

**Legislative Council,***Wednesday, 8th September, 1926.***BILL—FEDERAL AID ROADS AGREEMENT.***Second Reading.*

Debate resumed from the previous day.

**HON. J. EWING** (South-West) [4.38]: I do not intend to delay the House long in supporting the second reading of the Bill. I wish to voice my appreciation of the work that has been carried out in furthering our road construction policy. Prior to the advent of the present Government, matters affecting the construction of our roads received attention at the hands of the previous Government, and some progress was made towards reaching an agreement with the Federal Government. Much of what was accomplished then is to be found embodied in the agreement set out in the Bill. The present Minister for Works carried on the negotiations respecting which there was some difficulty in arriving at an agreement between the Federal Minister concerned and the previous Minister for Works in this State. As a result of several interviews and conferences the outstanding questions were finalised and an agreement arrived at. The only point in the Bill to which exception may be taken is the fact that the Federal Minister for Works, Mr. Hill, is absolutely supreme. Money cannot be expended nor can anything be done without the approval of that Minister. As against that, when we realise that the Federal Government intend making available to the States £20,000,000 spread over ten years, we must appreciate the fact that they intend doing a great deal towards the development of not only our own State but Australia as a whole. Although the sum is large, it is nothing like the amount that should be spent in opening up Western Australia by means of roads. The progress of settlement in Western Australia and Queensland is considerable, and what is most necessary to facilitate that settlement, apart from the question of railways, is road construction. No State can advance materially or rapidly unless roads are built. We are to receive during the ten-year period a large sum of money for road construction, and that money has been contributed on a territorial basis. The adoption of that principle will be appreciated cordially by hon. members. It has been suggested that the principle of rendering assistance on a territorial basis might be applied in other directions, but it seems to me that the proper place for the

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

**ADDRESS-IN-REPLY—PRESENTATION.**

The **PRESIDENT**: I desire to inform the House that this morning I waited upon His Excellency the Governor at Government House and presented to him a copy of the Address-in-reply to the Speech with which he opened Parliament. His Excellency has been pleased to acknowledge the Address-in-reply in the following terms:—

Mr. President and honourable members of the Legislative Council. I thank you for your expressions of loyalty to His Most Gracious Majesty the King, and for your Address-in-reply to the Speech with which I opened Parliament. W. R. Campion, Governor, 8th September 1926.

**LEAVE OF ABSENCE.**

On motion by Hon. Sir William Lathlain, leave of absence for six consecutive sittings granted to Hon. A. J. H. Saw on the ground of ill-health.

**BILLS (2)—THIRD READING.**

1, Co-operative and Provident Societies Act Amendment.

Transmitted to the Assembly.

2, Agricultural Bank Act Amendment.

Passed.

application of the principle is in relation to road construction. However, I am glad the principle has been recognised by the Federal Government and by the State Government, and I hope it will be applied in other directions to the material advantage of Western Australia. We have a tremendous developmental policy in operation, and large tracts of country are being opened up. The Bill will enable us to give those concerned the advantages they deserve. It is unnecessary for me to point out that without the advantages of roads we cannot have development or progress throughout the State. While the Federal Minister for Works is supreme under the terms of the agreement, I do not think that will prove irksome in view of the attitude adopted by the Federal Government. I know the Minister and the Federal Parliament are anxious that the States shall progress, and although great power is vested in the Federal Minister for Works, it will not be objected to by hon. members here. I understand that our own Minister for Works desired to be placed in the position of being able to spend the money to be made available in the way he desired. However, Mr. McCallum found he was up against a stone wall. The Federal Government were adamant on that point, and our State Minister was not able to secure any relief in that direction. Holding the views I do regarding the opening up of the State and the connection between the States and the Federal authorities, I do not think the powers of the Federal Government should be extended beyond those they possess at present. With the expenditure of upwards of £670,000 a year for so many years to come, we must look forward to progress. I understand the Main Roads Board will have control over the expenditure of the funds, subject to the supervision of the Federal authorities. We have an excellent Main Roads Board. I know the members personally and I know that they will give their undivided attention, and the undoubted ability each member possesses, to the work they will have at hand. I do not know of any other branch of the State service that will be so responsible for the advancement of Western Australia in the future as will be the Main Roads Board. It will be their duty to see that the money is wisely expended. I am sure they will do that, for the engineering members of the board are men of great capabilities, and the secretary, Mr. Dibdin, who is also a member of the board, is a competent officer. Mr. Dibdin may be

safely looked to to see that the accounts are scrutinised thoroughly. There is only one point about the position to which I object. Speaking subject to correction, I understand day work is to operate in carrying out the work. I believe that the principle will prove more costly than the contract system. The Minister did not mention this point when moving the second reading of the Bill, and I raise it now with the intention of ascertaining whether it is possible to extend the principle of inviting tenders so that the work may be done by contract. I hope the Government will recognise the advisability of letting contracts for the construction of our roads, for I believe that will be in the interests of the State. I understand that one-fourth of the money advanced by the Federal Government and one-fourth of the money found by the State—the proportions being 20s. to 15s.—must be expended upon construction work. The balance of the money is to be expended at the direction and will of the Federal Minister.

Hon. C. F. BAXTER: Is that constitutional? I do not think it is.

Hon. J. EWING: I do not know; I have not had an opportunity to look into the point. However, the Federal Minister is supreme. I do not suppose we can convert the Leader of the House and his colleagues on the question of day labour.

Hon. C. F. BAXTER: The Federal Minister objected to it last year.

Hon. J. EWING: But I understand that an agreement has since been made. If that is so, I should like to hear what the arrangement is. The State Government are practically pledged to day labour, and while I recognise that the expenditure of this money will provide a lot of work for the unemployed, we must not lose sight of the fact that it is our duty to conserve the best interests of the State. I congratulate the Minister for Works upon what he has done and the Government upon the progressive policy indicated by this Bill. They have had many difficulties to contend with. I give the Bill my hearty support subject to the objections I have raised. If the money is wisely expended it must aid materially the advancement of the State during the next ten years.

HON. J. E. DODD (South) [4.47]: From the financial aspect this is doubtless a very good proposal for Western Australia. It is another instance of the Federal Government's readiness to deal fairly with the

States in the matter of money grants. At the same time the Bill is open to a great many objections. I do not know of any measure brought forward in recent years that has tended more directly towards unification than does this Bill. We would be ill-advised not to accept the agreement as it stands; at the same time it is well to point out the objectionable features. The Federal Government are insisting that we find £360,000 from revenue. I do not object to that, but I do object to the Commonwealth setting themselves up as dictators as to the amount we shall find. When this Bill comes into operation we shall give up our petrol tax and the Commonwealth will insist upon our finding £360,000 from revenue. That sum is not considerable as compared with the whole amount to be made available for road construction. A wise provision has been made for sinking fund, but the Commonwealth go further and provide that the Federal Minister for Works is to be an absolute dictator as to the money to be raised for the purposes of this Bill. Some time ago we in this House strongly objected to the powers proposed to be given to the State Minister for Works under our Main Roads Bill. As a result a good many of the proposed powers were deleted and we now have a Main Roads Board instead. This Bill proposes to make the Federal Minister for Works an absolute dictator as to how the money is to be expended, on what roads it is to be expended, what proportion is to be expended on construction, and so on. Right through the agreement the Federal Minister is the sole arbiter on questions affecting the expenditure on roads. The Federal Minister will even enter the realm of local government. He can compel the State Government to find half the money for a road that passes through a municipality. I do not say whether the proportion is right or wrong, but it is certainly wrong that the Federal Minister should be put in that position. Another provision is that every road passing through a municipality shall not exceed 20 feet in width except with the approval of the Federal Minister. All particulars of new works have to be submitted to the Federal Minister. Yet the State has to find 15s. for every £1 granted by the Commonwealth. The Federal authorities also insist upon adequate provision being made to maintain the roads to the satisfaction of the Federal Minister. I object to an authority sitting in Melbourne being the authority to decide all those matters. I do

not intend to discuss the merits of contract versus day labour, but I contend that the Federal Government have no right whatever to make such a stipulation in the agreement. Suppose the position were reversed, that we had another party in power in the Commonwealth and in the State, and that the Commonwealth Government insisted upon the observance of day labour, throughout the State there would be an outcry against such dictation. People would ask what right a Commonwealth Labour Government had to insist upon work in this State being constructed by day labour. There is nothing mutual about the agreement, as the Federal Minister for Works is made supreme and the roads policy of this State will be dictated from Melbourne or Canberra. In spite of that, I feel no course is open to us but to agree to the Bill. I shall support the second reading.

