

ways Act, 1904. You, Sir, ruled to this effect, and a message was sent to the Assembly drawing its attention to the Title, and as a result a new Bill was subsequently brought in and passed, omitting the provision which attempted to amend the Government Railways Act, 1904. In the present case, it is clear that the Title of the Bill should be "A Bill for an Act to regulate the closing times of licensed premises and registered clubs during war time," or "An Act to amend the Licensing Act, 1912." I ask you, Mr. President, to give a ruling in regard to this matter.

The PRESIDENT [5.23]: I hold that the Bill now before the House violates Standing Order 173 of the Council. In these circumstances the Bill is certainly out of order. If it had originated in this House, the proper course would be to discharge the order for the second reading; but, as the Bill originated in the Assembly, and leave was obtained there to introduce it, I think the more courteous procedure would be for this House to send a message to the Assembly drawing its attention to the matter, and for this House to adjourn the further consideration of the Bill until such time as a message from the Assembly in reply is received.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [5.24]: I move—

*That a Message be transmitted to the Assembly as follows:—"The Legislative Council acquaints the Legislative Assembly in reference to Message No. 14 from the Legislative Assembly forwarding a Bill for an Act to regulate the closing time of licensed premises during the war, that objection has been taken to the Bill on the ground that the definition of 'Licensed premises' contained in Clause 2 of the Bill is outside the scope of the title of the Bill, and that, consequently, the Bill is not in order. Under these circumstances, the Council informs the Legislative Assembly that, pending a further communication from the Assembly, it does not propose to deal further with the Bill."*

Motion passed, and a Message accordingly transmitted to the Assembly.

## MOTION — COMMONWEALTH DEFENCE ACT, CONSCRIPTION.

Order of the Day read for resumption of the debate on the motion of the Hon. J. Cornell "That in the opinion of this House any attempt to extend the conscription sections, as set forth in the Commonwealth Defence Act, other than to amend the existing provisos therein relating to exemptions, so as to provide that age or physical infirmity shall be the only qualification for exemption, would be inimical to the best interests of Australia, and would not at this juncture assist the Empire and its Allies in prosecuting the present war to a successful conclusion."

Hon. J. CORNELL (South) [5.25]: I ask leave to withdraw the motion.

Motion by leave withdrawn.

*House adjourned at 5.26 p.m.*

## Legislative Assembly.

*Wednesday, 17th November, 1915.*

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The SPEAKER took the Chair at 3 p.m., and read prayers.

## PAPERS PRESENTED.

By the Honorary Minister: Balance-sheets and Profit and Loss Accounts for year ended 30th June, 1915, of (a) State Steamship Service, (b) Moola Bulla Station.

By the Minister for Mines: Papers connected with the forfeiture of G.M. lease 2816, Westonia. (Ordered on motion by Mr. Harrison.)

QUESTION — WHEAT EXPORT  
FEDERAL ARRANGEMENTS.

Mr. THOMSON asked the Minister for Agriculture: 1, In view of the general uncertainty as to the position of farmers under the Federal arrangements for the export of wheat, and of the many inquiries repeatedly made of members of Parliament in this connection, does he intend to make a public statement on the subject? 2, If so, will he do so at an early date?

The MINISTER FOR AGRICULTURE replied: I have already announced publicly that when the scheme is finalised its provisions will be explained.

QUESTION — WATER SUPPLY,  
MARVEL LOCH.

Mr. HUDSON asked the Minister for Water Supply: 1, Is it intended to remove the whole or any portion of the water supply pipes between Southern Cross and Marvel Loch, and if so, why? 2, Will the department concerned make provision for an adequate water supply for Marvel Loch?

The MINISTER FOR WATER SUPPLY replied: 1, Yes; about six miles of pipes are being removed, and will be utilised to meet growing requirements at Bullfinch and Westonia. 2, Yes; the 3in. pipes taken up from Bullfinch and Westonia extensions will be laid in place of those removed from Marvel Loch. In addition, there is a Government tank a short distance north of the settlement, and another tank south. Both contain ample water.

RETURN — FERRY STEAMERS  
"PERTH" AND "DUCHESS."

On motion by Mr. ROBINSON (Canning) ordered: "That a return be laid upon the Table of the House, showing:— (a) A list of additions and repairs to the s.s. 'Perth' and the cost of same; (b) the amount of coal consumed by the s.s. 'Perth' per diem; (c) the amount of coal consumed by the s.s. 'Duchess' per diem."

MOTION — MOTOR BY-LAW,  
SUBIACO, TO DISALLOW.

Mr. ROBINSON (Canning) [3.10]: I move—

*That an Address be presented to His Excellency the Governor praying that the amendment to by-law No. 7, as made by the Subiaco municipal council, of the by-laws for the regulation of motor and other traffic, appearing in the "Government Gazette" for the 15th October, 1915, and laid upon the Table of the House on the 21st October, 1915, be disallowed.*

I am sure that had Ministers not been so closely engaged with the stress of the country's business, they would not have allowed the Subiaco municipality's by-law to pass through Executive Council unnoticed and unmarked. There is lying on the Table of the House a general set of by-laws approved of by no less than 24 municipalities and local authorities. The general by-law regulating the speed of motors confines the offence to what is known as driving to the public danger, whereas the amended by-law of the Subiaco municipality provides that no motor shall exceed a speed of 12 miles an hour in that municipality. It is well known to motorists, but not so well known to those who are not motorists, that what may be a safe speed at one hour of the day is unsafe at another. The general by-law in this connection—a by-law which, as a matter of fact, I had the privilege of drafting for the Minister for Lands when that gentleman controlled the Works Department, in the days before I had the honour of being a

member of Parliament—reads as follows:—

No person shall drive, ride, or impel a motor-car, motor wagon, motor cycle, or cycle, at any time in any portion of the district recklessly or negligently, or at a speed or in a manner which is dangerous to the public, having regard to all the circumstances of the case, including the nature, condition, and use of the road, and to the amount of traffic then upon or which might be reasonably expected to be upon such road.

It seems to me that that by-law covers every conceivable case. The only person who possibly would not understand it is the non-motorist. Moreover, this is the type of by-law used to-day in London, in the Republic of France, and in the States of Victoria and New South Wales. At the time it was drafted, practically every town of this State provided that no motor car should proceed through the town at a higher speed than 12 miles an hour. Those who use motor cars will know that there are many times when it is dangerous to proceed at even two or three miles an hour, or say at 10 miles an hour, each case depending upon its own circumstances. When coming to a school, for instance, a motor car is frequently stopped. To make an arbitrary rule that 12 miles an hour is safe would be hurtful to the school children, whereas the general by-law makes the circumstances of each case fit itself. On the other hand, it is the height of the ridiculous that one should not be permitted to traverse the streets of Subiaco at night, when the streets are absolutely deserted, at a higher speed than 12 miles an hour. The Subiaco by-law should be in the general form. Why should Parliament permit Subiaco to be the only part of Western Australia making this special provision? The present Minister for Lands, when attending a conference of motorists as Minister for Works, pointed out that if varying rates of speed obtained in different municipalities, the motorist, not knowing where he was travelling, would be in doubt as to

the legal limit at any particular time. The *Government Gazette* I have before me mentions among municipalities which have adopted the general by-law, Busselton, Carnarvon, Claremont, Fremantle, Canning, Midland Junction, Narrogin, Queen's Park, Victoria Park, East Fremantle, Wagin, Boulder, and so on; the only objecting municipality being Subiaco. I have been told that Subiaco's reason for objecting is that Subiaco streets are used by the motors of the general public, who do not pay rates and taxes to that municipality, which finds that its streets are worn out more quickly and have to be repaired more frequently than prior to the general use of motor cars. I venture to say that it is not necessary, that the question whether a motor car is driven at under 12 miles an hour or under 20 miles does not materially affect the condition of the street.

Hon. R. H. Underwood (Honorary Minister): It is the pace that wears out the streets.

Mr. ROBINSON: Yes, if the pace exceeds 20 miles an hour. But I do not know of anybody who in the environments of Perth drives at a speed exceeding 20 miles an hour; at least, it is only the tyro who in motoring exceeds the bounds of reasonableness, and such a man can be readily caught by the other by-law. I therefore plead that this amended by-law of the Subiaco municipality be disallowed.

The MINISTER FOR WORKS (Hon. W. C. Angwin—North-East Fremantle) [3.17]: The hon. member should be aware that Parliament has given certain powers to local authorities to make by-laws imposing any restrictions they deem necessary. Parliament has the power to disallow any by-law, but we have to consider what would be the position if the motion be agreed to, will the hon. member gain his end? I am informed that this by-law is similar to one previously made by the Subiaco municipality which has not been rescinded, and therefore, if the by-law under consideration is disallowed the old one of similar

purport will stand. I agree with the hon. member that it would be far better to have uniform by-laws throughout the metropolitan area, if not, indeed, throughout the State. But there is no law compelling the local authorities to adopt the model by-laws. We can disallow any of their by-laws, but we cannot compel them to make one on our model. Although in accord with the hon. member I really do not think anything will be gained by the passing of his motion. The by-law proposed by the hon. member, which provides that no person shall drive a motor car recklessly or negligently or in a manner dangerous to the public, is sufficient to meet the case. Subiaco has adopted that by-law with additional words to the effect that under no circumstances shall the speed exceed 12 miles an hour. If the by-law proposed by the hon. member is sufficient for London it should be sufficient for Subiaco, where traffic is not any heavier than it is in the Strand, London. Moreover, it is generally contended by those interested in the framing of prosecutions that the imposition of a speed limit is of little avail, because of the difficulty of proving the speed. I think, however, the hon. member would be more likely to achieve his purpose if he were to approach the Subiaco municipal authorities with a view of getting them to adopt the model by-law.

Mr. B. J. STUBBS (Subiaco) [3.25] : The officials of the Automobile Club used their persuasiveness on the Subiaco council last night with a view of getting the council to agree to drop the amendment, but they failed in their mission. The councilors considered that nothing had been brought to convince them that they should drop the amendment. They hold that their experience teaches them that in the interests of the people of Subiaco the additional words imposing the specific speed limit are necessary. It is not nearly so difficult to prove the speed at which a motor car was travelling as it would be to prove that the car was travelling to the danger of the public. Only the other day a motor car raced through

Subiaco at a speed approaching 50 miles an hour. Nobody happened to be on the road at the time, and so it would be very difficult to prove that that motor was travelling to the danger of the public.

Mr. Robinson: Why, the very speed was reckless!

Mr. B. J. STUBBS: Not if there were no people about. I can imagine the hon. member pleading in a court of law that, there having been nobody on the road, there was no danger to the public.

Mr. Robinson: On the contrary, I would declare that it was reckless driving.

Mr. B. J. STUBBS: There is a very great deal of fast driving through the suburbs lying between Perth and Fremantle. The hon. member seemed to think that this was a matter interesting motorists only. It has been stated by our judges that other people also have rights on the roadway. I have no desire to be offensive to motorists, but the phrase, "motor hogs," seems to be precisely the feelings of the general public towards the drivers of motor cars. This by-law, or one similar to it, has worked satisfactorily in Subiaco for many years past, and even if the motion is carried the hon. member will not get that by-law which he desires. The model by-law cannot take its place; the old by-law will stand if this one is defeated, and the old by-law restricts the driving of motors to 12 miles an hour. Therefore, the Automobile Club will not gain anything by the carrying of this motion. If the hon. member will accept an amendment, I am prepared to move one which will be acceptable to the municipality. That is, to restrict the 12 miles an hour to intersections, junctions of roadways, and past public schools. If the hon. member will accept such an amendment of the by-law the council will be agreeable to it.

Mr. Robinson: Personally I would be agreeable to that, but you would be foolish to move it.

The Premier: What you require is a Traffic Bill, but you defeated it last session.

Mr. Robinson: I supported your Traffic Bill.

Mr. B. J. STUBBS: The Traffic Bill in this respect would be no different from the model by-laws. Many of the streets over which motors cross on their way to Fremantle have tramlines along them and the cars are driven over these lines without slackening speed at all. In one place there is a public school and the motors are a danger to the school children. I oppose the motion of the hon. member, but I am willing to move an amendment in the direction I have indicated.

Mr. FOLEY (Mount Leonora) [3.34]: I am rather surprised at the member for Canning (Mr. Robinson) in bringing this motion forward and not giving the House details. Subiaco is a somewhat indifferent suburb. I know the member for Subiaco (Mr. B. J. Stubbs) will not admit that. In regulating the traffic of motors the Subiaco council have thought differently from other municipal councils. The member for Canning has been in a minority many times in this Chamber, but he always considers he is in the right. The hon. member has not given us anything to prove that travelling at 12 miles an hour in a motor car is safe to the public. The hon. member has put up a good case in the interests of school children. Globe trotters come here and want to have a look at King's Park, at Parliament House, and various other places, and they tell the driver to "let her all out," and in "letting her all out" it is a danger to the people in the Subiaco district. If motors do not exceed a speed of 12 miles an hour they do not cut up the roads a great deal. People going to catch boats drive motors at a great speed.

Mr. Robinson: Prosecute them.

Mr. FOLEY: The hon. member was globe trotting at one time and was prosecuted in the South of England for furious driving. I notice in the *Hampshire Gazette* an account of a gentleman who wished to catch a boat to get to the Continent, and in doing so exceeded the speed limit. My honourable friend drove so fast that he went right over the Con-

tinent before they could catch him. He did the Continent and when he came back he did what any honourable man would do, he gave himself up. They did not only take his explanation, but they took a fiver along with it. The 12 miles limit is a reasonable speed. The hon. member should have brought this matter forward earlier.

Mr. Robinson: How could I, the by-laws were only laid down on the Table ten days ago.

Mr. FOLEY: The hon. member should know that where there are children going to school and motorists exceed the speed limit, there is likely to be accidents. There are times when a speed limit of 20 miles an hour can be justified. In the case of a doctor going to attend a person who has met with an accident, no one would complain of the speed limit being exceeded, but there should be some limit to the speed at which a motorist can drive. A motor can be driven at 40 miles an hour when there is no one about and it would be quite safe.

Mr. Robinson: Forty miles an hour cannot be safe in a suburb.

Mr. FOLEY: The only person who is taking the risk is the man who is driving the car, that is if there is anybody about in the street.

Mr. Robinson: The by-law says, "The traffic that might reasonably be expected to be in the street." Forty miles an hour in any suburb would at all times be dangerous.

Mr. FOLEY: The hon. member will be wise in view of what has been stated in withdrawing the motion, and allow the member for Subiaco to move in the direction he has indicated.

Mr. ROBINSON (Canning—in reply) [3.40]: The hon. member's imagination is very vivid, almost realistic; he should go in for writing a book. As far as school children are concerned and driving past schools, I have no time for the man who will not stop for children and I would prosecute him every time. The by-laws will allow him to be prosecuted. If the speed is limited to 12 miles an hour the ordinary man will think that he

can travel at 12 miles an hour, and many times when driving past a school 12 miles and even two miles is too fast. When there is a number of children coming out of school and a motor is going along it is the duty of the motorist to stop and wait until the road is clear. I want to disabuse members of the idea that because a street is clear a man can drive a motor at 40 miles an hour. In my judgment no one is justified in driving in any part of the City where there are houses or where people are likely to be, at a speed of 40 miles an hour, and I hardly think anyone is justified on a country road in travelling at 40 miles an hour. No one but a very silly man, even if streets are clear at the dead of night, would exceed anything beyond 20 miles or 22 miles an hour even going through open streets. At any time, even in the middle of the night, one always runs the risk of some cart or bicycle or dog or cow or goat being in the street, therefore, a man for his own sake should not drive at a high speed, and anyone witnessing a person driving at such a speed should have him prosecuted for driving to the danger of the public. Members need not think that By-law No. 7 will permit people to drive at a reckless speed. I am glad to hear the hon. member say that there is better control over motorists under By-law 7 than in having a fixed speed limit. I do not want in a matter of this sort, having ventilated it, to divide the House or to persist in the subject. If the Subiaco municipal council are reasonable, and are desirous of acting reasonably, I am quite willing, if they will permit me, to discuss the matter with them. I have had some experience of motoring, and of motoring roads, and I think if they will listen to me and to what I have to say, that the discussion will be helpful. The amendment suggested by the member for Subiaco (Mr. B. J. Stubbs) would not be a good thing for the municipality and I would not recommend them to say that a man driving past a school should not exceed 12 miles an hour. If that was the by-law and a man could drive at 12 miles an hour, he could not be prosecuted for

doing so if there was an accident, while under my by-law the individual can be got at in all cases. I have no wish to travel over the streets of Perth, through the municipality of Subiaco or any other municipality at an unreasonable speed or even at 12 miles an hour. It is the custom of every careful motorist when approaching a tram line to drive slowly, and also to drive slowly when coming to a cross road. I do not think the amendment suggested will catch the individuals who are desired to be caught. The new by-law will give us more power than we have ever had before. Having ventilated the matter, I shall be quite willing to leave it to the good sense of the municipality of Subiaco.

Mr. B. J. Stubbs: They will meet you, I am sure.

Mr. ROBINSON: I ask leave to withdraw the motion.

Motion by leave withdrawn.

