Chinese greengrocer's shop throughout the State, and I do not think the whole community would quite agree with that. Certainly, the effect on the cost of living would be material. Moreover, there are a good many clothing shops kept by Afghans, or other Asiatics, and it would certainly be an act of injustice to require those shops to be closed. To my mind, the principle, however, is a good one and affords a ready means of preventing the absorption of trade by alien races. I hope that some mode may be devised by which we may secure our end without doing injustice.

MR. R. HASTIE (Kanowna): Like other members, I wish to take this opportunity of congratulating the Premier on the Bill, and also on the speech in which he introduced it. My only regret is that the measure is so very tame. I should have been better pleased had the Premier taken the legislation of such countries as Victoria, New Zealand, and, in some respects, Great Britain for his model, instead of following the example of South

Australia. Apparently, however, our Premier is getting somewhat timid in his old age. He is becoming too ready to introduce Bills to which little exception can be taken. I trust the hon. gentleman will see his way to act on the suggestions of the member for Cue (Mr. Illingworth) and the member for Beverley (Mr. Harper), and amend those portions of the Bill relating to factories on the one hand and to shops on the other by which Asiatics appear to be treated so very leniently. The member for Beverley said that we should be doing an injustice to those already engaged in business—apparently he would apply this remark also to Asiatics employed in factories—if we stop them from continuing in their avocations. The case is more serious, however, than the hon. member thought; for if this Bill be passed without such provisions, we can only expect that certain trades and businesses of this country will be overrun by the Asiatic races. If then, when the overrunning has actually occurred, we adopt the measures suggested, we shall ruin a great many more people than at present. Experience has shown that wherever in Australia Chinese start in the furniture trade they immediately take charge of it. In Victoria, for example, it is impossible for a European cabinetmaker to live under ordinary conditions; and in Western Australia, in Perth itself, the case is almost as bad. It will be well for us candidly to admit at the present juncture—notwithstanding that national pride causes us to hesitate to make the admission—that in many occupations Europeans cannot compete with Asiatics; that in many occupations if the Asiatic comes in the European must go out. Such, however, is the case, so far as I have been able to observe, throughout Australasia. It has been pointed out by the member for Cue that Western Australia is still a new country—that it will yet have a large added population. On us alone it rests to say of what racial elements that population shall be composed. If this House considers, for instance, that it is unwise for Europeans to act as cabinetmakers, or as small shopkeepers, and in many cases as big shopkeepers, or to work in factories, then by all means let us not adopt the provision which has been suggested. If we do consider that these employments should be left open to the European, then let us insert in this Bill restrictions against Asiatics. If we do not impose such restriction we declare in almost so many words that those occupations shall be left open to the free competition of the Asiatic, with the certainty that within a few years the Asiatic will monopolise the whole business and that people of European blood will not be able to hold their own. Since this Bill was introduced, we have heard from many parts of the State that Parliament is acting unwisely in entering on factory legislation at the present time, because the State has not arrived at a stage when such legislation is desirable. It is claimed that hitherto we have got along pretty well without factory legislation, and that it will be time enough for us to consider the subject when we find that we have good use for a Factories Act. I submit, however, that the argument in question is not wise. How much easier is it for us to enforce good conditions at the present time, when no particularly objectionable factories have been established, than it will be later, when conditions which we all wish to avoid have been established in our midst. In every country that I know of, where there has been hesitation in introducing legislation of this nature, the eventual result has been the enactment of factory legislation causing great hardship to a large number of people. Let us avoid such hardship if possible. We often hear from some of those very wise people who write to the newspapers and who pour their woes into the sympathetic ear of our Premier, that factory legislation will restrict trade. That is a sounding sentence; the argument is one which may be very easily advanced. I wish, however, that the people who use the argument would point to a country where legislation of this kind has had such an effect. I shall be glad to know of a country in which factory legislation has been established, where the number of factories has not increased and the number of factory workers also has not increased correspondingly, while at the same time the wages in many cases are very much higher and the conditions generally are much improved. The argument that factory legislation restricts business is not true. The minds of some people have been contaminated

by reading the Victorian legislation. Whilst all this criticism has been made against the strong legislation of the Victorian Factories Act, and I believe it is represented that the Victorian factories are being destroyed, at the same time we see the effect is, that within the last 18 months the number of factories in Victoria has very largely increased and the number of workmen in Victoria has increased by two or three thousand. That is the result of the wicked legislation that we hear about in Victoria. There is not a factories Act in force in Victoria now, but I feel quite certain that without the law the vast majority of manufacturers in Victoria are following to the letter the provisions of the late Act; and it will only be a few people here and there, those who wish to score a point on their neighbours, who will take advantage of the Act being temporarily postponed. We know one of the first promises of the Government in Victoria, which seems to have a large majority, is to reinstate that measure at the earliest possible opportunity, and we all believe that within a month or two that law will be in force in that State. We feel quite certain, in spite of all the grumblings we have heard in the Victorian newspapers, that the law is appreciated by all the people in Victoria. It is an Act that will be followed in spirit, even if it is not put into force No doubt this Bill will be found inconvenient by some of the people who come under it, largely because they are not accustomed to the new conditions, and they largely object for the reason that we all object to go in a direction we are not used to go in. The effect of factory legislation in every country I have heard of is that those who wish to carry on their business decently, cleanly, and honestly never feel its harshness. Those who will not take the precaution to keep their places in a sanitary condition are the persons who object. Those who wish to take advantage of their neighbours are always grumbling about the legislation, but the honest trader is always advantaged by it. The provisions of the Bill do not go quite so far as those of the Victorian Act; but whatever regulations are made, they will affect all factories alike, by placing them all on an equal footing, and I feel certain that after the inauguration of the law, few will find serious objection to it. Another objection which has been brought forward by some critics is that under the Bill inspectors are given very great powers, dangerous powers; and they say it is absolutely necessary that there should be established under the Bill a court of appeal, and that court of appeal should be the Supreme Court. And why? Because they fear in most cases the inspector will be an unjust man, an unfair man, who will not give them fair consideration. No doubt if we will only argue the question, and do not look for the result of experience, we can persuade ourselves there is something in the argument. I do not know if there is any country where the power given to inspectors has been found to be a serious blot on legislation; and in this country our experience of inspectors has never borne out that idea. Here we have our mines under inspectors, who have the power of ordering certain things to be done; they have also the power of stopping certain workings declared to be unsafe, and the inspectors use the power very often; but so far as I know, no mining company has seriously proposed that the inspector who finds anything wrong should be asked to stay his hand until a lawyer is engaged to argue the matter in the Supreme Court. We have inspectors of engines, inspectors of boilers, and inspectors of many things in this country, and in every case the inspectors have strong powers. Where inspectors are appointed it is found necessary to give them really strong powers to compel things being done in the way it is wished, otherwise the appointment of inspectors is merely a farce. I think—I am not quite sure of the position—appeals against inspectors were allowed in most cases, at any rate in some cases, in Great Britain until probably 16 or 17 years ago, when it was found that almost every manufacturer would not keep his factory decent and was continually appealing against the decisions of the inspectors. It was farther found that it was a most inefficient and expensive process. After a time the number of things which one could appeal against was very seriously limited, if not entirely abolished. So far as I know in none of the States in Australia, and certainly not in the colony of New Zealand, has any inspector been