**HON. H. STEWART** (South-East) [4.53]: While I feel gratified that such a large sum of money is to be made available to permit of a fixed policy of road development being inaugurated in this State, we must realise what a drain it will be upon our own community. Members who are familiar with the development of the country must feel apprehensive lest the expenditure of such a large sum on the lines laid down in the Bill, may result in an interference with the roads necessary for the opening up of undeveloped areas. The chairman of the Victorian Country Roads Boards two years ago pointed out to me the mistake that had been made there. Victoria at present leads the Commonwealth in the matter of road legislation. First of all a Bill similar to our Main Roads Act was passed providing for the construction of main roads, and the local authority had to meet half the cost of construction and half the cost of maintenance. After the Act had been in operation for some time, it was realised that the first step should have been to legislate for the construction of roads in undeveloped areas, then for developmental roads in partly developed areas, and thirdly for main roads. The first essential in any developing country is to provide for roads in areas being newly opened up. In Victoria this has since been done by providing that the money for undeveloped areas is obtained on much easier terms than the money for the highly developed areas. There is a provision in respect of money expended in undeveloped areas, that the local authority providing for the repay-

ment shall be taxed only two per cent. per annum over a period of 30 years, but in specially undeveloped areas during the first five years no payment of interest on capital is required if the Main Roads Board is of opinion that the burden would be too great for the local authority. For development roads the local authorities are called upon to pay three per cent. per annum on the cost of construction over a period of 30 years, and it rests with the Main Roads Board to determine the contributions, taking into consideration the benefits received, but no local authority is called upon to contribute more than three per cent. or less than one per cent. of the capital outlay. I mention these matters because, from what we know of the previous road grants from the Commonwealth, there is no provision for roads in undeveloped areas. That is an activity in connection with road construction that it would be calamitous to lose sight of. I look upon the second clause of the Bill as the result of the action taken by this Chamber last session when it passed the first stage of the Main Roads Act, which Act provided necessary machinery. The proviso of that clause reads—

Provided that nothing in the said agreement shall affect the operation of Section 30 of the Main Roads Act, 1925.

That gives us, as a State, control of our own domestic affairs in connection with the construction of roads. The power remains in our hands and the work must be carried out as laid down by Parliament in Section 30 of the Main Roads Act. That section gives wide powers to the board and enables the board to allocate to the different local authorities that are benefiting by the construction of main roads, which may not even go through their territory, the quota that they have to contribute in proportion to the benefits received. The scope of last year's Act is not sufficiently wide to deal with trunk roads between important towns, roads referred to in the agreement as second class roads, and arterial roads that carry concentrated traffic. It is only on the recommendation of the board that main roads can be gazetted. Thus, it will be seen that the scope of our existing legislation is not wide. I anticipate it will be necessary for the Government, probably on the advice of the Main Roads Board, to submit amendments to provide a basis of finance in connection with developmental roads and roads in undeveloped areas. I believe that all phases of this question of road construc-

tion can best be dealt with by the Main Roads Board, and Parliament should decide the way in which the different classes of roads should be provided, giving, of course, certain latitude. I am in sympathy with Mr. Dodd's attitude regarding the wide powers given to the Federal Minister. There is no doubt that the feeling of this Chamber last session was that these matters should not be left in the hands of one man. The position as outlined by Mr. Dodd will be safeguarded by the fact that we have created a corporate body—the Main Roads Board. That board has such a status now that if they live up to the responsibilities Parliament has endowed them with, they will have such authority that the Federal Minister will not act on his own. The power of the board will be such that they must have an influence on the Federal Minister and they will be practically the determining factor. The result will be that the State will get that which, in the opinion of the board, is most desirable. If we had not the Main Roads Act on the statute-book in something like its present form, the question would arise as to whether we should allow the Federal authorities to have what might be said to be purely political control. As things are at present, the State position is removed from political control, my impression being that the Schedule will be interpreted by the Main Roads Board. There are one or two matters in connection with the Schedule in regard to which the Minister might enlighten me. Paragraph 3 of the Schedule sets out that of the amount to be provided by the State—£2,880,000—the sum of £360,000 must come from revenue. That gives the State the opportunity to use loan moneys on the work of road construction, and those loan moneys, I take it, would be obtained from the Federal Government. The information that I would like is what amount has been spent annually in connection with roads and bridges construction, say, since the close of the war. If we had that information we should get an idea of what has been spent on that class of work, and an estimate could be formed of what the Main Roads Board will be likely to spend. I would also like the Minister to tell us how much of the annual expenditure since 1919 has been from loan, and how much from revenue. That would be of interest since it would enable us to make comparisons. Whereas the State has to provide £2,880,000 on the basis of 15s. in the pound, it is set

out in paragraph 3 of the Schedule that instalments shall be paid only according to the amount of work carried out. The State may find that it cannot spend the specified amount in the time set out, and consequently under the Schedule it will not be possible to cut the coat according to the cloth. The position may then be that we may find the burden very severe and we would not spend the amount of money provided for in the agreement, and therefore we should only get our proportion accordingly from the Federal Government. In Subclause 3 of Clause 3 we see that of the amount to be found by the State £360,000 shall be provided from revenue, and that at the option of the State the balance may be provided out of current rates expenditure or from revenue or from loan. I think the Minister did give us some information as to how far the Federal Government were prepared to recognise money spent by local authorities in this respect; but I can hardly trust my memory to carry all that the Minister gave us, and so I should like to know whether an effort has been made to induce the Commonwealth to recognise money spent by local authorities, apart from the State's contribution.

The Chief Secretary: We tried, but they would not recognise it.

Hon. H. STEWART: Well, I think we can get at them in another way, for we provide in the Main Roads Act that the Government can spend the money and then recover from the local authorities. So, after all, we may find ourselves in a happy position without any suggestion of sharp practice. It cannot be said that it is the local authorities' money, because the State has borrowed and spent it. I realise that we cannot alter schedules of agreements without vitiating those agreements, but it is difficult to justify the wording in Clause 9 of the agreement, which reads as follows:—

Prior to the submission by the State of any proposals for expenditure of any moneys provided by the Commonwealth and the State in pursuance of this agreement, the State shall submit to the Minister for his approval full particulars of the road to be constructed.

It is difficult to see how any person shall, prior to the submission of any proposals, submit full particulars of roads proposed to be constructed. The reading would be clearer if the words "submission by the State of

any proposals for" were eliminated, leaving the clause reading—

Prior to the expenditure of any moneys provided by the Commonwealth and the State in pursuance of this agreement, the State shall submit to the Minister for his approval full particulars of roads proposed to be constructed.

We must have an initial step, and to say that prior to the submission of any proposals we shall put up proposals showing what the roads are, scarcely reflects credit on the draftsman. Mr. Ewing seemed to be concerned about the position regarding contract work, as though it were not provided for. But Mr. Dodd has drawn attention to the fact that it may be like a boomerang, and that although the clause is in this agreement now, yet in the jumble of politics and the change of parties we might get the opposite state of affairs. In the interests of the proper method of carrying out work with due regard to efficiency and economical administration, it is only right to have Subclause 4 of Clause 9 in the Bill. That provides that contract work shall be done except where the Minister expressly gives permission for execution by day labour. I might point out that of the road construction carried out by the Main Roads Board in Victoria, over 90 per cent. was carried out by contract. Only work of a special class was carried out by day labour. And over 80 per cent. of the work thus carried out was carried out by the local authorities as agents for the Main Roads Board. That method of work is provided for in our own Main Roads Act, and it has the full sympathy of the Minister for Works. Quite recently I saw in the Press that the Minister desired that the local authorities should carry out as much of this work as possible. Listening to the figures read out by the Chief Secretary, I was disappointed to find that, whereas in the first year of expenditure under the Federal road grant a good deal of money was not spent to the best advantage, a large amount of day labour work was done and not much was done by the local authorities, the position has not been very much improved, according to the returns for the subsequent year. I had thought that a great proportion of the work would have been done through the local authorities and by contract. The position may be explicable by the fact that a large proportion of the work was done amongst the group settlements where perhaps machinery was not available to allow of the work being done by the local authorities, and also perhaps experienced men could

not be secured on the spot. It seems to me the Bill stands absolutely on its own, having nothing to do with the Federal Main Roads Development Act of 1923. It is a new measure and, all things considered, I will support it.