#### PAPERS — PUBLIC SERVICE APPEAL BOARD AND CLAIMS.

Mr. SMITH (North Perth) [3.48]: I move—

*That all papers in connection with the unsatisfied claims of certain civil servants as the result of Appeal Board decisions be laid upon the Table of the House.*

I move this motion purely in a formal way as the Premier is desirous of saving time and has consented to lay the papers on the Table of the House.

Mr. E. B. JOHNSTON (Williams-Narrogin) [3.50]: I should like to support the motion. I have been approached by some of the officers concerned, and am satisfied from what they have said that they have very good cases, if the finances of the State permit, to make out. I think they would be quite satisfied if the position was accepted by the Premier, and the Government's moral obligations were recognised. I hope that the laying of the papers on the Table of the House will assist public opinion in compelling the Government to take this course.

Question put and passed.

# PAPERS—GOLD MINING LEASE FORFEITURE, WESTONIA.

Mr. HARRISON (Avon) [3.52]: I move—

*That all papers connected with the forfeiture of Gold Mining Lease 2816, situated at Westoniam, and the re-hearing of the case, be laid upon the Table of the House.*

I understand from the Minister for Mines that he has no objection to the papers being laid on the Table of the House. I, therefore, move this motion formally.

Mr. FOLEY (Leonora) [3.53]: I second the motion. I am glad to know that the papers will be laid on the Table of the House. This question has given rise to much comment in mining circles, not only at Westoniam but in other portions of the State. It will give the mining members of the House an opportunity of finding out the merits of the case, and they will be able to deal with it in a more intelligible manner. No doubt at some future date I shall say a few words on the matter.

Question put and passed.

The MINISTER FOR MINES: I now lay the papers on the Table of the House.

## POSTPONED MOTIONS.

Mr. SPEAKER [3.54]: The member for Murray-Wellington was not in the House when the motion standing in his name was called on. He has asked me if he could now have an opportunity of discussing it. Whilst I am at all times desirous of meeting the convenience of members, I find that on this occasion I am unable to agree to his request. I regret very much that I cannot do so, for the reason that the House has already decided at this sitting that the motion must be postponed. As the motion postponing this matter was passed, the motion must stand over until the next sitting of the House. If this procedure was departed from it would lead to confusion in the conduct of the business of the House.

Mr. GEORGE (Murray-Wellington) [3.55]: My absence was entirely out of my control, owing to the train service. The time for discussing motions is usually two hours, and we have not yet taken up one hour. The motion is not a party one, it is a matter of an industrial affair, affecting not only the Government but the State as a whole.

The Minister for Mines: An opportunity might be afforded to the hon. member later on. The motion will remain on the Notice Paper. The matter is not in our hands.

Mr. SPEAKER: The motion could not have been postponed had its postponement not been moved at the hon. member's request.

Mr. GEORGE: I thought I should have been here in time to-day.

Mr. SPEAKER: If the motion had not been postponed at the hon. member's request it would have been dropped and lost altogether.

## SELECT COMMITTEE—PERTH-FREMANTLE AND SUBIACO-CLAREMONT ROADS.

*To adopt Report.*

Mr. B. J. STUBBS (Subiaco) [3.56]: I move—

*That in the opinion of this House it is desirable that effect should be given to the recommendations contained in the report of the select committee, on the Perth-Fremantle and Subiaco-Claremont roads.*

I should like to say at the outset that the committee devoted a great deal of time and patience to this inquiry. They realised that this has been a bone of contention for many years, namely, the principle of the maintenance of this particular road. One cannot realise the enormity of the task of finding a solution to the difficulty in regard to the maintenance and upkeep of the road until one endeavours to bring together the many conflicting opinions that exist with regard to it. I believe that had the Traffic Bill which was introduced on more than one occasion to the House,

been passed, we would have to an extent solved this problem. I say, to an extent, advisedly, because I believe it would not have altogether solved the problem of the maintenance of the road. At the time the Traffic Bill was brought before the Chamber, the road had got into a disgraceful state of disrepair, and the reconstruction of the road became an absolute necessity. Therefore, the Traffic Bill, only to an extent, would have solved this problem. It would have solved the problem of the maintenance of the road after it had again been put into a thorough state of repair by reconstruction. It would in no way have touched the question, however, of the reconstruction of the road, and of course that is the one big problem that we have had to try and find a solution for in connection with our inquiry. We have made recommendations in this report. We have recommended that the Government should pay a certain proportion, and we have further recommended that legislation on the lines of the Country Roads Act of Victoria should be introduced into this State. We have done that because we believe that the provisions of that Act are more equitable and practicable, and will more readily provide a solution for the main roads question than would the Traffic Bill itself have been had it been passed. We have received a copy of that particular Act and also the memorandum issued, and from information obtained and inquiries made, we believe that the Act has given general satisfaction in that State. One of the first things that struck the committee in the course of their inquiries was the ingenious method adopted by the Public Works Department in connection with this road. They found that under the Roads Act of 1902 they had certain powers to construct or repair any road within the State, and it was under that Act they started upon the reconstruction of this road. But the legislation under which they undertook the reconstruction gave them no power to charge any local governing body for the cost of the work, and they hit upon the

ingenious method of making deductions from the municipal and roads board subsidies.

The Minister for Works: You might say it was proposed to do this.

Mr. B. J. STUBBS: The Minister says it was proposed.

The Minister for Works: No deduction has yet been made.

Mr. B. J. STUBBS: I hope that it is only a proposal, and that the Minister will see his way clear not only to do what we have suggested, but to go further and bear the whole cost of the reconstruction. Some time before the construction of this road was undertaken conferences were held of the various local governing bodies which had jurisdiction over parts of the road, and they agreed to certain propositions. It was agreed that the wealthier local bodies interested should pay the cost of their portion of the road and that assistance should be given by the Government to the other bodies not so favourably circumstanced. In drafting our report we endeavoured to bring forward what we thought would be a far more equitable distribution than that which had been proposed by the Government. The Government, in their distribution, did not really agree to the proposition put forward by the conference of local governing bodies, although it may have had on the face of it the appearance that they had done so. Provision was not made for the Government accepting any financial responsibility in connection with the road. The select committee endeavoured to do what was thought to be fair, both to the local bodies and to the Government. We suggested that the Government should pay one-third of the cost of reconstruction. We thought that was an equitable arrangement and then we divided the other two-thirds of the cost between the local governing bodies in a manner which was thought to be fair and just. When the report was submitted to the House the Minister for Works interjected that Perth, Subiaco and Fremantle seemed to



be the three bodies which were benefiting.

The Minister for Works: I never mentioned Subiaco.

Mr. B. J. STUBBS: I think the Minister did, and he said that they had representatives on the committee. Perth, Fremantle, and Subiaco are the three local governing bodies which might reasonably have some objection to the report of the select committee, but we viewed all the circumstances of the case and came to the conclusion that they should be prepared to accept perhaps what might be a little disability in one direction, although there would be undoubted advantages received in another. For instance, we asked the Perth municipality to pay £2,000 over and above the cost of the reconstruction in their district. We thought they received a great benefit from that road, that the rateable value of property in the municipality of Perth was enhanced by the traffic which traverses that road, and we thought it was a reasonable proposition that they should pay that £2,000. That is a considerable reduction on the amount which the Government asked them to pay.

Hon. J. D. Connolly: No, it is not.

Mr. B. J. STUBBS: The Government asked them to pay £5,000.

Hon. J. D. Connolly: They were asked to pay £10,000 altogether.

Mr. B. J. STUBBS: The Under Secretary for Works in his evidence stated that the payments the Perth municipal council would be asked to make in addition would be another £5,000. Our proposal is that they shall pay £2,000. Subiaco were asked to pay £840.

Hon. J. D. Connolly: Exactly the cost of construction.

Mr. B. J. STUBBS: No, it is considerably above the cost of the reconstruction in their district, about £60 or £70. The total cost of the reconstruction of the road in the Subiaco municipality works out at £765, and the departmental estimate in Subiaco was £840. That was based upon the total cost of the road.

Hon. J. D. Connolly: That is what you say. The report does not say so.

Mr. B. J. STUBBS: It does. If the hon. member looks through the report which was submitted to us by the Works Department, showing the length of the road which required to be totally remade, the portion of the road which required top dressing, and the portion which required tar topping, he will find that of the whole length of the road in the Subiaco municipal district, none of it required reconstruction and that the total length of 20 chains required simply top dressing and tar topping. It had to be widened a little also to bring it out to the width of the other portion of the road, and the total cost was put down at £765. So that we are asking the Subiaco municipality to pay something over and above the actual money spent on the road in their district. As representative of that electorate which embraces the municipality, in my opinion it is a fair and equitable adjustment. I will admit that the Subiaco council have objected to it. Naturally they object because they believe that if they keep on objecting they will eventually be let off for a considerable portion of the amount.

Hon. J. D. Connolly: How much rates do they get?

Mr. B. J. STUBBS: Looked at from that point of view there is no local governing body along the whole length of the road which can make out a better case than Subiaco. The traffic does not benefit them and they have only six blocks of land fronting the road from which they can collect rates.

Hon. J. D. Connolly: How much rates do they get?

Mr. B. J. STUBBS: A very small amount. The remainder of the land has been resumed by the Government for university purposes.

The Premier interjected.

Mr. B. J. STUBBS: In answer to the Premier's interjection, that is one of the reasons why we say that the country roads Act of Victoria is a far more equitable Act than the Traffic Bill which was introduced to this Chamber. Under the Victorian Act a municipality may be called upon to pay a portion of the construction of a road and the maintenance

of a road if they receive some benefit from that road, even though it does not go through their district at all.

Mr. George: Why should they be asked to pay more than the actual cost?

Mr. B. J. STUBBS: There is only this argument in favour of it: The road is, to my mind, distinctly a national road between the city and the port. There are local governing bodies along that road which have enormous distances in their districts, and it would be an absolute impossibility for them to maintain the road out of the rates they receive.

Mr. George: You are asking Claremont to pay £3,000 more.

Mr. B. J. STUBBS: We are not asking them to pay the full cost of reconstruction in their district.

Mr. George: Something, then, must be wrong with the figures given to me.

Mr. B. J. STUBBS: We are not asking them to pay the full amount of the cost of reconstruction; we are asking them to pay £4,183.

Mr. George: It did not cost anything like that.

Mr. B. J. STUBBS: We had no data before us to show us what the cost of construction really was. All we had was the departmental estimate of what the amount would probably be. A portion had been completed during the time the select committee was sitting and we were told that the cost was coming out at about the estimate, or perhaps a shade over it. That was all we had to go on.

Mr. George: When they came to Claremont they did not make anything like the good road they made elsewhere.

Mr. B. J. STUBBS: They said they made a better road. The mistake near the Fremantle end was that they put the tar on too soon, the road being then too green. There were parts of the road which did not have to be completely reconstructed. In places they merely top dressed it after having loosened the old macadam and put on it an extra two inches of macadam and then rolled it and blinded it, and afterwards tar topped it. Some portions of the road, notably that part between Cottesloe Beach and North Fremantle, where

the busy bee was engaged, had to be made from the very foundation.

Hon. J. D. Connolly: The greater portion of it had to be made from top to bottom.

Mr. George: Not in Claremont.

Mr. B. J. STUBBS: The information I have shows that none of the road in Claremont had to be reconstructed; it required only top-dressing. The estimated cost in the Claremont municipality was £4,343.

Mr. George: The value is not there.

Mr. B. J. STUBBS: We were told by the engineer that the cost, so far as he could gather from the portion of the road completed at that time, had approximated the estimate. We have asked some of the municipalities to pay something in addition to the cost of reconstruction in their own districts. We have asked the municipality of Fremantle to pay £600 and none of the road in their district was touched. We estimated that £600 in their case and £2,000 in the case of Perth was a fair contribution on the comparative value of the road to the two municipalities, and we took into consideration, as the Works Department did in making their estimate, the amount collected from vehicle licenses.

Mr. George: It runs out at £25 a chain for Cottesloe where they had to make the road entirely, and £30 a chain for Claremont where they did only top dressing.

Mr. B. J. STUBBS: No. At Cottesloe it cost £42 a chain. We suggest relieving the small municipalities somewhat because of their inability to pay. This is in conformity with the system laid down in the Country Roads Act of Victoria. It would be absurd to ask the Claremont roads board to pay the estimated cost of reconstruction in their district, £4,174; it would be impossible for them to pay it. They would have to abandon their roads board and throw it over to the Government because they could not possibly rate the few people resident in that district to such an extent as to enable them to pay that amount. We reduced their quota to £1,323, and even this will prove a drain on their people for many years.

Mr. George: The same thing applies to Claremont.

Mr. B. J. STUBBS: No, it does not, because Claremont is a fairly wealthy municipality.

Mr. George: It is not fair that they should be asked to pay more than it cost.

Mr. B. J. STUBBS: They are not.

Mr. George: I say they are.

Mr. B. J. STUBBS: The hon. member will see that unless the engineers are a long way out—and on the evidence we took they are not—the Claremont municipality has not been asked to pay as much as the reconstruction cost in their district. When the select committee started their inquiries we sent through the Premier's office a wire to Adelaide, asking the system under which the Adelaide-Port Adelaide road was maintained and how the allocations of grants were made. To that we received no reply, but we telegraphed again, and the information arrived the day after our report was completed. Had it arrived before, I think it would have had an influence on the committee. The reply reads—

Your telegram twentieth ultimo. amount mileage and character of traffic is taken into consideration in allotting grants to corporations and district councils in which Port-road is vested. About three hundred pounds per mile is cost of construction. Road is now being wood-blocked throughout by Government.

If we had had the information that the road was being wood-blocked throughout by the Government—

The Minister for Lands: Are the Government doing the whole of that road?

Mr. B. J. STUBBS: Does the Minister infer that the various councils there will be charged by the Government?

The Minister for Lands: I believe that is so.

Mr. B. J. STUBBS: Judging from the telegram, we concluded that the Government were paying for the wood blocking of the whole of the road from Adelaide to Port Adelaide. In Victoria, in the case of all new roads constructed under the board appointed under the Country

Roads Act, the Government bear one-half of the cost of construction and maintenance, and no municipality or roads board can be called upon to pay more than two-thirds of the cost of the road in their particular district. The Government there realise that assistance must be given to local governing bodies. It is unreasonable to ask some of the bodies to construct and keep in repair roads which are used largely by traffic outside their particular districts. I would like to quote the report on local government in New South Wales for the year ended 30th June, 1914, which states—

The Local Government Act provides that a sum of not less than £150,000 shall be contributed annually by the State for issue to the shires. The apportionment of this amount is determined principally by the relation the probable revenue from the general rate bears to the necessary annual expenditure, and is subject to periodical revision. The subsidy or endowment paid in accordance with this provision gradually increased from £179,000 in 1907 (the first year of local government) to £368,881 in 1912. During the same period the gross expenditure of the shire councils upon public works (*i.e.*, roads, bridges, wharves, and ferries) increased from £249,868 in 1907 to £773,479 in 1912. Notwithstanding this increase, the principal roads in practically all the incorporated areas were allowed to fall into disrepair, and it became necessary for the State to take action to secure their improvement. The collective subsidy payable to the shires was therefore reduced in 1913 to the statutory limit of £150,000, but an additional sum of £250,000 was provided specially for expenditure upon "main" roads.

In New South Wales there is a statutory subsidy for local governing bodies and it is only fair and equitable that the subsidy paid to these bodies should have statutory authority, and should not be paid or withheld wholly at the whim of any Minister or Government who may find themselves in financial difficulties. The local governing bodies are carrying

out part of the governmental functions of the country and, to enable them to estimate their revenue each year, the subsidy should be fixed by statute, and they should not have the experience of learning after half the financial year has elapsed that the Government subsidy is to be greatly reduced.

The Minister for Works: The people have no say in the expenditure.

Mr. B. J. STUBBS: They have every say.

The Minister for Works: They have not, and never will under the present system of voting.

Mr. B. J. STUBBS: There might be some justice in that argument, but the ratepayers have far greater control over the expenditure by these bodies than the people have over the expenditure by Parliament.

The Minister for Works: No, they have not.