appealed against, and I feel quite sure if we go upon the precedent of other countries we shall find the same thing taking place as in those countries. I said in starting I should have preferred the Bill to have gone a good deal farther than it does. One matter especially I should like to call attention to. In the New Zealand Factories Act there is a provision for working eight hours a day for everyone. While parts of the New Zealand Act have been transferred word for word to this Bill, that part referring to the men has been left out, and the Premier told us the reason for doing so was that we should begin very slowly, and that the men in Western Australia, as a general rule, manage to hold their own as regards hours; and seeing that the Arbitration Court has been established, the men would have an opportunity of appealing to that court to get the hours restricted to eight. But I think that is an unnecessarily large amount of work to put upon the workmen; besides it seems to be inconceivable that all persons who work in factories can in this large country be members of unions, and more especially under the present Arbitration Act. That Act was introduced by the Premier, and one of the provisions in it is that those in small industries should be able to take their case to the Arbitration Court, and in a country like this with such large distances, where we have many factories scattered over wide and distant areas, it is practically impossible that all factories should have unions who would be able to take a case before the Arbitration Court. And besides, it is very unwise, if not impossible, for people who are few in number to take a case before the court. It would have been much better for everyone if the Premier had copied the section of the New Zealand Act and adopted the eight hours as the standard for Western Australia. If that is not done just now, it will be very much more difficult to do at a later time. However, when we have the Bill before the Committee, that question will be discussed, and from what I remember of the expressions of members I do not doubt for a moment we shall be able to insert that provision in the Bill. As I believe we all consider it wise to get the Bill into Committee as soon as possible, I shall not mention any of the details except this: the Bill repeals the present Early Closing Act. We were engaged on that measure at the beginning of this year, and very grave objections were taken to the various provisions. Then we came to an understanding that the Act should only be a re-enactment of the law which had then recently expired, and that during this session of Parliament the Early Closing Act would be superseded by a Shops and Factories Bill. We have that Bill now before us, and I am quite sure that the provisions will be thought unsatisfactory to many of us here, and certainly nothing we can do will be considered satisfactory by a very large number of people outside the House. But I hope that members will maintain as far as possible all the excellent provisions of the Early Closing Act that we have had in force in Western Australia for so long and I shall only indicate one amendment, that I shall try my best to get inserted in this Bill. Not only, as provided by the Bill should all the small shops be registered, but every shop should be registered. We had an instance of how the law would act by the suggestion made by the member for Cue to-night. He said Asiatics should not be registered. That they should not come under the additional hours given to small shops. If we passed that, then Asiatics could carry on any big shops they liked, and I am quite certain those who dislike the Asiatics in small shops would equally dislike them in big shops. I wish again to congratulate the Premier for bringing forward the Bill and I hope all members will apply to it their best energies and let us do all we can to make this the model Factories Bill in Australia.

MR. A. J. DIAMOND (South Fremantle): I shall content myself with saying that I shall support the second reading of the Bill with very great pleasure. I think its necessity has become evident, and I think the Bill is such that it meets the case to almost perfection. The best proof of the excellence of the Bill is that, with the exception of one or two minor amendments, which I believe the House will agree to, the Bill has not been condemned by either shopkeepers or manufacturers. I myself have had interviews with shopkeepers and manufacturers, and I have not heard a single condemnatory opinion of the Bill.

I do not think anything could show clearer how carefully the Bill has been drafted and with due consideration, not only to the employees and small shopkeepers, but to large shopkeepers and manufacturers. I am satisfied that with a few amendments in Committee this Bill will do a great deal of good. With reference to what has been said about Asiatics this evening, I trust the members for Cue (Mr. Illingworth) and Kanowna (Mr. Hastie) will take action in the matter. It is a growing evil to Fremantle and Perth, and we ought to do all we can to stop it.

MR. H. DAGLISH (Subiaco): I should like to join in congratulating the Premier in introducing the first measure of this description into the Western Australian Legislature, and while I agree with the opinion expressed by the member for Kanowna (Mr. Hastie), I may at all events congratulate the Premier on the fact that he has introduced a more satisfactory measure than the first Victorian Factory Bill that was brought in by the Hon. Mr. Deakin. The present measure can, I think, be made a very satisfactory one before it emerges from this Chamber, and it has in it all the possibilities of a useful piece of legislation, with a few amendments that I think this House will be willing to make. I cannot altogether agree with the opinion of the member for Cue in regard to the question of branding furniture, and I hope there will be some provision made before this Bill passes through the House to make it binding that all Asiatic-made furniture shall be branded in a prominent place.

MR. ILLINGWORTH: You may make it so that they will not manufacture furniture at all.

MR. DAGLISH: Quite so. That is a proposal I should be very glad to support. I do not think the hon. member will find it possible absolutely to stop Chinese from manufacturing furniture straight away. I do not believe it will be found possible to shut out existing Chinese factories by any legislation we can pass. It may be possible, as has been indicated by the hon. member, to prevent new persons from entering into that industry. The evil is one that has grown enormously during the past few years, and it has increased largely because it has been possible to get rid of Chinese-made furniture under the pretence, in most cases, that the goods sold were English-made. Furniture made by Chinese has, I believe, almost invariably been sold under this pretence, and there is very good reason to think that some of it has found its way into Government offices and Government establishments. We would, at all events, be able to prevent that sort of thing, if the furniture were branded. I think we would be able to prevent that being attempted under a Government contract, and that we can make some provision which shall have the effect of preventing persons from buying Chinese-made articles under the impression that they are supporting European labour when they do so. I may say that in most cases the English price is charged for these Asiatic-made goods, and that is a very objectionable thing in itself. In regard to the factories provisions, it is to be regretted that a proposal exists in the Bill to limit the operation of this measure to any particular districts, because I cannot see why the whole of the State should not be brought under its provisions. If in certain portions of the State we have no factories, there cannot be any harm done by having a measure in force that will not, as regards those districts, be operative, and it will at all events prevent the Government of a future day, when there is a necessity to proclaim a new district, from meeting opposition on the ground that people have gone there simply because it was outside the limits of the measure. I cannot see why the provisions that govern sanitary arrangements relating to a factory in Perth and Fremantle should not apply equally in any other town throughout the State where factories may be in existence. [MEMBER: The hours of working, too?] The hours of working are not governed, I am sorry to say, by this measure. I do not see why there should not be a 48 hours limitation applied to factories throughout the State. I am quite satisfied no good reason can be assigned why the hours in factories should be longer. Those who have had practical experience of working in a factory will agree that longer hours than those are harmful to health, especially in places where the climate is very warm. I should like to see the provision I have referred to absolutely struck out of the Bill.

