

70 in the Act is a slur on our character, to a certain extent. It is known to every hon. member, and to every person in the colony, that we submitted to this indignity, which to a certain extent it is, because we were anxious to secure Responsible Government at a time when this question seemed to block the way; and no doubt we obtained our new Constitution twelve months earlier than we could have done if we had not submitted to the insertion of this clause. The present Attorney General was very strongly opposed to it, but the majority of the Legislative Council at that time were willing to submit to it for the purpose of securing the new Constitution. I heartily support the passing of this Bill.

MR. WOOD: I rise to support the second reading of the Bill. Agreeing with a great deal that has been said, I content myself with simply saying that I support the Bill.

THE SPEAKER: I find there is an absolute majority of the House present, and I will now put the question.

Question put and passed, there being no dissentient voices.

Bill read a second time.

IN COMMITTEE.

MR. LEAKE asked whether the Government would accept the suggestion he had previously made, for embodying in this Bill a further amendment of the Act, or whether a separate Bill for that purpose should be brought in?

THE PREMIER (Hon. Sir J. Forrest) said he would advise that the repeal of Section 70 of the Act should not be mixed up with any other question, as the present Bill, if passed, would necessarily be reserved for the consideration of Her Majesty.

MR. LEAKE said he would accept the Premier's suggestion, and would not move an addition to the Bill in committee.

The clauses were then passed without comment.

Preamble:

Agreed to.

Title:

Agreed to.

Bill reported without amendment.

Report adopted.

STANDING ORDERS SUSPENDED— THIRD READING.

The Standing Orders having been suspended, the Bill was read a third time.

Ordered—That the Bill be transmitted by Message to the Legislative Council, and their concurrence desired therein.

ADJOURNMENT.

The House adjourned at 9-35 o'clock, p.m.

Legislative Assembly,

Monday, 10th September, 1894.

Jarrah for Paving Purposes—Repair of Pensioners' Barracks, Perth—Advertising Penalties under Bush Fires Act—Leasing Lands on Goldfields Townsites: adjourned debate—Agricultural Bank Bill: adjourned debate, second reading—Registration of Births, Deaths, and Marriages Bill: in committee—Adjournment.

The SPEAKER took the chair at 7-30 p.m.

PRAYERS.

USE OF JARRAH FOR STREET PAVING PURPOSES.

MR. PATERSON, in accordance with notice, asked the Premier,—

1. Whether his attention had been drawn to the fact that the New Zealand Government had taken special steps to introduce their red birch timber in London for street paving?

2. Whether he proposed to take similar action with a view to emphasising the superior value of W.A. jarrah timber for that purpose?

THE PREMIER (Hon. Sir J. Forrest) replied that the attention of the Government had not been directed to this question, except in so far as a paragraph which appeared in the local Press. The

Government had already authorised the Agent General to exhibit our timber at all exhibitions in England, and he would communicate further with him on the subject.

REPAIR OF PENSIONERS' BARRACKS, PERTH.

MR. WOOD, in accordance with notice, asked the Director of Public Works whether the Government intended to take any steps with regard to placing the pensioners' barracks, Perth, in a state of repair.

THE DIRECTOR OF PUBLIC WORKS (Hon. H. W. Venn) replied that the matter was under consideration, and that the buildings would be placed in a state of repair.

ADVERTISING PENALTIES UNDER BUSH FIRES ACT.

MR. PIESSE, in accordance with notice, moved, "That in the opinion of this House, owing to the frequency of bush fires in the country districts, and for the better prevention thereof, it is desirable that information should be publicly given, by placard or otherwise, as to the provisions and penalties set forth in 'The Bush Fires Act, 1885.'" He thought it was very necessary that some steps should be taken in this direction, as so many people were now coming to the colony and taking up land, who were strangers to the law of the colony in regard to these bush fires. In the other colonies it was customary to have this information placarded about in country places, so that the settlers and travellers might know the penalties they were incurring, and he thought it was very desirable that we should adopt the same steps here.

MR. PATERSON, in seconding the motion, said the motion was such a common-sense one that it was unnecessary to say any more than that he hoped it would be acted upon.

MR. LEAKE hoped it would not be acted upon. What earthly good could it be to publish what everybody already knew—that bush fires occurred, and that there was legislation dealing with it. Those who were interested could find out all about it by referring to the statute. If they were going to take this step with regard to bush fires there were

other statutes which it was equally necessary to call public attention to—the Destructive Insects Act, the Explosive Substances Act, and others, all of which imposed penalties, and the provisions of which were no better known than the provisions of the Bush Fires Act. This was what you might call a grandmotherly way of dealing with legislation. Everybody knew that bush fires, as a rule, were caused by carelessness, and it was not likely that the putting up of placards calling attention to the penalties would make careless people more careful in lighting their pipes. It would be waste of paper and printer's ink.

Motion put and passed.

LEASING LANDS ON GOLDFIELDS TOWNSITES.

ADJOURNED DEBATE.

Debate resumed upon MR. LEAKE's motion—"That, in the opinion of this House, it would be to the advantage of the country to restrict the grant of freeholds in and near towns established upon the various goldfields, and to substitute a system of leasing for a short term of years."

MR. JAMES: I hardly think this House ever had before it a more important resolution than that which is now before it. I think I may confidently say that the principle which underlies this proposition is one that is receiving most earnest consideration at the present time, not only in every part of Australia, but almost in every part of the civilised world; and I hope that before this discussion is terminated, every member of the House will express his opinion upon the subject, one way or the other. At the same time, I think there is really not much to be said about it, because the matter is almost contained in a nutshell. The resolution simply asks us to affirm this principle—that, in dealing with our freehold lands on our goldfields townsites, we shall substitute a system of leasing for a short term of years. It is a peculiar characteristic of modern democracy that it is largely conservative, and we have an illustration of it here. We who are called democratic are conservative in this respect, that we look back to the history of the past, and seek to benefit from what the past teaches us. In this particular instance we are intensely

conservative, because we ask in this resolution that this House will revert to the old tenure that has been abolished some two or three hundred years. We ask the House to go back to those old principles of land tenure upon which the foundation of all the law relating to real property rests. Members know very well that, after all, the system of freeholds, the system under which any individual is given an absolutely indefeasible right to any piece of land, is of comparatively modern date; and I think we are right in submitting that the few years that has sanctioned the system are not sufficient in themselves to override nor affect the wisdom and expediency of a system that for hundreds of years preceded the present system. Not only do we ask the House to revert to a system which is the foundation of the English law relating to real property, but, strangely enough, it was the foundation of the real property law of Australia itself. For fifty years after the establishment of the mother colony, New South Wales, no freeholds were granted, the only tenure under which land was granted by the Crown being a leasehold tenure, on more or less short terms. I think it is rather to be regretted that having started with that good principle they should, in later days, have departed from it. But the experience of New South Wales, I suppose, was the experience of the rest of the world. When those who had obtained these leasehold areas became a power in the land, when the old official days were departing and early influences were waning, these landholders were in a position to demand freehold ownership in their land, and having the power, they got that right. The fact remains that in Australia, during the first fifty years of its existence, no such thing as freehold grants were known; the only system of tenure being, as I have said, that of short leases. We ask this House to be conservative, and to go back to that old established principle. We do not ask members to adopt the system in its entirety, or to apply it in a wholesale manner to all lands. We ask only for a limited application of the system, on our goldfields only, and in the future only. Members may ask why we should do that, if the system is a good one. I think there are dozens of reasons

why we should do so. Lands on goldfields, in their early stage of development, are not bought with a view to permanent settlement. If I remember rightly, a Minister of the Crown has stated that the average life of a goldfield is 30 years. At any rate, there is always a certain amount of feeling in regard to goldfields that they are not going to last for ever; and when persons who desire to invest in land upon these fields are considering the question of price, the element of freehold right does not enter into their consideration at all. They do not speculate in land for the purpose or with the intention of living upon it themselves and of handing it down as a heritage to their children. They simply buy it for purposes of speculation. That is a notorious fact. If we sold this land for the purposes of permanent settlement, and with the view of its utilisation by those who purchased it, well and good. It would then serve the purpose for which it was intended. But when we sell land simply for purposes of speculation, are we not justified in asking ourselves this question, Why should we part with the fee-simple of this land, and allow other people to do with it that which we can do equally as well ourselves; that is, lease it to others, and ourselves reap the benefit of the unearned increment? We are borrowing loan money year after year, and adding to our public debt year by year, and at the same time we are disposing of our patrimony, we are disposing of that from which we should derive the means of paying back that debt. In short, we are burning the candle at both ends. We ask the House to pause in this imprudence. We ask you to restrict the present wholesale system of alienation, while we are still in possession of these large areas, and before it is too late. Something has been said in the course of this debate about land nationalisation. I know there are members here upon whom the very mention of land nationalisation acts as a red rag does on a bull. But this is not a question of land nationalisation at all, and I ask the House not to be misled by that absurd notion, but to consider this question upon its merits. We are not dealing with land nationalisation in this resolution. Land nationalisation, if it means anything, means the nationalisation of land; but

how can you nationalise land which is already national property? We propose only to deal with land which is still national property, land over which we have absolute and undisputed power. There is a wide difference between the principle underlying this proposition and the principles which come into play when you deal with the question of land nationalisation. With the permission of the House I should like to quote a few words from no less an authority than Professor Fawcett, who says:—"In describing the injustice and inexpediency of the suggested schemes of land nationalisation it must not be supposed that it would be desirable for the State to surrender its proprietary rights in the land in those countries where it still possesses them." That is exactly our point: we possess the land, and we are surrendering our proprietary rights as fast as we possibly can. Some members will say, "We have plenty of land, why not part with some of it?" That has always been the cry. That was the cry raised in justification of our giving away land, right and left, in past days, and it was one of the strongest arguments used when we were committing ourselves to the mercies of land grant railway companies. I think I am justified in saying that those who were so eager in those days to part with these lands, as being of no value to us, hold an entirely different opinion as to the value of that land now, and that it is possible, even with such a huge territory as we have, to be too liberal and too indiscriminate in the way we part with our lands. Have we not heard frequent complaints in this House about the scarcity of good land available within easy reach of our railways, owing to the enormous quantity of land alienated in the early days of the colony, and the still more enormous areas handed over to these land grant railway syndicates? Has not the Government itself recognised this fact over and over again? Do we not find the Premier recognising the fact when he included in the Loan Bill now before the House a large sum for the purchase of land by the Crown? But, whether we have a large quantity or a small quantity, the principle which underlies this resolution is exactly the same. Some members will say, if you

pass a resolution like this, and stop selling land, you discourage competition, you discourage enterprise, you discourage settlement, and you discourage improvement of the land. I do not think that is an argument that holds water at all with regard to the land to which we propose to limit this principle. Will anyone say that the question of tenure—the question of whether the land is to be held in fee simple or upon a lease of 20 or 30 years—enters for a moment into the calculations of those who speculate in land upon our goldfields? The mere fact that they were held under a 30 years lease in a goldfields townsites would not deter them from improving their land, and building upon it, knowing as they would, that in the event of their not obtaining a renewal of their lease, they would be paid for their improvements. I say the price they would be prepared to pay for the land would not be a penny less than if they got the freehold of it. There are other parts of the world, almost as large, almost as important, as Western Australia, and where there is almost as much enterprise, where people invest hundreds of thousands of pounds in land held on building leases. Why should we not apply the same principle to some of our own lands? This resolution does not seek to define the conditions upon which the Government should dispose of these lands. It does not aim at fixing the price nor fixing the terms of the lease; all it asks is that the principle of non-alienation should be affirmed, so far as our goldfields townsites are concerned, and that, so far as these lands are concerned, we should revert to the system which, as I have said, is the foundation of our real property law, a system which prevailed in the early days of Australian settlement, and which I believe prevails now in Cape Colony, and certainly in British India, where it brings in an enormous revenue to the State. There you have the two systems working side by side, and while the one, as I have said, yields a large revenue to the State, the other yields comparatively little. If we were proposing anything revolutionary in this resolution, I could understand members objecting to it, and getting up in their seats and talking about land nationalisation; but, when we are only asking the House to revert to a system which pre-