*[The Deputy Speaker (Mr. McDowall) took the Chair.]*

Mr. B. J. STUBBS: They have, because no expenditure can be incurred without the consent of the people. The municipalities have to submit to the people every year a list of the expenditure intended to be incurred and they can rate the people only to the extent of providing for that expenditure. So far as loan expenditure is concerned, every item has to be agreed to on a vote of the people. We have recommended that the Government should bear, roughly, one-third of the cost of the reconstruction of the Perth-Fremantle-road and should also bear the same proportion of the maintenance of the road, because we realise that maintenance is going to be a very serious factor. Looking at the road from the train window while travelling to Fremantle the other day, it seemed to be suffering from the measles—there were such a number of spots where repairs have been effected. Apparently the whole of the top of the road was developing holes because, in the Cottesloe district particularly, there are repairs which cover the road almost entirely. Mainte-

nance itself is an expenditure which the local governing bodies should not have to undertake out of their scanty revenue; the Government should come to their assistance and bear a portion of the expense. Then as regards the Subiaco-Claremont-road through Karrakatta, the select committee recommend that the Government should reconstruct that portion fronting the cemetery. This also is in Claremont roads board territory, and is far distant from the centre of settlement in that territory. Indeed, the traffic passing over that portion of the road in no way benefits the Claremont roads board district, being all funeral or through traffic. At the present time the Subiaco-Claremont-road is in such a state of disrepair that the local governing bodies could not possibly finance its reconstruction. The report of the committee suggests, therefore, that the Government should undertake the reconstruction of the road, and that towards its upkeep the Government should pay one third, the Claremont roads board one third, and the Karrakatta Cemetery Board one third. The select committee suggest that in the Subiaco district the Government should also pay one third of the cost of upkeep. The road runs parallel to the railway line from Subiaco to Claremont. There is Government land also on the opposite side of the road, and I think it is only a fair proposition that where a road runs alongside a railway line which is public property—and there is an enormous amount of public property in all these local governing bodies—the Government should show special consideration. The representative of one of the local governing bodies concerned informed the committee that no less than 53 per cent. of its territory was non-rateable, being Government land. My view is that municipalities and roads boards are created because in this particular line of business they can do better than could a central Government. They have more local knowledge, and they can carry out the details of these particular functions which have been handed over

to them by Parliament better than Parliament could possibly carry them out. In that respect the local governing bodies are carrying out part of the functions of the Government of the State. Looking at the matter purely from that point of view, it is absolutely unfair and unjust to ask the people in one particular district to bear the whole of the cost of a road from which in many cases they derive no particular benefit at all, but which is for the benefit of the community at large.

The Premier: How is it that the most thickly populated centres of the State are always begging the Government for payments towards their roads?

Mr. B. J. STUBBS: That argument may bear an appearance of justice; but the Premier must realise, as I have pointed out, that the districts of many of the local governing bodies between Perth and Fremantle are sparsely settled, and that those local governing bodies have long distances of the road to maintain. Moreover, the residents of those districts have settled there in order to obtain homes, the land being cheap, and they pay railway fares to get to and from their work. Thus the Government benefit, and the residents are further asked to bear the burden of a road which passes through their district but which is practically of no benefit to them—which benefits chiefly the large commercial interests of Perth and Fremantle.

The Premier: You want to get the local authorities affected to understand that.

Mr. George: Why should you charge more than the cost of the road to any particular place?

Mr. B. J. STUBBS: We have asked some municipalities to bear a small addition to the cost of the work in their districts, so as to relieve some of their more unfortunate neighbours; but every local body along the whole length of the road put up the argument that the money has not been expended in their district. Every one of the local bodies wants to make out that the money has been spent

in some other district. I have said that later on perhaps we shall be able to get the actual cost of the road in each district and compare that cost with the estimates the select committee have made. The select committee were told by the engineers that so far as construction had gone when they were before the committee, it would come out at a shade above their estimate, and not below their estimate; and the estimate for the Claremont municipality was £4,443.

Mr. George: Four thousand pounds has not been spent in the Claremont municipality unless the men have been paid £5 a day.

Mr. B. J. STUBBS: The Subiaco-Claremont-road runs alongside the railway line, and on the other side of it also there is a considerable area of Government land. Therefore the select committee suggest that the Government should pay one third towards the cost of maintenance of the road. The Subiaco council have recently spent a sum of £500 in putting their portion of the road in thorough repair. The select committee suggest that the Government should reconstruct the portion fronting the cemetery, and then suggest that the Claremont council should put their portion in repair, and that the Government should pay one third of the cost of the maintenance along the whole road, the Subiaco and Claremont councils paying two-thirds in their districts, and the cemetery board and the Claremont roads board one-third each in that roads board district.

The Premier: How much do you suggest the Government should pay towards the maintenance of roads from Perth to Kalgoorlie and from Perth to Bunbury?

Mr. B. J. STUBBS: I do not know that such roads have been made or are required, but I can tell the Premier that the Government last year paid a sum of £500 towards the maintenance or reconstruction of the Kalgoorlie-Boulder-road.

The Premier: We had to do that because of the sops we had given in the metropolitan area.

Mr. B. J. STUBBS: No; because of the pressure brought to bear from the goldfields. I am asking for what is fair and legitimate. The cost of making a road on the goldfields is infinitesimal in comparison with the cost of making a road in the metropolitan area. Many of the local governing bodies between Perth and Fremantle supported the Traffic Bill, while Perth and Fremantle opposed it. I think I have made out a case why the report should be adopted.

The MINISTER FOR WORKS (Hon. W. C. Angwin—North-East Fremantle) [4.43]: If I were going to address my electors on the subject of this motion, perhaps I should speak in the same strain as that of the member for Subiaco; but seeing that I have taken the position of Minister for Works and represent the State, and not any particular portion of it, I am in this respect obliged to take a point of view not localised like that of some members of the select committee. In view of the reference made by the member for Subiaco (Mr. B. J. Stubbs) to the Kalgoorlie-Boulder-road—a road which has had very little assistance indeed from the Government towards its upkeep—I wish to point out that the Government have expended on the Perth-Fremantle-road during the 15 years from 1896-7 to 1910-11, when Parliament instructed that there should be no further subsidy towards that road, no less a sum than £46,263.

Mr. Taylor: More than has been spent on all the goldfields roads in Western Australia.

Mr. B. J. Stubbs: The municipalities have had to reconstruct the Perth-Fremantle-road time and again because the Government would not assist them to maintain it.

The MINISTER FOR WORKS: I thought it advisable hon. members should know the total figures. Then, through the neglect of the Perth-Fremantle-road by the local authorities, the Government again had to undertake an expenditure of approximately £30,000 for the purpose of putting the road in repair. The late Mr. Price, when Minister for

Works, promised to continue the subsidy in decreasing amounts over a period of three years, at the end of which it ceased altogether. Parliament was definite in its instruction that no further subsidy should be granted towards the Perth-Fremantle-road. I opposed the suggestion that the subsidy should be cut off, holding as I did and do that it is very hard that a small local authority between Perth and Fremantle should maintain a public road of which the business people of Fremantle and Perth reap all the benefit. The Government are now expending some £30,000 on this road. Of that, over £23,000 has been expended, so during the last 20 years no less a sum than £76,000 has gone into this 12-mile length of road. If we are justified in expending so large a sum on this road, surely every local authority in the State can justly claim similar consideration in regard to the maintenance of their respective roads. I think the select committee should have recommended other roads in other parts of the State for the consideration of hon. members.

*[The Speaker resumed the Chair.]*

Mr. B. J. Stubbs: We had no power to do so.

The MINISTER FOR WORKS: After the road was put in good order in 1904-5 it was held that the local authorities should maintain it. Between 1906-7 and 1910-11 there was granted to the municipalities for this purpose £17,723, and to the roads boards £1,141. They kept the road in a passable condition—I cannot say in good order—but immediately the direction of Parliament was carried out, very few, if any, of the local authorities between Perth and Fremantle did anything towards repairing the road. I agree with the hon. member that much of the land abutting on this road is Government property from which no revenue is received by the local authorities; but that contention applies to every part of the State. The Government had already under consideration

the construction of this road when a busy bee decided to go to work in my district. I am sorry they did not make a better job of it than they did. I do not know that the publicity they got in the Press was warranted by the amount of work they put into the road. As I say, the Government already had this question under consideration, and the local authorities had been repeatedly meeting in conference. Their one aim was that the Government should bear the whole cost of the road. They might have come to some satisfactory decision if it had not been that Perth strongly opposed paying anything at all, and of course others fell into line and contended that the Government should incur the responsibility. It is very easy and popular for a select committee to recommend that the Government should pay a portion of the cost. The Government, on the advice of their officers, had a schedule prepared, showing the amounts which, in their opinion, should be paid by each local authority including Perth and Fremantle, the two centres that were chiefly benefiting by the construction of the road. After a good deal of consideration, the Government agreed that the local authorities could not meet the cost of this road construction at once, and offered to spread it over a period of 15 years, merely charging a rate of interest which, as a matter of fact, is lower than they could raise money at to-day. With certain exceptions, the select committee have almost fallen into line with the schedule of distribution of cost prepared by the departmental officers, with the addition that the Government should pay one-third. That is really the whole recommendation of the committee. The only real relief proposed to be granted is that the Government should pay one-third of the cost. The committee now propose that Parliament should rescind its former resolution. If Parliament thinks the Government should pay for the construction of this road and maintain it, Parliament must give heed to the demands which will be made by other

local authorities in other parts of the country.

Hon. J. D. Connolly: Do you not approve of every local authority which benefits by a main road being charged a portion of the cost and maintenance?

The MINISTER FOR WORKS: Certainly.

Hon. J. D. Connolly: Well, why do you not tax East Fremantle, which benefits considerably by this road?

The MINISTER FOR WORKS: Because East Fremantle does not reap any benefit, and moreover has to keep its own main road in good condition.

Mr. Carpenter: The East Fremantle people get considerable benefit from this road.

The MINISTER FOR WORKS: They get very little, and have to keep their main road in order in the interests of Perth and Fremantle.

Hon. J. D. Connolly: But this is North Fremantle's main street.

The MINISTER FOR WORKS: Like other local authorities, they prefer to get out of paying if they can. Even if the money be granted to the local authorities, the taxpayers contributing that money have no say in its expenditure, which is controlled by a small proportion of the people. Everybody over the age of 21 has a vote for the election of members of this Chamber, but in a local authority the votes are allotted in accordance with the value of the property owned. Yet the expenditure of money on the provision of roads in a district tends to increase the value of property. If we hand over to a local authority money contributed by all the people of the State, we are placing it in the hands of the few who reap the greatest benefit by its expenditure, and who will have the control of that expenditure. Therefore, I disagree with handing over the State's money to local authorities.

Mr. B. J. Stubbs: We are not asking that the money should be handed over.

The MINISTER FOR WORKS: But you are. The hon. member pointed to what he described as the ingenious proposals of the Public Works Department

in regard to this road, and said that they had put their brains to work to find something special in an Act of Parliament to deal with the construction of this road. He stated also that if it had not been for a section of the Public Works Act, they would have had no opportunity of constructing the road at all, and he went on to point out that they had no power to charge. I want to say that the hon. member has been in Parliament sufficiently long to know that subsidies under the Western Australian system are in the whim of the Minister. I may add that I do not approve of that. We realise that it is almost impossible for the local authorities at the present time to meet the annual payments charged for the road and if they cannot meet the payments in the fifteen years we shall have to increase the term. It is the duty of the House to support the Government in the action they have taken in regard to the expenditure and maintenance of the road seeing that it had previously been a direction of Parliament that no further moneys should be expended on the road after a certain date. I will admit that Parliament is justified in altering that. I will not take the stand that Parliament cannot alter it.

Hon. J. D. Connolly: When did Parliament say that?

The MINISTER FOR WORKS: When the hon. member was a Minister. The estimates provided for a certain amount of subsidy for the maintenance of this road in particular, and I may say there was a possibility of the vote being struck out altogether, but the hon. member's colleagues did not like the idea of the vote being defeated by their own supporters, and they waited until after the tea hour and came to the conclusion to agree to the wishes of their own members that the vote should be wiped out after a period of three years, and it was stated that after a period of three years the vote would lapse, and on that promise the vote was allowed to go through. The member for Murray-Wellington said that as far as Claremont is concerned nothing near the amount of money that should

have been expended has been expended on the road. The total expenditure in Claremont—and the road is not completed yet—was £3,356 19s. 4d., that is the total cost of the construction of the road there, so members will see that as far as payment is concerned it has not been an excessive charge for the work. The hon. member in dealing with the question referred to the road as the Kar-rakatta Cemetery road, and said that the Government should not only construct it but pay one-third of the upkeep. I want to ask why the Government should contribute towards the upkeep of the Kar-rakatta Cemetery road while there are other cemetery roads in Western Australia which do not receive anything; and there is a larger population in the metropolitan area who can better afford to pay than people in the country, who have to go through the bush roads to their cemeteries. This road is also left in a disgraceful state too, as it is stated, to compel the Government for decency sake to put the road in proper repair.

The Premier: Many local authorities have declared that they will let their roads get in the same condition to compel the Government to put them in repair.

Mr. George: The road is in an awful condition.

The MINISTER FOR WORKS: I admit that, but who is responsible for it? Because it is realised that the cemetery is used by various persons in the different local districts it is said that it should not be a charge on any one local district. All that I can say is that for very decency sake it is the very road that the local authorities ought to see is properly constructed and kept in proper repair. The local authorities should show to the people in the surrounding districts that they have respect for those who have to go over the roads, and therefore that they will keep it in good repair, but it is a disgrace to-day. A portion of the road is in good order while another portion is a disgrace, and one of the most financial and wealthy local authorities in the metropolitan area has the control of



this road—I refer to the Claremont roads board. It is not very long ago that they were bragging, and pointing out the good financial position they were in. The total expenditure to date on the Perth-Fremantle road is £23,769, and it is estimated to cost approximately £6,000 to complete the work, which shows that this road is now being put in a very fair condition.

Hon. J. D. Connolly: That is about £5,000 over the estimate.

The MINISTER FOR WORKS: I am wrong. There is an amount of £6,000 on the Estimates this year; £23,769 has been expended to date, and the cost when completed will be £26,500, so that members will see the Government have expended a very large sum of money on the road, and the road now is passable. I regret like the member for Subiaco that the surface of the road in places is broken up. I do not put the blame for that on the way in which the road has been constructed. As the member for Murray-Wellington has said, a number of merchants now are using the road when they used to use the railway, and one cannot expect a small crust of half an inch in thickness of stone and tar and sand to stand the heavy pressure of nine or ten tons passing over their road; it breaks up the face.

Mr. George: They ought not to be allowed to go at such a pace.

The MINISTER FOR WORKS: I agree with you.

Mr. George: I am speaking of motor lorries.

The MINISTER FOR WORKS: If the traffic regulations had been carried into effect there would have been a possibility of making a charge on the persons who own these motor lorries to contribute more towards the upkeep of the road than they do at present. I remember being in the House of Commons in 1909 when I heard a discussion on this question of the upkeep of main roads, and it was pointed out that owing to the heavy motor traffic throughout England the railways were being robbed—I should not use the word robbed but

were being deprived of legitimate revenue owing to the motor traffic. While the heavy motor lorries were taking the goods the owners contributed nothing whatever to the various local authorities for the upkeep of the main roads. I am very pleased that Mr. Lloyd George, who is always in the fore in seeing that justice is done, has introduced a petrol tax and has pointed out even then, and the heavy lorries are increasing in number, the revenue derived would be over one million pounds per annum from these lorries. That would be divided amongst the local governing bodies for the purpose of the upkeep of the main roads. I thought this a fair proposition and I suggested to some of the Federal members, as the Commonwealth have power over the customs and excise duties, that something similar might be done in Australia by making people who use motor lorries contribute towards the upkeep of the main roads. Parliament will have to do something in that direction. People cannot continually cut up the roads as they are doing now in taking merchandise over them in these heavy lorries. Everyone must have seen these lorries going about the streets loaded very heavily with some tons of goods. Traffic such as that must be very severe on the roads of the State. In regard to the maintenance, as far as the local authorities are concerned, something must be done to get at the people to make them contribute a just share for the maintenance of the roads. I hope members will not agree to the recommendation of the select committee because I think it is a matter that should be left entirely in the hands of the Government seeing the local authorities in the districts have neglected the upkeep of this road. Some local bodies have said they would not spend a penny on the road, but that they would force the Government to remake it or reconstruct it and no attempt has been made to guarantee the safety of the people. Holes have been left in the road and at night time accidents could easily have happened. Some local authorities have gone so far as to publish a notification that they would take no responsi-

bility if accidents occurred, although they had allowed the road to get into such a bad state. These authorities have not expended money in their areas, when other local authorities equal to them have expended money in their districts, therefore the people in these local districts should contribute something to the upkeep of this road. It is their duty to do so. At the present time the Government have no means whereby they can increase their revenue for the expenditure of this money or any means of reaching out and saying "We want increased taxation to meet the expenditure of these local authorities." Some of these local authorities should, if they put fair values on their property and taxed to the limit which is allowed by the Act—and in my opinion there should be no limit so far as municipal taxation is concerned—be called upon to assist the State in seeing that the roads are put into proper condition and kept in proper condition, and that they should exercise those powers. Seeing that we have expended over £76,000 on the road I say that the time has arrived when the local authorities should do their share in the matter.

Hon. J. D. CONNOLLY (Perth) [5.15]: I hope the House will not adopt this report though perhaps my reasons are different from those given by the Minister for Works.

Mr. B. J. Stubbs: He wants to make Perth pay more, and you want to get them out of paying anything.

Hon. J. D. CONNOLLY: Perth does not object to paying its own share, but objects to paying more than its share. This Perth-Fremantle-road is a little less than nine miles in length, or, in other words, 713 chains. That road begins at Point Lewis, known as the Narrows, on the Swan river, at the eastern end and ends at the North Fremantle bridge over the Swan river between North Fremantle and Fremantle. I want the House to bear this in mind, because when we speak of the Fremantle-road we must remember that it runs right from Barrack-street into almost the centre of Fremantle. This is a very important point to bear in mind so far as the

question of the payment by Perth is concerned, because we have this road beginning only at Point Lewis, which is rather more than a mile from the true end of that road.

Mr. Carpenter: The traffic does not stop there.