Mr. Hopkins: There are several other provisions which do not suit the goldfields.

Mr. DAGLISH: Of course the hon. member may be able to give us good reasons why this provision with regard to districts should apply.

The Premier: It exists in New South Wales and Queensland. Also in South Australia, I believe. It does not exist in New Zealand. In New South Wales it only applies to one or two districts, and in Queensland to six or eight.

Mr. DAGLISH: I am quite satisfied that if there are good reasons for exemption in particular districts, this House will be prepared to consider them, but at present we have only the statement of the Premier in his speech when introducing this measure, that New South Wales is divided into districts, and that only two districts exist in that State. The Premier, in introducing the measure, in dealing with that particular feature, seemed to follow the Chinese tailor, who had trousers with a patch given to him as a pattern, and in making the new pair he very carefully cut out a piece and put on a patch in order that he might follow the pattern. The hon. gentleman has followed the patch in the New South Wales Act.

The Premier: And in the Queensland Act.

Mr. DAGLISH: I do not think we have yet had any necessity shown for the existence of the patch in our own particular measure. In regard to bakehouses, for instance, the Premier has admitted that it is undesirable to apply the limitation of districts. There is another part of the Bill which I think is liable to abuse, and that is the portion which gives the Government power to exempt certain factories or classes of factories from the operation of the Act. That places a certain amount of power in the hands of the Government of the day that I do not think they should possess, and I am speaking now from a knowledge of how a similar clause in the first Victorian Act operated. There were in the town of Geelong several woollen factories that would come, in the natural order of things, under the Victorian Factories Act, which provided that only 48 hours a week should be worked by factory employees. The persons owning these factories made representations to the Chief Secretary of the day that they could not afford to run their establishments with an eight hours day; that they had been working all all along for 10 hours a day, and even then they had a difficulty in running the industry successfully. The consequence was that the Chief Secretary granted an exemption under the provisions of the Act giving them that power. That exemption extended over a large number of years. Ultimately, however, in response to an application of the working men, who, I think, had formed a union in the meantime, the exemption was removed, and from the date of the removal of the exemption those woollen factories went on working on the 48 hours system, and succeeded fully as well when working 48 as they had succeeded when working 60. For years they had evidently been enjoying an exemption that was absolutely unnecessary, and was not only unnecessary but unfair to all the workers in that particular industry. I am afraid we shall have the same experience, at all events we shall open the door to the possibility of the same experience, here. If we grant power to the Government of the day to give exemption to any factory or any class of factory, there is always the possibility of such power being used for political purposes. I am very sorry with the member for Kanowna that we have not an eight hours day provided in our Act, and I do not see why the mere fact that we have an Arbitration Act on our statute book should warrant us in forcing workmen to go to the expense and trouble, and in putting their employers to the expense and trouble, of going to the Arbitration Court, before they can get an eight hours day decreed. I do not think we should have any hesitation in following other States in providing for the limitation of hours of work. In regard to the Chinese laundries I do not think the Bill goes far enough. There is a provision in Clause 26 that no person of Chinese or other Asiatic race shall be employed in a laundry for any longer hours than those for which women may be employed under this Bill. The limitation in the Bill applying to women is that they shall not be employed for more than 48 hours a week, but if we pass Clause 26 we shall have no possible way of getting at these Chinese laundries, because we would need to have a factory inspector

standing at the door to watch when they open, and a factory inspector to stand at the door and watch when they close, and practically we should need a man to be looking in at the window when they have closed, because the work is quiet work that can be carried on without the knowledge of anyone standing in the immediate vicinity of the place, and the only way to find out how long they work is to have provision that laundries shall be opened at a certain hour, and shall close at another fixed hour, and then make arrangements that a factory inspector shall visit them frequently during the hours after the closing and before the opening. [MEMBER: And that the owner shall not live on the premises.] That would be a good thing. It would shut them off the premises immediately the premises were closed. I may say that in Victoria we found great trouble in applying the provision of the limitation of hours to the Chinese in the furniture trade. We found it almost impossible there to stop them from working on Sundays, although much of the work makes an amount of noise that attracts attention outside. There will be much greater difficulty in enforcing our laundry provisions, unless they are made very stringent indeed. The question of health is one that makes it necessary to have a very careful inspection of Chinese laundries, because there is good reason to believe that much disease is disseminated from those establishments. There is another weak point in the measure, another omission. There is no provision to deal with the hours of carters. This is a matter which has been brought before the House on more than one occasion, and one, I am sorry to say, the House has not yet dealt with. We have our carters connected with various establishments, supposed to close at certain fixed hours, working on to midnight very often.

MR. ILLINGWORTH: What about barmaids?

MR. DAGLISH: The hon. member knows more about barmaids than I do. It is experienced members we ought to have information from. But, really, there is a very grave need for this House to include some provision in the Factories Bill that shall limit the hours of working for carters. I would not ask for a moment that they should be absolutely limited to 48 hours, just at present—I hope we shall come to that a little later on—but I do think we should at all events give them a limit of not more than 60 hours for a week's work, including the hours engaged in stable duty both before and after their hours of work. At present they have absolutely no limitation of hours, and many of them work very much more than either 56 or 60 hours per week. I hope these questions will receive consideration in Committee; and I believe it will be possible for us to produce from this House, with a few alterations to the Bill before us, a measure which will be fully worthy of the best intelligence the House possesses, and of the demands which have been made on us by the public.

MR. ILLINGWORTH: And which will be an honour to the James Ministry.

THE PREMIER (in reply): I have to thank hon. members for the manner in which they have received this Bill. I quite expected that the member for Kanowna (Mr. Hastie) would object to the absence from the Bill of any provision insisting on the application of the eight-hours day to male employees in factories. Well, I thought, and I still think, that as we have the Arbitration Court, which has the amplest power to fix those hours, it is far better that such a matter should be settled by the Arbitration Court when a dispute arises, than that we should attempt to lay down a general rule which will apply to every factory, whatever may be the industry or the conditions in which the work is carried on. The law provides a simple method by which such questions can be settled, having regard to the demands and peculiarities of each industry. Reference has been made to the fact that we provide that this Bill shall apply only to districts proclaimed. I believe that provision is obviously and absolutely essential in such a State as Western Australia, a State of magnificent distances, with a scattered population, and where the industrial community centres round a comparatively few spots. It would be wrong to apply a Factories Act which conveys on its very face that it is intended to deal with industrial populations, to an area such as exists from Murchison northward. Fancy a Factories Act applied to that area, where there is

nothing in the semblance of a factory, where there is an enormous territory devoted entirely to pastoral pursuits! So, also, when we come down to the South and South-West, we find areas where there are no factories. [Mr. Illingworth: What about butter factories?] You might find a briquette factory at Bunbury, or a butter factory at the Vasse. [Mr. Illingworth: And breweries.] True. But after all, there are few factories in the towns, and few towns at that. Outside, there are hundreds of square miles of country where there is no suggestion of anything like a factory.