vailed for hundreds of years in conservative England, and which prevailed for fifty years in the mother colony of Australia, and which prevails at this day in other parts of the world, I think no one can fairly charge us with putting forward any extremely radical proposition, or extremely revolutionary. We have a magnificent opportunity of dealing with this question, an opportunity which few countries ever possessed; why not avail ourselves of it? If we can satisfy ourselves that by introducing this principle in dealing with our goldfields towns we shall in no way discourage enterprise or restrict speculation, that we shall in no way limit the utilisation of the land, and the improvement of the land for building and other purposes, surely we ought to adopt it, and so secure to the State something of that unearned increment which now benefits only the private speculator in land. This unearned increment, as we know from every writer on political economy from Adam Smith to Fawcett, is not the result of private effort; it is the result of the combined efforts of every individual in the community, and of the expenditure of public money upon roads, railways, harbour improvements, and other public works. Every penny which the State borrows and spends in this way goes to enhance the value of property, and to secure that unearned increment which is enjoyed by those who have done nothing more towards it than any other member of the community, and which by right belongs to the State. Recognising this fact, should we not make some effort to secure for the State that unearned increment or profit which results from State expenditure, to which every individual in the community contributes, instead of allowing this profit to flow into the pockets of a few private individuals who have succeeded in securing the land from the Crown for a mere song, but who have done nothing more than you or I in enhancing the value of the land.

AN HON. MEMBER: You can tax the land, can't you?

MR. JAMES: Members must not forget that the question of land taxation is generally raised in those countries where all the Crown land has been alienated. You can obtain exactly the same result by having a system of leases,

and so securing the unearned increment for the State. There is no element of injustice underlying this proposal. When a lease expires, whether in ten, fifteen, or twenty years, and the land reverts to the Crown, any improvements upon it would have to be paid for; and what would the holder of the land lose? Only the unearned increment; and I say he has no right to it, because he has not earned it himself. With the permission of the House I should like to refer to another extract from the same eminent writer as I have already quoted from, and I quote from this writer because he is known as amongst the most conservative of writers of this class, and, as a matter of fact, is hostile to anything like land nationalisation. "The extent," Professor Fawcett says, "to which it is expedient for a Government to dispose of its proprietary rights in the land suggests considerations of the utmost importance for many recently settled countries, such, for instance, as Australia. In that country vast tracts of land have been sold by the Government, and when the amount received is used in ordinary revenue the inquiry is at once suggested whether it can be wise to adopt an arrangement which virtually allows capital to be devoted to income. We cannot help thinking that it is inadvisable for a state thus completely to divest itself of the proprietary rights it possesses in the land. Although we believe that too much importance can scarcely be attributed to the economic advantages which result from associating the ownership with the cultivation of the land, yet the industrial stimulus which is given by the feeling of ownership would, we think, still continue in active operation, if in such a country as Australia the Government, instead of completely relinquishing its rights in the soil, retained some share of the property in the form of a land tax, which, instead of being commuted as it has been in our own country for a fixed money payment, should be equal to some small proportion of the annual value of the land. If, for instance, in Australia the land had been sold with the condition that one-tenth or even one-twentieth of its annual value should be paid in form of a land tax, no discouragement would have been

"offered to enterprise, and the revenue "which might be yielded as the country "advanced in population and wealth "would be a valuable national resource "which might be utilised in rendering unnecessary the imposition of many "taxes which will otherwise have to "be imposed." That, mark you, is the opinion not only of a deep thinker, but of a man who is actually free from all prejudice in dealing with the question. He is not a man who has land of his own and wants to stick to it, or who has lots of money and wants to speculate with it in land, and make large profits thereby, as possibly there may be some in this House or in this colony who do. He is dealing with the question on its merits. When he approaches its consideration, he does not ask himself whether, if this resolution is passed, he is likely to lose an opportunity of making some more money by land speculation. He approaches it unbiassed by any such consideration. Therefore we may attach a great deal of importance to what he says, and we may the more safely do so because we know that, as a writer on questions of political economy, he is distinctly conservative. Members may say you could buy a lease as well as a freehold. Undoubtedly, you can buy as many leases as you like; but do not forget this: that whilst the land remains in possession of the State the unearned increment comes into the hands of the State, into the public treasury; in other words into the hands not of the private speculator, but into the hands of those through whose combined efforts the unearned increment has accrued. I know this is not a doctrine that will commend itself to all members; but, surely, we can approach the consideration of an important question like this—in my opinion the most important ever brought before this House—and forget for the moment that we have a lot of money which we desire to invest in land. Surely we can approach a question of national importance like this, and forget for the moment that in adopting this resolution we may strike at the opportunity of the land speculator. I hope members will rise above any sordid consideration of that nature. We must bear in mind that if we adopt this system of leasing with compensation for improvements we give a tenure which on these goldfields townsites is as good as a free-

hold tenure, and a tenure which you can dispose of, or borrow money upon, and which in no way strikes at private enterprise. In a country possessing the opportunity which this country now possesses for putting this system into practice, and so securing for the State, both now and hereafter, the profit which rightly belongs to the State, it is rashness and foolishness, and I should say it is wicked, to alienate for ever those rights which do not belong to this generation alone. This land is not our patrimony alone; it is as much the patrimony of those who come after us as it is ours, and we have no right to barter it away for our own present advantage and benefit. In raising these large loans which we are saddling the colony with, we are placing a burden upon those who come after us, and is it right that we should at the same time barter away that which would enable them to bear that burden? If members wish to oppose this resolution, let them not do so under the pretence that it affirms the principle of land nationalisation. If, on the other hand, they object to it because it may deprive some of them of the chances of profiting from what is called the unearned increment in the value of land, let them do so openly; and let it be understood that if we are to continue the present system of alienation it is for the purpose of giving these persons an opportunity of scooping up all they can in the shape of this unearned increment. For my own part I think we ought to prevent it from going into the pockets of those who have not earned it, but into the pocket of the public, the national treasury.

AN HON. MEMBER: Apply it to Perth.

MR. JAMES: I believe it ought to be applied to town lots everywhere. But we are dealing now with the resolution as it stands, and, if it is a just proposition, let us adopt it, and not be led astray or frightened by this bogie of land nationalisation. I say again, no resolution was ever submitted to this House more deserving of serious consideration than that which I have now the honour and great pleasure of supporting.

MR. RICHARDSON: I do not propose to give the House an essay on land nationalisation this evening; I think we are drifting away from this resolution when we deal with it on that basis.

Though aiming, perhaps, at the far end of land nationalisation, it falls very far short of the actual principle of that doctrine. I may say there is one idea suggested by the resolution which I entirely approve of, though it is not carried out here in the way I should desire, namely, this principle: that the capital realised from the sales of Crown lands should be applied to a separate account, and not be merged in the general revenue. That is a mistake I have always endeavoured to point out. But I do not think the principle would be carried out in the most effective way by passing this resolution; on the contrary, I think this is a very important way of aiming at that result. The hon. member for East Perth, though speaking with the fluency of a trained advocate, has indulged in remarks which involve a very grave contradiction indeed. He has dilated at great length upon the iniquity of the unearned increment falling into private hands instead of into the pocket of the State, and at the same time he points to the fact (to which this resolution applies) that goldfields have a very short life, probably not extending over thirty years, and it may be very much shorter. It appears to me that the argument deduced by him from this fact points all the other way, and kills the unearned increment entirely. Inveigh as we may against speculators, the risk is entirely against the speculator in buying this land on newly declared goldfields. Many of us can remember, and, perhaps, the recollection is a little bitter to some of us, the speculation that took place two or three years ago in Derby town lots. A good many speculators invested in land at that time, in the belief that the goldfield up there would turn out to be a rich and permanent field, and that, Derby being the port, town lots there would sooner or later fetch fabulous prices. But I think those speculators would be very glad to get 10 per cent. or even 5 per cent. on their money to-day. The unearned increment in this instance was a myth, and if the principle now advocated had been in force the first thing the State would have to do would be to refund some thousands of pounds invested in the purchase of town lots at Derby. [MR. A. FORREST: £25,000.] The State got the benefit of that, anyhow.

I make bold to say that many who invest in Southern Cross and Coolgardie allotments may possibly in a few years find themselves in the same predicament as those who speculated in Derby town lots. [THE PREMIER: I hope not.] I hope so, too; but I am inclined to think that some of them, twenty years hence, would be glad to get back from the State what they paid for their land. I submit, however, that this system of leasing would not in any way secure the unearned increment to the State. If they were short leases I do not think the principle could be carried out at all, because, in that case, people would refrain from improving the land. On the other hand, if they were long leases, the price paid as compared with the absolute sale price would be small, and if these goldfields did not turn out the success which we now expect they will, and hope they will,—if they should be played out,—these leases by the time they expire will not have increased much in value, and who will have got the unearned increment in the meantime? By the time the State comes in, the unearned increment will have vanished into the air. This resolution, as I have said, while aiming at the far end of land nationalisation, stops so far short of the principle that it is hardly worth thinking of in that connection. Those who advocate, and those who have put forward this proposition, stop short of applying the principle of land nationalisation to country land, or to any other land except on goldfields townsites. If the principle is a good principle, and a sound principle, it ought to be good and sound all round. Its advocates, I noticed, touched very lightly upon that point. They know that land nationalisation applied to country land would not do in this colony, because Western Australia is in that position that she has almost to beg and pray upon people to take her land. She is actually offering to give it away, and cannot get people to take it at that price. In this colony we have land nationalisation pure and simple, because the bulk of the land belongs to the nation, and is likely to do, without resorting to any empiric remedy to bring it about. The State is only too anxious that its land should change hands, but unfortunately it cannot attain its desire to the extent it would wish. The proposal here is that

this principle should be applied only in the case of goldfields—the very case where it is not likely to work well, and where the principle advocated should be departed from. I should say if the experiment were worth trying at all it should be in a town like Perth. [MR. JAMES: Too late.] No doubt it is too late to do so now; but I think the particular instance where it is most likely to fail of all places is the instance where it is proposed to try it. Of course this question of land nationalisation is a very large and a very debateable subject. Many people imagine that the principle has not been tried anywhere, and that we have no practical experience of how it would work. I believe Russia affords the nearest approach to it, land there being owned by the nation. But what is the state of society in that country? It is the nearest approach to slavery and serfdom of any civilised country in the world. Where we have the nearest approach to this principle of land nationalisation in operation, there we find the human race in the lowest depth of degradation, socially and politically. The hon. member for East Perth referred to New South Wales as having started in its early days with this system of leasing instead of selling its land; and the hon. member expressed his regret that the mother colony had ever departed from it. I expect the settlers there saw very good reason why it should be departed from, or else they would not have done so. They saw that the country was not going ahead under this system. They found that while the State held the land, and private ownership could not be obtained, all speculation was stagnant. Speculation, after all, is at the bottom of progress. If you stifle speculation, you stifle progress and improvement. If a community does not aspire to improvement and advancement, everything becomes dead and stagnant. I suppose they found it was so under this system in the early days of the colony that tried it. There was not so much to stimulate speculation and improvement, so long as the freehold of the land was withheld from those who were settled on it. Furthermore, sir, even if it were proposed to deal with this question of land nationalisation here, I submit this is not the proper way of dealing with it, in a

resolution of this kind, sprung, I may say, upon the House at a few days' notice. To use a somewhat hackneyed phrase, the question has never been before the country, and I think it ought to be brought before the country, before we attempt to legislate upon it; and, when ripe for discussion, it ought to be submitted in a more definite and comprehensive form than a mere resolution of this kind. I do not think we would be justified in saying that no more land shall be sold on any of our goldfields townsites. I think if we did so, we should be doing more injury than we have any idea of, and not accomplishing the good results which the advocates of this measure anticipate. The only principle touched upon by the proposition now before us that I approve of is that the capital realised from the sale of Crown lands should go into a capital account, and not into general revenue. That is a principle which I should like to see adopted; and I hope the day will come when the Ministry of this and other colonies will come to the same conclusion. But this resolution is not the form in which the question should be brought forward. I think this deals with it very inadequately. If we deal with it at all let us do it in a proper way, and not approach it by a mere side issue. For this reason, and the very important reason, that in my opinion the Government would not gain anything by adopting the system here proposed, for I firmly believe that if town lots on our goldfields were withheld from sale, and offered only on a lease of 14, or 20, or 30 years, the State would be a loser by the transaction,—for these reasons, I cannot support the resolution.