Hon. J. D. CONNOLLY: Notwithstanding this fact we find that there are still 161 chains of the road within the Perth municipality. I do not agree with this report, because it seeks to put an illegal burden upon the municipalities of Perth and Fremantle. It asks Perth to pay some £2,000 for a road outside its municipal boundaries and for the payment of £600 in the case of the Fremantle municipality. As the member for Perth, I cannot agree to the adoption of recommendations of that description. All roads lead to the capital of the State and all roads lead to Perth.

Mr. George: Fully 90 per cent. is Perth traffic, it is said, on this road.

Mr. B. J. Stubbs: That is a fair estimate.

Hon. J. D. CONNOLLY: If we admit the principle that Perth has to contribute towards the upkeep of this road, that is the portion outside the municipality, where are we going to end? Why should not Perth contribute just as well to the maintenance of, say, the Albany-road, the Wanneroo-road, and other main roads in the State, which end in Perth?

Mr. George: And the Bunbury-road.

Hon. J. D. CONNOLLY: Yes, the same argument would apply to the Bunbury-road. There is no more justice in asking Perth to contribute to these roads than to the portion of this Perth-Fremantle-road which is outside its boundaries. In this case, Perth has constructed and maintains over 25 per cent. of the road. Not content with that this committee seeks to ask it to pay over £2,000 in addition. I take exception to that portion of the report, as I took exception to it, as the minutes will show, when the committee was sitting. First of all, as I have already mentioned, this road got into a very bad condition and the Government

rightly or wrongly—wrongly I say—took the road out of the hands of the local authorities and spent this money upon it. Now they seek to recoup themselves by taking the subsidy away from the municipalities in order to repay proportionately the amount which they have spent. Neither this report nor the suggestion of the Government can possibly be given effect to, because the smaller local authorities such as Claremont and Cottesloe municipalities, and the Claremont and Cottesloe roads board, will snap their fingers at the Government, as the little subsidy they get will not reach the amount, which the Government seek to debit them with, in a period of 20 years. So far as Perth is concerned, however, they have been placed in this unfortunate position.

Mr. George: Cannot you get on to the people who smash the roads up?

Hon. J. D. CONNOLLY: I will deal with them directly. So far as Perth is concerned, it has put itself into a bad position by acting in a businesslike manner. It did not wait for its portion of the road to get into such a state as the other local authorities allowed their portion of the road to lapse into, but made the road in a thorough manner for a distance of over two miles without any cost to the Government whatever. Because the Perth Municipal Council have done that, they are asked to pay £2,000 in addition, whereas if they had not made that road up at all they would have had this two miles of road made for them and could have sat down like other municipalities and said, "You may keep our subsidy for the next two years. It is as broad as it is long, because you have made that road for us." Unfortunately for Perth it is now going to be penalised. The Government seek to do this because Perth has looked after the road for itself, and has not, like other municipalities, allowed the road to get into such a state of neglect that the Government have had to step in and make the road up themselves. I am not against the principle, unless the law is altered, of helping a local body to make the main

road which passes through its territory. That is the principle that the report lays down to a certain extent. The committee say, with regard to the Perth-Fremantle road, that the Government shall pay one-third of the total cost and the local authorities shall pay two-thirds of the cost. In the committee's allocation of the amounts that principle is departed from and Perth is penalised. I do not ask for such liberal terms as that for the Perth City Council. They are quite willing to bear the whole of the cost of their own portion, but the Government are willing to help other municipalities, and to help them liberally, and the committee say that the Government should bear at least one-third of the cost.

Mr. George: Why cannot the municipalities do the work themselves? Why bother the Government?

Hon. J. D. CONNOLLY: The Government need not be bothered in the matter at all. The local authorities are able, and should be made, to make the road, but I find fault with the committee, not so much for saying that the local authorities shall be relieved of one-third of the cost, but that in the allocation of that cost they would make Perth pay one-third over the cost. Perth is asked to pay one-third more than the road has cost, or is estimated to cost, by the Government officers.

Mr. George: How do they justify that?

Hon. J. D. CONNOLLY: I will come to that directly. It is rather amusing, when we come to the Perth-Fremantle road, to find that they, the majority of the committee, say that the combined local authorities shall be relieved of one-third of the cost. In allocating the amounts it is also rather amusing to look at the distribution of the costs and to glance at the third column, where we see that Perth is saddled with £2,000 more than the estimated cost of the road. Perth has paid for 25 per cent. of the cost of the road, but the committee say that Perth should contribute £2,000 towards the maintenance of the road outside its boundary.

Mr. George: Perth gets the motor business.

Hon. J. D. CONNOLLY: Perth gets its share of the motor business. Why should not every municipality that benefits by this road contribute towards its upkeep? I believe in the principle of the Act mentioned by the member for Subiaco (Mr. B. J. Stubbs), namely, the Country Roads Act of Victoria, under which every local authority that benefits from a main road is compelled to contribute towards the construction and maintenance of the road not exceeding two-thirds and not less than one-half. That is a very fair provision.

The Minister for Works: Where do they benefit under this road?

Hon. J. D. CONNOLLY: East Fremantle benefits as much from it as the Fremantle municipality.

The Minister for Works: In what way?

Hon. J. D. CONNOLLY: By the business.

The Minister for Works: There is no business there. There is no wholesale place in the whole district, and no factory.

Hon. J. D. CONNOLLY: The Minister will find that a great many of the owners of the licensed lorries or carts are resident in East Fremantle.

The Minister for Works: They are not.

Hon. J. D. CONNOLLY: Does the Minister mean to say that such a district as the Cottesloe road board benefits as much as the East Fremantle municipality from this main road?

The Minister for Works: Yes, East Fremantle has to keep the main road in repair.

Hon. J. D. CONNOLLY: I say it does not benefit at all. Almost every municipality benefits to a like amount.

The Minister for Works: East Fremantle only got £1 for license fees last year.

Hon. J. D. CONNOLLY: Do not the Guildford and Victoria Park municipalities benefit from this road? They are not asked under this baphazard system

of the Government or the committee to contribute at all. It is an extremely dangerous principle to establish to ask any municipality to contribute to the making of a main road outside its boundary until some system is laid down for the whole State. We are allowing municipalities which should pay, to escape, while other bodies are being made to contribute more than their due proportion. The select committee ask that Perth should contribute £2,000 over and above the cost of construction. True, that is a reduction of about £1,300 on the original amount of £10,000, suggested by the Government, but when we come to Fremantle we find that the reduction is certainly not at the same rate; because there we find the reduction by the committee is from £2,500 to £600. The wealthy Claremont roads board, which the Minister spoke about, is asked to pay £1,323, the estimated construction in their district being £4,980.

Mr. B. J. Stubbs: What makes you say they are wealthy?

The Minister for Works: They get a subsidy of 10s. in the pound.

Hon. J. D. CONNOLLY: The Minister for Works said they were wealthy and he ought to be in the position to know. The chairman of the select committee is to be commended for looking after his two particular districts, although I do not know that he deserves great praise for the attention he has given to Subiaco. In the case of the North Fremantle municipality, the Minister's own district, the estimated cost of construction is £5,400, and they are only asked by the committee to pay £2,800. Let us review the position of the Perth Municipal Council. That body has a little over two miles of road in its territory and they receive from it about £40 in rates annually. There is the river on one side and the park on the other, and the rates are obtained from a few houses, the property of the Swan brewery. Perth are asked to pay £2,000 to the outside bodies, while in the case of North Fremantle, they are only asked to pay half the actual cost of construction. It must also be remembered that the Perth-

Fremantle-road through the North Fremantle municipality constitutes that municipality's main thoroughfare. All their business places are there and yet we find the committee coolly recommend that they should only pay 50 per cent. of the actual cost of the construction of the road.

Mr. George: What about Fremantle?

Hon. J. D. CONNOLLY: It is reduced to about a fourth of the Government allocation, viz., from £2,500 to £60. In justice to Fremantle it might be said that there was no portion of the road under construction within their boundaries, though, if the road were taken from end to end, there should be three-quarters of a mile within their boundary, and there should be another mile in the Perth boundary. Fremantle are asked to contribute £600 towards a road which is outside their boundary. I do not approve of that. The principle is wrong.

Mr. Carpenter: You are trying to make them pay £2,500.

Hon. J. D. CONNOLLY: I do not care what they pay. They can pay £2,500 if they like, but I claim that the principle is wrong and I strongly object to saddling Perth with £2,000 over and above the cost of the construction. I do not suppose the Government will take any notice of this report and I dare say that I am wasting the time of the House by discussing it. The report bears its own condemnation. We have only to take the first part and the latter part to find that out. In the first portion it is recommended that one-third of the cost should be borne by the Government and two-thirds by the local bodies, and the latter part of the report, dealing with the districts represented by my friend the member for Subiaco, declares that the Government should pay the whole of the cost. Where is the consistency?

Mr. Taylor: What is the good of a man being chairman of a select committee if he does not help himself to some extent?

Hon. J. D. CONNOLLY: The chairman of the select committee deserves every credit for what he has attempted

to do for Subiaco, Fremantle, and Claremont at the expense of Perth, and if he is persuasive enough to get this report adopted, good luck to him, but I do not think all his eloquence and persuasive powers will induce the Government to agree to such an unjust proposal. As I have already said, the report condemns itself. When the report refers to the Subiaco-Karrakatta-road it says that the Government should bear the entire cost. Why should that be so? It is more of a main road, so far as Subiaco and the port are concerned, than the Perth-Fremantle-road. I do not think it is necessary for me to say anything further.

The Premier: I think you have spoken very effectively; if you say any more you will probably spoil the whole thing.

Hon. J. D. CONNOLLY: I trust the good sense of the House will not agree to the adoption of this report. The Government should introduce a Bill dealing with the whole question of main roads, and put the matter on a proper basis before any attempt is made to make local bodies pay for this road. The main roads question has been, and always will be, a big problem, until a measure such as I have suggested is brought into force. It will be unjust to make the local authorities, in the one case of Perth, bear more than the cost of construction, while the other municipalities and local authorities who derive more rates are helped to the extent of 50 per cent. of the cost.

Mr. CARPENTER (Fremantle) [5.45]: After hearing the member for Perth I think the House will agree with me that he is more concerned with the interests of the district he represents than in obtaining a solution of this somewhat difficult question. He is in the position of a disappointed member who has not secured all he wanted and therefore will not take what he might get. I am going to ask the House not to regard the hon. member as evidencing in any way the general attitude of the committee. That committee, with the exception of the hon. member, tried honestly to find some solution of a difficult question.

Mr. George: Is the hon. member in order in saying that the other members of the committee "tried honestly," thereby inferring that the member for Perth did not try honestly?

Mr. SPEAKER: If the hon. member, by saying that some members of the committee honestly tried to find a solution, implied that other members did not do so, he is making a reflection. He must not make such a reflection.

Mr. CARPENTER: I meant no reflection on the member for Perth. I said he was more concerned with the interests of the district which he represented.

Hon. J. D. Connolly: You said something after that. You said that with the exception of the member for Perth the members of the committee "tried honestly."

Mr. CARPENTER: If the hon. member objects, I will withdraw the remark. I have no desire to reflect on his honesty at all. The Minister for Works is torn with conflicting emotions between himself as Minister and himself as a member of a municipal body. The Minister knows the difficulties municipal bodies have to contend with. He has stood on the public platform with me and denounced the previous Government for having deprived local authorities of their income. I am somewhat grieved to find the Minister doing to-day what he has condemned previous Ministers for doing. The whole question has been crying out for solution for many years past. The fact that previous Governments have been compelled to spend large sums on the construction of this road proves that the difficulty is a real one, while the present expenditure and the method of allocating the recouping of that expenditure offer no solution of that difficulty. If Ministers think that by adopting this method of constructing this road and putting the cost on public bodies they have solved the problem, they are woefully mistaken. They have simply staved it off for a few years, and long before the expiry of the 15 years over which the repayments have been spread we shall have the same old trouble, and efforts will have

to be made by the then Government to get over the difficulty—unless previously we shall have adopted some such method as that suggested by the committee and introduced legislation devised to grapple with the whole subject.

Hon. Frank Wilson: What do you suggest?

Mr. CARPENTER: We are developing a large State. Two essentials to that development are roads and railways. We spend huge sums on our railways, and we do not ask that the expenditure shall be profitable immediately. We do not regard railways as district matters. We lump the whole expenditure together, and regard the income from all as coming in to a common fund.

Hon. Frank Wilson: But we charge the users of a railway.

Mr. CARPENTER: In this case of the Perth-Fremantle road we are treating one section of our roads differently from all other roads in the State. The trouble is we have not anything like a scientific method of dealing with our roads. We have in a measure solved the problem in regard to our railways, but the question of roads has been left to settle itself. Mention has been made of the road between Kalgoorlie and Boulder, on which large sums of Government money have been spent, and the inference has been drawn that special pressure was brought to bear on the Government to induce them to make large grants for that road. All this arises from the fact that no Government have yet attempted to grapple with the whole problem of main roads. Other States have done so. The day must come when some Parliament of this State shall grapple with this problem and find some solution, shall say that certain roads are main roads, and that the whole of the State, deriving some advantage from those roads, must make contribution to their maintenance.

Mr. George: We have a bigger proportion of roads to our population than have any of the other States.

Mr. CARPENTER: That is so, but it does not remove the necessity for attempting to overcome the difficulty. The Minister has referred to the fact

that a previous Parliament decided not to spend any more money on the construction and maintenance of this road. I do not suppose the Minister intended to argue that because that Parliament refused to spend any more money no succeeding Parliament can do so. The position of the local authorities is an impossible one. It is not that certain of them have declared that they will not do this or that. The question is can they possibly maintain this road? Even the Minister cannot deny that for some of them the thing is impossible. That being so, it is particularly hard on those local authorities that the Government should withhold from them a portion of their income, and that, too, in a way which Parliament never intended. This is the crux of the whole position. It is distressing to think that the Government of the day, whether Labour or Liberal, should have power to deprive local authorities of their income if those local authorities refuse to do what the Government require of them. Then there is that other question of the way in which every succeeding Government escape a portion of a fair payment towards the upkeep of roads running through or alongside Government property. Local authorities have occasion to complain that they have to construct and maintain roads past Government property upon which the Government pay not one penny of rates to be utilised for the upkeep of the road. We found the difficulty emphasised in the construction of this road, many chains of which run alongside of Government property. Recently I took a deputation to the Premier who complained that the Government were escaping their obligations in respect of their property. The argument used by the Premier was that the Government were meeting that obligation by paying a subsidy to the local authorities. Now we have the Minister for Works putting a stop to the payment of that subsidy, thus leaving the local authorities in the position of having to maintain the road past Government property without being able to claim either subsidy or rates. The Government get the advantage of the

road. The question of the liability of the Government for the upkeep of roads past their property has an important bearing on this subject and is one which will have to be solved at a future date. At present the local governing bodies are being fleeced by the Government and compelled to expend their rates for the benefit of Government properties and, in return, the Government impose on them in this way. This brings me to the method adopted by the Government of allocating the repayment of this expenditure. It would be almost impossible to find a scientific basis for making the repayments but, so far as we could gather, the Government officers, in making their recommendations, were influenced by such observations as they chose to make and the allocation was made more by rule of thumb than any other. The engineer who made the recommendation to the Government, Mr. O'Connell, gave the following replies to questions put to him:—

Can you tell us on what data you recommended that allocation to Perth and Fremantle?—I was in a difficult position. I could not get any definite record of the traffic, and all I could go on was an approximation of the use of the road as between Perth and Fremantle.

In suggesting that allocation of £2,500 to Fremantle, you were guided really by your general idea of the traffic?—Yes, and I put it forward tentatively. It would have been very foolish of me to put down a definite figure. It appeared to me that as Fremantle was next to Perth in importance, the relative figures were about fair.

That is only another way of saying that this allocation was mostly guesswork. I suppose the Minister for Works at that time (Mr. Johnson) simply accepted the recommendation and made no attempt to find out whether it was fair and equitable to the people concerned. The Government seem to have lost sight of one fact which will have an important bearing upon the repayment of this money. At present the main road runs through North Fremantle and

Cottesloe Beach but, during the next three or four years, the main road will be deviated from North Fremantle into East Fremantle and over a new bridge.

The Minister for Works: No.

Mr. CARPENTER: I think it will.

The Minister for Works: I know it will not.

Mr. CARPENTER: And long before this repayment has been made, North Fremantle will have no main road running through it; yet the Government are going to compel them to pay for 15 years the cost of the construction of this main road which will have ceased to be a main road long before these payments have been completed. East Fremantle will then get the benefit of a main road while North Fremantle is paying for it. There is no science or data behind the allocation.

The Minister for Works: Is not the road made in North Fremantle?

Mr. CARPENTER: Yes.

The Minister for Works: Then they will be paying for that and not any road in East Fremantle.

Mr. CARPENTER: But the road through North Fremantle will have ceased to be a main road.

Hon. R. H. Underwood (Honorary Minister): Then it will not wear out so quickly and they will still have a good road.

The Minister for Works: The benefit is derived by Fremantle and Perth.

Mr. CARPENTER: No solution of the problem will be arrived at until the Government, as has been done in other States, prepare a schedule of main roads and lay it down that certain roads shall be regarded as main routes, and some contribution is made by the whole State towards their upkeep.

The Premier: If this is a main road, there is not a road in the State which is not a main road.