Mr. Illingworth: What about the timber-mills?

The Premier: Timber-mills are certainly factories; and the Bill can be applied to them. By proclamation, the Government have power to apply the Act; but I am replying to the hon. member who said that we who maintain the Bill should be applied by proclamation only, ought to show the necessity for that provision. I say it is quite sufficient to cast one's eye over the State in order to realise that those who wish to apply the measure throughout the country are called on to prove their case—not those who wish to adopt the method here provided. Then a suggestion has been made that there should not be any power of exemption. I believe that power is essential, because it secures a needed elasticity in the working of the Bill. An instance where exemptions would be necessary was brought to my notice today. Industrial shows are sometimes held, such as an exhibition by the Manufacturers' Association, where, during the course of the show, work is going on as part of the show. If it were not for the exempting power, the hall or other building might be held to be a factory. The member for Subiaco (Mr. Daglish) points out what happened in Victoria. Many things have happened in Victoria which I venture to say will not happen here; and I should be sorry to think that because certain things happened in Victoria it should be assumed they will happen in this State, and that we must take steps to provide against them. So far as my experience shows, Parliament and the Press are pretty vigilant here in watching the administration of departments: and complaints are quickly made if there is any undue exercise of the discretion given by Act of Parliament to a Minister. There is not the slightest fear of these powers being abused. The most important suggestion in the discussion is that relating to the Asiatic question. I am glad to see members taking this up; because the very first Bill I ever introduced to this House, and the first I ever drafted, was a Bill called "The Chinese Immigration Restriction Act"; and I asked the House to pass the Bill to regulate the Chinese then in our State, to limit the occupations Chinese could follow, and while making adequate provision that those who were then carrying on business should not be prejudiced, to prevent abuses cropping up here such as were then and are still found in Melbourne; and strangely enough, the very instance I gave was that of the furniture trade. I said:—

> We do not want them to compete against Europeans in many kinds of labour and in trades, as they do at present. If they do come here, we should tolerate them simply as labour machines and for cheap labour. I ask members, is it not desirable that we should introduce provisions for preventing the possibility of that happening here which has happened in Sydney and Melbourne, where the furniture trade is wholly monopolised by Chinamen, and where, as a consequence, there are scenes of degradation and vice that are equalled perhaps only in San Francisco and certain parts of China?

That was in 1894; and if that Bill had then been passed, things might now be better. But I regret to say that when we went to a division, Mr. Illingworth and a few others voted for me, but the member for Beverley (Mr. Harper) voted against us; and if, eight years ago, the hon. member had been able to see eye to eye with us, we might have had passed into law the very provision he now seeks to embody.

Mr. Harper: Was that the only provision in your Bill? There were a few others in it.

The Premier: The hon. member can look at the Bill; besides, I decline to recognise the right of a member to say that because certain provisions in a Bill are bad, he will reject the whole of it. I hardly recognise the attitude as fair.

Mr. Harper: I think you have often done so.

The Premier: Certainly not. If the main provisions of a Bill—999 out of

1,000—are bad, I am not prepared to struggle in order to save the one good provision. But in that particular Bill, my object was not only to restrict the importation of Asiatics—for there was then legislation dealing with them—but to insist that those who were here should be licensed and limited to certain occupations. So long ago as 1894 I was discussing in this House the principles discussed here this evening; and I am glad to say I then received from the member for Cue (Mr. Illingworth) the sympathy one might expect after listening to his speech this evening. As he said, the Bill did not receive much consideration at the hands of the House; and the motion for the second reading was negatived. This is a serious question, and I hope it will be fully discussed. I realised it was bound to crop up. If it do not apply to the whole of the factories, it will apply to a certain number. It will, I believe, come up in connection with the provision for the registration of small shops. I hope that in dealing with the matter, whatever may be our prejudices against the Chinese, we shall bear in mind that as they have come here to carry on their trades and other occupations under the existing law, we should see that whilst the law we pass may enable us to prevent an increase in the competition which we now suffer, it may not act unfairly to those already here. And that increase is quite possible; because, since the formation of the Commonwealth and the imposition of uniform duties, it may happen that though we now have large numbers of aliens, we may have increasingly large numbers in the future, unless some restriction be devised to prevent farther competition, so far as we can prevent it, at the hands of Asiatics.

Question put and passed.

Bill read a second time.

LAND ACT AMENDMENT BILL.

SECOND READING (MOVED).

THE PREMIER (Hon. Walter James), in moving the second reading, said: If I had regard only to the convenience of those members of Parliament who have to observe the Land Act, I should say that I move the second reading of this Bill with a certain amount of regret, and a certain number of apologies; because it is to be deplored that since 1898, when we passed an Act supposed to be a model, we have had, session after session, to pass amending Acts overcoming the defects which time, and a very short time, discloses in the original Act of 1898; and not only to overcome defects, but to add provisions which experience shows to be necessary. As I do not speak from that point of view, but only as one desirous of improving the Land Act, I move the second reading with pleasure; because it is our duty to remove those defects and difficulties as soon as experience has shown them to exist. During the passage of this Bill through the House, I shall be glad if members—and I particularly address this information to country members—will put on the Notice Paper all questions in connection with which they think the existing Land Act may with advantage be amended. The Government propose during the recess to have the various Land Acts brought up to date, and to bring in one consolidating Act next session; and if, while this Bill is passing through the House, we have an opportunity of gathering from members who represent country constituencies information as to where the present Acts need amendment, we shall be in a better position to approach the work of consolidating the existing law. This Bill consists almost entirely of clauses making amendments of the various sections of the Act of 1898. A second reading speech is hardly called for, since the Bill is almost entirely a question of detail. Clause 2 proposes an amendment of Section 21 of the principal Act. Section 17 of that Act provides:—

> All applications for land under this Act shall be made on the prescribed forms, and shall take priority according to the order of their being lodged. . . .

The intention of that section is clearly that applicants as between themselves shall take priority in accordance with the order in which they lodged their applications—that if two applications are lodged together, then there shall be a system provided in the remaining portion of this section by which the difficulty may be overcome. Section 21 of the Act provides:—

> All applications of every description shall be subject to the approval of the Minister,

who may insert such conditions and reservations as to him may appear necessary in the public interest.