THE PREMIER (Hon. Sir J. Forrest): I have been interested, and no doubt members generally have been interested, in the discussion on this subject. It was introduced by the hon. member for Albany without much notice, and I think it has taken a good many members by surprise, that this principle should be sought to be introduced into our land legislation without the slightest notice, I think, beforehand, so far as the country is concerned. I do not know that the hon. member ever addressed his constituents on the subject, or any other member.

[MR. LEAKE: I did.] At any rate, he comes here and introduces it into this House at very short notice, and is supported in his action by his friend and coadjutor, the hon. member for East Perth, and they go into heroics about the advantages of leasing land instead of selling it. I should like the hon. member to give us some instance amongst our own race where this system has ever been adopted. To own a piece of land, however small, and call it our own, is the ambition of most of our race. It is almost an instinct implanted in the breast of people of the British race, at any rate. It drives them from their own country, where they cannot gratify this instinct, to seek their fortunes in new lands, where they hope to be able to become the possessors of a property of their own, and where they can found a home for themselves and their descendants. I believe you would stifle all enterprise, and stifle this ambition in the breasts of people, if you were to debar them from obtaining a freehold of their own; and it would to a great extent act as a barrier to the improvement and the development of the land. We all know that if we simply lease a piece of property, or a house, or an estate, we do not take as much interest in it as if it were our own property; nor is there the same stimulus for improving it. I do not know that it is necessary to go into this question at any length. I find I gave my view on the subject in a few words when I addressed this House on the 2nd August, last year, when introducing the Homesteads Bill, and I do not believe I could express my sentiments in fewer words, or more to the point, than by repeating what I said on that occasion. "There are persons," I said, "who object altogether to the alienation of land, who urge that it should only be leased. I believe there are many persons in some parts of the world holding this opinion, though I do not know whether they flourish in this colony to a great extent; but at any rate I certainly am not in accord with that opinion. I believe that to take away the right to acquire freehold land in this country, or in any country, so long as the right is safeguarded by the condition of improvement, would suck out the life-blood of the people, and would take away the chief object that persons coming here

"from the old country or from the other colonies have, namely, a desire to obtain a freehold on which to make their homes. What does a man come away from the old country for? Not only to better his position in a new land, but to obtain for himself a freehold on which he can found a home. I am altogether opposed to the idea of not giving the freehold; and, if the period of 30 years during which a leaseholder must occupy and improve the land before acquiring the Crown grant is a long one"—I was then dealing with the Homesteads Bill—"there is the option of shortening it, so that the freehold may be acquired any time after five years, on certain conditions. I think that is one of the best provisions in connection with the homestead lease, so that in the end the occupier may obtain a freehold for himself. It has been said by a great authority, 'Give a man the secure possession of a bleak rock, and he will turn it into a garden; give him a nine years lease of a garden, and he will convert it into a desert.'"

MR. A. FORREST: I should just like to say a few words on what the hon. member for Albany and the hon. member for East Perth say is the most important resolution ever brought before this House. All I can say is, I am very sorry myself that the time of the House has been wasted for over an hour on a discussion that cannot bring any practical results to the country. We all know that the hon. member for Albany in this instance does not in any way represent the interests of his own constituents, or he would have moved that this important principle should apply to the district he represents. The same remark applies to the hon. member for East Perth. If it is such a good thing as they represent it to be, why don't they apply it to their own districts? I am quite sure that if the hon. member for East Perth had addressed his constituents in the same way as he has addressed this House this evening, and proposed that no land in East Perth should be held in freehold, he would not be here addressing this House to-night. It is all very well for these hon. members to say that the Crown should have the unearned increment. Why should the Crown have it? I do not think it is the Crown that makes it. It is the people who make it, by their own

enterprise—those who are prepared to plank down their money, to improve their town. There is always a way of getting at those who will not improve their land, or do anything with it, in our towns. The municipality will look after that. Have we not just passed a Bill dealing with that very question, and giving power to the municipal councils to tax unimproved lands? The hon. member for Albany has made a great point of this unearned increment on goldfields towns, but I should like him to show us where, outside of one or two towns, the price of land has risen to any great extent. I should like him to show where the Government has been a sufferer by selling town lots upon these goldfields. I think the boot is on the other leg. There are hundreds of instances where the price paid for the land is a great deal more than it is worth at the present time. There are hundreds of grants issued that are not worth more than the paper they are written on. In the town I have the honour to represent in this House, about £25,000 was paid into the Treasury for town lots, when the gold fever was on up there, some years ago. If that land had been leased these lots would have yielded the Government a rental of about £300, instead of £25,000. Take Southern Cross, again, which is an important goldfields town. What is the price of town lots there now?

MR. R. F. SHOLL: A great deal more than was paid for them.

MR. A. FORREST: The hon. member knows nothing about it. Except in a small portion of the town, the business portion, you can buy these town lots for less than people gave for them.

MR. R. F. SHOLL: Nonsense.

MR. A. FORREST: I am not speaking without book. I shall be glad to sell the hon. member some of them. It is all very well for the hon. member for Albany, who has been up to see Coolgardie, and found, perhaps, that a few town lots had brought in a few hundred pounds to the original purchasers,—it is all very well for him for that reason to say that the time has come for putting this revolutionary idea of his into practice. If such were done, I am sure the result would be the reverse of what he describes. People would simply leave the country. Coolgardie would never move ahead. There

would be neither progress nor improvement. It is all very well for these two hon. members to say they only want this revolutionary principle applied to town lands on goldfields. I look upon it as the thin end of the wedge for applying the same principle all over the colony. If the hon. member wants to try it, let him try it in Perth or in Albany first; then we should know where the shoe pinches, and how to act. He knows very well there is not the slightest chance of his resolution being carried, and that he is only wasting the time of the House. The time has not arrived when we should apply this principle to our goldfields towns, unless we want to kill all enterprise. Not only that: this question has never been before the country. Members have never addressed their constituents upon it. I don't think the hon. member himself did.

MR. LEAKE: Yes, I did.

MR. A. FORREST: It wasn't mentioned in your speech.

MR. LEAKE: Yes, it was.

THE PREMIER (Hon. Sir J. Forrest): You didn't get much support.

MR. LEAKE: Yes, I did.

MR. A. FORREST: I say the people all over the colony would be against it.

MR. LEAKE: I say no.

MR. A. FORREST: I am sure that if the people on the goldfields, and other people, were polled on the subject, 90 per cent. of them would be against it. The best thing the hon. member can do is to withdraw it.

THE COMMISSIONER OF CROWN LANDS (Hon. W. E. Marmion): It is not my intention to occupy the time of the House for any considerable period; nor do I think it necessary, because I do not think that the doctrine of modern democracy represented by the two hon. and learned members opposite is one that at the present time has many followers in this House; and I am pleased myself that such is the case. In the course of his argument the hon. member who brought forward the motion made use of an argument which does not reflect much credit upon his legal acumen. He said the leaseholder would not be a loser at the hands of the State when his lease expired, because he would be paid for his improvements. I take

it if he is going to be paid for his improvements he will be paid for them at their value at that time; if so, what becomes of the unearned increment? That was one of the fallacies of his argument. I am rather astonished to notice that there is a feeling on the part of some hon. members, apparently, that there is no future before our mining townships. I am not one of those who so think. Why should we be voting nearly a million of money to build railways to these goldfields, if we have no faith in them, or pretend to have no faith in them as some members do? I must say I do not like this exhibition of no faith in our goldfields towns, and I cannot believe that it is genuine. It is simply put forward to bolster up an argument. I believe that Coolgardie and other towns on our Eastern goldfields will be in existence and flourishing when those hon. gentlemen who are decrying them will be—well, somewhere else. Members say these lands ought not to be allowed to be taken up for purposes of speculation and making money out of them. I should like to know what is at the root of all progress and enterprise unless it is speculation? What are we all living for unless it is to try and improve our position, and that of our families. This spirit of land speculation is one of those things that help to keep us alive, that help to keep us from stagnating. I am sorry to say—as I know from experience—that it sometimes results in disappointment. I have been one of those unfortunates who have speculated in land and lost money by it, and would be glad to get the money back again that I paid for it in past years. Still, while that may be the case in some instances, we know very well there is a feeling in the breast of all of us which makes us desire to become the possessors of land of our own, in the hope that in the future it may become of some value to ourselves, or those we may leave behind us. It is this feeling which, as my friend the Premier has told us, induces people to leave the old country to come out to newer countries, to seek for some spot on the earth's surface which they can call their own. Is not that the idea which has prompted so many of the Irish race to leave their country, in the hope of being able to become the possessors of a bit of land of their own, be it

large or be it small? It is not the leasehold system that attracts them. It is the leasehold system in their own country which has sent them away in millions across the Atlantic, to found homes for themselves in another land. As I have said, it is unnecessary for me to dilate on this subject; I only wish to say that in my opinion there is no necessity for changing the present system of freeholds for leaseholds, as regards these town lands upon our goldfields. We are selling and disposing of our lands, it is true, but what becomes of the money that we receive from it? Do we not devote a great portion of it towards the payment of the interest upon our loans for carrying on public works throughout the length and breadth of the land? Do we not spend it in improving the value of our public estate? Can it be said that it is not properly and judiciously expended, when it is applied to such purposes? If it is not, all I can say is, it is not the fault of the Government, but the fault of the majority in this House who have sanctioned this expenditure.

SEVERAL MEMBERS: Divide.