Mr. CARPENTER: There are certain roads which carry through traffic, and which could be defined as main roads as similar roads elsewhere have been defined, and certain grants could be made in respect of them. The Minister for Works recognises the necessity for some legislation. I am glad

he has gone that far; all I ask is that the House adopt this expedient for the time being, and not do the injustice to the local governing bodies which the Government proposal will do. I hope before this road has to be again reconstructed—it will have to be done after a few years—we shall have a comprehensive measure introduced to give Parliament an opportunity to express its views, and not leave it to the sweet will of the Minister of the day to impose such a hardship on local governing bodies as is proposed.

The PREMIER (Hon. J. Scaddan—Brown Hill-Ivanhoe) [6.9]: I move—

*That the debate be adjourned.*

Motion negatived.

Mr. GEORGE (Murray-Wellington) [6.10]: I wish to direct attention to the peculiar way in which this amount is allocated. Claremont is asked to pay £35 per chain for what is practically a light top dressing, whereas nearer to Fremantle, where the road has been reconstructed—Peppermint Grove and a part of North Fremantle—only £22 to £26 per chain is asked. The only argument put forward by the member for Subiaco (Mr. B. J. Stubbs) in this connection is that the Claremont and Cottesloe municipalities are supposed to be wealthy, and, therefore, they should bear part of the burden of the less wealthy districts. This is absolutely unfair. I have gone through the report of the committee, and I think they have not helped the House very much to come to a conclusion. I have read a good deal of the evidence and consider the question requires more time than the committee have been able to give it.

Mr. B. J. Stubbs: We realise that.

Mr. GEORGE: Parliament will have to take up the question and settle it. The real trouble is that the road is being used by the merchants and others of Fremantle and Perth for carrying traffic which is cutting the road to pieces.

Mr. Carpenter: Very few from Fremantle.

Mr. GEORGE: I often see going through Claremont motor lorries carrying anything from five to ten tons of



stuff. The owners have no right to use that road as they are using it now. I can quite understand their reason for so using it—one loading on to their lorries does the work whereas, if they used the railways, two loadings would be necessary.

The Premier: There should be a heavier tax on them.

Mr. GEORGE: These people who unfairly wear out the roads should be made to contribute towards their repair. What scheme shall be adopted is a matter for consideration during recess and for subsequent legislation. The people, who are robbing the railways of their traffic by using this road in a way it was never intended to be used, should be made to pay for the advantage they are deriving to the disadvantage of the rest of the ratepayers.

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

Mr. GEORGE: I propose to move an amendment which I will ask the Government to consider. I find in going through the evidence that the secretary of the Claremont roads board says that the traffic over the road is composed of 95 per cent. of Perth and Fremantle traffic and 5 per cent. of local traffic. I make bold to say that so far as the Claremont roads board is concerned as well as the Cottesloe, Cottesloe Beach, and Pepper-mint Grove local authorities, the percentage is about right. That main road is used principally by the people of both Perth and Fremantle, and the road has had to carry all the traffic during the last few years which it was never intended and never should have been intended, to carry, namely, the heavily laden lorries and wagons. It should not have had to carry this traffic until we were prepared to expend on that road a much larger sum than has been expended yet, or than hon. members would be willing to spend. In the old country, in the iron district from which I come, there is an enormous traffic over the roads on the part of iron wagons, carrying from five to seven tons of iron. The bottoming of these roads consists of

from 18in. to 21in. of bluestone spalls. The road is then built up further until there is something like 2ft. 6in. of metal. On the main road between Wolverhampton and Birmingham, about 12 miles in length, and much the same distance as between Perth and Fremantle, there is bottoming put in entirely for the purpose of carrying heavy traffic. Wagon traffic drawn by horses is not nearly so destructive of roads as are these big motor lorries, because they do not travel at the same speed or cut up the roadway to the same extent. We cannot reasonably expect this community to do two things. We have built railways for the purpose of conveying heavy goods from the ship's side to Perth, and for their distribution throughout the country. Our roads are, nevertheless, being used to carry a very big proportion of the traffic which really belongs to our railways.

Mr. Carpenter: The better you make the roads the more traffic of this sort they can carry.

Mr. GEORGE: The matter does not require much consideration if hon. members will only listen for a moment. Anyone who has a business in Fremantle and has a distributing agency in Perth would know that he would have to get his material from the warehouse to the station at Fremantle, then pay freight to Perth, then load the goods on to the lorry again, and convey them to the warehouse. If he brought his goods up by the one lorry from Fremantle he would get his material from Fremantle to Perth in about a third of the time that he could do it otherwise, and at the same time have only one loading and one unloading to do. On the score of economy that is the manner in which he would act. We have a railway between Fremantle and Perth, and I think it should not be robbed of its traffic. As things are there is a dual robbery going on. The railways are defrauded of their proper traffic, and therefore cannot get a proper return for the work they are doing, and the ratepayers of the different municipalities are also being mulcted in charges which it is not reasonable to expect them to pay. They are not getting

anything like a fair or adequate return for their payments. This is a matter which the Government, and the Government only, can deal with. They have the power, and they can bring in a comprehensive Bill, to place the burden upon the proper shoulders. If these heavy motor lorries are to be used, let a tax be placed upon them sufficient to repair the damage which they cause to the roads. If they cause damage to the extent of £50 let them be taxed accordingly. If people say the Government are acting cruelly and oppressively towards those who use these motor lorries the answer is that the use of these vehicles is unjust and cruel towards the people who contribute towards the upkeep of the road. In the evidence given before the committee, I find that the mayor of Claremont, Mr. Weir, was asked by Mr. Wansbrough about the demand that the Government had made upon the Claremont people for the payment of revenue. He was asked if they were ignoring the demand made upon them, and the mayor answered "Yes, absolutely. We have entered into no agreement to pay and we know of no statute under which we can be compelled to pay. Of course, if Parliament enacts that we shall pay, that will be a different thing." There is a state of affairs which, to my mind, is not at all proper. A municipality should not be put into the position of attempting to get away by a side wind from its rightful responsibility; on the other hand the Government should not come in in the manner that the Government appear to be coming in in this case, and say, "We have certain powers and will exercise those powers because you will not fall in with our wishes."

The Minister for Works: It has to be done for the safety of the people.

Mr. GEORGE: I admit that some action would have to be taken, whatever Government were in power. There should be no possibility of conflict between local authorities and the main authority, the Government, upon a matter which concerns the local authorities primarily and the Government in a secondary way. When the Government

found that they were unable to get their views absolutely adopted, the position should not have been created of the then Minister for Works practically saying to them "All right, I am going to do the road. It has to be done. I have the power under which I can deal with you, and I am going to deal with you."

The Minister for Works: There were two or three conferences at which no agreement was arrived at.

Mr. GEORGE: I know there were conferences. I am drawing attention to this because I say it is necessary that something should be done by which finality can be reached between the Government and the local authorities. It should not be a question for members of the House to discuss and deal with, because the local authorities and the Government should be able to deal with it themselves. The Government were in this position: that the road had to be put right. The local authorities could not put it right.

Mr. Taylor: The obligations of the Government had ceased.

Mr. GEORGE: The Government said the road must be put right and that they wanted the local authorities to do so and so. The local authorities said, "We cannot, or will not, do what you ask." Then occurred a deadlock for the Government.

Mr. Taylor: Because the local authorities would not keep the road in repair after the Government had put it in repair.

Mr. GEORGE: It does not make any difference as to how the deadlock arises. The road was bad and someone had to put it right. I want to see the Government come before Parliament next session and place before us some proposition which will put this matter upon a proper footing. I do not want to see the spectacle of the mayor of a place like Claremont having to say, "We have entered into no agreement and we know of no statute under which we can be expected to pay." If it is right that they should pay, the matter of payment must be put beyond question. If they should not pay, the local authorities should not

have to be put in the ignoble position of taking refuge in this way. Mr. McDowall, in the course of the inquiry, asked a witness the following question—

The position you take up is that the Government have no right to debit you with any portion of the cost of this road which they are constructing.

And the answer was—

No legal right. Anybody else could come in and make a road in the same way, and send us a bill.

Mr. Wansbrough then asked—

How do you reconcile your present attitude with your earlier proposal?

And the answer was—

Our proposals were definitely rejected by the Minister.

I say that the matter is not as dignified as it should be. It should not be thrown upon the Government, as it were, to take up the position in which they may be quietly told to mind their own business, and the position should not be placed upon municipalities of having to give answers of this description. It seems to me that the only way out of the difficulty, so far as this report is concerned, is to allow the consideration of it to stand over and to ask the Government to bring in another measure. I move an amendment—

*That all the words after "that" be struck out, and the following words inserted in lieu: "the report remain in abeyance, as in the opinion of this House it is desirable that the Government bring in a measure next session to deal with the question of main roads."*

I think that will cover the position, and if it does we can possibly have the matter placed on a firmer footing. To go on in the shilly-shallying way with the Perth-Fremantle road that we have gone on with it for so many years past, is no good to anyone. I well remember that the question of the Perth-Fremantle road came before Parliament in 1897 or 1898, when the late C. Y. O'Connor was Engineer-in-Chief. It was then stated that the road could be put in good order for an expenditure of £10 per chain. At the

time I pointed out that the raw material would cost more than that estimate, and later on the discovery was made that the cost would be something like £40 per chain. However that may be, the situation to-day is not satisfactory, and I trust the amendment will be a step towards a solution of the matter.

On motion by Mr. Bolton debate adjourned.

## BILL—SALE OF LIQUOR REGULATION.

### *Council's Message.*

Message from the Council received notifying that objection had been taken to the Bill on the ground that the definition of "licensed premises" in Clause 2 was outside the scope of the Title of the Bill; also notifying that pending a further communication from the Assembly the Council did not propose to deal further with the Bill.

## MOTION—SINKING FUNDS AND CURRENT LOANS.

Debate resumed from the 22nd September on the motion by Mr. George: "That it is undesirable that any alteration or interference with the system of dealing with the sinking funds attached to current loans should be made."

The PREMIER (Hon. J. Scaddan—Brown Hill-Ivanhoe) [7.51]: During my recent absence from the State, a discussion took place in this Chamber on the question whether it is desirable that the sinking fund trustees should invest payments made to the sinking fund in purchasing new stock or Treasury Bills, in lieu of purchasing, as has been the practice in the past, stock already on the market. I recognise at once that it is one of those questions which require most careful consideration by this Chamber. I recognise it is one of those questions upon which a member should first of all acquaint himself with the law before attempting to express an opinion, and by such expression of opinion endeavouring

to lead the House to a conclusion. The matter of sinking funds is not generally understood by the public, and frequently it is misunderstood by members of Parliament. The leader of the Opposition seemed greatly perturbed about the matter, because in my absence he drew attention to a report which appeared in the *West Australian* to the effect that I had made a statement to the conference sitting in Melbourne in regard to what was being done in the matter of this State's sinking fund.

Hon. Frank Wilson: In regard to what you proposed doing.

The PREMIER: I will come to that. The Minister for Lands telegraphed to me in Melbourne stating what the leader of the Opposition had said on the subject, and I wired back stating that there was no truth in the newspaper report that I had expressed any views to conference on the subject. What really occurred was that on my arrival in Melbourne I was met by a newspaper reporter who explained to me that there had been published in the *Eastern Press* a criticism by the leader of the Opposition and by the member for Irwin (Mr. James Gardiner) of my proposal in regard to this State's sinking fund. The proposal itself, it seems, had not been published in the *Eastern States* newspapers, and consequently they were unable to follow the discussion clearly. Accordingly the interviewer asked me whether I would state what my proposal was. I did so, and that was the only statement I made on the subject in Melbourne. I may add, however, that while in Melbourne I took the opportunity of discussing my proposal with a number of officials and others who in their public life have been connected with Treasuries, and that on no occasion did I encounter a single individual who was not prepared to agree that under existing conditions my proposal was the safest and best one. I will go further, and say that I discussed the proposal with prominent men from Western Australia at that time in the *Eastern States*, and that those men could not for the life of them understand

what all the opposition to it was about. I know that there are members who genuinely desire the matter to be considered on its merits. But there are others who editise my proposal, and take up rather a strong attitude on the question, without understanding it and without even knowing the law. I refer more particularly to the leader of the Country party. On my return to this State I was astounded to read the newspaper reports of what the hon. member had had to say on this question. He began in this fashion—

Now for a word of warning.

Mr. Willmott: I hope you will heed it.

The PREMIER: I hope the hon. member will take warning from my remarks, and that in future he will study a question before attempting as leader of a party to express an opinion on it, and thus committing hon. members who follow him. The hon. member said—

Now for a word of warning. We have heard something from several members regarding the sinking fund. The sinking fund should on no account be interfered with, because by doing so we would be jeopardising the whole financial position of the State. Finance is delicate. There is nothing more so. Shall we compare it to the temperature of a fever patient? The least excitement affects it detrimentally. I will say that no sinking fund is necessary or desirable for further loans if obtainable say during the war, but we must not do what I understood the Premier to say in his remarks he intended to do. I think that would be most unwise.

At this point the Minister for Mines interjected—

What advantage would it be to float a loan during the war without a sinking fund?

The leader of the Country party proceeded—

The advantage is that we would not have to provide for sinking fund, and it is a wonder to me that that was not palpable to the Minister. His lack of business acumen is truly marvellous.

Mr. Willmott: I am fully aware that you do not pay sinking fund for four years.

The PREMIER: The hon. member seems to be aware of it now.

Mr. Willmott: I was aware of it then.

The PREMIER: In that case the hon. member made a positively stupid statement. He ought rather to admit that he did not know at that time, in which case we would understand that he made his remarks under a misapprehension. The idea of suggesting that the way to relieve the present difficult financial position is, not to pay sinking fund in respect of loans raised under existing conditions—which sinking fund is not payable for four years—amounts to an utter absurdity. How would the suggestion afford immediate relief? The member for Nelson may know, but nobody else knows. Here let me again remark that on these important matters—and they are important—a member should acquaint himself with the position before not merely expressing an opinion—which any member is entitled to do—but before expressing an opinion which, after all, must influence hon. members sitting behind him. Here we have evidence that the member for Nelson, the leader of the Country party, showed us how to get immediate relief from our present financial difficulties by abstaining from paying sinking funds in respect of loans to be raised.

Mr. Willmott: You are putting into my mouth words that I did not use.

The PREMIER: No.

Mr. Willmott: Did I speak of immediate relief?

The PREMIER: What does the hon. member imagine was my object but to obtain immediate relief? Does he think I wished to obtain relief at some time in the distant future? Relief is necessary now, while the war is going on; and I repeat that the best authorities of this State, and of the Commonwealth generally, and even of the British Empire, readily admit that redemption of loans by sinking fund during war time, or during times of great stress such as drought, is an absurdity.

Mr. Taylor: The hon. member would suspend the sinking fund now in operation.

The PREMIER: I am taking the distinct and definite statement of the leader of the Country party, that he would not touch the sinking fund payments which are necessary under loans already raised; that he would go on making those payments; but that in respect of any money raised during the war he would not pay sinking fund. There is no need for that last proposal.

Mr. Willmott: I am afraid that in two or three years' time you will find the financial position worse than it is to-day. I do not often prophesy. I sincerely hope I am wrong.

The PREMIER: All I can say is that the hon. member himself is a fever patient. Matters of importance such as this, affecting the welfare of the whole State, can be debated without party feeling. But the leader of a party should know that he is on safe ground before making a pronouncement on such a question. The leader of the Country party has made a statement which, with all due respect to him, is positively ridiculous.

Mr. Willmott: In your opinion.

The PREMIER: It is not a matter of opinion at all. If the hon. member will think for a moment, he must recognise that his statement was ridiculous. What was my proposal? That while under our law we have to pay to the sinking fund trustees a certain sum of money from the Consolidated Revenue each year for the purpose of the eventual redemption of our loans, we should not, during the currency of the war, when it is so difficult to obtain loans, pay that money to the trustees for the purpose of purchasing stock that has already been issued and is held by persons who cannot claim redemption until many years have passed over our heads, when we may hope times will be more flourishing than the present times are; but that the money should be used for the purpose of continuing development within the four corners of our own State. That is my whole proposal. I know that many other proposals have been made in connection with the matter.