Now, I submit that it was clearly the intention of Parliament that whilst Section 17 should provide for the order of priority as between competing applicants, there should be no doubt whatever as to the rights of the Minister in the interests of the public to refuse an application, or to impose terms as indicated by Section 21. I think that is the proper construction to be placed on the section, and I hold under the existing law it cannot be contended that merely because a man makes an application the hands of the Minister are tied and he is bound to grant the application without regard to the matters suggested by Section 21 as being necessary in the public interest. We propose, however, to make the matter perfectly clear by the amendment proposed in Clause 2 of the present Bill, under which Section 21 of the principal Act will read:—

All applications of every description shall, notwithstanding any provisions of this Act relating to priority, be subject to the approval of the Minister . . . . .

And so forth. The next clause proposes an amendment in Section 68, Subsections 2 and 9. As it stands, the former subsection, which deals with conditional purchases of grazing land, reads:—

Not more than two leases shall be held by one person, and the maximum area held by one person shall be three thousand acres of second class land, or five thousand acres of third class land: Provided that if one person selects two leases in different classes, the total quantity of such leases shall not exceed four thousand acres . . . . .

The amendment proposes to allow any person to select two or more leases in different places, while the limitation of acreage will still apply. Subsection 9 reads:—

Any person having obtained a grazing lease of less area than the maximum area prescribed in the preceding subsection numbered two may apply for one additional lease, situated not more than ten miles from the first, of such an area as together with his former lease shall not exceed the maximum areas mentioned in the second subsection of this section. . . .

The maximum area is thus fixed, and the subsection also provides that the holder of a grazing lease of less area than the maximum may apply for another lease elsewhere. The subsection as drafted, however, enables the holder only to apply for one additional lease elsewhere. The Bill proposes to strike out the words, "one additional lease" and to insert "a lease or leases" in lieu, thus enabling the applicant to apply for more than one additional lease, so long as he does not exceed the maximum area. Following on that, there will be consequential amendments in the subsequent parts of the subsection. The subsection, as proposed to be amended, will also provide that if two or more leases (instead of two leases only) adjoin they may be deemed to be one lease in respect to fencing and improvements required. The amendment of the section thus enables application to be made for two or more leases, so long as the maximum area which may be applied for is not exceeded, whereas the section now limits applicants to two leases. Whilst it may be important to limit the maximum area, it is not important to limit the number of leases under which the maximum area may be held to one or two. By Section 110 of the principal Act, provision is made for the issue of licenses in certain cases, and, amongst others, a sandalwood license is provided for:—

A sandalwood license authorising the licensee to fell, cut, and remove any sandalwood growing upon any Crown lands in the locality named.

This Bill proposes to strike out that paragraph of Subsection 3, and to insert in lieu:—

A sandalwood license authorising the licensee to fell, cut, and remove any sandalwood growing upon any Crown lands in the locality named in the license, but subject to the provisions of the Sandalwood Act, 1881, and any amendment thereof.

Doubts have arisen as to whether a sandalwood license issued under Section 110 of the Land Act does not enable the licensee to cut sandalwood irrespective of the restrictions of the Sandalwood Act, 1881. The object of the amendment is to make it clear that the holder of a sandalwood license under the Land Act is still liable to the restrictions of the Sandalwood Act. The Bill adds another license to the forms of license provided by Section 110 of the principal Act, one dealing with the question of zamia palm wool:—

A zamia palm wool license authorising the licensee to gather and remove zamia palm wool

upon any Crown lands in the locality named in the license. Such license must be held by every person engaged in the removal of zamia palm wool from Crown lands, although such person may not be engaged in gathering the same.

MR. HARPER: Will the hon. gentleman explain the meaning of the clause? Presumably no one would gather palm wool except for the purpose of removing it.

THE PREMIER: A person might be actually engaged only in gathering the wool and putting it into bags, whilst someone else was to come along and collect the bags. If a man is caught actually collecting the wool at the root of the palm, the case is simple enough; but if he is caught with three or four bagfuls on a cart, the case is different, for he might say, "I am not collecting the palm wool; I am merely carting it away; someone else is collecting it." The real object of the clause is to give wide terms in order to make the authority of the license effective.

DR. O'CONNOR: Would the clause apply to aborigines?

THE PREMIER: The clause provides no exemption in favour of natives. Clause 6 provides an amendment of Section 111 of the principal Act, which amendment re-appears in one or two of the remaining clauses of this amending Bill. Section 111 reads:—

The Minister may, subject to this Act and the Regulations, grant a license to fell and hew timber to be used or exported as piles, poles, or balks.

Members will see that no provision is made giving the Governor a right by Act or regulation to prescribe the standard size of timber that can be removed. It is proposed now to insert after the word "timber," the words: "not being under the standard size prescribed by the regulations in force for the time being." Thus, Section 111 of the Act, as proposed to be amended, would read:—

The Minister may, subject to this Act and the Regulations, grant a license to fell and hew timber, not being under the standard size prescribed by the regulations in force for the time being, to be used or exported as piles, poles, or balks.

Thus the Minister would have power by regulation to prevent the cutting of immature timber. Section 112 will be amended to the same effect with the same object. Section 119 of the principal Act provides that where timber reserves for farmers and settlers do not exist, the Minister may grant permits, free of cost, to farmers and settlers to cut any kind of timber. We propose to insert the same words in that section, so that the license shall allow only the cutting of timber of the standard size prescribed by regulation. That is merely carrying out the principle adopted for the first time in the amendment of Section 111. Members no doubt know that under Section 136 of the existing Act, rather a long period of time is allowed for the payment of rents. That seems well enough in theory to those who, in the great majority of cases, avail themselves of the benefit. The rent is to be paid on or before the 1st March and the 1st October; then the lessee is allowed to pay within 30 days, subject to a fine of 2d. in the £1; if he does not pay within 30 days he may pay within 60, subject to a fine of 6d. in the £1; and, finally, he may pay within 90 days, subject to a fine of 1s. in the £1. If he fails to pay at the end of that term, the lease, with all improvements, is forfeited. The Government consider that those are regulations which ought not to apply all round. We ask the House by Clause 9 to provide that, in relation to all timber leases granted after the passing of this Bill, the rent shall be payable half-yearly, and that if it be not paid punctually, or after an allowance of 30 days' grace, the lease may be forfeited. There is another class of leaseholders, too, who need to be dealt with in a manner different from that provided by Section 136 of the existing Act—the holders of residential leases. The rents in connection with residential leases are very low, and it does seem an absurdity that 90 days should be allowed to elapse before any steps are taken to insist on payment of rents which have fallen due, or, in the alternative, to forfeit leases. The rent is very small—10s. or £1 per annum—and it is utterly unreasonable that the provisions of Section 136 of the Act should apply to such small holdings. The rent ought to be paid far more punctually than under conditions providing a period of 90 days' grace, to be followed by an advertisement in the *Government Gazette* notifying liability to forfeiture. Clause 9 thus provides an