MR. LEAKE: I think it is my privilege to reply to some of the—I will not call them arguments, but the remarks of those who have spoken against this resolution. I do sincerely regret that those on the other side have not endeavoured to grapple with this question, and consider the principle which is involved, instead of going off to side issues which have little or nothing to do with the question. What is the principle underlying this proposition? It is contained in very few words—the restriction of freehold grants in and near towns established on our goldfields, and the substitution of a system of leasing. That is what I have advocated. I have not sought to raise a discussion upon the vexed question of land nationalisation. Land nationalisation has really nothing to do with the question, though it appears to be the bogie that has frightened hon. members. I am not dealing with land nationalisation; what I say is that it will be in the best interests of this country,—in the interests of those who now live here and those who will follow us—if we restrict the sale of Crown land in goldfields towns, in order that the State may reap the full benefit of the yearly increasing value

which must necessarily flow from the development of these goldfields, and result from the general advancement and prosperity of the colony. I have been twitted with introducing a new and novel principle into our land legislation. I am not doing anything of the kind. The principle has already been recognised by the Government themselves. It is recognised in connection with our pastoral lands, and it is recognised in connection with our mineral lands. The Government lease these lands, why? Because in their opinion the freehold is too valuable to part with. I ask them to apply the same principle in the case of their townships and retain these lands in their possession, and so reap the full benefit of the increased value which their public works policy will give these lands. All our pastoral lands are leased; all our mineral lands are leased. and for 21 years only. Why are these lands leased, instead of being alienated? Because the State does not desire to part with that which is most valuable to them, whereas in our goldfields towns the Government is throwing away the patrimony of the people for the smallest sum conceivable, to find it almost immediately afterwards becoming of immense value in the hands of more astute land speculators. Why should not the Government have the benefit of this enhanced value? Who has a stronger right to it than those who have given, and are giving it, this enhanced value? The profits so derived by the State, if this resolution were acted upon, would avoid the necessity for land taxation in the future. There is always a difficulty in fixing and adjusting land taxation, and there can be no doubt it would be in the interest of the country if the State continued to remain the owner of these lands, and reaped the full benefit of that unearned increment which now flows into the hands of the enterprising land jobber and speculator. That is the object of this resolution,—to place some check upon permanent individual appropriation. It is a blow at the land speculator, pure and simple. Have we not within the last few years, and within the last few months, had prominently brought to our notice one very important result of this old system of unrestricted freeholds? What has been the result of recent resumption by the Government of

freehold lands, in our towns, for railway purposes? Has not the Government had to pay through the nose for resuming these town lots? If this principle which I am advocating had been recognised, there would have been no necessity to have paid these enormous prices in the past; and, as we have had to pay them in the past, it is possible, nay probable, that we shall have to pay them in the future, unless we take some steps to prevent a recurrence of it.

THE PREMIER: We should have had to pay for the leasehold and the improvements.

MR. LEAKE: Certainly, but the Crown would have retained the freehold; and it would have had this further advantage, it would have prevented a fictitious value being placed upon town lots. The hon. member for the De Grey said he approved of the principle embodied in this resolution—[MR. RICHARDSON: No.]—but for some reason or other, which I did not quite understand, he is going to vote against it. It is argued, too, that our goldfields are short-lived, and that this would “kill” the unearned increment. If goldfields, as a rule, are short-lived, remember what a life they do live during their short existence. It may be a short life, but it is a merry one. Things move fast and furious on a goldfield which is rich and prosperous, and the progress made is phenomenal; and why should not the State take advantage of it? It is useless to instance the losses which may have occurred to individuals through the purchase of town lots at a place like Derby or Wyndham. No doubt a lot of money was lost up there; but I can use that argument in my favour, and I do so in this way: that money was invested in fruitless land speculation, but, if the State had been in a position to check that fruitless speculation, that money would have been diverted into more profitable channels.

THE PREMIER: The State got that money.

MR. LEAKE: Where is it now? All spent long ago, and the land gone for ever. I say we ought not to throw away our patrimony in this way. It is our capital, and it ought to be represented either by money or by land. I have listened with the greatest possible attention to the remarks of the Premier on

this subject, and the remarks of the hon. member for West Kimberley, and of that immortal genius the Commissioner of Crown Lands, and I must confess there was really not a single argument advanced by either one or the other of them that was worth while grappling with. The Premier asked for some instance where this principle had been adopted by our own race. I need only quote the United Kingdom. Has the hon. gentleman ever heard of London? Has he ever heard of the building leases that are applied to land in that little village and in every other English town? As a matter of fact, the principal tenure in England is a building lease. Has it stifled enterprise in that country? Has it checked improvements? The hon. gentleman had to fall back upon sentiment instead of argument. He says it would prevent development. There again comes in what I referred to the other night—the prophetic instinct; and we know that when the Premier exercises that, he is going to carry with him a great many on his side of the House. I ask them in this instance not to be guided by the Premier's prophetic instinct, but by their own common sense and their own reasoning faculties, if they have any. As a conclusive and overwhelming argument the Premier gave us a quotation, not from Professor Fawcett, but from *Hansard*. He quoted some remarks of his own which he gave utterance to on some former occasion. *Hansard* is the great authority with which he comes down to squash this proposition. One book, perhaps, in his opinion, is as good as any other as an authority upon political economy. *Hansard*, when reporting the utterances of the Premier, is, I have no doubt, quite as good as Professor Fawcett. Then we had the hon. member for West Kimberley. I am told that hon. gentleman has had some experience in dealing with land. That may or may not be true. If he has, I am very sorry to think that his many years' experience in that direction has not led to better results in enabling him to appreciate the value of this proposition. It is a pity the hon. member, at any rate, could not have brought forward some argument, instead of mere assertion—an assertion such as this: that people would not build on leasehold town land. They have never

had an opportunity of trying to build on leasehold from the Crown. What are they doing at Coolgardie, and at Perth, and in other towns, at the present moment, but building on leaseholds, not from the Crown, but from private landlords. You do not find landlords disposing of their properties; they let them on lease, because they know that the reversion will be of greater value to them. I ask you to apply the same argument in regard to Crown lands. The Commissioner of Crown Lands also dealt in a little high-faluting talk about Ireland. We know the Commissioner of Lands is nothing unless he is giving full vent to his national instinct; and he did rise to the occasion when he referred to the unfortunate condition of his unfortunate country, though, perhaps, it was not much to the point. He said it was the instinct of an Irishman to possess a piece of land, build a house upon it, and boast of its being his own. But that is precisely what is not done with the land sold in our goldfields towns. These town lots are not bought and built on by the purchasers; they are bought for purposes of speculation, and let out to other people at enormous profits. Why should not the State have the benefit of these profits? Again, I ask members to consider what this resolution proposes: simply that land in goldfields townsites be not sold but leased. I do not say leased in perpetuity. I do not limit it to one hundred years, fifty years, twenty-one years, ten years, or seven years. What I say is, do not be in too great a hurry to part with your freehold. I am only discussing the principle; I am not now dealing with details. I ask you not to part with your patrimony in too great a hurry. If you only retain possession of it for three or four years, or even one year at the rate these goldfields are going ahead now, see what great advantage it would be to the country! Do you mean to tell me it would not have been to the advantage of the public Treasury, if, instead of selling these Coolgardie town lands a year ago, we had retained possession of them, and put them up by auction to-day? Certainly it would. I say, do so with the lands you have still left on your mining townsites. The principle is recognised in the Goldfields Act. The Government recognise it in their mining policy. But

in their general land policy they depart from it, and give away the public land practically for an old song. It is absurd to say that people would not improve these leasehold lands. Don't they do it on their mining leases? Do they not expend thousands and thousands of pounds in putting up machinery? All they want is a reasonable security of tenure. I suppose I would not convince the hon. member for West Kimberley if I were to speak for the next six hours. [MR. A. FORREST: Nor for six years.] But I think I have said enough to appeal to the intelligence of members who can exercise their reasoning faculties, to induce them to vote for this resolution.

MR. RANDEL: I rise merely to say that I have a considerable amount of sympathy with the motion. I think there is food for reflection in it, not only for members of this House but also for the Press. I believe a very important principle underlies it. I have myself been struck with the almost criminal eagerness shown by the Government to get rid of their land on some of these mining townsites, and particularly at Coolgardie. I think it would have been better if they had retained these lands for two or three years at any rate before parting with them, and that the country would have been a large gainer by it. We are about to spend some hundreds of thousands in providing these goldfields with railway communication, and so increasing the value of these lands; and I think the Government might well have held possession of them until they acquired a higher value. The hon. member for De Grey says that Perth would have been the proper place to have begun with this system of leaseholds. It may have been in its earlier days, for there is room for regret now that the Government of the day should have been so ready to get rid of so much of its land, and leave so little for a future day. It is not my intention to debate the subject at present; it is too important to be disposed of in a few words. I trust that the result of the discussion will be that the matter will receive consideration from the Government and from the public, and that in the future steps may be taken in this direction. Whatever may be said for or against land nationalisation, I do not think much can be said in favour of

undue haste in alienating town and rural lands. Already we find the Government coming to the House for funds to repurchase land, indicating that former Administrations have been too eager to dispose of the good lands of the colony. Of course in a House composed very much of landowners as this is, and, to some extent, of those who have speculated in land—and who, unlike the hon. member for West Kimberley, I hope have profited thereby—I know it is not likely that a resolution of this kind will be carried, because it is far more far-reaching than it appears on the surface. At the same time I do think it introduces a subject matter for discussion in our midst which I trust will have some result in the future, and I believe beneficially so. The Premier said the object of every man who leaves the old country and comes here is to secure a piece of land of his own. The Commissioner of Crown Lands followed suit, and said that was the reason why his countrymen left their native land and went to America and other countries, to secure for themselves a freehold, and to found new homes. But I would ask, if this be the object people have in leaving the old country, how many are able to accomplish their desire in that respect? It is a laudable desire no doubt; but it seems to me they could secure the same object by obtaining a leasehold tenure from the State. It is well known that the Government as a landlord is a better landlord than a private owner. I believe it is always considered that Governments make the best of landlords in dealing with their tenants, and, as very few of those who come out here, whether from Europe or any other part of the world, secure their object—if that is the object they come for—I do not think that argument is a good and sound one. I do not propose to say any more. I simply rose to say that I have a considerable amount of sympathy with the proposition before the House, though I do not anticipate it is likely to be carried at this stage. I think that, perhaps, in our goldfields townsites there is afforded an opportunity for putting this principle in operation more readily than in the older settled parts of the colony, and I cannot help thinking that the result would be beneficial to the State.

Motion put, and a division called for, the members being—

Ayes ...	...	...	8
Noes ...	...	...	16

Majority against ... 8

AYES.	NOES.
Mr. Harper	Mr. Burt
Mr. James	Sir John Forrest
Mr. Keep	Mr. A. Forrest
Mr. Randell	Mr. Hassell
Mr. R. F. Sholl	Mr. Illingworth
Mr. H. W. Sholl	Mr. Marmion
Mr. Simpson	Mr. Moran
Mr. Leake (Teller).	Mr. Paterson
	Mr. Pearce
	Mr. Driesse
	Mr. Richardson
	Mr. Solomon
	Mr. Traylen
	Mr. Venn
	Mr. Wood
	Mr. Lefroy (Teller).

Question thus negatived.

AGRICULTURAL BANK BILL.

SECOND READING:

ADJOURNED DEBATE.