For instance, the member for Irwin (Mr James Gardiner) has suggested—although he was not very definite on the point, and although he insisted that there must be almost dire necessity before we adopted the suggestion and put it into operation—that we might withhold the payment of sinking fund on stock already in the hands of the sinking fund trustees. Again, I believe he says we would be justified in times of stress to cancel the stock which is actually held by the sinking fund trustees. Of course we cannot do that under our existing law. That would mean an Act of Parliament. But in connection with these two points, both of them would materially and immediately affect our sinking fund. The money paid into the sinking fund naturally brings to that fund an additional sum of money each year. If we pay £100 to the sinking fund trustees, that £100 is used by them to purchase stock which is on the market, and that is held by the trustees and interest upon it is paid to them. That interest is again used for the purpose of buying additional stock, and so it goes on and the compound interest eventually becomes a big sum earning money all the time. If we are for a period of 12 months to cease contributing to the sinking fund, all that stock held by the trustees would lose the compound interest for the whole period the sinking fund is in operation. The same thing would apply if we were to cancel stock held by the trustees. I think it would be found that the sinking fund would lose a considerable sum of money if we were at once to cancel the whole of the stock held by the trustees. That stock is really ours; they are only acting for us, and it would not be a repudiation of the bondholders because it is our own stock. The sinking fund trustees hold something like four million pounds worth of stock, and if we were to lose the interest payment and the sinking fund payment on that amount of money before all that stock matures, it would be a tremendous loss. The two propositions which were submitted to me I declined to accept because they would bring a permanent loss to the sinking

fund. If we could find some other method which would be preferable, it might be worth considering. It is true that I approached the sinking fund trustees and suggested that during the period of the war we should not make contributions, and that the stock held by them should lie dormant for the time being. That would have relieved us to the extent of between £40,000 and £50,000 a year. The trustees considered the matter and declined the proposal. I suppose the leader of the Opposition would say they acted wisely in doing so. Before I proceed to deal with my own proposal in the matter, or rather the proposal which is now being discussed by this Chamber, it might be of interest to members if I explained to them the provisions of the Act under which the sinking fund is paid, and also the attitude of some members who were responsible for that Act some years ago, and their attitude to-day. If hon. members care to take the Statutes of 1910-11, they will find one amongst them known as the General Loan and Inscribed Stock Act. Part 2 of that Act deals with the provisions of general application and includes, amongst others, that of the sinking fund. The section which deals with the investment of sinking fund is No. 14 and portion of it reads as follows—I shall only read that portion which affects the proposal now being considered by this Chamber:—

(1) All sinking fund investments made by the trustees under this Act shall be made—(a) In the case of sinking funds of loans domiciled with the Crown Agents in Imperial or Colonial Government securities, at the discretion of the trustees. (b) In all other cases in Western Australian Government Inscribed Stock or Debentures, or in such other securities as the Governor may approve.

(2) The Governor (a) may require the sinking fund of any Inscribed Stock or Debentures (not being domiciled with the Crown Agents to be invested in Western Australian Inscribed Stock or Debentures redeem-

able at a later date than such first mentioned Inscribed Stock or Debentures.

That is the law. The Governor-in-Council, not at the discretion of the sinking fund trustees, may require them to invest the sinking fund that we pay to them from Consolidated Revenue, in inscribed stock that may be redeemable at a later date than the stock upon which the sinking fund was first paid. I want now to explain how that provision comes into the Act and who was responsible for it. The Act was passed in the session 1910-11, which was rather an eventful session. The present Agent General, Sir Newton Moore, was present at the commencement of that session. As hon. members are aware, or those members who were in Parliament then, Sir Newton Moore retired from the Premiership and took up the position of Agent General. While acting as Premier and Colonial Treasurer he introduced the General Loan and Inscribed Stock Act. In referring to this particular provision, it will be found in *Hansard* that he stated that while it was not desirable at all times to interfere with the discretion of the sinking fund trustees with regard to the investment of the sinking fund, at the same time he thought we ought to be in the position to instruct them to invest the sinking fund in Western Australian stock, although he said it would be redeemable at a later date than the stock for which the sinking fund was provided. If that were to end the story one would not complain except to say that his party did not take much interest in the measure, and that we must hold Sir Newton Moore solely responsible for having made this provision. But I find that this measure went through the Committee stage and before reaching the Committee stage our friend, the present leader of the Opposition, became Premier and Treasurer and he passed this very section through Committee. While doing so there was some criticism about it, and the hon. member, who was in charge of the measure, was just as definite in the statement that the

Governor-in-Council should control the sinking fund.

Hon. Frank Wilson: What did I say, and what did you say? Let us have it.

The PREMIER: Would the hon. member like me to read it from *Hansard*?

Hon. Frank Wilson: Yes, read the whole lot.

The PREMIER: It is not so interesting that members would desire to hear it read. I will admit that the objection was not very strenuous. It was generally held that the Governor-in-Council, the Executive acting for the people of the State, should at least have some little control over the investment of the sinking fund, in order to instruct the trustees not to buy foreign stocks, which might be doubtful propositions, but which at the moment might look gilt-edged. If there was anything underlying that, it was the desire to enable the Governor-in-Council to obtain a reinvestment of the money we were providing for the purpose of developing our own State.

Hon. Frank Wilson: Read what was said at the time.

The PREMIER: The hon. member can read it himself. It appears on page 978 of the first volume of *Hansard* of 1910. That is the position with regard to the existing law, but what do we find our friend opposite doing now that he is sitting in Opposition? I need not have worried this Chamber with regard to the investment of the sinking fund; there was no need to make any mention of the matter. I have the authority of members sitting opposite to instruct the sinking fund trustees to invest the money practically as I choose, so that from that point of view there can be no complaint. I notice, however, by reports in the Press that during my absence the leader of the Opposition made some pointed remarks on the subject. He said—

I am deadily opposed to any suggestion of interfering with out sinking fund.

Yet the hon. member is the responsible person for giving the Governor-in-Council power to do so. Then he goes on—

I hope the House will let it go forth with no uncertain sound and voice that the Treasurer must not interfere with the trustees in the investment of what is absolutely trust money and should be beyond the control of any Treasurer. I shall probably, if I am able, take the opportunity of getting an expression of opinion from the House on this very point, namely, as to whether the Treasurer can interfere with the trustees, and whether he has power to do so.

Mr. Taylor: Is that a Press interview?

The PREMIER: No, that is a statement the hon. member made in this House. It is taken from the *West Australian* but I have compared it with *Hansard* and find it substantially correct.

Mr. George: What do you mean by "substantially correct"?

The PREMIER: With the exception, perhaps, of a comma and a dot over an "i" they are, on comparison with *Hansard* the exact words he used. Here we have the leader of the Opposition who, while Premier and Treasurer, passed a measure through the Committee stage and stood behind the provision which permits the Governor-in-Council—not while he alone was Treasurer, because he did not imagine that he was going on for ever, the law was passed for all Ministries—when the necessity arose to instruct the sinking fund trustees that they must invest the money in Western Australian inscribed stock or debentures redeemable at a later date than the stock upon which the sinking fund was originally paid. Now the hon. member asks us to declare that he was wrong.

Hon. Frank Wilson: Oh no.

The PREMIER: That is what he asked the House to do; to condemn himself, to say that either he did not know what he was putting through the Chamber, or that he was endeavouring to obtain for himself a power which he did not want anyone else to have. I am not quite clear as to what attitude the House will adopt.

Mr. George: You are not going to make this a party question, are you?

The PREMIER: Not at all. I hope it will be appreciated that of all members the leader of the Opposition should have been the last to give utterance to some of the statements he made in that debate. The hon. member said—

I cannot imagine that the wildest socialist would repudiate the terms upon which existing loans have been floated.

And the hon. member for Subiaco interjected, "Has there been any such suggestion?" Whether he answered that or not, I cannot say. But there we have the position. He tried to make the public believe that there had been an attempt to repudiate the terms upon which existing loans were floated. The loans have been floated under the General Loan and Inscribed Stock Act, for which the hon. member himself was responsible, and which makes provision that the Governor-in-Council shall direct how the money is to be invested. One finds some difficulty in determining just how to act to please the hon. member. First we do something which he has not done, and he declares it to be quite wrong; but if we follow his example it is also wrong, and if we follow the instructions which he gave to all succeeding Treasurers by an Act of Parliament, both the then Ministry and the Act itself, for which he is responsible, are wrong. Everything is wrong when he is in Opposition. As a matter of fact I am afraid that what is really wrong is the hon. member himself, and I feel that it will be to the advantage of the State when he gets right again, which he can only do by getting out. The hon. member went on to say—

I doubt the power which he claims to have, to be able to approach the trustees.

To approach the trustees! The idea! He must have consulted his legal luminary when he said that. According to the hon. member I have no power to approach the sinking fund trustees. And he continued—

Or that the trustees have the power to invest these funds in future new loans.



He even doubts the provision of the General Loan and Inscribed Stock Act which he passed through the House.

Mr. George: Now tell us what you are going to do.

The PREMIER: I stood the hon. member's talk about repudiation of our contract with the bondholders; does the hon. member think I am going to sit down under it and not let the public know the true position? What I have quoted from the speech by the leader of the Opposition is in black and white. It cannot be disputed even by the member for Canning (Mr. Robinson), with all his legal reasoning, that the Act distinctly gives power to the Governor-in-Council to direct that the funds shall be invested in Western Australian inscribed stock.

Mr. Robinson: Read *Hansard* and you will see that in your absence your advisers could make no answer.

The PREMIER: They could not be expected to have the same knowledge of a subject of this nature as the leader of the Opposition, who was the Minister at the time the measure went through Committee, and who supported that clause in particular. The hon. member went on to say—

I hope, at all events, that Parliament will say that no such thing can be done. He now asks, on a motion, not on a Bill, that Parliament shall say he was wrong and did not know his business as Treasurer when he passed that Bill, giving the power which he says does not exist. He did not worry about the conditions under which the sinking fund is provided. He just waded in, as the member for Nelson (Mr. Willmott) did. Here we have the two great leaders of the one great party in this House discussing a question, and evidently endeavouring to give the public a lead on this intricate subject, without knowing what they were talking about. The leader of the Opposition did not know the provisions of the statute, although he himself was responsible for its passing through the Chamber. I have already explained that men who know as much of finance as does anyone else in this State hold that my view

of this question is the correct one from the point of view of conserving the best interests of the sinking fund. What have I suggested? That during the present period of stress and of difficulty in obtaining money in the open market, when the money is so urgently required to carry us over our present difficulties, the taxpayer should not be called upon to provide me with £300,000 for the purpose of paying the people in London, who in turn will buy stock that does not mature for many years to come. It is absurd to suggest that I should go on the market to obtain money at 5 per cent. to bring here to replace money which I am sending out of the State. Is that sound finance? Is that the sort of finance we would suggest if we had no provision for a sinking fund to-day and if the need for it was recognised by all? Would any member suggest that we should obtain £300,000 from the taxpayers under existing conditions and pay it away, and then go and borrow money to replace it?

Hon. J. Mitchell: You do it every year.

The PREMIER: There is justification for doing it under normal conditions. When the money market is not being drained for the purpose of getting the Empire out of a difficult position, one could fairly claim that it was a right thing to do. I have never on any occasion asserted that the sinking fund for the eventual redemption of loans is not necessary and wise. No one would urge it. But I have urged, and I still urge, that under the conditions prevailing to-day in the Empire, so long as we can fairly safeguard the interests of State and of the bondholders, we have no right to pay money out of the State when we know we will have to struggle to get money to replace it. What did I suggest to the House? That in lieu of doing this, as a temporary expedient only, merely to get us over our difficulties, the sinking fund trustees, instead of buying stock already on the market should buy Treasury bills. For the life of me I cannot understand the hon. member's objection to the purchase of short-dated Treasury bills by the sinking

fund trustees, unless, indeed, I am justified in saying that our friends opposite have become a great stinking fish party, with no confidence in the future of the State. If, after the war is over, we cannot recover our position to the extent of the sinking fund contributions for a year or two, it is a poor old State, and the sooner we get out of it the better.

Mr. George: You said you wanted it for a new loan.

Mr. Harrison: Did your official advisers say that the interest on future loans will be materially affected by this?

The PREMIER: I am coming to that in a moment. I will say all that is necessary to be said.

Hon. J. Mitchell: And a great deal that is unnecessary.

The PREMIER: No. There has been so much howling about this that it is necessary for me to show the position in its true light.

Mr. George: You said you wanted it for a new loan.

The PREMIER: If I did, I explained to the Chamber that if we required to go on the market for the purpose of carrying on the development of the State to obtain during the present war, say, a million and a half per annum, I could fairly ask the sinking fund trustees to contribute the amount that I would have to pay from Consolidated Revenue towards that new issue.

Mr. George: No, that is not it.

The PREMIER: I said distinctly that if instead of raising a million and a half in the open market I could raise a million and a quarter, and obtain the balance from the sinking fund trustees, the position of our national debt would be the same, with the difference that I would be saved the finding of a quarter of a million.

Mr. James Gardiner: And that quarter of a million could not be utilised for the repurchase of stock.

The PREMIER: I said distinctly that it would be undesirable to purchase that stock, which I recognised would be redeemable at a later date than the stock for which the sinking fund was paid. I

said the provision of the General Loan and Inscribed Stock Act for which the leader of the Opposition was responsible was not a wise one, and that I was not prepared to act on it, that what we required to do was to give the sinking fund trustees short-dated Treasury bills. Every member knows that Treasury bills must be redeemed by loan-raising at a later date. It is only a provision to meet immediate necessities, and when the time arrives to go on the market, instead of raising a million and a half, we would raise a million and three-quarters and redeem the Treasury bills, and the sinking fund would be in the same position as if nothing had happened.

Mr. James Gardiner: It means that you would not be making any provision for redemption at all, but would be creating a fresh loan.

The PREMIER: At the moment, yes.

Mr. James Gardiner: That was my contention.

The PREMIER: Yes, and I pointed out that the hon. member asserted, of course, that dire necessity would cause him, as Treasurer, to do as he suggested. His was an entirely different proposition from mine. His proposition would have had not only a temporary, but a permanent effect, on the sinking fund. Mine would not have a permanent effect on the sinking fund.

Mr. James Gardiner: It would have a permanent effect in that if you used it for three years you would have three years to make up.

The PREMIER: The hon. member is quite wrong. It would take more than three years to make it up. In fact, it could never be recovered. I have gone carefully into the two proposals, and I say we could never recover the loss to the sinking fund.

Mr. James Gardiner: How do you propose to recover it?

The PREMIER: Instead of allowing them to purchase the stock existing, they would take Treasury bills and I would pay interest on the Treasury bills, the same as on the stock.

Mr. James Gardiner: You would afterwards have to redeem your Treasury bills.

The PREMIER: Yes, I would go on the market, as I do for redeeming all Treasury bills. Surely the hon. member will admit we are hopeful that the money market will be a little better after the war is over than at present. My proposal would not only be of temporary assistance to the State, but it would do no injury to the sinking fund. As a matter of fact, it would be to the advantage of both in future. If I send that money out of the State and have to go on the money market to replace it, I would have to pay from 5 to 6 per cent., probably  $5\frac{1}{2}$  per cent. I would have to pay  $5\frac{1}{2}$  per cent. to outside bond holders, whereas, if I paid  $5\frac{1}{2}$  per cent. on Treasury bills to the sinking fund trustees, the sinking fund would get the advantage of that additional interest and, when the Treasury bills were redeemed, we would get the same amount of cash back.

Mr. James Gardiner: It was the redemption of the Treasury bills which was worrying me.

The PREMIER: It ought to be easier to redeem Treasury bills after the war is over than to raise the money now. Our loans do not mature to any extent for many years to come, and this makes it safe. If the loan for the Coolgardie water scheme were maturing two years hence, I would say we should be extremely careful about adopting this scheme. For the moment I am disregarding the fact that the sinking fund would more than meet the loan on maturity. It would be desirable, if the loan for the Coolgardie water scheme were falling due in a couple of years time, to continue the payment of the sinking fund and allow the trustees to use it for buying that stock, and the balance could be used for Treasury bills.

Mr. James Gardiner: You need not pay sinking fund on that for several years, and then you would have enough.

The PREMIER: But we gave an undertaking that the bondholders, and I do not wish to be fairly charged with a

breach of obligation to them. So far I have not been fairly charged with that.

Mr. George: Have you been unfairly charged?

Mr. James Gardiner: What is the date of those speeches you were quoting?

The PREMIER: The motion introduced by the member for Murray-Wellington appears on page 1017 of *Hansard*.

Mr. George: Your speech is on page 799. That is when you made the statement.

The PREMIER: I have said that my suggestion was a temporary expedient which would make available to the State that money which otherwise would have been available to private holders of our stocks, which we would not be called upon to redeem for many years to come. If members look at return No. 9 attached to the Budget, they will find set out the position of the public debt and sinking fund, the year the loan was floated, the amount of the loan, the date of maturity the rate per cent. of sinking fund, and the amount which has accumulated. The amount set out in that column as having accumulated to the sinking fund is not cash; it is money held in stock of that particular denomination which has been purchased from year to year by the cash made available from our revenue to the sinking fund trustees. The Coolgardie water scheme loan does not mature till 1927, and the trustees are holding stock to the tune of £1,314,147, and the loan was £2,500,000.

Mr. McDowall: That was the main loan; there is over £3,000,000.

The PREMIER: That is correct. In view of the fact that this loan does not mature till 1927—and it is the only loan of any magnitude which matures prior to that date—surely there would be no danger, if we have any faith at all in the future of our Empire and State, if we retained the cash in the State for developmental purposes, and issued in lieu to the sinking fund trustees short-dated Treasury bills and, when the money market improves as it will do, raised the money under better terms and redeemed the Treasury bills. The sinking fund

would be in not as good a position, but a better position than if we continued our present operations.

Mr. James Gardiner: That is perfectly sound if you say they are to be re-deemed.

The PREMIER: Treasury bills have been issued to the sinking fund trustees; they are short-dated bills operating for six months with a right of renewal by the sinking fund trustees, and what I have been pulled to pieces over is a proposal which did not originate with me at all. The sinking fund trustees themselves were responsible for the suggestion. I suppose the hon. member is quite startled at that announcement. I did not approach them at all.

Hon. Frank Wilson: You said you would do so.