On motion by the Chief Secretary, debate adjourned.

## **BILL—VERMIN ACT AMENDMENT.**

### *Second Reading.*

Debate resumed from the previous day.

**HON. E. H. HARRIS** (North-East) [5.26]: I desire to gain a little information from the Leader of the House respecting the change in the collection of the tax. I understand the Taxation Department is now to collect the tax, and I wish to know whether it will make any difference to the boards in their payments for scalps brought to them. At present payment is made by the board secretaries, and I wish to know whether, under the new order of affairs those who bring in scalps will be entitled to collect straightaway or will have to wait until a requisition is sent to Perth before they can get their fees. In outlying centres it will be very difficult for board secretaries to pay the fees on demand, unless due provision be made. The Kalgoorlie Road Board's area extends some 200 miles along the trans-Australian railway, but beyond that point to the boundary of South Australia there is no road board. It is alleged that a syndicate is operating along the trans-Australian railway, collecting an immense number of scalps and bringing them right from the South Australian border, notwithstanding that the Act provides a penalty for the bringing in of scalps from anywhere outside a given area. It is generally known that, following meals, food is thrown out from the trains running on the trans-Australian railway, and that immediately the train has gone by large numbers of dogs come out from the bush in search of that food, and so afford opportunity to the syndicate to collect scalps. It might be worth while to have an investigation made as to where the numerous scalps coming into Kalgoorlie are secured.

**HON. H. STEWART** (South-East) [5.30]: Members who were here last year will recall that this is legislation that had been asked for mainly by those who resided

in vermin-infested districts. The principle was that those engaged in the agricultural industry should ask the Government to tax them, and collect the tax in such a way that everyone in a vermin-infested district should contribute to a fund. This fund was to be administered by representatives of those people and of the Agricultural Department. The advisory board was to consist of one representative of the farmers, one of the pastoralists, and one officer of the Agricultural Department, and they would advise the Minister as to the disposal of the fund. It was understood by the agriculturists, who were approached by the pastoralists, that the contribution for each section of the industry should be practically on a fifty-fifty basis. The pastoralists sought the support of the agriculturists, who have a certain amount of political weight, and who outnumber the pastoralists. When the amending Act was before the House, figures were obtained showing that on the then valuations the pastoralists would be contributing about £10,000 a year and the agriculturists about £28,000 a year.

Hon. E. H. Harris: There is a larger number of them.

Hon. H. STEWART: But they are small men. The pastoralists pay, according to the taxation returns, an average income tax of £400 per man per year. The farmer, however, pays an average income tax of about £17 a year. Although there are more farmers than pastoralists, they are not men who can so well bear increased taxation.

Hon. E. H. Harris: Are there not small pastoralists?

Hon. H. STEWART: Yes, but we have to look at these matters in a broad way, as they affect industry and development. Last year we had information showing that the contributions from the two different sections were not on a basis comparable to the understanding arrived at when negotiations were taking place. We tried to have that position altered. When we get into Committee it will be competent for me or any other member to submit an amendment to one of the clauses of the Bill. In effect, the pastoralists as a whole contribute only about £1 to every £3 contributed by the agriculturists. Since the Act was passed last year the valuing authorities in the Taxation Department have been revaluing properties. There are 16 road boards in the agricultural districts whose areas have been revalued. The valuations have risen from £3,000,000 to £5,500,000. As these revaluations are car-

ried further and the taxes are imposed, the agriculturists will find, on the basis of the new valuations, that they will be contributing within 12 months, if not in the first year of calculation, fully £5 to £1. As the revaluations are completed I think the contrast between the two will be even wider. I cannot allow the Bill to pass without drawing attention to this aspect of the question. The Government are not responsible for the tax, because it was imposed at the instance of the people I have referred to. It would, however, be remiss on my part if I did not draw attention to this aspect of the question. I believe the agriculturists are being called upon to contribute too large a quota. In the amendment passed last session an exemption in the case of holdings of 160 acres was provided. That system of exemption is wrong.

Hon. A. Burvill: No.

Hon. H. STEWART: The exemption should be on the basis of the unimproved value that is taxable. Take an agricultural holding of 1,000 acres of first-class land, valued at, say, 10s. an acre. The unimproved value is £500. On that the agriculturist would be taxed  $\frac{1}{2}$ d. in the pound, representing roughly £1. There may be a holding of 160 acres of good land worth anything between £5 and £50 an acre. At £5 an acre the tax would be 400d., a bigger tax than in the case of a man owning 1,000 acres worth 10s. an acre. The proper system would be to exempt a holding the taxation on which would not be more than, say, half a crown or 5s. Such a small amount would hardly be worth collecting and the owner should be allowed to escape. If a man has 160 acres of valuable land and is engaged in agriculture, why should he be exempt, while a man who lives in a centre where people never see either a dingo, a fox or an eaglehawk has to pay the tax? Half the farmers who will contribute to this fund will never be worried by such vermin.

Hon. E. H. Gray: Surely not half of them!

Hon. H. STEWART: Yes. I wish to voice my protest against the system of exempting areas regardless of their value. If this were based on the unimproved value up to a certain amount, it would relieve the smaller taxpayers who are in the early stages of development. In the circumstances I may have won the support and approval of Mr. Burvill. The second amendment to

the Act in Clause 2 of the Bill provides that all rates recovered under that clause shall be paid to the credit of an account to be kept at the Treasury, and after the payment of the cost of collection, subject to regulations, shall be applied, under the direction of the Minister, in the payment of a uniform bonus for the destruction of dogs, foxes and eaglehawks in the manner that may be prescribed. This fund was asked for by a certain section of the community engaged in the development of the State, for the welfare of their particular industries. They did not ask to be taxed so that the money might go into the Treasury. The proceeds of this tax belong to the agriculturist. It is their fund for the protection of the industry. This is not a definite tax from year to year. The amount may be varied. There is no reason why there should be a surplus. The maximum is  $\frac{1}{2}$ d. in the pound on the unimproved value in the case of agriculturists, and 1d. in the pound on the unimproved value in the case of pastoralists. The tax can be imposed up to these limits in amounts sufficient to raise a fund to pay these bonuses or the expenses necessary for the eradication of these vermin. I hope members will not agree to the proposal, which provides that these funds shall be paid into the Treasury. We should leave the matter as it is. The funds should continue to be paid into an account kept by the Department of Agriculture, where the money will not be lost sight of. The Government have no right to the money by way of relieving their indebtedness. If an amount is not being utilised, the interest accruing on it, apart from cost of collection, should go into the fund. The present position is that—

All rates recovered shall be paid to the credit of an account to be kept at the Department of Agriculture, and subject to regulation shall be applied, under the direction of the Minister, to the payment of such uniform bonuses for the destruction of wild dogs, eaglehawks, and foxes, and such other vermin as may be prescribed.

I shall carefully listen to the Minister's reply, but at present I am of opinion that the money should remain with the Department of Agriculture for disbursement through the various channels as necessary.

Hon. C. F. Baxter: The Treasurer will not be able to use the money for other purposes.

Hon. H. STEWART: I do not see any need for paying the money into the Treasury.

**HON. W. T. GLASHEEN** (South-East) [5.47]: I rise more for the purpose of seeking information regarding the proposed amendments than of contributing to the debate. Clause 3 of the Bill does not seem to me to read correctly. It says—

81a. Whenever a vermin fence or rabbit-proof fence is erected or about to be erected, or a fence is made or is about to be made vermin-proof or rabbit-proof, between the holdings of adjoining owners, the owner or occupier of the land fenced or intended to be fenced, shall at all times have the right to enter upon the land of an adjoining owner or occupier for the purpose of erecting, maintaining, repairing, and renewing such fence.