MR. ILLINGWORTH: Sir—In introducing this Bill the Premier was careful to give us to understand that it was not to be accepted distinctly as a Government measure, in the meaning that it is one of those measures upon which the Government are prepared to stand or fall. He led us to understand that he would be willing to receive suggestions for improving the Bill from members; and this announcement that he was prepared to accept suggestions for its amendment was at once availed of by one of the strongest Ministerial supporters in the House, and the member who is, perhaps, the strongest supporter of the measure,—the hon. member for Northam. The Premier also told us that he has given this question a considerable amount of thought. I have not the slightest doubt that he has given the question a considerable amount of thought, as a good many more of us have for years, this question of what is the best plan of settling people on the land, and of what we can do for bringing under cultivation the waste lands of this large colony. But when we come to a practical solution of that question we are confronted with many difficulties; and, if we are to accept this Bill as the practical result of the Premier's thinking, I am afraid we shall have to say that that thinking has been somewhat crude. There are defects in this Bill which are insurmountable, de-

fects which will render it almost valueless. That an effort should be made to settle people on the land is a proposition of universal acceptance. We all believe that, and I think we all desire it. But the question that has to be settled along with that is, how we can place people on the land and make their position on the land profitable to themselves and to the country. It is not merely a question of getting men and putting them on the land; it is a question of placing them there under such conditions that their presence there shall be of benefit to the State and profitable to themselves. The Premier, in introducing the Bill for our consideration, told us we have to ask ourselves, in the first place, is this Bill necessary? I do not hesitate to say that this particular Bill is *not* necessary. I do not hesitate to say that this Bill will not accomplish what the Premier proposes it should accomplish. Settlement of the land is going on already, and going on in a very satisfactory way, I imagine, for we find that at the present time there are two acres per head of the whole population of the colony under cultivation, and we find that the products of the soil, as regards a great many of them, are increasing, and increasing proportionately with the population, notwithstanding the rapid increase of our population, and the concentration of that population upon a distinctly separate industry, that of gold-mining. The principle which is submitted to the House in this Bill is that the Government shall borrow £100,000, that they shall endeavour to obtain that money at 4 per cent. or 5 per cent. interest, and that if they are successful in obtaining it at 5 per cent., they will lend it in sums of not more than £300 at 6 per cent., or, if they succeed in borrowing the money at 4 per cent., they will lend that money to the farmer at 5 per cent. All they propose to ask from the farmer, or from those who borrow money under this Bill, is a margin of 1 per cent. per annum on the amount lent. Let us look at this proposal from a practical point of view: £100,000, at 1 per cent., gives us £1,000 a year. That is the total amount which the Government are to have at their control for the working and management of this Agricultural Bank. They propose to have a manager for this Bank, and this manager, I should imagine,

must have at least £500 a year, and he will not be too good a manager at that sum. We must remember that this man will have to deal with the lending of £100,000, in sums not exceeding £300, and that this money is to be advanced on country lands that will require a vast amount of supervision and of attention as to the value of security offered and the improvements made. A man who is capable of discharging these duties on behalf of the State may possibly be secured for £500 a year, but certainly not for less. Then we shall want some place where the business of the Bank is to be conducted. Of course Ministers may say we will conduct it in some part of the Government offices. But that does not alter the question, because if they carry on the business of this Bank in some part of their present offices they must appropriate a part which may be required for other purposes. It must be a cost to the State, at any rate. Then, again, this manager cannot conduct the whole of this business himself; he must have some assistance. Then what does it come to? It comes to this, that £1,000 a year will never cover the cost of the management and conduct of this Bank, and the deficiency must come out of State funds. When I say that £1,000 would be available for the working expenses of this institution, I am supposing that the whole amount of £100,000 would be lent out at once, and bring in one per cent. But it is not anticipated that all this money will be advanced at once; it will, therefore, not bring in even this sum of £1,000, and, when the loan has all been advanced, some of the money will have been repaid; so that at no time will there be an income of £1,000 a year. Then we come to this: this Agricultural Bank must be worked at a loss; in other words, the scheme, on the very face of it, is unworkable. It will not pay its own working expenses. There is yet another point to be considered: no bank ever yet brought into existence, not even a State Bank, not even that wonderful institution of which we have heard so much, the *Crédit Foncier*, has been able to carry on its operations without sustaining some losses. But there is no provision here for meeting losses. I have shown there is not ample provision even for working expenses.

Even if the whole of this £100,000 were advanced at once the net result to the State would only be £1,000 a year, which is the whole margin left for paying the manager and his staff, for providing office accommodation, and for carrying out this scheme, independent of any losses that may be sustained in working the scheme. Practically then the scheme will not work, or it cannot be worked except at a loss to the State. Supposing for the moment we overlook that point, and come to the practical working of this Bill and the purpose for which it is created. Its object is to help the farmer. Its object is to assist men to settle upon the land, and to make a living out of the land. Now what are the conditions under which similar objects have been aimed at elsewhere? If we take Victoria for instance as a standard, what do we find? We find that Victoria has, through its banking institutions, lent out for agricultural purposes no less a sum than £17,000,000; and I presume that the other colonies have also invested similar sums. These amounts are usually lent out at interest varying from 6 per cent. to 9 per cent. Supposing that the farmer in this colony has to pay 10 per cent. at present, and supposing, for the sake of illustration, that the Government are successful in raising this £100,000 at 4 per cent., and will be able to lend it out to the farmer at 5 per cent., the aggregate result of the benefit conferred upon the agricultural community under this Bill will be the magnificent sum of £5,000, which is the difference between the rate at which the farmer can get the money from the ordinary financial institutions of the country and the rate at which the Government propose to let him have it, if they are successful enough to obtain the money themselves at 4 per cent. The sum total of the financial benefits which this Bill is to confer upon the farming community of Western Australia, in the way of interest saving, is the magnificent sum of £5,000 a year; and to do that we are to take upon ourselves the responsibility of starting a new banking institution, of borrowing £100,000, and accepting all the responsibilities which are involved under this Bill. I ask this House to consider well what practical advantages will accrue from the contribution of £5,000 by the

State for settling people on the land. Will it do anything, practically, towards attaining that result? Will it help in any material degree the settlement of people upon the lands of this colony? I contend it will not.

THE PREMIER (Hon. Sir J. Forrest): I believe it will.

MR. ILLINGWORTH: The Premier says he believes it will. I expected to hear the Premier say that. It is a happy way he has of disposing of an adverse argument. The point I desire to make is this: under this Bill the unfortunate farmer will not be able to borrow £300 upon his holding, except under such conditions that, if offered to any other banking institution, he would be able to borrow the money from any of our existing banks.

THE PREMIER (Hon. Sir J. Forrest): I don't believe it.

MR. ILLINGWORTH: Of course not. The Premier, as I have said, has a very happy knack of getting over any proposition by saying he does not believe it. But the facts are against him in this instance, and the mere fact that the Premier does not believe it does not alter the fact in the least. I say if the conditions imposed in this Bill were placed before any banking institution in the country as a condition precedent to lending this money, the money could be got in almost every case at less than 10 per cent.

THE PREMIER (Hon. Sir J. Forrest): I don't believe it.

MR. ILLINGWORTH: That is the usual answer. I want to call attention to a quotation made by the Premier the other evening, in introducing this Bill. I had noted the same quotation myself, and I want to use it for an exactly opposite purpose from that to which the Premier applied it. Referring to the success of these land banks in Europe, it was stated:—"These institutions have 'had the most marvellous effects in 'developing the agriculture of the country in which they have been formed: 'exactly similar to the effects of cash 'credits in Scotland. Their obligations 'have maintained, through all crises— 'monetary, war, and revolutionary—a 'steadiness of value far beyond any 'other public securities whatever, either 'Government or commercial. Josseau

"says that in a population of 27,827,990 "the negotiable *lettres de gage* or *pfand-briefe* amounted to over £21,000,000 "sterling. In the revolutionary period "of 1848, while the Prussian funds fell "to 69, the shares of the Bank of Prussia "to 63, and the shares in railroads 30 to "90 per cent., the Land Bank bonds, "producing $3\frac{1}{2}$ per cent. interest, stood at "93 in Silesia and Pomerania, at 83 in "West Prussia, and at 96 in East "Prussia." I wish to ask why did these institutions hold their place in the market when the securities of the Prussian States themselves failed? Simply because they were not State banks; simply because the *Crédit Foncier* institution, as it obtains on the Continent, was never a State institution, but a private concern.

THE PREMIER (Hon. Sir J. Forrest): Not always; it is guaranteed by the State in Austria.

MR. ILLINGWORTH: But the institution is a private institution, lending its own capital, which is guaranteed by the State. There is another point. The principle upon which this *Crédit Foncier* system is worked differs from the principle upon which this Bill is based. The fundamental principle of the *Crédit Foncier* system is that the value of the property upon which advances are made is calculated upon the income actually realised from it. But in this Bill it is proposed to lend money upon property which is yielding no income, and which offers no prospect of yielding an income for years to come. After all, what has been the result of this *Crédit Foncier* system on the Continent? I will ask leave just to read an extract from the last report that has come to hand, the report for 1893, which was submitted to the shareholders of the *Crédit Foncier* of France on the 30th April. This report shows that from first to last the institution has lent to borrowers, on landed security, the sum of £153,833,257. Of this, £14,034,383 has been extinguished by completed payments, and £63,275,188 by progress payments, leaving £76,523,186 outstanding on the 31st December, 1893. At the same date the arrears of payment amounted to £1,025,628, being no less than 24 per cent. of the amount payable during the year. Members will observe that the arrears of payment amounted to over a million sterling. The land mortgage

branch yielded a gross profit of £401,392, against one of £408,558 in the previous year,—a falling off of £7,154. Since the origin of the *Crédit Foncier de France* it has lent, in the form of communal or municipal loans, sums amounting to £89,273,928, of which £12,277,070 has been fully extinguished, while progress payments account for £28,784,344, leaving £48,215,514 outstanding on 31st December last year. It will be seen that more than half the money has been lent, not to individual farmers or cultivators of the soil, but to the municipalities. I also notice that the repayments by the municipalities are made with far more regularity than those by landed proprietors, for, according to this report it appears that of £3,032,470 due by the former in 1893, only £62,282 was in arrear at the close of the year,—being a shade over 2 per cent. as against 24 per cent. in the case of the land mortgage loans. The doubtful creditors of every kind amounted to £500,771, besides which there were foreclosed properties amounting to £713,482, the total of the two sums being £1,214,253. Adding this sum to the arrears due on mortgage loans, I find that the *Crédit Foncier de France* had, on the 31st December last, to recover a total of £2,239,881 from its debtors. The shareholders, with a paid-up capital of £6,820,000 received a dividend at the rate of 9 per cent. per annum, against 10 per cent. dividend paid them in the previous year. Now the magnitude of the capital of this company, the funds with which the institution works, is worthy of some consideration. I have not the figures for 1893, but I have them for 1890, and to give hon. members an idea of the importance of this institution in France, I may mention that on the 1st January, 1890, the fully paid up capital amounted to £6,820,000; the compulsory reserves to £657,603; the special fund for loan risk to £400,000; sundry reserves, £716,895; the total capital and reserves amounting to £8,549,498. Then they had a sinking fund for loans, amounting to £4,030,368, and their total assets amounted to £147,664,097. Here then we have an institution which stands upon its own footing, which works entirely upon its paid-up capital, and which has enormous resources behind it—for the whole of the landed proprietary of France,

the whole of the country's peasantry, the whole strength of the country lies behind this bank—here we have this institution carried on under such favourable auspices, in a country where there are no superior attractions in the way of gold-mining to operate against its successful working, and what do we find is the result? That 24 per cent., nearly one-fourth, of the whole of the money advanced to cultivators of the soil is still outstanding. Yet we have the Government, in this Bill, proposing to lend £100,000 to the cultivators of the soil in this colony, without making the slightest provision either for losses or outstanding liabilities. This balance-sheet I have been quoting from is not an isolated balance-sheet. It is the kind of balance-sheet that has been issued for the last twenty years. The figures, of course, vary; but the results are practically the same.