alteration in the law relating to timber leases and residential leases. Clause 10 proposes to amend Section 145 of the principal Act. That section provides that where a claim is made for compensation by a selector whose land is resumed, or where a claim is made for compensation in respect of land resumed out of a pastoral lease or agricultural area, only those improvements which, in the opinion of the Minister, have been *bona fide* made for the purpose of bettering the land or increasing its carrying capacity shall be taken into consideration. A person claiming compensation must satisfy the Minister that the improvements on which the claim is based were *bona fide* made for the purpose of increasing the carrying capacity of the land. By Clause 10 we provide that when he is satisfied, the fact of his satisfaction can be conveyed by a signed certificate. The question has arisen in connection with some arbitration cases at Geraldton. The Minister had given a certificate that he was satisfied that certain improvements were *bonâ fide* improvements. It is threatened that the certificate will be objected to and that the Minister must attend and express by word of mouth his satisfaction or dissatisfaction. That is absurd. We provide by the clause that he need not attend, but may express his satisfaction or dissatisfaction by certificate. Clause 11 contains another formal amendment. Section 161 provides power to make regulations from time to time, and amongst other things it allows regulations to prescribe the size of timber, piles, poles, and baulks which may be cut under timber leases or licenses, and we propose to add to that the words "or other authority"; because timber can be cut not only under timber leases or licenses but under other authorities. I referred to one or two of them in passing a moment or two ago. We want to make clear that there is power to make regulations where there is authority in special cases to cut timber. Clause 12 is one to which I desire to draw the attention of members of the House. It says:—

> Notwithstanding anything contained in Section 14 of the Land Act Amendment Act, 1900, the lands in respect of which the residential leases described in the Schedule to this Act have been granted may, subject to the provisions of the principal Act, be granted in fee simple to the lessees thereof.

That clause relates to certain holdings at Boulder, known as the 33 feet frontages. They were sold under conditions set forth in a petition laid before the House towards the close of last session; under conditions which in the opinion of the petitioners gave them the right to say they were entitled to obtain the fee simple to these leases under certain terms. The member for Boulder will take an opportunity on the second reading to place the House more fully in possession of the facts, but it is our duty to bring the Bill before the House because it is a matter which requires amending. There is in Boulder an area shown on the plan before me, coloured yellow, which was disposed of in the ordinary way under which the purchasers had the right to acquire the fee simple by carrying out certain conditions. That part coloured green on the plan remained open to be cut up in the ordinary way. Boulder being anxious to get those who were living on the leases into the townsite had this area thrown open. The areas thrown open in this case instead of being 66 feet were 33 feet; the reason why will be explained more fully, but it does not affect the position. The Crown leases were thrown open and made available at the instigation of the Boulder Council, and the conditions under which they were available were advertised by the Boulder Council, and it was then given forth that those who purchased the leases had the right at the end of 12 months to put the lots up for sale under the ordinary terms under which they could take the reserve, adding the price of improvements, and anything beyond that they would have to bid for, and the highest bidder would receive the fee simple in the ordinary way. Some difficulty arose as to whether a fee simple could be granted, and the following telegram from Mr. Clifton, the Under Secretary for Lands, was read at the sale:

> In reply to your wire to-day, I have held matter over in hope of being able to devise some scheme by which your wishes could be met, but find it impossible arrange for sale of lots without going to auction. Lots cannot be dealt with as residence areas under Goldfields Act because they are not in goldfields, therefore I can see nothing but to deal with them as residential lots under regulations gazetted 8th April last, copy of which was sent in my

letter, 7th October, with some modifications following, holder to put his lot up to auction with value of improvements added at any time during currency on his holding. If this will suit, the matter can be fixed up immediately.

So that at the time of sale the land was sold subject to the conditions appearing in the *Gazette* of the 8th April last, subject to the farther conditions set forth in the letter, and any person becoming the purchaser would have the right to put his lot up for auction, plus the improvements, and it would go through in the ordinary way. The lots were purchased on the strength of the telegram and the representations made. Difficulties arose when the purchasers asked the Government to carry out the promises contained in the telegram. Some legislation was passed in the meantime, and those who purchased found this promise was not carried out, and as they say they have been induced to purchase this land they complain somewhat strongly that after the promise made to them an Act had been passed which blocked the way of the promise being carried out until farther legislation is introduced. If the House is satisfied when these persons purchased the areas they purchased them on the promise and the representations that they were to obtain the fee simple in the ordinary course of things they are entitled to have their promises carried out, and the persons ask now that the terms conveyed in the letter should be carried out, having the right to put their areas up for sale and to deal with them in the ordinary way. Under the clause, if passed, the purchasers will obtain that power. So far as we can see from perusing the file the holders of these areas have a strong case.

MR. TAYLOR: Will not other areas come under the Bill likewise?

MR. HOPKINS: No. The schedule is limited.

THE PREMIER: It simply deals with these special cases owing to the terms made. So far as the Government can see these areas were purchased on this understanding naturally following from the representations made, and that being the case it is a matter to be considered by the House.

MR. ILLINGWORTH: Similar conditions exist elsewhere. It is just the same at Day Dawn and Cue.

THE PREMIER: I do not know of similar conditions. If there are other cases where the circumstances are the same, where practically speaking people have purchased areas under promise that they have the right to mature them into fee simple, that promise should be carried out. All we have to do is to satisfy ourselves clearly that a promise was made. If members do not think a promise was made they ought not to vote for the clause. Unless members are abundantly clear that a promise was made, and that the purchasers relied on that promise, they should not vote for the clause.

MR. TAYLOR: The House will have to decide that on this Bill.

MR. ILLINGWORTH: It is special legislation.

THE PREMIER: It is special legislation to give effect to the promise, and again I say unless members are clear that the promise was made I hope they will vote against the clause, because I do not want Parliament to believe that there was some imaginary promise or representation. It must be clear that the representation was made. Bear in mind that persons must not come to the conclusion, that because a particular officer said this or that, they are justified in shutting their eyes and doing nothing else; that is not sufficient.

MR. JACOBY: Are you satisfied?

THE PREMIER: Personally I am satisfied or I should not be introducing the Bill.

MR. ILLINGWORTH: Sister Veronica's hospital is on the same basis.

MR. HOPKINS: It is not.