If the proposed new section is adopted, what is the necessity for the amendment? Perhaps the wording is wrong. Accepting the amendment as necessary, I support it; but I desire some information regarding it. It would be a distinct anomaly if it were possible for any adjoining owner to neglect to erect his portion of a vermin-proof fence. This amendment gives the owner erecting the fence power to prevent an adjoining owner from escaping his liability. The provision is necessary, but where an owner has to erect a fence or maintain one, what is his legal position as to cost of erection, maintenance, or repair? Has he power to enforce payment? If not, the other owner would be disposed to let him erect the fence and bear the cost. I am thoroughly in accord with Mr. Stewart's remarks on the 160-acres exemption provided for last session. It is quite possible for the 160 acres to have a special value, far in excess of the value of a larger holding. Further, it is quite possible for the exempted 160 acres in a particular district to constitute, perhaps because of its geological setting, a breeding ground sufficient to populate the whole of the surrounding country with foxes or dingoes. Seeing that the owner of the 160 acres is exempted from the operation of the Act, he might possibly make an industry of a proclaimed pest for the sake of the value of the fur.

Hon. G. W. Miles: Then he would come under the vermin provisions of the Road Districts Act.

Hon. W. T. GLASHEEN: If we are protected under another Act, it is all right; but we shall not be protected under this measure. I draw attention to another anomaly. Under an amendment enacted last session, any person who was good enough to erect a vermin-proof fence around his holding, regardless of area or locality, became ex-

empt from any tax. Now, we have declared such things as eaglehawks to be vermin; and certainly no vermin-proof fence can possibly shut out hawks, crows, or sparrows. Thus the exemption in question becomes an anomaly. I mention these matters as indicating the need for considering still further amendments.

Hon. A. Burvill: Some of those exempted owners are taxed by road boards.

Hon. W. T. GLASHEEN: A lot of sentimental nonsense is talked about the protection of kangaroos. At this stage of our colonisation or civilisation it is quite unnecessary to consider the possibility of the final extermination of the kangaroo, seeing that we have thousands of miles of unoccupied territory. From practical experience I can say that the havoc and destruction wrought in wheat crops and also in grass by kangaroos are greater than the damage done by any other pest.

Hon. G. W. Miles: The Minister can declare kangaroos vermin in special districts.

Hon. W. T. GLASHEEN: In my district kangaroos are not only exempt, but also protected. We are not allowed to destroy them. If a settler kills half a dozen brush, which are not protected, and tries to sell the skins, the taxpayer calls upon him. I hope these other anomalies will receive consideration at the present opportunity.

On motion by the Chief Secretary, debate adjourned.

## BILL—SHIPPING ORDINANCE AMENDMENT.

### *Second Reading.*

Debate resumed from the previous day.

**HON. J. EWING** (South-West) [5.57]: I did not hear the Honorary Minister's speech in moving the second reading. However, the Bill proposes to delete the proviso that "no master or commander of any ship or vessel shall be liable to fine for any breach of rules or regulations unless a copy of same has been previously delivered to him or left on board his ship." I would like the Honorary Minister to explain what the Bill is intended to do, and whether under it the master or commander is to receive any notice whatever. Doubtless notice is given through the "Government Gazette," but the master might be miles out at sea when the "Gazette" is published.



**HON. H. STEWART** (South-East) [5.58]: Following up the observations made by Mr. Ewing, I wish to point out that it is remarkable that an ordinance which has been in operation since 1855, should now suddenly be found to require amendment. It would be interesting, if nothing else, to learn why it is considered necessary to delete the provision in question.

**Hon. J. Ewing**: We do not want to do an injustice.

**Hon. H. STEWART**: Various little matters that have come up in this Chamber suggest that in the making of this seemingly slight alteration we may be going too far. I do not know what the position is.

**Hon. E. H. Gray**: The Honorary Minister made a full explanation.

**Hon. H. STEWART**: I do not wish to take up the time of the House further, but I should like a statement as to the purpose of the Bill.

**THE CHIEF SECRETARY** (Hon. J. M. Drew—Central) [6.0]: I have not given any particular study to the matter but I heard the Honorary Minister explain the position. On reference to the ordinance of 1855, I find it is very clear. I know a good deal about it from personal knowledge. The position is that, no matter what breach of the regulations may be committed in the harbour at Fremantle, or on the river, it is impossible to secure a conviction unless the Crown is able to prove that the master or owner of the boat concerned has been furnished previously with a copy of the regulations. The ordinance was passed in 1855 and I do not think there has been any prosecution under it to date.

**Hon. H. Stewart**: This amendment has been a long time coming forward.

**THE CHIEF SECRETARY**: It is impracticable to supply everyone who makes use of the river for boating purposes with a copy of the regulations. It might just as well be urged that every member of the community should be provided with a copy of the Criminal Code, failing which no prosecution for any offence could succeed.

Question put and passed.

Bill read a second time.

*In Committee.*

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

Clause 1—agreed to.

Clause 2—Amendment of Section 3:

**Hon. J. EWING**: The Minister's explanation was very clear but there must be a number of cases requiring attention. What is the necessity for pushing on with this matter at the present stage?

**The Chief Secretary**: There has been no prosecution.

**Hon. J. EWING**: Are there likely to be serious breaches?

**The Chief Secretary**: Yes, but there may be minor offences and prosecutions should take place.

**Hon. J. EWING**: The proposal does not seem to be fair.

**THE CHIEF SECRETARY**: The necessity for the provision outlined in the Bill applies not only to the harbour but to the river. Many offences are committed but it is useless to prosecute offenders unless we can prove they have been furnished with copies of the ordinance.

**Hon. E. H. Gray**: It is necessary to cope with the young bloods on yachts on the river.

**Hon. J. EWING**: With the altered conditions, this may adversely affect some people and we should know whether an injustice is likely to result. The Minister should report progress and look into the question further.

**Hon. E. H. Harris**: You do not wish to defend lawbreakers?

**Hon. J. EWING**: Of course I don't. The Bill asks us to amend an enactment that has worked satisfactorily since 1855 and we should know something more about it.

**Hon. C. F. Baxter**: But it has not worked at all.

**Hon. J. EWING**: I do not see the necessity for such haste now.

**THE CHIEF SECRETARY**: I can see no justification for further delay. The original ordinance of 1855 reads as follows:—

That in case any person being the master or in command of any ship or vessel, or being a harbour master, or being duly licensed to act as a pilot in any of the said ports or harbours, shall in any case violate or neglect to observe any such rules and regulations so promulgated as aforesaid, every person so offending shall, for every such offence, forfeit and pay any sum not exceeding £20 sterling: Provided that no master or commander of any ship or vessel shall be liable to a fine for any breach of such

rules and regulations, unless a copy thereof shall have been previously delivered to him or left on board his ship or vessel.

Masters of ships entering the harbour will not be affected because they provide themselves, through their agents, with copies of the regulations. The position is quite different regarding the river. Hundreds of people use boats on the river and they would be covered by this particular proviso.

Hon. G. W. MILES: The amendment sought in the Bill should have been introduced long ago. The people affected should be placed in the same position as every other member of the community, all of whom are supposed to know the laws of the country. What would be the position if a similar proviso applied to prosecutions under the Traffic Act? So far from the legislation being rushed, it has been altogether too long delayed.

Hon. J. Ewing: There have not been prosecutions in the past.

Hon. G. W. MILES: Because they could not be undertaken. If the hon. member had had any experience of sailing on the river, he would realise the necessity for this provision.

Hon. H. A. STEPHENSON: I support the clause, which is long overdue. Anybody with experience of the river must recognise the necessity for it. Things happen on the river Sunday after Sunday that should not be allowed to occur, yet the offenders cannot be dealt with. The amendment will overcome that difficulty.

Hon. H. STEWART: I agree that the amendment is long overdue, although I am surprised to think that the proviso has been a sufficient protection for offenders in the past. If the ordinance as it stands has prevented prosecutions in the past, the amendment is necessary.

Hon. J. EWING: In order to deal with offences that may occur on the river, it is apparently the intention of the Government to pass an amendment that may also affect adversely masters of vessels using the Fremantle harbour. Further consideration should be given to the matter.

Clause put and passed.

Title—agreed to.

Bill reported without amendment and the report adopted.

## BILL—HERDSMAN'S LAKE DRAINAGE ACT REPEAL.

### *Second Reading.*

Debate resumed from the previous day.