The PREMIER: Yes, but at the very moment it had been done and done without my knowledge. In my absence the Attorney General had passed through Executive Council a minute under the terms of the section of the Act I have mentioned. When the discussion arose regarding the absurd proposal I had made, this so-called breach of obligation with the bondholders, this thing which ought to be immediately nipped in the bud and for suggesting which I ought to have been drawn and quartered, I was informed by the Treasury officials that the arrangement was actually in operation.

Mr. George: Did not the Treasury officials know of the speech you were going to deliver and advise you?

The PREMIER: They do not always know.

Mr. George: You must refer to them for your figures.

Mr. James Gardiner: Not necessarily.

The PREMIER: The figures I quoted on this matter were not obtained from the Treasury officials.

Mr. George: You did not take them into your confidence.

The PREMIER: I have taken the figures from the returns they submitted in connection with the Budget, which figures are available to hon. members, though I doubt whether they study them.

Mr. George: It is remarkable that you knew nothing about it.

The PREMIER: I did know about it, but was not aware that it was actually operating.

Hon. Frank Wilson: How much have you issued?

The PREMIER: A few hundred.

Mr. George: What is the price of our stock to-day?

Mr. James Gardiner: Three per cents. are £82.

The PREMIER: The hon. member is suggesting that our stocks are down. I cannot help that.

Mr. George: The money of the sinking fund could buy your stocks at £82 instead of paying £100.

Mr. James Gardiner: Then the question would come in whether it would be cheaper.

Mr. George: It is a matter of calculation.

The PREMIER: It would require an actuary to calculate whether the State would be the loser or gainer by the sinking fund trustees taking Treasury bills or the Government going on the market and paying  $5\frac{1}{2}$  or 6 per cent. for money. I repeat that I was not actually responsible for the suggestion. Immediately after the outbreak of war, as I have previously explained, we were in a rather parlous position with regard to our funds. Just prior to the outbreak of war, we were negotiating for a new loan, and war being suddenly declared, we found ourselves in a very delicate and difficult position. However, I did not go on the house tops and proclaim it to give everyone a scare. I adopted an attitude which I consider was quite justified of making it appear that we were quite all right. It would be absurd for the head of the Government or any public man immediately on seeing danger, to advise everyone to get under cover.

Mr. Taylor: To ring the fire alarm.

The PREMIER: Yes, before the fire actually commenced. When I sent this cable to the Agent General, I was assured by the Under Treasurer that he could see only sufficient cash to carry the State on for two months. That was a

pretty parlous position to be in. But here we are, 14 months past that date, and will any hon. member who desires to be fair contend that I adopted other than a proper attitude by saying little or nothing about the position, but by fighting on and, by means which have proved successful, getting the State over that difficult time. We were told that business must be carried on as usual, but we could not expect business to be carried on as usual if the State was going to close its doors and warn the people themselves to go easy. That would never have got us over our difficulty. I adopted the attitude I considered to be correct, of grinning and bearing it, and keeping it within the walls of the Treasury. And we have overcome our difficulty not only with credit to the Treasury officials but, I think I might claim, with credit to myself. The State was none the wiser.

Mr. Willmott: Why did not you tell them? Because what I say is correct. It is like a fever patient and you know it. You prove my words.

[*The Deputy Speaker (Mr. McDowall) took the Chair.*]

The PREMIER: I am prepared to admit it was like a fever patient. If I had announced the position of our finances at that time, it might have meant the death of many patients—citizens of the State—not only from a business point of view, but from many other points of view as well. I do not urge that the case was like a fever patient so far as the contributions to the sinking fund were concerned. I know that the hon. member's statement was right. It was desir- medical practitioner will go to a patient passed the crisis. Do we find that a medical practitioner will go to a patient and immediately that patient is in danger tell him that he is in extreme danger and that he anticipates that in a couple of weeks' time he will be dead? If he did that, would he expect to get his patient over the period of danger through which he was passing? Rather than sow broadcast the fact that we were in a parlous condition I would suffer in silence and say nothing, believing that

we would pull through all right if we were careful, and if we obtained the assistance of the sinking fund trustees. I cabled to the Agent General in reference to the gravity of the financial position, suggesting that Parliament should be asked to authorise the suspension for that financial year of payments of interest and sinking fund on stocks in the hands of the sinking fund trustees, under sections 9 and 10 of the General Loan and Inscribed Stock Act.

Mr. James Gardiner: That was one of the suggestions which I made.

The PREMIER: It was only a matter of two great minds working alike. That was on the 10th August, 1914. I cabled to the Agent General—

Please cable your views on subject immediately.

I also said—

Exercise every economy, and stop all expenditure unless absolutely necessary.

To that I received the following reply—

Referring to your cable of the 10th August this year, after consultation consider it would be highly inadvisable at this early stage of war to take such action as it would reflect adversely on credit of State, and have effect of alarming holders of stock. Firm financial position as it affects Australia is now receiving earnest consideration. I will advise you any developments.

Mr. James Gardiner: Their objection was that it was too early to talk about this. I suppose they had no objection to the proposal itself.

The PREMIER: They did not state then that they had any objection. I received no further intimation from the Agent General as to the views of the sinking fund trustees on the point. I, therefore, again cabled to him in September as follows—

Referring to our cable of the 10th August this year and 12th August this year suggest you approach (sinking fund) trustees again to suspend temporarily sinking fund contributions on stock held by them.

Three days later I got a reply to that as follows—

Trustees will not agree suspension sinking fund stock held by them.

That was definite.

Mr. James Gardiner: And no reasons were given?

The PREMIER: In any case it would not mean more than £20,000 for six months, that was about £40,000 a year. I think they were under-estimating it somewhat.

Mr. James Gardiner: A long way, I should say. It would have run into £175,000 taking all the stocks held by you.

The PREMIER: I think that the interest and sinking fund payments on the stock held by them would amount to something like £117,000.

Mr. James Gardiner: One hundred and seventy-five thousand pounds.

The PREMIER: One hundred and seventy-five thousand pounds, for interest and sinking fund on the stock held by them alone. They said it amounted to £20,000 for six months. The Agent General goes on—

As an alternative I consider I would be justified utilising whole sinking fund contributions in purchasing our own Treasury bills under Section 14, Subclause (b) Loan Act subject concurrence Governor. This would give additional £120,000 same period.

He then went on to say what his requirements would be to the end of the year.

Mr. Robinson: Whose cablegram is that?

The PREMIER: It is from the Agent General.

Mr. Robinson: I thought you said it was the suggestion of the trustees?

The PREMIER: The hon. member evidently does not know that the Agent General is one of the trustees.

Mr. Robinson: I know that he is one of them.

The PREMIER: The other trustee is the manager of the London County and Westminster Bank. I never had any communication with any of the trustees except the Agent General.

Mr. Robinson: He says "I."

The PREMIER: He says "after consultation." The Agent General could not do this without the concurrence of the other trustees. The hon. member knows that. The word is used merely in the coding. That is a distinct statement by one of the sinking fund trustees that the trustees themselves considered that the other proposition would be the preferable one, as making more cash available to us and as it would not permanently affect the condition of the sinking fund. Eventually, in my absence, the Attorney General signed for me—and it frequently occurs that one Minister will sign for another in this way—an Executive Council minute which authorised the sinking fund trustees under the terms of that Act to take up Treasury bills for the sinking fund contributions.

Hon. Frank Wilson: How much have they taken up?

The PREMIER: On the 15th July of this year, the total amount of Treasury bills issued to that date in connection with the sinking fund investments was £209,750.

Hon. Frank Wilson: What has there been since?

The PREMIER: I could not tell the hon. member. I think the contributions are made half-yearly, and, naturally, there would not be much since that date. They are probably left for six months, and that would therefore bring the next payment to the end of next month. If the hon. member will turn to the revenue estimates he will find on page 15 a return showing the allocation of interest and sinking fund, that is the interest and sinking fund on all our loans which are provided under special Acts. This is set out merely for the information of hon. members and not for the purpose of being passed by Parliament, because under our Constitution Act I am compelled to find the money, as a first charge upon the revenue, for loans which may be coming due. For the purpose of giving information to hon. members I have added a return showing the works in which our loans have been invested and the amount of interest and sinking

fund chargeable against those particular works for the past year, and the estimated amount for the year under review. For this year it is estimated that we will pay £265,447 by way of redemption of loans in the payment of sinking funds to our trustees in London.

Mr. James Gardiner: Are you making these bi-monthly payments now?

The PREMIER: I am not quite certain on the point. I am not sure whether they are monthly or half-yearly payments.

Mr. Willmott: Is there not a danger of the money lying dead for six months if the money is paid monthly?

The PREMIER: The trustees do not allow money to lie dead. They buy our stocks as occasion arises.

Mr. James Gardiner: When I got that return there was only £10,000 in cash held by the trustees.

The PREMIER: What happened in normal times was that the sinking fund trustees, as payments were made, would look round for the purpose of purchasing our stocks, if possible at a discount; or just prior to the issue of a loan they might frequently allow the money to accumulate for a month or two if they were just about to approach the market, and with that accumulated money purchase some of our stocks and make them alive. By this means they would give us a better opportunity of getting on the market under the most favourable conditions.

Mr. James Gardiner: That is why your stock at the present juncture has been two or three points higher than the stock of the Eastern States.

The PREMIER: That is what has happened regularly. I think it is true that there has hardly been a single occasion when we have approached the market in London that we have not had less left of our loans in the hands of the underwriters than any other of the States of the Commonwealth which have approached the market at anything like the same time. This is due to the fact that our stock has been made alive by the action of the trustees in purchasing it just

about the time when we were to approach the market. Under existing conditions there is no need for the trustees to adopt that action because we are not approaching the market. We do not have to make our own stocks alive just now. We cannot approach the market while the war goes on. The result is that we have lost this advantage under existing conditions. The Commonwealth will raise money for us probably through the Imperial Government. That being the case, there is no need now to do what was done in normal times, and the only actual alteration which has taken place is that we are losing the opportunity of purchasing our own stock at an undoubted discount. Against that I would have to pay 5½ per cent. for money on the market which I might obtain from the sinking fund trustees, our own money. From the point of view of the interest of the State it would not matter if I paid the sinking fund trustees 6 per cent. because that money is used by them to purchase our own stock. The position will of course have to be worked out by an actuary, but I think it would be found that if we did this it would undoubtedly be in the interests of the State. If I were to adopt the attitude of saying, as I could have done, "You shall purchase the stock that we are going to put on the market next year and it will not be redeemable until a later date," I should be taking a risk.

Mr. James Gardiner: You would have been doing something which the rest of Australia is doing.

The PREMIER: And I should have been wrong.

Hon. J. Mitchell: It must be wrong.

The PREMIER: If the member for Irwin and myself agree on such a vital point we are likely to be more correct than the member for Northam if he disagrees. But I have adopted a different attitude. I have said that for the moment we shall issue short-dated Treasury bills; and as soon as the war is over and the market is favourable, or perhaps before the war is over if the market is favourable and we find it is desirable

to redeem our Treasury bills and can get the cash with which to purchase them, I think that the sinking fund will be in a better position than it was before.

Mr. James Gardiner: Then it becomes a sinking fund to go on repurchasing your stock with. Our fear was as to whether the treasuries would do this.

The PREMIER: The treasuries must do it. They cannot avoid doing it. I have not made this provision in the same way as it has been made under the Loan and Inscribed Stock Act. I have not allowed it to be left to the will or whim of any Ministry. I have issued short-dated Treasury bills with the right of renewal on the part of the trustees, not on my own part. When the trustees say that the Treasury bills must be redeemed I must redeem them at all hazards for the purpose of safeguarding the interests of the sinking fund. The trustees are not going to suggest that I shall, and thus, redeem them. They have already renewed some of the Treasury bills and will continue to renew them. If I can find the money I assure hon. members that I will take the earliest opportunity of redeeming these Treasury bills.

Mr. James Gardiner: If you do not redeem them you are not providing a good sinking fund at all. You understand that.

The PREMIER: I understand that. But the hon. member can surely understand that my responsibility to holders of Treasury bills is there, just as it would be to any other individual of the State or any other bond holder. I cannot repudiate my responsibilities in this matter any more than I could repudiate them towards anyone else. If the hon. member will suggest—I do not think he will—that I am likely to repudiate my obligation to the holders of Treasury bills, it will make every holder of Treasury bills very careful of Western Australia. However, I could not possibly do it. So that from every point of view I claim—and I trust the member

for Irwin will now agree—that what I have done at the suggestion of the sinking fund trustees is undoubtedly to the interest of the sinking fund itself, and moreover is absolutely essential under existing conditions. I did not do what the Act of Parliament permits me to do. I declined to do that, because under these rather trying conditions to purchase stock which would not be redeemable until a later date than that at which the loans to which the sinking fund applies are repayable, is a thing I would not think of doing. What I have done, I have done with absolute safety; and I look forward now to obtaining over £300,000 to carry on the development of the State and to meet any shortage on revenue account. I expect to obtain that amount from money which would otherwise have been expended in purchasing stocks of this State already on the market. And so long as the position of the sinking fund and the position of the State are safeguarded in this connection, is it not infinitely preferable that this money should be available for investment here, to assist in the development of this State, rather than be made available to private persons who perhaps are not so much concerned with the welfare of Western Australia? I claim that what I have done is infinitely preferable, and in the circumstances I really fail to understand how any member can seriously object to my proposal. I feel that the leader of the Opposition will now recognise that what I did, I did in good faith, and on the suggestion of those who ought to know.

Mr. George: It is not a question of your good faith, but of your wisdom.

The PREMIER: I do not expect the hon. member interjecting to question my wisdom, because one needs to have wisdom of one's own before judging of the wisdom of another person. One would not put a layman on the bench to judge a Supreme Court judge, and I am not going to accept the opinion of the hon. member regarding myself. I say again that, taking all the circumstances into account, what I have done is the best for the



sinking fund itself and for the State as well.

Hon. FRANK WILSON (Sussex) [9.3]: The Premier has wound up in a frame of mind much calmer than that in which he started his argument. The hon. gentleman was unable to restrain himself from casting abuse at the actions of myself and others who preceded him in power. He charged the Liberal party with being a stinking fish party. I do not think that that kind of thing assists us in coming to a conclusion on what is, after all, a vital financial question—a question which the Agent General himself pointed out, if I heard aright the cablegram which the Premier read to the House, was likely to affect the credit of Western Australia. When discussing the Budget speech delivered by the Premier, in which he first made the startling announcement that he proposed approaching the sinking fund trustees with the suggestion that they should re-lend him the sinking fund moneys, or the balance to be paid, I said that that to my mind was an absolutely illegal proceeding, one which would be detrimental to the best interests of the State and would injuriously affect the credit of Western Australia. Notwithstanding all the fulminations of my hon. friend to-night, I see no reason why I should alter that opinion. I am not going to indulge in an exchange of compliments. I shall not point out, for instance, that the Premier proposes broadly, in the action he is taking, to fly kites in order to get through a crucial period. Further, I certainly do not wish to retaliate for the stinking fish episode. The Premier proceeded to quote, with great jubilation, a speech which I delivered in this Chamber in October of 1910, when the present General Loan and Inscribed Stock Act was being passed through Committee here. The Premier quoted portions of my speech, and then, in no uncertain manner, charged me with assuming now an attitude totally different from that which I took up on this question in 1910. By way of interjection I asked him to read the whole of my remarks. As he refused to do so, I pro-

pose to read them now, and then to ask hon. members to judge for themselves whether my attitude to-night is different from my attitude of 1910. Mr. Bath, who was then in the House, had taken some slight exception to the proposal contained in the measure, not so far as the investment of the funds was concerned, but as regards its being in the power of the Governor-in-Council to direct that sinking funds should be invested in Western Australian stock. I replied in the following words:—

The reason the provision had been inserted was that it had been deemed advisable that the sinking fund should be invested, exactly as had been the case for the last year or two, in our own stock, so that we might have the advantage of the investment of that amount at the marketable price the stock was quoted at. His predecessor had explained this when moving the second reading of the Bill.

I did not introduce the Bill; Sir Newton Moore did.

The Premier: I never said you did.

Hon. FRANK WILSON: My speech continues—

Under the old Act, and before Responsible Government came into force, the trustees had the discretionary power to invest the sinking fund in Imperial or Colonial Government securities. It must be admitted that the Crown agents, who invested the sinking fund, invested in stocks other than Western Australian. That might have been advisable in the early days of the State, when it was comparatively insignificant compared with what it was to-day, and had no wealth behind it. Once a State became firmly established, such as Western Australia was, when the assets were equal to those of any other State in the Commonwealth, when the industries were on the up-grade, and land was being settled as ours was, there was no reason whatever why the sinking fund should not be utilised to keep our stocks at a proper market value. That was why this principle had been incorporated in the clause.