THE PREMIER (Hon. Sir J. Forrest): They pay 9 per cent. anyhow.

MR. ILLINGWORTH: They pay 9 per cent. on a paid up capital amounting to £7,000,000, with a business turnover of £147,000,000, more than half of which is municipal. But we are not dealing with millions, but with £100,000.

THE PREMIER (Hon. Sir J. Forrest): That is only to begin with.

MR. ILLINGWORTH: The point I want to make here is this: that this Bill departs from the principle of the *Crédit Foncier* system. It departs from the principle because it proposes to lend money on lands that are not yet productive, and upon improvements of a questionable character.

THE PREMIER (Hon. Sir J. Forrest): Fencing, for instance.

MR. ILLINGWORTH: Yes, fencing. What is the good of the fencing if the tenant goes away? I want to call attention to another point: any proposal that has for its object the settlement of people upon the land must, to prove successful, have as its basis profitable settlement. Unless the people you put on the land can make it pay, all the legislation in the world is practically valueless to them, and practically valueless to the country. Three years ago, when her present difficulties came across Victoria, the Government set to work to induce people to go upon the land, and they started with a proposal embodied in a Bill, of which a

good friend of mine sitting in the Victorian Assembly sent me a copy, asking my opinion upon it. I sent it back with the endorsement that it was a piece of grandmotherly legislation, which would result only in vanity and vexation of spirit. However, they passed that Bill with buoyant hope, and amidst great acclamation, and the Government of the day went most heartily into the work of settling people on the land in what were called village settlements. They not only found people the land to settle upon, but they built them a two-roomed cottage, and also gave them £30 to start with.

THE PREMIER (Hon. Sir J. Forrest): How many acres?

MR. ILLINGWORTH: The areas were small, from two to 50 acres, but the land was good. The principle is exactly the same: they could obtain more land if they liked, and upon terms as liberal as our own. What has been the result? Only twenty days ago, one of the leaders of democracy in that colony—in fact, the veteran and acknowledged leader of democracy in Victoria, Sir Graham Berry, who was one of the foremost advocates of this very system, speaking in his place in the Victorian Parliament, only twenty days ago, makes use of these words: "It is a common statement, denied by no one, and uttered everywhere, by men of all sorts, those who wish to slur over the difficulty, and those who wish to expose it, that there will be very little permanent settlement as the result of the 'Village Settlement Bill.'" That is the calm, unbiassed judgment of the Victorian leader of democracy, passed upon a system which he himself was as anxious as anyone else to see a success. I can myself speak of this experiment in Victoria, because I know the place where it was tried; and I could to-day take members and show them hundreds of thousands of acres of valuable land in that colony that has gone out of cultivation, and is going out of cultivation, because it is impossible to make farming pay. There are conditions now going on in the world connected with the agricultural industry which it is folly for us to attempt to resist—conditions which it is idle to suppose we can remedy either by this Bill or any other Bill. I allude to the constant depreciation in the value of the products of the land, which

is paralysing agriculture in every part of the world. Will it surprise members when I tell them what, perhaps, they may have observed for themselves, that 40,000 acres of agricultural land have gone out of cultivation, within six miles of London, with its enormous consuming population, during the last ten years? In Great Britain altogether two millions of acres have been allowed to go out of cultivation. Why? Because it is impossible, even within a few miles of a city possessing nearly 6,000,000 of people for a market, and with the rich soil and other favourable conditions which we know they have in that country—it is found impossible for the farmer to compete with the cheap products of other lands to-day. Now, where do we stand in this colony? What are the agricultural prospects here? Why, 160,000 bags of wheat would supply the colony with all the breadstuffs it requires.

THE COMMISSIONER OF CROWN LANDS (Hon. W. E. Marmion): Just now. There are a thousand more people coming next week or so.

MR. ILLINGWORTH: By that time there will be another thousand bags of wheat, probably. Members do not, perhaps, appreciate the amount of cultivation there is now going on in this colony, and the increasing attention that is paid to the industries of the soil. Twenty thousand fruit trees were planted within 30 miles of Perth last year. Settlement is going on, and production is going on, and going on as fast as this country will be able to absorb. I want to impress this upon the House: the moment you reach the margin of your home market, the products of the country will fall down to the world's market rate. You may get, under certain circumstances, 4s. a bushel for your wheat; but the first thousand bags you produce beyond the requirements of your own market, the first thousand bags you export out of the colony, the price of wheat will fall to the level of the price in Mark Lane. So much for wheat. Another article of produce that is often spoken of is butter. They exported something like 50,000 tons of butter from Victoria last year, under what conditions? The export price of butter was 7½d. per lb. To-day the man who produces butter in Western Australia can get double that price for it; but

the moment you bring up the local supply to the local demand, the moment you have a few tons for export, that moment your price will fall to the export market price. The moment you begin to export, you bring your butter down to 7½d., and your wheat down to 2s. a bushel; and your land won't pay, and farming won't pay. Then why this haste, this determined haste, to settle people on the land? Why not allow these things to take their ordinary and proper course? Why enter upon a scheme which by the investment of £100,000 can only save the farming community £5,000? Why go to the expense of establishing a Bank of your own? Why incur all this serious responsibility in order to produce so small a result? It is like applying a steam hammer to crush a walnut. So much for general principles. I now come to the Bill itself; I wish to refer only to a few points in it. The first provision I find in it is this: "Clause 1.—This Act may be cited as the *Agricultural Bank Act, 1894.*" If I was asked to give this Bill a title, I should cite it as the *Land Purchase Bank Act*, for I am tolerably certain that when this money is lent on these properties the Government will eventually obtain possession of the land. Those members who have shown themselves so very anxious to-night to get the lands into the hands of the State had better vote for this Bill, for it is one of the best steps in the direction of land nationalisation I can conceive of. When a man has got his money, and spent it in these improvements, he may, perhaps, be able to pay the interest on it for the first five years or so, but when it comes to repaying the principal, I am afraid the Government will have to be satisfied with the land instead of the principal. Therefore I think a better title for this Bill would be the "*Land Purchase Act.*" The next clause provides that the Government may establish and maintain the Bank. That is a very good phrase: "maintain the Bank." It is quite certain they will have to maintain it, for the Bank, as I have shown, will not maintain itself. It is very evident that £1,000 a year will not maintain it, therefore it will have to be maintained out of State funds. I think it is rather a happy term we have in this clause—the Government may establish and maintain a bank for this

purpose. Clause 3 provides how the funds are to be obtained; and Clause 4 makes provision for the appointment of a manager for this bank. I ask are the conditions in Western Australia of such a nature that we want another bank here, and a bank for this particular purpose? There is room and scope in a country like France for such an institution as this, where the land has passed into the hands of peasant proprietors for the last 200 or 300 years, and the people have become wedded to the soil, and where there are no millions of acres of waste lands to be disposed of. In a country like that there is room and scope for a measure of this kind, where the cultivators of the soil have settled on the land from generation to generation, where there are no other more attractive occupations, and where they are content with their lot as cultivators of the land which they own. But are these the conditions that obtain in Western Australia? I say they are not.

THE COMMISSIONER OF CROWN LANDS (Hon. W. E. Marmion): We want to make them so.

MR. ILLINGWORTH: You will never make them so by this Bill. If members know anything about land settlement in the other colonies, they know that selectors seldom stay on the land longer than about ten years. When a selector has got all he thinks he can out of his land he moves off as soon as he can to another selection, and we know very well that thousands of these selections have been converted into sheep runs. I say there is no room and no scope in this colony for such an institution as exists in France or in Germany; there is no room for such an institution as is proposed in this Bill. Then we come to Clause 5, which I think is somewhat misleading. It says "the Colonial Treasurer for the time being of the colony may issue from time to time mortgage bonds." When I first looked at that provision I was inclined to think there could be no objection to this Bill, because the Government, as I thought, are only going to lend money upon first mortgage bonds, secured on the land. But I find the Government go beyond this. In another clause they speak of the moneys being provided by Parliament for the purposes of this Act, or that the moneys to be lent shall be raised by the issue of bonds. There is no guarantee

that this money is to be lent only to those whose land already yields ample security to the lender, as is the case with the *Crédit Foncier*. That institution risks its own money against the land upon which they lend it. It is simply a question between the lender and the borrower. But here the lender lends the Government the money first, and the Government lends it out again. It is merely another loan of £100,000; that is all. The public lend to the Government, and the Government lend to the farmer, and the farmer pays it back, some day, if he can. But there is still a more serious objection to my mind to this clause, and it is this: it is proposed to lend the trust moneys of the country in this way. It is proposed to lend the Savings Bank funds to this Agricultural Bank.

THE PREMIER (Hon. Sir J. Forrest): The Bill does not say so.

MR. ILLINGWORTH: The Premier said so in his speech.

THE PREMIER (Hon. Sir J. Forrest): You are dealing with the clauses of the Bill now.

MR. ILLINGWORTH: And what does the Bill say? Clause 7 provides that all the moneys are to be paid to the Colonial Treasurer, in trust, to repay the principal and interest moneys secured by the bonds. There goes trust money.

THE PREMIER (Hon. Sir J. Forrest): It is money raised upon mortgage bonds.

MR. ILLINGWORTH: You told us yourself that you intended to apply the Savings Bank money for the purposes of this Bill. I say that lending trust moneys under such conditions involves a very serious risk and responsibility. Then, under Clause 8, we have these words: "Such last-mentioned fund"—that is, the amount paid out of the consolidated revenue fund for the purposes of this Bill—"shall, in respect of any such payment, be reimbursed out of moneys to be provided by Parliament." That is to say, we are to be asked to vote the moneys required through any losses incurred in the working of this Bank. Members will understand that. One per cent., the margin allowed by the Government, will never pay the expenses and losses connected with this bank; nor 2 per cent. If you leave a margin of 2 per cent., you kill the Bill for the very purpose you want it. I come now to Clause

18, where the real gist of the Bill lies. This clause provides that advances may be made to farmers or other cultivators of the soil on the security of their holdings in fee simple, for what purpose? For the purpose of making improvements on unimproved holdings. I have already pointed out that the *Crédit Foncier* only advances money upon property which is already yielding an income, and that it only advances to the extent of half the value, even on first-class improved property. But this Bill proposes to lend money on land that is yielding no income; and where is the interest to come from? Unimproved land is not productive. It may become productive, but the money is lent when it is neither improved nor productive. Sub-section (a) of the clause distinctly says that advances may be made for the purpose of making improvements on unimproved holdings. Another portion of the clause provides that no advance shall exceed one-half of the estimated value of the improvements proposed to be made. How is that to help any poor man—and this Bill is intended to help the poor man—when the advance is not to exceed one-half the cost of the improvements he wants to make? I contend you have absolutely no security under this Bill. The improvements may include clearing and fencing. What is the value of a fence if a man leaves his holding after a few years? And, if he has cleared it, how long before it is again covered with undergrowth, and of no more value than waste land? The man's holding may go to ruin, after he leaves it, and has spent this money lent to him by the Government.

THE PREMIER (Hon. Sir J. Forrest): He will have lost his own money as well.