HON H. A. STEPHENSON (Metropolitan-Suburban) [6.12]: It is not my intention to take up much time regarding the Bill, the object of which is to repeal the Herdsman's Lake Drainage Act of 1920. The purpose of the repeal is to enable increased rates to be secured in connection with the Herdsman's Lake drainage scheme. Hon. members find themselves somewhat in the dark as to what is intended, because no drainage district has been defined. We do not know what area will be included in any such drainage district, or how it will affect the settlers concerned. There are several swamps in the vicinity of Herdsman's Lake, and many years ago the Osborne Park estate, then owned by the Town Properties of W.A. Ltd. was sold to the Government, who in turn disposed of blocks to various settlers. One of the conditions of sale was that the settlers were to be allowed to drain their swamp into Herdsman's Lake for all time. It was thought that the water in Herdsman's Lake would drain away but subsequently it was discovered that the water remained in the lake. Thus, the land was useless unless the water were drained into the sea. Part of the area was reclaimed, and this took in the settlers who had bought their properties under the conditions I have referred to. It is possible that they may have to pay a higher rate. If that be so, it will represent a great injustice and it is on their behalf that I ask the Leader of the House whether those people will be included in the drainage district. I saw a copy of their agreement to-day and it clearly sets out that the settlers shall have the right to drain their swamp into Herdsman's Lake for all time. In those circumstances it would be unfair to include them in the drainage area and compel them to pay rates up to 5s. an acre. I trust the Leader of the House will ascertain whether it is the intention of the Government to have the drainage district proclaimed at once.

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

Hon. H. A. STEPHENSON: I was referring to the settlers on what was known as Yambago Swamp. That is a fairly large area and I understand that about 100 settlers

bought land there. I realise that it is necessary to repeal the present Act to enable the Government to finalise the Herdsman's Lake scheme, but I hope that the interests of the settlers I have mentioned will be protected.

Hon. E. H. Gray: The value of their property will be increased by the drainage.

Hon. H. A. STEPHENSON: I am pleased that the Herdsman's Lake drainage scheme has been completed. A good many people thought the land would not prove to be anything like so good as was expected. Some people said there was only 5 feet or 6 feet of soil on a substratum of rock, but I have it on good authority that the reclaimed land is of excellent quality, capable of growing almost anything. One of my constituents informed me that just off the north-east corner of the lake he has grown maize 13 feet high and potatoes up to 15 tons to the acre. I hope the Government will get to work and dispose of the land. The summer is at hand, and I understand the greater part of the land is overgrown with weeds that will take some clearing. The sooner the land is sold the better it will be for the State, because the interest on the cost of the drainage work is still going on. The original estimate of the scheme was between £30,000 and £40,000, but the actual cost has been £105,000. Still it is satisfactory to know that the reclaimed land is of exceptional quality.

Hon. G. W. Miles: What area is there?

Hon. H. A. STEPHENSON: Over 1,000 acres. I support the second reading and hope the Minister will give the information for which I have asked.

**HON. SIR WILLIAM LATELAIN** (Metropolitan-Suburban) [7.34]: I desire to emphasise the point raised by Mr. Stephenson regarding the settlers who have a right to the drainage into Herdsman's Lake. I feel that more information should be given to the House as to what the Government propose to do with the land. It is quite true that Herdsman's Lake was drained in the first place without very much thought of the general surroundings. It was drained with the idea that the land would be sold immediately for the purposes of cultivation. But there may be other people in the district who have claims similar to those mentioned by Mr. Stephenson in behalf of the settlers at Osborne Park. The people whose holdings have been benefited by the drainage should pay in proportion to the benefit re-

ceived, but there may be other people who have not gained anything by the scheme and who therefore should not be compelled to pay more than they do at present under the ordinary metropolitan rate. I support the Bill, and hope the Minister will give more information on the point raised by Mr. Stephenson.

On motion by the Chief Secretary, debate adjourned.

## **BILLS (2)—FIRST READING.**

1, Coal Mines Regulation Act Amendment.

2, Wyalcatehem Rates Validation.

Received from the Assembly.

## **BILL—TRUST FUNDS INVESTMENT ACT AMENDMENT.**

*Second Reading.*

Debate resumed from the previous day.

**HON. H. SEDDON** (North-East) [7.40]: The amendment proposed in this Bill is to delete the provisos to Section 2 of the Act passed in 1924, which was designed to enable road boards to raise money by debentures. The idea of adding the provisos was to ensure that the persons making advances should be protected. It was pointed out at the time that many of the road boards had suffered a depletion of population, and it was felt that the securities were not sufficient in all instances to provide for the investment of trust funds. I understand that this has operated adversely to certain road boards endeavouring to raise funds, and for that reason I am prepared to fall in with the suggestion that the provisos should be deleted.

**HON. SIR WILLIAM LATELAIN** (Metropolitan-Suburban) [7.41]: It has been pointed out to me that the provisos are operating adversely to certain road boards. Under the Act it is necessary that 75 per cent. of the ratepayers shall have paid all the rates due by them. In South Perth, I am informed that 74½ per cent. of the ratepayers had complied with this provision, but because the board were not able to collect the other half per cent. in the specified time, they were prohibited from borrowing the funds they otherwise would have obtained. I support the Bill.

**HON. H. STEWART** (South-East) [7.42]: It is rather a drastic proceeding to wipe out the two provisos, which were deemed advisable only two years ago. The second proviso does not seem to be important. It really stipulates that the road board shall be progressive, showing an average increase of at least 1 per cent. per annum in the annual rateable value. That is a trivial increase in most districts, but we know that the decline of mining has caused some road boards to be retrogressive. In time they may build up their districts by increasing their areas, or by reason of the development of the pastoral industry. To wipe out the 75 per cent. requirement without inserting some qualifying figure, however, is a questionable act. It would be wiser for the Government to suggest an amendment of the first proviso by reducing the 75 per cent. of ratepayers to a percentage that would meet general requirements and secure the position desired when the measure of 1924 was passed.

**HON. H. A. STEPHENSON** (Metropolitan-Suburban) [7.45]: The amendment is very necessary and in giving it my support I am guided by results. So far as my memory serves me, in this State and in another State where for many years I was connected with road boards, I do not remember any road board going into liquidation. That should be a sufficient guide.

**THE CHIEF SECRETARY** (Hon. J. M. Drew—Central—in reply) [7.46]: I cannot understand why Mr. Stewart insists that a road board should come under this restriction whilst municipalities are exempt. There is no such restriction on municipalities. It may be almost a bankrupt municipality, but still, if there is anyone prepared to lend money to that municipality, there can be no legal objection. I can supply the hon. member with a list of road boards in this State, some in his own district, that would be unable to borrow trust funds under the existing law. One of the most flourishing road boards in the State was unable to borrow money on account of absentees who did not pay their rates, not on account of local people. That board was unable to float a loan because of the existing restriction, inserted with the best of intentions by an hon. member of this House. It seems all right on paper, but in practice it is very objectionable and it has caused no end of trouble. I need only instance South Perth,

but I could give a long list of other road boards that would be disqualified to-morrow if they endeavoured to raise money per medium of trust funds. This Bill does not say that anyone with trust funds shall be obliged to lend trust funds, but if the security is good, the money may be lent; there is nothing compulsory. The trustees will carefully examine the security before making the loan.

Question put and passed.

Bill read a second time.

#### *In Committee.*

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

### **BILL—KALGOORLIE AND BOULDER RACING CLUBS ACT AMENDMENT.**

#### *Second Reading.*

**THE CHIEF SECRETARY** (Hon. J. M. Drew—Central) [7.50] in moving the second reading said: This Bill has been introduced at the request of the Boulder Racing Club. That club carries on its operations under a special Act which gives it power to borrow up to £10,000, but the club is restricted as to the class of security it shall offer. It is restricted to lands and buildings and improvements on the racecourse, and the money borrowed must be used for the purpose of erecting buildings, planting trees and improving the racecourse. Difficulties of finance have presented themselves to the club during recent years, and they desire power to borrow money for the purpose of maintaining and controlling their racecourse, providing stakes or prize money, or other incidental purposes. For some time past they have been borrowing money for this purpose without giving any security. It is unreasonable to ask anyone to lend money in such circumstances. The intention of the club is to secure temporary advances from persons willing to make those advances to ensure that funds shall be forthcoming to meet the liability involved in any programme of racing that may be drawn up; in other words, a temporary overdraft. It may be that while one meeting may be profitable, another may not, so that the club likes to feel that it is on safe ground in the preparation of its programmes. I move—

That the Bill be now read a second time.