THE PREMIER: Clause 13 of the Bill deals with another amendment and refers to a section of the Act of 1902. Section 5 of the amending Act of 1902 says:—

Notwithstanding anything contained in the principal Act, any Crown land (whether within an agricultural area or not) which is proved to the satisfaction of the Minister to be second or third-class land, may be disposed of, subject to the conditions of sections fifty-five, fifty-six, or fifty-seven of the principal Act, at a price less than ten shillings an acre.

The Bill says that shall only apply where second-class land is contained in an agricultural area and not outside; that was the intention. The Crown Lands office are constantly worried to classify land all

over the place. They have not the time nor the officers to do the work. The right is given there to second and third-class lands, and extends to cases outside agricultural areas. It is proposed by the Bill to bring it back to what was intended. Clause 14 is another amendment to which I wish to call the attention of members. It says:—

> The Minister may, subject to the regulations in force for the time being, grant to any person a permit to cut and remove on and from any reserve or state forest any timber, piles, poles, and balks, on payment of the prescribed royalty.

A question arises in connection with that whether where we have a reserve or a State forest set apart there should not be the right, on payment of a royalty, to grant a permit to remove timber, piles, poles, and balks; whether it is desirable to have these large areas of land with this timber on it serving no good purpose and practically going to waste. There would be on these reserves or State forests a good quantity of wood which might be turned to good account and could be used in this way without lessening the value of the reserve or State forest. It is thought that power should be given so long as the payment is by royalty and not, as in the case of a lease, at so much per acre. Then by Clause 15, in relation to land reserved under the provisions of Part III. of the Act, there is a formal power under Section 39, which provides that reserves may be made for different purposes, for the use or benefit of aboriginal inhabitants, railways, quays, sites of churches, State forests, sites for cities, towns, villages, cemeteries, and matters like that—it is provided that "where any Crown land is reserved to His Majesty under Part III. of the principal Act, and for the time being such land is not required for the purpose for which it is reserved, the Governor may grant leases thereof from year to year, or for any lesser term, for pastoral, grazing, or other purposes, at the rent and subject to the conditions applicable to unreserved waste lands of the Crown."

Member: Can you cut timber?

The Premier: No. It is simply a right to lease from year to year, where you have a State forest or State reserve, and are not using it. I think, if I may say so, the most important clauses in this Bill are Clauses 9, 12, and 14. Those are the clauses to which I particularly desire to draw the attention of members. I beg to move the second reading.

Mr. C. Harper (Beverley): This measure is mainly administrative. It does not appear to call for very much remark, except in regard to a few clauses. I do not propose to say anything in relation to Clause 9. That is more administrative than anything else; but with regard to Clause 12, I feel it requires to be examined carefully to see whether it will work any hardship or not. As to Clause 14, I hope the House will reject it. We have at present in this State very large interests in our forests held outside the State, and I do not think I shall go far wrong when I say that those who are governing these large companies perhaps will be more astute than those here, and if there is any possibility of their getting an advantage over the State they will take it. The point the hon. member urged is that you may remove piles, poles, and balks without damaging the forests. I think that is not quite the fact. Timber that you can remove out of a forest without doing any harm is matured timber. In this you propose not to give so much power in regard to matured timber, as with regard to the younger timber.

The Premier: Timber, piles, poles, and balks.

Mr. Harper: These piles and poles will be the trees of the next generation, and while there is an abundance of concessions and leases at present being worked, I think it is very undesirable that the Minister may have power to grant to any ambitious promoter of a company power to deal with this timber. I hope for that reason the House will not pass this clause. With regard to matters not dealt with in this Bill, there is one I should like to mention, and it is one the Premier has asked for an expression of opinion upon. It is a matter that has often been brought to my notice, and which, perhaps, can hardly be dealt with by a Bill; but may be dealt with by administration; and that is the want of uniformity in the method of classifying land under our land laws for agricultural purposes. There does not appear to be any definite line laid down as to what constitutes first, second, and third-class

land; and travelling about in different places I find that one man calls first-class what another may call second or third-class, and so on, and it has produced a good deal of ill feeling. It is also said—I hope it is not correct—that some inspectors have perhaps looked more to the favour that may be given to them in the districts they are working, than to the interests of the State. I think it very desirable that some definite line should be laid down to guide inspectors, and there should be some method of check on them. We have, I believe, a Chief Inspector, but it is impossible for him to check all those under him, and I think sometimes possibly men who are appointed to the position of inspectors have not proved by any means their qualifications, and the Chief Inspector is working entirely in the dark as far as administration is concerned. He may never have had an opportunity of checking the work and seeing whether the inspector is up to the mark but simply sends in his report. I have heard of many instances, I will not say in the immediate past, but in years gone by, and some not very long ago, in which people resident in the places have considered that persons have been very successful in getting hold of very good land in an inferior class; and there should be some means of protecting the interests of the State in securing that the classifications are made with a reasonable amount of accuracy. I hope that the Premier, if he finds that he can do anything in the way of legislation in that line, will provide for it. I consider it is more a matter of administration; but I am not prepared to say in what direction it should go. At any rate it is a fact that the land has not always been classified in the best interests of the State.

MR. J. M. HOPKINS (Boulder): I have to congratulate the Premier on the amount of knowledge which he displayed concerning the blocks that are affected by Clause 12 of this Bill. I would like to say at the outset, in order that no erroneous impression may gain ground, that in the first place I am not interested in this matter to the extent of one farthing so far as these blocks or their titles are concerned. In addition to that, the persons who are registered as the owners of the blocks which were the subject of that petition, and which are marked green upon this plan, are themselves resident upon them, or their families are, and where in any one particular instance it is found that the registered owner is not upon the land, he is absent with the express consent of the Minister for Lands, recorded in writing and registered on his lease. I want to explain the position briefly, and, if I can, clearly to the members of the House who are interested in the question. In the first place the blocks marked yellow in the centre of the plan were town lands sold by public auction. The blocks marked yellow around the outside of the town were registered as residence areas under Section 30 of the Mines Act, which gave to every holder the right to buy the land at an upset price to be fixed by the Minister for Lands, after the registered owner had been in occupation for a period of 12 months. In every instance the titles have been lifted in connection with the land in the centre. As to the land on the outside, in almost every instance the persons have availed themselves of the opportunity of taking out a title; but I understand there are some persons who have been content to renew their miner's right from year to year and to continue to do so, satisfied with that title and with the knowledge that at a later time they will be able to make that freehold when they have the money available. Then the town of Boulder was going through what may be termed a very serious slump. The Government had drawn something like £75,000 from the people there for the sale of that land in the centre. The mine managers found that they had to have more room for machinery, and a lot of people resident on the leases had to move. The Boulder Council took up the question. They thought it would give an impetus to the town, and at the same time it would be beneficial to those persons moving, if this part marked green, known as the town extension, were subdivided, and, so as not to give the late comers any very great benefit over the outskirts, they said: "We will grant only 33ft. frontages." And then we had two families registered for each quarter of an acre. From that time may be dated the first period of prosperity that came to the town of Boulder, and those persons were registered for that land.