MR. ILLINGWORTH: I am speaking now of the value of the security. He may have lost his own money and the borrowed money, but the land upon which the money has been advanced will be worth no more than when he started. Take the case of an orchard or vineyard—and the improvements under the Bill are to include the planting of vineyards and orchards. If a vineyard or an orchard is left for a year or two unattended to, what is the value of it as a security? It is absolutely valueless; and the Government must know it.

Left to go to ruin, when the man leaves it, of what value will it be, for the purposes of this Bill? It cannot be supposed that the Government are going to employ officers to run all over the colony to see what improvements all these people are making.

MR. RICHARDSON: They must do that.

MR. ILLINGWORTH: Then, instead of a margin of one per cent. they will want 5 per cent., and more than that, to maintain this Bill on a working basis. The result in the majority of cases must be that the land, as contemplated in Clause 27, will eventually revert to the Crown.

MR. A. FORREST: It will have been improved.

MR. ILLINGWORTH: It will have been improved if the Government has been able to keep people on it, and to keep it in good condition, and look after the fences, and look after the vines and the fruit-trees. It is simply useless to talk; we know they cannot do anything of the sort; and when this man has spent his money and the Government money, and the place has gone to ruin, the security is gone, and the land upon which it was advanced is practically of no more value than when the money was advanced. The object of the Bill is one of the very best that could occupy the attention of this House, and one which we would all like to see carried out, if we could devise some scheme by which we could help people to make a profitable use of the soil; and, unless you can do that, it is useless to settle them upon the land. But this Bill will not accomplish that object. It does not possess the elements of success, and must end in failure and disappointment, and vexation of spirit. It is a mere Utopian scheme. It possesses no inherent vitality in itself by which it can live, and it will not give any vitality to those whom it is intended to benefit; and I hope members will do as I intend to do, and that is to vote against its second reading.

MR. RICHARDSON: After the very able and lucid speech of the hon. member for Nannine, anyone not prepared to deal with this Bill with critical judgment follows at a great disadvantage. I think we must all recognise that the hon. member's speech was very much to the point, and to a great extent showed evi-

dence of careful thought and sound logic. In dealing with the general principles of the Bill, I think many of his remarks were incontrovertible, and, applied to some countries, unanswerable. Nevertheless, I believe that the conditions prevailing here, at this juncture, and the conditions that are likely to exist for some years to come, differ widely and materially from the conditions of those countries referred to by the hon. member for Nannine, and where he says such measures as this have been failures. The hon. member made a strong point of the non-success of the village settlement system, as tried in Victoria. I may say that I myself anticipated and prophesied that this experiment would be a failure in Victoria, and did so in no uncertain language. It had none of the elements of success about it in any way. In a country like Victoria, abounding in rich and fertile soil, where competition is so keen, and everything produced from the soil has to be produced at the smallest possible cost and disposed of at the lowest possible rates, to settle a lot of penniless men upon the soil, men who, in nine cases out of ten, knew nothing about farming, and to expect them to compete successfully, in a market where competition was so keen, with experienced and practical farmers who had been on the soil for years, was simply courting failure. If we tried the same thing here, under similar conditions, we should fail too. But, I think, we may reasonably say that our conditions and circumstances are very different from those under which this system was tried in Victoria, and are likely to continue so for some years—at least I hope so. They differ largely in this way—and I think it is a very practical and important difference—we have in this colony, at the present time, a considerably large and very promising local market for our own produce. The demand, compared with the possibilities of the local supply, is likely to exceed that of the supply for a good many years to come, and to ensure a fair price for our products. Our disadvantage, at present, is that we are unable to supply our local market, and for that reason we have to import so largely and to send such large sums out of the country to buy what we ought to be able to grow ourselves; therefore there is some justification in our making an effort to supply the local demand our-

selves. When we arrive at that stage, that our local supply is more than equal to our local demands, and have to look to other markets for disposing of our surplus produce, then I agree with the hon. member for Nannine that it will be a bad day for us. It will be a bad day for us in this respect: that we shall have to face the ruling prices in the markets of the world. But this is not our position at present. Nor do I think we are likely to arrive at that stage for some years to come; and, until there is some prospect of our supply exceeding the demand, I think we are justified, in self-protection, in endeavouring by every possible way to increase the cultivation of our land, so as to be able to supply our own markets at prices that will be fair to both the producer and the consumer. We must look at the peculiar circumstances of the colony to justify this experiment which we now propose to make. Were it not for these peculiar conditions, I would agree with the hon. member for Nannine that there would be no justification for it, and that the experiment would be a failure. It would be a failure if we had the prospect of having to face the keen competition and the low prices that prevail in the other colonies, and in the world's markets. We would be simply courting failure to attempt to encourage and stimulate production in order to compete with outside markets. With reference to the Bill itself, I will endeavour to deal with it as practically and concisely as I can. I do not think that any of us consider the Bill perfect. The Premier himself has told us that he is open to receive or to consider any reasonable suggestion which he thinks may improve it, and I think that in some respects it is capable of improvement. In the first place, sir, I think that the time allowed for the repayment of the principal and interest is too short. The Bill gives a borrower five years, during which he has to pay interest only, and afterwards he has 15 years to pay principal and interest. That would mean, I think, that he would have to pay at the rate of 10 or 11 per cent. annually, in order to pay interest and to retire the principal within 15 years.

THE PREMIER (Hon. Sir J. Forrest): The interest would be growing less annually, as the principal was being repaid.

MR. RICHARDSON: True. But I imagine that, with interest and the repayment of the loan—that repayment only extending over 15 years—he would have to pay from 10 to 11 per cent. annually, in order to wipe out the whole liability. I maintain that this would defeat the object of the Bill, in so far as its object is to assist the borrower. The reason why our agriculturists are now in difficulties, and cannot get on with their improvements, is that they have to pay so high a rate for their money. They generally have to pay from 8 per cent. to 10 per cent., and it is well known to everyone who has any practical acquaintance with the subject that you cannot afford to pay 10 per cent. interest on the money you want for improving your land, and at the same time make any profit out of the land. Therefore, I say, if under this Bill you have to find 10 or 11 per cent. for principal and interest, how is the position of the farmer improved? I cannot see where the benefit is to come in. The farmer will labour under the same burden as has crippled him all along; and it will be but poor consolation to tell him that he will be out of his difficulties in 15 years time. To tell a man who is suffering the pangs of hunger that he will have a splendid feed a few days hence will not allay his present hunger, and he may starve in the meantime. We should extend the time for the repayment of the principal sum borrowed. If we required the borrower to pay 6 per cent. interest, and contribute one per cent. for a sinking fund, that would work the thing out in 40 years; if we required him to contribute $1\frac{1}{2}$ per cent., it would work out in 30 years; and if we required him to contribute 2 per cent., it would work out in 25 years. In my opinion a man should have at least 25 years to clear himself. He would then be in this position: he would have to provide 8 per cent. annually for payment of interest and repayment of the loan, which in my opinion is quite high enough. I should prefer to see it $7\frac{1}{2}$ per cent., and give him 30 years to clear himself. He would be in this enviable position then: he is able to get money from the State for the improvement of his land, and have to pay less interest than he would have to pay the ordinary financial institutions of the country, while at the same time he

knows that in 25 years, or in 30 years, as the case may be, he will be clear of the debt too. I think that is a very enviable position indeed to place a man in. It is a position he cannot be placed in at present; nor will this Bill place him in it, unless the time is extended for the repayment of the principal. Therefore I hope the Premier will consider the desirability of extending the term from 15 years to 25 years, if not 30 years. Then, again, there is the question of the management of this Bank. I am inclined to think, notwithstanding all that has been said about making the manager of this institution independent of political influence, he should also be placed behind a board of directors. He should have a board of at least three directors behind him, otherwise you will want a very high-class man indeed, and a very strong man, or he will find himself, in certain circumstances, subjected to influences and pressure which he will find some difficulty in resisting. We may not always have as good and as honest a Government as now, and, furthermore, party government in the future may be worked upon much sharper lines than at present, and it may be that the party in power may desire to show their supporters a little extra consideration, in assisting them through this Bank, and the manager finding that such assistance would be acceptable to those in office would probably be inclined to grant it. It is not very difficult to imagine that state of things arising. Therefore I think it would be better if this manager had an independent board of directors behind him, whom he could use as a buffer, in the event of any undue pressure or influence being attempted to be brought to bear upon him. He could then take refuge behind the usual stereotyped reply, "While, so far as I am personally concerned, I should only be too pleased to comply with your request, my board object,"—and so forth. If you had a board of directors behind the manager, I do not think you would require such a first class man at the head of this institution, and therefore would not have to pay such a high salary.

MR. RANDALL: You would pay the directors, I suppose.

MR. RICHARDSON: Yes; they would have to be paid, by fee I suppose. It

would be better to pay the directors a small fee than to have losses incurred by this Bank which would probably consume the amount of many years' fees. The hon. member for Nannine says that a margin of one per cent. profit will be quite inadequate to meet the working expenses of this institution. I think that, on the basis of £100,000, the hon. member is quite right; for I do not suppose that £1,000 a year will run this concern. But if this experiment—and it is only an experiment at present—succeeds, I do not see why we should limit the total of these advances to £100,000. We risk a great deal more than that in railways and many other schemes; and, if this amount is largely increased, and the experiment turns out a success, as we hope it may, probably this one per cent. would suffice to cover working expenses. In the *Crédit Foncier*, which is of course a much larger concern, I notice that $\frac{1}{2}$ per cent. pays all working expenses. I do not see why this bank could not be run for £1,500 a year, at the outside, at present. I should say that the manager, if he is a good practical man, and has a good accountant to assist him in the office, would be able to do the whole of the work, including valuation and inspection, until the business increases. When it assumes larger dimensions, it will be time enough to augment the staff. Anyway, I hope the Government have no idea of breaking the whole concern down by its own weight, by employing such a staff that the whole thing will topple over. The hon. member for Nannine has no doubt put his finger upon another blot in the Bill, and that is that fencing is to count as an improvement. I agree with the hon. member that fencing is a very doubtful kind of security. It is liable, in the first place, to destruction, and it is also liable to over-valuation; and I cannot help thinking it would be well if the improvements upon which advances were made should be confined to such improvements as increased the production of the land. We should then be proceeding on fairly safe lines. I am happy to see that the Bill proposes that these advances are only to be made on the strength of future improvements. If it did not provide for that, and these advances were to be made indiscriminately, without reference to what the farmer was

going to do with the money, I should have objected to the Bill very strongly indeed. It might then have been with some reason stigmatised as a storekeepers' Bill. If all a man had to do was to get a loan from a Bank at 8 per cent., and come to the Government and have it converted into a 6 per cent. loan, without any conditions such as are provided in this Bill, it would not have received my support. But no money is to be advanced except for purposes of further improvements. I should like to see even that better safeguarded than it is. I think the hon. member for Northam was very sound in his remarks the other evening upon that point, when he urged that none of this money should be advanced until improvements were already made, or a certificate given that upon the performance of certain improvements the applicant would be entitled to a loan of £200 or £300, as the case might be. There would be no difficulty then in taking that certificate to a financial institution or storekeeper, and getting sufficient assistance to work upon it. It would shift the weight of the responsibility on to the person giving this assistance, who would take good care to see that the promised improvements were made. Being an interested party, he would act the part of a detective, and see that the man was spending his money properly and to the best advantage; and I think it would be an additional safeguard. There is, however, a clause in the Bill which partially supplies this safeguard by providing that the advances need not be made in a lump sum, but may be paid, by the manager, by instalments, as the improvements proceed. I admit that is to a certain extent a safeguard, but I think it might have gone a good deal further. Then, again, as to the maximum amount that may be advanced, I was inclined to think, and am inclined to think it would be better to increase this amount from £300 to £500. It may be said that the smaller the amount, the smaller the risk. But I am inclined to think, that the larger the amount of the advances, the better class of men you are likely to have to deal with. A man in the position to borrow £500 under this Bill, and who could give a satisfactory guarantee that the money was going to be spent on improvements, would, prob-