On motion by Hon. E. H. Harris, debate adjourned.

## BILL—PLANT DISEASES ACT AMENDMENT.

### *Second Reading.*

**THE CHIEF SECRETARY** (Hon. J. M. Drew—Central) [7.53] in moving the second reading said: The amendment to the Plant Diseases Act which was passed last session has proved of material assistance to the officers of the fruit branch of the Agricultural Department in their endeavour to combat and control the fruit-fly pest, particularly in the metropolitan area. In practice it has been found that that amendment does not give sufficient power, hence the Government decided to introduce the present Bill. It is proposed to add an additional clause to Section 8a. This amendment will enable an inspector to take more effective action in the direction of ridding an orchard of fruit fly. The provision is considered to be absolutely essential, because inspectors found, during campaigns conducted by them last year, that small week-end properties and backyards in the metropolitan area contained fruit trees on which the fruit fly was thriving. These premises were mostly unoccupied at the time of the visit of the inspectors, and in some cases were unoccupied for days at a time. There were instances where the owners could not be immediately traced. The inspectors took steps to clean the properties, though they did not really have the power to do so, and having cleaned them, they were unable, under the existing Act, to effectively take steps to recover the cost. The amendment proposes that a subsection be added to Subsection 8a of the Plant Diseases Act, 1914. 25 as follows:—

Whenever an inspector shall discover that a breach of this section has been committed he may take or cause to be taken all or any of the steps and adopt all or any of the measures aforesaid, and may also take and adopt any other step or measure which is authorised by the regulations, and the expenses of or incidental to any action taken by an inspector hereunder shall be recoverable from the person guilty of the breach.

Members are aware that the fruit fly has caused a tremendous amount of loss to fruit-growers and it is believed that the pest has assumed its present proportions largely because of the owners of non-commercial orchards not taking the necessary steps to deal with it. During the coming season it is intended to again conduct a vigorous campaign, and as I previously pointed out, it is necessary that the inspectors should have

additional power. During the past season it was found necessary to prosecute no fewer than 65 fruit-growers for not keeping their premises free from fruit fly, and in nearly every instance the delinquents were owners of what are known as backyard orchards. I move—

That the Bill be now read a second time.

**HON. H. STEWART** (South-East) [7.57]: Whilst congratulating the Government on having brought forward this amendment, I wish to make a suggestion, and it is that more comprehensive action might be taken in order to avoid the necessity of again submitting amending legislation in the event of a pest other than fruit fly making its appearance, say in vineyards. The Bill simply makes provision for combating the fruit-fly pest. I suggest that it might be advisable, if not at the present time, then at some future period, to provide for dealing with pests other than those that occur in orchards. I am sure that Sir William Lathlain, Mr. Kempton and Mr. Glasheen, as old Victorians, will recollect the outbreak of phylloxera in the vineyards of Victoria, and will agree with me that the amendment proposed in the Bill is very restricted. If not this session, then in the immediate future the provision should be extended to include, not only orchards, but vineyards and areas of fruit crops. At any time some new and disastrous pest may come along, when drastic steps will be required to combat it. I put that suggestion forward.

On motion by Hon. E. H. Gray, debate adjourned.

## BILL—GOVERNMENT SAVINGS BANK ACT AMENDMENT.

### *Second Reading.*

**THE CHIEF SECRETARY** (Hon. J. M. Drew—Central) [8.1] in moving the second reading said: In this Bill only a few amendments of the Government Savings Bank Act are proposed, but they will have an important effect in promoting the development of the bank and so enlarging its usefulness to the people. The bank was established as far back as 1863. It has grown with the State and has been an immense factor in assisting the State's progress. Always beneficent in its function, promoting thrift, fostering the saving habit, guiding as well as serving the people, it has

grown from small things into a great institution. Despite severe competition, it has continued to advance. During the year ended 30th June last the bank cash turnover totalled £10,799,059 1s. 6d., being deposits £5,525,481 19s. 9d., and withdrawals £5,273,577 1s. 9d. The number of accounts opened exceeded the number of accounts closed by 10,135; the interest credited to depositors amounted to £204,803 12s. 9d. and the balance to the credit of depositors increased from £5,971,286 6s. 1d. to £6,427,994 17s. 0d. It now exceeds £6,500,000. Including inter-office transfers, deposit and withdrawal transactions numbered 1,331,645 or an average of nearly 4,500 transactions per working day. At the 30th June the bank had 21 bookkeeping branches at which depositors' accounts are kept, 265 agencies at which deposits are received and withdrawals paid out, and 661 deposit-receiving schools. For all customers who live in isolated places where no bank or agency exists, facilities for banking by post are provided. What is known as out-back outfits have been supplied. Such an outfit consists of deposit and withdrawal forms, with butts on which details of each transaction are recorded. Directions are given as to the procedure to be adopted, and the bank bears the cost of remittances, both of deposits and of withdrawals. Home savings boxes of neat design are supplied by the bank at an initial cost of 6d. to the customer. The box when filled is taken to the bank, opened, and its contents placed to the credit of the customer's account. A new box is then issued to the customer free of cost. Let me revert to the school or penny savings bank conducted by the bank. The object of the school savings bank is of course the encouragement of the saving habit in the young. It may not be generally known, and it is worth placing on record that ours was the first savings bank in Australia to establish a school savings bank. It has been a wonderful success. As I previously mentioned, operations are conducted at 661 State schools. Deposits are received by the teachers, who do this work gratuitously and enthusiastically. By encouraging frugality, the teachers are developing in the characters of the young people a quality that will help to make them temperate, useful and successful citizens. The State, as well as the children, owe a debt of gratitude to the teachers for the interest they take in this work. The amount to the credit of youthful depositors

in the bank's books is £83,690 8s. 4d., while the accounts open number 47,733. Let me make a comparison between the position in that respect in Western Australia and in the other States. School banks controlled by savings banks in Australia as at the 31st March, 1926, were as follows:—In Western Australia the school banks were inaugurated in 1907, the number of such banks at the close of that year being 670. In 1908 South Australia established school banks, and during that year their number was 832. Victoria started in 1912 and ended up that year with 1,637 school banks. New South Wales did not start until 1925, and the number of school banks there to-day is 765. As to the number of accounts in such banks, Western Australia in 1907 had 46,312, South Australia in 1908, her inaugural year, had 46,144, Victoria in 1912 had 99,916, and New South Wales in 1925 had 58,356. So it will be seen that Western Australia in respect of school banks takes a foremost place amongst the States, having regard to population. What I have said should impress members with the recognition of the place the Government Savings Bank occupies in the life of the people of the State. The folder pamphlet I have had circulated contains further information regarding the services the bank renders to depositors. As to the bank's value to the State, I may mention that the amount of savings bank funds invested in State securities as at the 30th June last was £5,661,233. Of that £51,377 is in municipal and road board debentures and £25,790 in mortgages on freehold homes. The profits of the bank are transferred to Consolidated Revenue from time to time, and in this respect the State has benefited to the extent of £144,800 during the past 10 years. In the Bill it is proposed to alter the name of the bank from the Government Savings Bank to the State Savings Bank of Western Australia. In this we are following the example of Victoria, where the name of the bank was altered from the Savings Bank of Victoria to the State Savings Bank of Victoria. The change is desirable, for it will emphasise State ownership and control. In Clause 3 of the Bill it is proposed to repeal Section 10 of the Act. It should be noted that the proposal merely removes the restriction as to the amount that may be deposited; it does not mean that interest will be paid by the bank on an unlimited amount. Section 16 of the principal Act remains unaltered. Under that section the amount on which

interest shall be paid will be prescribed by the Governor from time to time. The Governor may prescribe that a certain rate of interest shall be paid on a stated amount, and a lower rate of interest on deposits exceeding that sum up to a further limited amount, when the interest may be lower still. The Commonwealth Savings Bank now pays  $3\frac{1}{2}$  per cent. on deposits up to £1,000 and 3 per cent. on any amount in excess of £1,000 up to £1,300, but no interest at all on deposits in excess of that amount. We seek power under the Bill to work on similar lines.

Hon. G. W. Miles: Do you propose to pay the same rate of interest as the Commonwealth Savings Bank pays?