The registration was effected because of a telegram which the Premier has read, and I think it is sufficient for me to read the last portion of it. I may say that Dr. Jameson has informed me that this telegram was at the time sent by Ministerial authority and signed by the Under Secretary for Lands. [MEMBER: What date?] Perth, 7th December, 1898. I will read it:—

In reply your wire to-day, I have held matter over in hope of being able to devise some scheme by which your wishes could be met, but find it impossible arrange for sale of lots without going to auction.

That is, although under the Mines Act the Minister for Lands could fix an upset price for the blocks on the outskirts, he had no power to fix an upset price for this land on the town extension. The Under Secretary for Lands says:—

Lots cannot be dealt with as residence areas under Goldfields Act, because they are not goldfields.

Or, in other words, because they are within a town boundary.

Therefore, I can see nothing but to deal with them as residential lots under regulations gazetted 8th April last, copy of which was sent in my letter 7th October, with some modifications following.

These are the modifications:—

Holder to put his lot up to auction, with value of improvements added, at any time during currency of his holding. If this will suit, the matter can be fixed up immediately.

Those were the expressed terms and conditions on which the Government made that land available, and it was upon those terms and conditions that those persons became possessed of those particular blocks.

MR. TAYLOR: How long were they in possession of them before that wire?

MR. HOPKINS: They were not in possession when that wire was sent. Their possession dates from a time subsequent to this.

MR. HASTIE: Who signed the wire?

MR. HOPKINS: The wire was signed under Ministerial authority by R. Cecil Clifton, Under Secretary for Lands. I wish to be perfectly clear and distinct on it, because I view the matter in this way: If it had been myself who owned that land, instead of the Government, and I had made it available for those four hundred and odd persons on the terms stipulated in that telegram, and if, when they came to me 12 months afterwards, or at a later period, and asked for the title, I had turned round and said, "I cannot give you a title," what would they have thought of me? I undertake to say that even this House would look with consternation upon anything of that sort, any firm parting with property and not carrying out the obligations it had entered into. I am perfectly disinterested in the matter. I say that those persons have been most unfairly dealt with right from the very beginning, because they have been harassed from the day they took the land up right up to the present time. Men who had struggled hard to establish homes there found them on the verge of forfeiture. Some even found them forfeited. And then, on representations made to the Lands Department—probably the most generous department in the State—the department was good enough, I think in most instances, to see the justice of the claims made; and those persons were reinstated. But nevertheless, I saw an instance not long since of one of those properties being forced on the market, where the title was taken as worthless; and the holder had to sacrifice his home because he was going away, and in his absence it would have been forfeited.

MEMBER: Could he not obtain possession under a miner's right?

MR. HOPKINS: No. Miners' rights do not apply to such holdings. All the petition asks is that the Minister shall fix his own price for a certain number of the blocks, and that they be sold by auction. But if anyone who holds a block prefer to go on paying his £1 a year, by all means let him do so. However, it often happens that such a man has to shift, perhaps to look for work; and if it can be provided that by paying the nominal rent which should be asked for a place in a sandy desert he may secure a title and go away with an easy mind, such provision should be made.

MR. TAYLOR: The principle should apply everywhere.

MR. HOPKINS: I do not think the Bill contemplates that its application should be general. There are two parties to the contract—the Government on one side and the lessee on the other; and all the lessees ask is that the obligations entered into shall be faithfully respected. The titles need not be issued until the people buy the land by public auction

and pay for it; and in what fairer way could they take possession of property? Had I known this Bill was coming before the House to-night, I should have taken the trouble to look up extracts from the local Press; but this is now impossible. I may say, however, regarding my action since the petition was laid on the table, the matter is one in which I am not interested to the extent of one farthing. I have no personal interests to serve. But while I am a member of this House, I do not care who the petitioners may be, whether in my own district or outside, I shall always feel there is an obligation on me to see that justice is done to every section of the community. And in this instance I am sure that to those who have listened to what the Premier had to say and to my own explanation, it is perfectly clear that the Government have an obligation to fulfil, an obligation which cannot faithfully be carried out save by the amendment provided in this Bill.

MR. H. J. YELVERTON (Sussex): With regard to Clauses 6, 7, and 8, I should like some farther explanation from the Premier. From what I gather from the clauses, they are intended to prevent the cutting of immature timber, or rather of timber under the standard prescribed by the regulations for the time being in force. If the object be to prevent the cutting of immature timber, I should like to say that there is much timber on those timber areas which, although not perhaps of the standard size, should yet be cut, because it will never mature. It has a certain value, and should be cut out; and with regard to piles, it should be judiciously thinned. I am not quite clear, and should like the Premier to explain, whether these clauses mean the entire prohibition of cutting piles, balks, and poles?

THE PREMIER: That depends on the standard size fixed.

MR. YELVERTON: But will their cutting be entirely prevented?

THE PREMIER: No. The size will be prescribed in the license.

MR. YELVERTON: But the standard size, as now laid down by the regulations, is six feet in girth. That is nothing like the diameter of a pole, or of a pile either.

THE PREMIER: We shall have to prescribe the size. I have not the technical knowledge required to answer immediately.

MR. YELVERTON: We should not entirely prohibit the cutting of poles, piles, and balks; because a forest may be judiciously deprived of wood suitable for piles, and what is left will ultimately be much improved when matured, and will become really good timber. I fully acknowledge that the areas should be protected, and that the young timber should not be cut out; but I say we should use a little common sense in dealing with this problem. With regard to Clause 9, which provides that the rent of timber leases shall be paid in equal half-yearly instalments, on the first days of January and June in every year, I would ask why the timber lessees are to be dealt with differently from other lessees?

THE PREMIER: This does not apply to leases already granted.

MR. YELVERTON: Well, why should not future timber lessees have the privileges given to those who lease lands on other tenures?

THE PREMIER: The other lessees are poor and struggling.

MR. YELVERTON: Many timber lessees are poor and struggling, and I think they should have the same extension of time granted them, and the same opportunities of preserving their leases, as are enjoyed by other State tenants. Regarding Clause 14, which deals also with the timber question, I do not understand why it should appear in the Bill; because at this very time one may apply to the Forestry Department for the right to cut timber over any of their reserves, and one is as a rule granted that right at certain rates—1s. a load for matured timber, and so much per foot for poles and balks; yet here is a special clause dealing with the question: I do not know why, seeing that the right is now granted. Again I say, we should in some way grant people the right to cut over those reserves, and, as I have said, judiciously to thin out the poles.

On motion by MR. PIGOTT, debate adjourned.

ADJOURNMENT.

The House adjourned at twelve minutes past 10 o'clock, until the next Tuesday.