ably, be a better class of man than the man who could only afford to borrow £100 or £200, and be less likely to clear out, and leave the Bank in the lurch. I will deal next with the question of whether it is the legitimate province of the State to step in and lend money to any class of the community. I, for one, have never been a supporter, and I am still a strong opposer, of anything like grandmotherly or paternal legislation. It has been well said by somebody that there is only one step between paternalism and imperialism in Government. Like other extremes, they meet, or come very close to each other; and I, myself, have never been in favour of what is called paternal legislation. Nor am I inclined to advocate that we should follow in the steps of that very much over-governed colony New Zealand, which offers such attractions to the hon. member for East Perth. I think there are instances in the history of colonial legislation where there has been a tendency to govern people almost to death, and I do not think the result has been very encouraging. Possibly, it is worse than leaving people severely alone. The question, however, is whether circumstances and conditions may not arise when a Government may safely and wisely depart from that principle of leaving people entirely to their own resources. I think there is a distinction between what you may call the fostering care of a Government and the paternal interference of a Government. I certainly very much object to Government interference in any direction which is the legitimate province of private enterprise. On the other hand, we have instances where many necessary objects could not be attained without State interference. I need only refer to such questions as water supply on our goldfields, where we find the Government legitimately stepping in to provide wells and tanks for the benefit of the general public, a work which if left to private individual effort would never be done at all, and which it would be unreasonable to expect private individuals to do. I say there are exceptional cases where a Government may properly step in to undertake to do things which, if left to private enterprise, would not be done at all. I am not prepared to say without hesitation that what is proposed in this Bill is one of them. But there is a

certain amount of excuse for the Government of this colony, at this juncture, and in the existing stage of agricultural development, to step in to assist the agriculturalist by enabling him to borrow money at a rate which he can afford to pay, for carrying out certain improvements, with the view of stimulating increased production. It cannot be gainsaid that it is morally impossible for a Western Australian farmer, who has to borrow money at eight per cent. or nine per cent. to expect to obtain a reasonable return from his land. To do so would require a very exceptional man, and very exceptional land, yielding very exceptional returns. Therefore, I think we, perhaps, have here an instance where the State may legitimately step in with its assistance. I do not intend to detain the House any further, except to repeat that this legislation is in the nature of an experiment, and I think that in our peculiar circumstances, and at the present stage of our history, it is a legitimate and justifiable experiment. The hon. member for Nannine has called our attention to the fact that the *Crédit Foncier* of France is not a national or State institution at all. The hon. member is quite right, so far as France is concerned. But in other parts of Europe, I believe, it is a national institution. If the Government can see their way to amend this Bill in the direction I have sketched out, and other members have sketched out, I think the Bill would be very much improved. We must remember it is always better to err on the side of safety than on the side of recklessness. I particularly lay stress upon the desirability of placing the manager of this Agricultural Bank in a more impregnable position by having a board of directors behind him, and also the desirability of extending the time for the repayment of the money borrowed. If you expect more from these men than you can reasonably expect, you are more likely to meet with failure and disappointment, and more likely to have to resume their land, than if you give them a reasonable period of time to repay their loans; and I maintain that nothing less than 25 years should be allowed. I think it would be better, as I have said, if we gave them 30 years to pay it all off. Unless we do that, I am afraid we shall have many cases where the Government

will have to foreclose; whereas, if you extend the time, there will be no such danger. In matters of broad principle, I am quite in accord with the hon. member for Nannine, but I think there are features of the Bill which may be accepted as fairly applying to the conditions and circumstances of our own colony. When we were discussing the financial clauses of the original Homesteads Bill, I was strongly opposed to those clauses, and, if they were brought forward again, I would still oppose them. But this is a very different measure, because under those financial clauses in the Homesteads Bill no discretion was allowed the Government in discriminating between individuals applying for financial assistance, whereas here there is provision made for such discrimination, and I think we may look for more satisfactory results. The Bill, as I have said, is a tentative measure. It may seem a small measure to accomplish a great end, but, as the Premier said, it is only a beginning, and, if the experiment does not succeed as we would wish, the loss will not be very great.

On the motion of Mr. LEAKE, the debate was adjourned.

REGISTRATION OF BIRTHS, DEATHS, AND MARRIAGES BILL.

IN COMMITTEE:

Clause 1—Division of Act:

Postponed, on the motion of the Attorney General.

Clauses 2 to 7, inclusive:

Put and passed.

Clause 8—Registrars to notify office:

MR. ILLINGWORTH suggested that a more explicit provision should be made as to the placing of a notice outside the door of a registrar's office.

THE ATTORNEY GENERAL (Hon. S. Burt) said he would endeavour to make the clause more exact. He moved, as an amendment, that the words in the fifth line, "or near the outer door of his office," be struck out, and the words "the outside door of the building in which his office is situate" be inserted in lieu thereof.

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

Clauses 9 to 14, inclusive:

Put and passed.

Clause 15—Registrar General to provide seals of office:

MR. LEAKE moved, as an amendment, that the words "or stamp" be inserted after the word "seal," in the second line.

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

Clauses 16 to 24, inclusive:

Put and passed.

Clause 25—Names of ministers who have left the colony or died to be omitted from such lists:

THE ATTORNEY GENERAL (Hon. S. Burt) moved, as an amendment, that the words "registration of any minister is cancelled, or the" be inserted after the word "the," in the first line.

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

Clauses 26 to 32, inclusive:

Put and passed.

Clause 33—Births previously registered to be deemed duly registered under this Act:

MR. LEAKE asked whether any provision was made for preventing any woman from registering an illegitimate child in the name of its putative father?

THE ATTORNEY GENERAL (Hon. S. Burt) said his attention had been directed to this point, and he would further consider it.

Question put and passed.

Clauses 34 to 41, inclusive:

Put and passed.

Clause 42—How building to be registered as a place of public worship:

THE ATTORNEY GENERAL (Hon. S. Burt) moved that the clause be struck out, and said he intended to provide, in the Marriage Bill, that marriages might take place anywhere.

Amendment put and passed, and the clause struck out accordingly.

Clause 43—Registration may be cancelled if place of worship not used:

THE ATTORNEY GENERAL (Hon. S. Burt) moved that the clause be struck out, for the same reason as stated in reference to the next preceding clause.

Amendment put and passed, and the clause struck out accordingly.

Clauses 44 to 46, inclusive:

Put and passed.

Clause 47—Penalty for refusing or neglecting to give notice or information

required by this Act, or registering contrary to Act:

MR. LEFROY said the penalty of £2 as a minimum would be too high in the case of poor persons neglecting to give the required information, not wilfully, but through oversight or ignorance.

THE ATTORNEY GENERAL (Hon. S. Burt) said he attached importance to this provision, as there was a difficulty in this colony in getting persons to give proper particulars of a death; and this was the same clause as in the existing Act. He had known of only one prosecution for such breach, and in that case the penalty was remitted. This provision existed in all similar Acts elsewhere.

MR. LEAKE said it would be better to leave the amount of the penalty to be fixed in each case at the discretion of the justices. He moved, as an amendment, that the words "of not less than two pounds" be struck out of the seventh line.

THE ATTORNEY GENERAL (Hon. S. Burt) opposed the amendment, and said no bench of justices would convict under this clause unless satisfied there had been deliberate neglect.

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

Ayes	...	...	...	5
Noes	...	...	...	10

Majority against ... 5

AYES.	NOES.
Mr. Dillingworth	Mr. Burt
Mr. Lefroy	Sir John Forrest
Mr. Randall	Mr. A. Forrest
Mr. Simpson	Mr. Harper
Mr. Leake (Teller).	Mr. James
	Mr. Marmion
	Mr. Moran
	Sir J. G. Lee Steere
	Mr. Venn
	Mr. Paterson (Teller).

Amendment negated, and the clause put and passed.

Clauses 48 to 53, inclusive:

Put and passed.

Clause 1 (postponed). — Division of Act:

THE ATTORNEY GENERAL (Hon. S. Burt) moved, as an amendment, that the words "Part VII., Registration of buildings for public worship, ss. 42 and 43," in the eighth line, be struck out, in accordance with other amendments made in the clauses.

Amendment put and passed.

THE ATTORNEY GENERAL (Hon. S. Burt) further moved that the blank in the last line be filled in with the word "January," and that the figure "4" in the same line be struck out, and the figure "5" inserted in lieu thereof.

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

First Schedule:

Put and passed.

Second Schedule:

Mr. RANDELL moved, as an amendment, that the amount "five shillings," placed opposite the first item, be struck out, and the amount "two shillings and sixpence" be inserted in lieu thereof. He said this and other charges in the Schedule were too high for poor persons to pay.

Amendment put and passed.

Mr. RANDELL further moved that the amount "two shillings and sixpence," placed opposite the second item, be struck out, and the amount "one shilling" be inserted in lieu thereof.

Amendment put and passed.

Mr. RANDELL further moved that the amount "two shillings," placed opposite the fifth item, be struck out, and the amount "one shilling" be inserted in lieu thereof.

Amendment put and passed.

Mr. RANDELL further moved that the amount "five shillings," placed opposite the sixth item, be struck out, and the amount "two shillings" be inserted in lieu thereof.

Amendment put and negatived.

Mr. RANDELL further moved that the amount "ten shillings," placed opposite the seventh item, be struck out, and the amount "five shillings" be inserted in lieu thereof.

Amendment put and passed.

Mr. LEAKE moved, as an amendment, that the amount "two shillings," placed opposite the tenth item, be struck out, and the amount "one shilling" be inserted in lieu thereof.

Amendment put and passed.

Mr. RANDELL moved, as an amendment, that the amount "forty shillings," placed opposite the twelfth item, be struck out, and the amount "twenty shillings" be inserted in lieu thereof.

Amendment put and negatived.

THE ATTORNEY GENERAL (Hon. S. Burt) moved, as an amendment, that

the last item, "every registration of a place of public worship, ten shillings," be struck out.

Amendment put and passed.

Schedule, as amended, agreed to.

Third to tenth Schedules, inclusive, put and passed.

Eleventh schedule:

THE ATTORNEY GENERAL (Hon. S. Burt) moved, as an amendment, that the words "(and under special license)" be added after the word "required," throughout the Schedule.

Amendment put and passed.

Schedule, as amended, agreed to.

Preamble and title:

Agreed to.

Bill reported with amendments.

ADJOURNMENT.

The House adjourned at 12 o'clock, midnight.

Legislative Assembly.

Tuesday, 11th September, 1894.

Loan Bill (£1,500,000): in committee—Small Debts
Ordinance Bill: in committee—Adjournment.

THE SPEAKER took the chair at 2.30 p.m.

PRAYERS.

LOAN BILL (£1,500,000).

MINISTERIAL STATEMENT.

THE PREMIER (Hon. Sir J. Forrest): Sir—Before moving that you leave the chair for the purpose of going into committee on this Bill, I should like to inform the House of the intention of the Government with regard to the Schedule of the Bill. We have listened attentively to the observations of hon. members on the occasion of the second reading, and I may say that we propose