The CHIEF SECRETARY: That will be prescribed by regulation. Another important amendment is contained in Clause 5 of the Bill, in which power is sought to purchase land and buildings. Members on giving the matter full consideration will realise that that power is very necessary. It is most desirable that the bank should be in a position to acquire suitable premises in which to conduct its operations. At present the bank is paying rent for its head office and country branches, and not in one case can the premises be described as suitable. That is the information supplied to me by the savings bank authorities. At such important places as Albany, Collie, Geraldton and Subiaco the accommodation is found merely in shops. In Perth it is not much better. Distinctive savings bank premises erected in the city and principal towns of the State would, in the opinion of the authorities, enormously improve the status of the bank and its business, as well as add a certain amount of dignity to the towns concerned. Provision would, as a matter of course, be made for repairs and depreciation of buildings by annual charges against the profits of the bank. The scale of such charges would be fixed by regulation; it is not necessary to make any such provision in the Bill. The other proposed amendment is purely formal, involving no change in the law. The Administration Act, as amended some time ago, overrides the statutes of distribution in certain directions. The proposed amendments bring the Savings Bank Act into line with the law, and provide that the manager shall distribute the intestate deceased depositor's balance in accordance with the Administration Act, 1903, or the statutes of distribution. I will quote an example. An unmarried person

with less than £100 in the savings bank dies intestate, leaving a mother and father surviving him. Under the statutes of distribution, which alone are mentioned in the principal Act, the father would be entitled to the whole amount, but under the amended Administration Act the father and mother would share equally. I move—

That the Bill be now read a second time.

HON. SIR WILLIAM LATHLAIN (Metropolitan-Suburban) [8.17]: I congratulate the Premier upon having brought this Bill forward. For more than 10 years, in my capacity as a citizen, I have drawn the attention of various Treasurers to the inadequate provision for our savings banks. Only recently I noticed that the name given to the State Savings Bank in Hay-street was "The Government Savings Bank." Many people wonder whether this refers to the State or Federal Government. The Bill is a step in the right direction. It is the duty not only of members of Parliament but of every citizen to do everything possible to encourage the depositing of money with our State Savings Bank. I have been twitted with being rather keen with regard to the Commonwealth. On this question, however, I hold the view that every shilling we can get into our own savings bank the better. There have been times in the history of the State when money, that has been lying in the savings bank, has been of great benefit to the Government. The school deposit fund is also an exceedingly wise provision, and I hope that this fund will grow as the years go on. I approve of power being given to the bank to spend money in the erection of suitable buildings. A man who deposits money in a bank likes to feel that he has a proprietary interest in the building, but he cannot very well feel proud when he enters any of the premises belonging to the State Savings Bank. The Victorian Government during the last few years have been straining every nerve to induce as many people as possible to patronise their savings bank. In the windows of those institutions they state that all deposits are guaranteed by the State Government. In every way possible they emphasise the claim of the institution to public support. Some time ago a large and handsome building was erected in Elizabeth-street, Melbourne, at a cost of about £150,000. Quite recently the Victorian Government purchased the Champion Hotel, which has been an hotel since about 1853, at the corner of Flinders lane. A magnificent

edifice has now been erected there with the object of getting the custom of all the depositors who come from the Flinders-street station. During the past 12 months they have erected at the corner of Collins and Spencer-streets another large and palatial building in order to attract the custom of all depositors who come from the Footscray and Williamstown lines. I congratulate the State Government upon the step they are now taking. They have done more to bring their savings banks under the notice of the public during the past few months than has been done by anyone for many years. I have pleasure in supporting the Bill.

**HON. J. EWING (South-West) [8.22]:** I was pleased to hear the remarks of the Chief Secretary, and congratulate the Government upon bringing down this Bill. When I was in the Eastern States some 12 months ago I met Sir William Lathlain and what he said to me on the subject greatly impressed me. Wherever one went in Melbourne one could see palatial State savings bank buildings. The same thing was evident in Sydney and other parts of the Commonwealth. It is a standing disgrace to this State that it should have to conduct its savings bank business in premises that are wholly inadequate for the purpose. One of our great grievances against the Federal Government is that they have entered into the realms of that business. They have taken away at least one-third of our depositors. The effect of this has been disastrous. There was no necessity for the invasion, and it is one of the grievances we have against Federation. Every effort should be made to emphasise the absurdity of the position, and the unfairness that has arisen to the State. Sir William Lathlain pointed out what was being done in Victoria in the endeavour to get back some of the lost business. If we are to be regarded as integral parts of the Commonwealth, and our progress is to be essential to the progress of the Commonwealth, why do the Federal Government act in this way? I understand from the Minister that £5,661,233 of State Savings Bank money is invested in sound securities. This money has been spent in developing the country, but we should have had a great deal more if it had not been for the interference of the Federal authorities.

**Hon. J. Cornell:** Why whip a dead horse?

**Hon. J. EWING:** I am not doing so. We ought to be in a position to manage our

savings bank business without interference from the Commonwealth.

**Hon. G. W. Miles:** Why not pay the same rate of interest as the Commonwealth?

**Hon. J. EWING:** The hon. member is quite right. The Minister stated that this question had not yet been determined. In Perth itself we can see the class of premises in which the savings bank business is being conducted. The Commonwealth have their own premises, and have taken over all the post offices in the country. Apparently only some local storekeeper's establishment has been good enough for the State Savings Bank. If our savings bank business is to be managed properly, the offices must be suitably housed, and everything possible must be done to get back the money and the depositors that have been taken from us by the Federal authorities.

**Hon. H. Seddon:** And we should pay a decent rate of interest.

**Hon. E. H. Harris:** In South Australia it is 4 per cent.

**Hon. J. EWING:** Let us give that here. I was glad to hear the Minister's remarks about the State Schools Savings Bank, which has been in existence for about 10 or 15 years. It is wonderful to see how much money the children are putting into the bank. I commend the Minister for encouraging this system, and also the teachers who are good enough to interest themselves in the matter. The figures are astounding, and show that the children are being taught to be thrifty, careful and saving. It is an excellent thing to inculcate into a child's mind sound principles of that sort. The Bill has my hearty support. I hope the Government will take steps with a view to improving the position that at present appertains in this matter between the Commonwealth and the State. A proposition was put up to the State Government not long ago, but was not accepted. Surely we can do something to get the use of our own money from our own people for the purpose of developing our own country.

**HON. J. NICHOLSON (Metropolitan) [8.30]:** There can be only one opinion among hon. members with regard to this Bill—that it deserves hearty support. The measure seeks merely to do what necessity compels us to do. It brings up to date a name which was the result of the need to which hon. members have referred, a need created by the advent of the Commonwealth



Government into the savings bank business in this State. That advent created confusion in the minds of depositors and the general public. Thus it has become necessary to establish some difference in name between the Commonwealth and the State Savings Banks. Formerly there was only one savings bank in the State, and that was known as the Government Savings Bank. I agree with Mr. Ewing that there should be only one savings bank here now. A league exists here for the purpose of asking the people of Western Australia to support local industries, and if there is one local industry which should be supported rather than another, it is the State Savings Bank. I hope that this Bill, coming under the notice of the public, will cause them to recognise the necessity for according the State Savings Bank that full measure of support which it deserves. By assisting the State Savings Bank we help forward the industries of the State.

**HON. J. CORNELL** (South) [8.35]: I commend the introduction of this measure. It is said that retribution is certain though tardy, and the same can be said of recognition. Ages ago our bank should have been called the State Savings Bank. The term "Government" is not as applicable to such an institution as "State" is.

**Hon. J. Nicholson**: But we have only become a State since Federation; prior to Federation we were a colony.

**Hon. J. CORNELL**: We were a sovereign State before Federation. As to the proposal to build, I do not know whether to condemn the present Government, or past Governments, or the sanitary inspectors of the City of Perth, because undoubtedly the premises in which the employees of the State Savings Bank are asked to work cannot be regarded as hygienic. Moreover, they are a poor advertisement for the State. The State Savings Bank building should be such as to attract attention and inspire confidence. Let us take a lesson from other countries, and build for the future instead of the immediate present. The amendment permitting of deposits beyond the present statutory limit of £1,000 is wise. Why should not a man desiring to put £10,000 into the State Savings Bank be permitted to do so? On the question of Commonwealth and State Savings Banks, it strikes me that some of the arguments used in this House and outside it would almost lead one to regard the Commonwealth as a foreign power. Surely Western Australians are just as much citizens of

the Commonwealth as they are of Western Australia itself. The Federal Constitution gives the Commonwealth power to establish savings banks, and the Commonwealth has used that power.

**Hon. J. Ewing**: The power ought not to have been used.

**Hon. J. CORNELL**: As a result, there are two institutions of the same kind functioning in one field. I admit that one institution would be sufficient. However, the choice between the institutions remains with the people. Mr. Miles mentioned by way of interjection that the Commonwealth pays half per cent. more interest than the State.

**Hon. J. Ewing**: That is not right.

**Hon. J. CORNELL**: It is all right for the depositor.

**Hon. J. Ewing**: The Commonwealth drags our business from us by that means.

**Hon. J. CORNELL**: The State should be prepared to offer the same rate of interest as the Commonwealth pays. I hope our Government will go after the business, if necessary by paying a higher rate of interest. However, they need not do so in a suicidal fashion. In any case, the Commonwealth does not do anything by way of charity. It would be infinitely better to have only one savings bank operating in the State, but to go out after the Commonwealth with a gun in one hand and an axe in the other is not the way to arrive at reason and amity. Reverting to the question of building, the State should be a model employer not only as regards payment, but also as regards housing and other conditions. In that way the State will get better service and better satisfaction.

**Hon. H. Seddon**: And better business.

**Hon. J. CORNELL**: Yes, and promptitude and despatch for the public. I marvel at the good work which has been done by the State Savings Bank employees under disadvantageous conditions. Another point I wish to stress is that in this State we do not appear to know the value of advertising to obtain business. There is a small effort now to advertise the State Savings Bank. The manager ought to be asked to go after the business. If he is weighed in the balance and found wanting, we ought to get another manager. Still, he cannot go after the business while the balance of interest is in favour of the Commonwealth. The first thing to be done by the Government is to raise the rate of interest to 4 per cent.

**HON. H. SEDDON** (North-East) [8.41]: I heartily support the suggestion to raise the rate of interest, and may mention that I made the same suggestion on a previous occasion. Had the State Government been alive to the situation and raised the rate of interest when the Commonwealth entered the field, it would have been a means of keeping the Federal institution out. Another point is that Western Australia, like every other State, is anxious to secure cheap loan money. In the Old Country an attempt is made to induce the small savings bank investor upon reaching a certain amount to transfer his money to Consols. Here a depositor with £100, say, might be urged to place the money in Treasury bonds at 5 per cent. The result would be beneficial to the depositor and to the whole State.

Hon. J. Ewing: Then he would not be able to draw the money so readily.

Hon. H. SEDDON: That would be a good thing for him. However, Treasury bonds are readily marketable, and are usually for short terms. We must bear in mind the enormous amount of money raised during the war by encouraging the small man to buy bonds. In that way thrift is encouraged, and such a system will be all to the good for the training of younger people. I have much pleasure in supporting the second reading, and I hope the Government will be able to meet the wishes of the House in regard to raising the rate of interest and erecting modern premises for the institution.

**HON. W. J. MANN** (South-West) [8.43]: I too wish to congratulate the Government on having brought forward this measure. The speeches of Mr. Cornell and other members have suggested to me the advantages which would undoubtedly accrue if the State Savings Bank authorities embarked upon a comprehensive publicity campaign. I am supported in this view by the fact that for the past five years the Commonwealth Savings Bank have been advertising in practically every country newspaper throughout Australia. Latterly the advertisement has been appearing in alternate weeks, but for four years it was appearing weekly. The publicity scheme of the Commonwealth Government has amply repaid them. Reference has been made to the Victorian State Savings Bank. Almost every Victorian publication of moment will be found to contain an advertisement ranging from a half-page to six-inch double column, boosting the State Savings Bank.

That has been found an advantage there, and I am sure it would be found an advantage here. The people of the State are in duty bound to conserve our money for our own use, and that end can be mostly readily attained by depositing in the State Savings Bank. With a view to making the business worth while, the State should certainly be able to pay 4 per cent. At that rate the money would be cheaper than any money that can be borrowed elsewhere. I have yet to learn that the State can borrow at 4 per cent. at the present time. Moreover, when we borrow outside, the interest goes out of the State and we do not have the benefit of it. Whatever interest may be paid on deposits here, we should remember that the money will remain in the country and so be of advantage to the State.

**HON. E. H. GRAY** (West) [8.46]: The Leader of the House must be gratified at the reception accorded the Bill. He must be gratified regarding the remarks made on various Bills he has introduced this session. If we maintain this brotherly spirit in this Chamber—

Hon. G. W. Miles: You will get your Day Baking Bill through.

Hon. J. Ewing: And you will not desire to abolish the Legislative Council.

Hon. E. H. GRAY: I support the remarks of other hon. members. It is usually the thrifty people who invest their small savings in the State Savings Bank. There is another institution that merits support. I refer to the Workers' Homes Board. That board is seriously handicapped because of the lack of capital, and I would like to see arrangements made so that the money of the people deposited in the Savings Bank could be made available to the Workers' Homes Board.

Hon. J. Cornell: The soldiers' homes in South Australia were built in that way.

Hon. E. H. GRAY: I do not think the money could be put to better purposes than in the construction of homes for the people. The Government's proposal is popular, and that is clearly indicated by the speeches of hon. members. I support the second reading of the Bill.

**THE CHIEF SECRETARY** (Hon. J. M. Drew—Central—in reply) [8.48]: I thank hon. members for the reception they have given the Bill. During my speech in moving the second reading I stressed the fact that school children of to-day gave great support to our savings bank. I find,

however, that the children of 50 or 60 years ago also gave the State Savings Bank splendid support. To-day I sent for the first ledger used by the bank in 1863. After turning over the leaves of that book I came to the conclusion that the school children in those days were very keen supporters of the institution. I will give an instance. Anything connected with the State Savings Bank business is supposed to be confidential, but owing to the lapse of time between 1863 and 1926, I think I will be exempted from any offence I may commit in that direction. When going through the ledger I discovered amongst the names of the depositors that of Master Edward Horne Wittenoom. Under date 24th November, 1863, there is an entry recording the deposit of 6s. On 30th November, six days later, there was another deposit of 3s., and on the 2nd December one of 2s., making a total amount deposited of 11s. Then the account was balanced on the 17th May, 1864, the entry recording the withdrawal of 11s., the total amount deposited! The account may have been reopened but I did not see any record of such an entry.

Question put and passed.

Bill read a second time.

#### *In Committee.*

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

Clauses 1 to 3—agreed to.

Clause 4—Amendment of Section 16:

Hon. H. SEDDON: Will the Minister give an indication of whether it is the intention of the Government to increase the interest paid to depositors?

The CHIEF SECRETARY: I could not give a reply to that question straight away. The rate of interest paid by the State Savings Bank is  $3\frac{1}{2}$  per cent. on ordinary deposits and 4 per cent. on deposits for 12 months, these being the same rates of interest as apply to the Commonwealth Savings Bank. The question of increasing the rate of interest requires serious consideration because the increase would have to be paid on the whole of the money deposited. The Commonwealth Savings Bank pays 3 per cent. only on deposits of £1,000.

Hon. G. W. Miles: Why is that?

The CHIEF SECRETARY: Because they do not wish to encourage large deposits in the savings bank section, preferring that class of business to go to the Common-

wealth Bank itself. The question of raising the rate of interest would require careful consideration by the Treasury officials in order to determine what the effect would be.

Clause put and passed.

Clause 5—Amendment of Sections 19 and 22:

The CHIEF SECRETARY: Mr. Nicholson raised an important matter that I desire to look into. I will not proceed further with the Bill this evening.

Progress reported.

*House adjourned at 8.54 p.m.*

## Legislative Assembly,

*Wednesday, 8th September, 1926.*

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

### QUESTION—PARLIAMENT HOUSE GROUNDS.

Hon. W. C. ANGWIN asked Mr. Speaker, representing the Chairman of the House Committee: 1, Has he noticed the fence that was on the boundary of Class A Reserve, on a portion of which Parliament House is erected, being removed from the boundary line into the reserve facing Harvest Terrace?