During the past few years we had seldom gone outside our own stocks for the investment of sinking fund. In fact, he could only recall two instances where the trustees had invested the sinking funds in stocks other than Western Australian. That was since Responsible Government. In 1889 the then Agent General invested £15,000 or £20,000 in the South African National War Loan Fund. This was done in response to an invitation by the Home authorities at that time to the different representatives of the States of the Commonwealth to assist in floating this war fund. This had since been sold out, with the exception of about £4,000. The trustees held that quantity of the stock now. In 1909 the late Attorney General purchased Victorian stock amounting to about £8,000. That also had been sold out, and the trustees had invested the money in our own stocks. Particulars of these investments could be found in the Public Accounts. In this clause we sought to incorporate the principle that the sinking fund should be invested in our own stocks unless the Government otherwise approved. That was the proper course to take, so that the trustees would have instructions from the House that the advantage of Western Australia would be served by the investment of the sinking fund in our own stocks. It meant a good deal to us if there was a falling market, and often the stocks were depressed from causes beyond our control—

And rather prophetically I said—

for our credit was just as good—but even a war cloud hanging over Europe occasionally depressed them. Surely, if we had a sum of money lying idle in the hands of the trustees that could be used to maintain the stocks, it was wise that the money should be so invested. The only matter to be considered was whether we were running any undue risk by so investing the sinking fund. No such risk was being run, for the State had reached a stage in its history and development which warranted us in saying that her stocks

were as good as any other investment. The present Minister for Lands then interjected—

By reducing the sinking fund you are departing from that sound policy. I replied—

It was doing nothing of the sort; one could not agree with that statement. Members should let the clause pass. The object was clear. There was no desire to take any undue advantage, and there was no chance of any Government unwisely instructing the trustees to invest in securities other than those which were safe, such as Home stocks and national stocks.

There is the statement I made, a statement upon which the Premier endeavours, in his usual bombastic fashion, to show that I am now taking up an altogether different attitude on this question. As I have previously pointed out, the Premier is an adept and an expert at drawing a red herring across the trail. If he can, by any mischance, draw the attention of hon. members from what he himself is doing, or proposes to do, by fastening a charge upon his predecessors whoever they may be, and myself in particular, he will seize the opportunity and drive it home with all his power. I maintain that the attitude I take up to-day is exactly the attitude I outlined when piloting that measure through Committee in 1910. Now, what is it the Premier proposes to do, and what was it he proposed to do in this connection when he introduced the Budget? He said—

All that I suggest is that the trustees who control the sinking fund should invest this year's quota in new stock instead of in old stock.

I presume the Premier does not depart from that attitude to-night; in fact, I think he has pretty well admitted as much to-night. He proposes that the trustees should invest the sinking fund during the present year, and at any rate until the war ceases, in new stock instead of old stock.

The Premier: No, I do not.

Hon. FRANK WILSON: Yes. Those are the hon. gentleman's own words, quoted from *Hansard*—"in new stock in-

stead of old stock." I accept that statement as to what the Premier proposes to do, and I say decidedly and emphatically that it is an illegal act. I care not whether the suggestion came from the trustees, or, as I am more inclined to think, went from the Premier. I incline to the latter view because the Premier was always hinting at that procedure. At any rate, he has hinted at it during the present session of Parliament. Moreover, the Premier knew that he had already issued Treasury bills for the purpose of getting back from the trustees the amount of sinking fund that he had paid. He resorts to the usual excuse of the man who is in financial difficulties. He says, "It is only a temporary expedient. I will be able to float a loan as soon as the war ceases and then I will redeem the Treasury bills and the trustees will be put into possession of the sinking fund which, undoubtedly, they are not in possession of at the present time." What is the attitude of the Premier? He borrows, say, £100 from a money lender, undertakes to pay interest on it and he also undertakes to pay it back in 10 yearly instalments. He goes to the money lender and says, "Here is your £10, but lend it to me again." Does he reduce his liability to the money lender? He increases it year by year.

Mr. Robinson: He pays the overdraft to his banker with his own cheque.

Hon. FRANK WILSON: Yes; the principle is undermined at once. His attitude, even with the interjections of the member for Irwin, cannot convince hon. members that that course is a legitimate or a legal one. I am extremely surprised to hear from the Premier that he has already issued some £300,000 worth of Treasury bills and by that means has received back again the sinking fund from the trustees. In other words he has substituted a promise to pay for the amount of cash which the trustees in their position as such for the bondholders are entitled to have in their possession in order that loans, for which the sinking funds are paid, shall be redeemed at maturity. Will anyone tell me that that is a proper financial position to be

in? Will anyone tell me that if a private individual indulged in a transaction of that sort it would be approved by his bankers or those who trusted him? I think not. The Premier admits that the finances have been in a parlous condition since the war broke out, but that is nothing uncommon in regard to the finances of this State. I cannot remember that in any period of the term of the occupancy by the hon. gentleman on the Treasury benches, the finances have been in anything but a parlous condition, and at the present time they are in just as much a parlous condition as they were 12 months ago. He has increased the liability of the country enormously. He has borrowed money wherever he has been able to get it and he has paid any rate of interest in order to obtain that money and he seems to be prepared to go on in the same way. Not only has money been borrowed for legitimate loan works which would pay interest and sinking fund, as laid down by the Labour conference as being the only justification for borrowing money, but he has borrowed it in large sums in order to cover up his deficiency year after year, the deficiency on current expenditure from consolidated revenue. Let us turn to the Act which the Premier quoted with some gusto, because he thought there and then that he got the foundation for his charge against myself and also a justification for his action in this connection, an unwise action, to say the least of it, to interfere with the sinking funds of our loans. The General Inscribed Stock Act lays down pretty clearly the procedure with regard to the sinking funds. The Premier rushes through it and tumbles over himself with all sorts of statements and without going into the Act himself, and judging without getting proper legal advice as to the meaning of it. He puts his own construction on it to suit his own ends, and his action, as I would term it, is taken in sheer desperation. He quotes certain authorities, but does not mention their names. He stated that he had consulted the best authorities, but I want to know who they are, and what he placed before them. I venture to say he did not

put the Act before them. At any rate I am not prepared to accept his bald statement that he is doing this evil deed on good and sound advice. Let us see what the General Inscribed Stock Act prescribes. It lays down that the appropriations for the formation of sinking funds shall be invested by trustees to be appointed. We cannot invest money by handing it back to the people who owe it and repaying it off under such terms as I have indicated. If we are to invest, we must invest in something tangible, in something that exists and not in something which we are creating on the spur of the moment to meet our own ends and purposes. Section 13 lays down in clear language the object of these sinking funds. It says that the trustees shall from time to time invest the dividends, interest, or produce arising from such investment, so that the same may accumulate by way of compound interest toward the final extinction of the debt. How are we going to reconcile the action of the Premier and Treasurer with that section which lays down the principle that, not only the sinking fund, but the interest produced from the investment of that sinking fund shall accumulate by way of compound interest toward the final extinction of the debt. The Premier's action is to increase the indebtedness of the country. In other words he gives an I.O.U. or a promise to pay at some subsequent date. Then we go on further and we find a section which the Premier relies upon to give authority to get from the trustees this sinking fund and replace it by promises to pay. It says—

The Governor (a) may require the sinking fund of any inscribed stock or debentures (not being domiciled with the Crown agents)—

That is to draw a distinction between the original sinking fund which was controlled by the Crown agents prior to responsible Government and sinking funds on loans which have been issued since responsible Government—

—to be invested in Western Australian inscribed stock or debentures redeemable at a later date than such first mentioned inscribed stock or debentures.

That means that they can purchase with the sinking fund, stocks already on the market, not Treasury bills or inscribed stock which the Treasurer may issue to be redeemed out of future loan issues, that they can go on to the market and purchase any of our Western Australian stocks for the purpose which I outlined in my speech when this measure was going through the Committee stage, for the purpose of maintaining the value of our stocks on the market and also carrying out the provisions of this measure, so that by compounding the interest accumulating year by year at the date of the maturity of the loan we would have money with which to redeem it, and that is the security we have given to our bond holders. The trustees are, of course, as I have pointed out, representing the bond holders. They are in an absolute position of trust. They have nothing to do with the State, so far as these sinking funds are concerned. They are there to protect the bond holders and any departure from the four corners of the Act is an illegal action, and of course it is wrong on the part of the Government to exercise undue influence upon them to ask them to take up any other course. There is a proviso to Section 14 of the Act which reads as follows—

Provided that nothing herein contained shall affect the obligation to provide the prescribed sinking fund for the inscribed stock or debentures issued for the redemption of the first mentioned inscribed stock or debentures.

We have it clearly laid down that nothing shall interfere with this course. Are we not interfering when we say, "We will give you Treasury bills and six months from date we promise to pay you the amount of the sinking fund," and we calmly appropriate it to our own purposes and spend it and thereby we increase the total indebtedness of the State instead of reducing it, as laid down, using it for the final extinction of the debt.

Mr. James Gardiner: They are not extinguishing it.

Hon. FRANK WILSON: I have already taken exception to the attitude of the Treasurer and I do not wish to use extravagant language in driving home my arguments. I submit it is a matter for the House to decide as to whether they are going to support the Premier in what I consider is an absolutely illegal action, a position which he admits he knew of when he was throwing out the suggestion; he knew the Treasury had already begun to act upon this suggestion and upon the cablegram which had passed between the Agent General and himself, and yet he refrained from giving that information to the House. He kept it to himself and by that means led us to understand that it was only a suggestion which had not been acted upon. Now we find that the suggestion has been acted upon. I strongly resent this attitude of continually hoodwinking the House. We, as much as the Premier, are custodians, as far as our voting power will go, of the public purse and public credit, and the Treasurer ought to have been perfectly open, ought to have consulted the House as to the course he purposed taking, instead of throwing it out as merely a suggestion to be considered possibly at some later date. He took the leader of the Country party to task. He cannot contain himself with patience, and have the point debated calmly. He himself immediately began to abuse the hon. member, who opposes him, as I do, on this question. And he suggested that he was quite prepared to back his opinion and that of the member for Irwin (Mr. James Gardiner) against any other opinions in the House, and that they were bound to be right if they agreed on this or any other question.

Mr. James Gardiner: That is not fair.

Hon. FRANK WILSON: It is not unfair. The Premier said that if the member for Irwin and he agreed, they were bound to be right, and that he was prepared to back their joint opinion against the opinions of all other members. I

take exception to that, and I want again to quote the member for Irwin's opinion on this matter, as given in his evidence to the Tasmanian Royal Commission. I mentioned it on the Budget, and it is well that hon. members should be reminded of what the member for Irwin said.

Mr. James Gardiner: I do not desire to alter one word of it.

*[The Speaker resumed the Chair.]*

Hon. FRANK WILSON: No, I do not think you do. This question (No. 2) was put to the hon. member—

Is your present method of investing your sinking fund safe and satisfactory?

And the hon. member replied—

Your second question is somewhat difficult to answer without clearly understanding the full details of your methods. If, as I understand, you draw your sinking fund from your consolidated revenue, on which it is a charge, and promptly hand it over to your State Treasurer, who in return gives you State bonds for the amount, on which you may not be able to realise when required for redemption purposes, then I should not only say your sinking fund is more imaginary than real, but somewhat of a menace to sound finance. It seems to me that, by holding this stock to maturity and then placing it upon the market you would be merely refloating your old loan, running also the risk of paying a higher rate of interest plus discount and flotation expenses. In addition, the sinking fund deductions being received in comparatively small sums, its investment by a State Treasurer may not be made with that care which should characterise genuine loan expenditure. In other words, there may just be a temptation to use a fund raised and paid in this manner as the State's petty cash box. May I give you a concrete example of the danger of such a method had we pursued it with our own sinking fund. We floated our

Coolgardie Water Scheme loan of £2,500,000 at 3 per cent. It matures in 1927. To date we hold £1,314,147 of that stock ourselves, purchased with the sinking fund provided for that purpose and if we continue our payments the whole loan will be redeemed at maturity. Assuming we had merely been paying our sinking fund to the Treasurer in accordance with your methods (as I understand them), we would probably, when that loan matured in 1927, have had to float the bonds given us in exchange on a  $4\frac{1}{2}$  per cent. market, plus discount and flotation expenses, entailing a loss to the State as a result on interest alone of £37,500 a year for the currency of the new loan.

I can understand that the member for Irwin does not wish to withdraw from that attitude. He laid down very clearly what his view of the transaction would be if the Tasmanian Government adopted the principle which the Treasurer tonight has admitted the Government have already embarked upon in respect to the sinking fund of Western Australia. It means that we might just as well abolish the sinking fund altogether during the course of the war. It is now evident what was in the mind of the Premier when he said he had approached the trustees to see if they would suspend the sinking fund payments during the war. He asked them to agree not to enforce the payment of the sinking fund during the war. Of course they could not possibly agree to that. It would be too barefaced an opposition to the terms of the Act. The sinking fund must accumulate by way of compound interest towards the final redemption of the debt. I think I have put the position concisely and clearly. I have pointed out that the sinking fund trustees could not possibly agree to suspend payment of the sinking fund on even the stock held by them. If they are to carry out the terms of the General Loan and Inscribed Stock Act under which they are acting they must insist on the payment. If the money is not paid to them it is an act of repudiation, of

which, of course, no Government would be guilty. But the Premier is acting illegally in bringing pressure to bear on them to invest that sinking fund to purchase Treasury Bills, even at short date, instead of allowing the money to be used for investment in stock already on the market, as provided by the Act. We cannot possibly read any other interpretation into that Act, and I feel convinced that if action were taken to obtain an injunction against this system of dealing with our sinking fund, the courts would uphold the opinion I am now voicing. It is a dangerous expedient, it is a travesty, according to the member for Irwin's own words, expressed in his report on the system of sinking fund, if we are immediately to allow our Treasurer, when the sinking fund is paid, to re-borrow it on his promise to pay at some future date. I hope the House will calmly consider the principle involved, and the injury it must do to the State, and that they will agree to carry the resolution which has been properly moved by the member for Murray-Wellington.

Mr. JAMES GARDINER (Irwin) [9.40]: When I last spoke in the House on the question of sinking fund, I did so from the academic standpoint rather than from the position raised by the leader of the Opposition. I wanted to show the House what was a genuine sinking fund, and what could easily be made an imaginary sinking fund, and it was in dealing with that aspect of the question that I said what might be done in a grave emergency. It is for the House to say whether they think this is a time of grave emergency so far as getting money is concerned. If the House agree that it is a time of great stringency in the money market, and if they also agree that this money is to be pledged to short-dated Treasury bills, then it does not interfere with the real position of the sinking fund if those bills are redeemed. It is obvious. The only thing is that before we can arrive at that clear decision we want to see at what rate those Treasury bills are floated. I assume there is behind their

flotation an authorisation. At what rate are the trustees taking up those short-dated bills, and what is the rate of interest? When we have that we can then clearly see whether it is a better proposition for the State to borrow money that way than to borrow it in the present open market. When we come back to the question of sinking fund, it can be easily seen that if we give a fresh start to the sinking fund, whilst not increasing the indebtedness, we are not paying off the old bill. And if we treated all our sinking funds in that manner the consequences would be, when it came to the time of maturity, that we might be in exactly the same position as I placed before the Tasmanian Government. So depressed is the Home market to-day that we get £100 worth of stock for every £82 cash, and no doubt by that process we confer a pretty big boon on posterity. On the other hand, it is suggested that the money is being used to take up bonds from people who possibly can wait, whilst at the present juncture we want every available penny of cash. I do not like a serious question such as this is to be made a subject of party jangle. It is so serious to the financial interests of this State that it requires to be discussed outside of the question of who is right and who is wrong; it is a question to be settled and argued quietly. It is better to argue it quietly than to use it in any way as a suggestion for a lever. It is too serious for me to take it in that light. The House should ask—"Shall we take this money?" That is the power of the House. Evidently the trustees are satisfied that they can invest their sinking fund in these Treasury Bills, and I can assure hon. members that it is pretty hard to convince the trustees of these sinking funds—

The Minister for Works: You could not force them.

Mr. JAMES GARDINER: No, and it is pretty hard to make any suggestions to them. I can give an instance. If the funds held by the Crown agents to-day were placed on the markets—

they have to be invested in stocks other than Western Australian—there would be an appalling discount on them, and the sinking fund would lose that amount. I made a suggestion to them on one occasion to enable these funds to be invested in our own stocks which were on the open market but they would not listen to it. They told me it was an iniquitous thing to suggest. I told them that if I was sinning I was sinning in very good company because that was exactly the provision made by the British Government when they guaranteed the South African loan. I am not afraid that the trustees will be other than careful not to invest in directions which the Act does not empower them to invest in, and I do not think they will be influenced or browbeaten into taking up stock against what they think is to their advantage. I do not want to be mixed in this clash saying—"You are right" and "You are wrong." I am conscious that the trustees will not invest in a stock unless they are satisfied the Act empowers them to invest in it. When it comes to a question of the stress of times, I made a suggestion that we should stop paying interest on those stocks we ourselves hold. It is of no use telling me this cannot be done on account of the Act because that stock is our own and there is nothing to prevent us from calling it in and cancelling it, and still keeping our obligations under the Act in regard to the stock still out. No one could possibly complain or stop us because we should be fulfilling our obligations under the Act in regard to the stock still left. Otherwise the position in regard to the Coolgardie water scheme would be this: if we had to go on whether we hold the stock or redeem it, the possibilities are when the loan actually expires we shall have a surplus of something like £300,000 to £400,000 as a result of paying 3 per cent. sinking fund. Until then we need pay only  $1\frac{1}{2}$  per cent. sinking fund on the Coolgardie water scheme loan to redeem it and we are paying 3 per cent. Boiled down this is the position: The Premier says instead of sending money out of the State he could use the sinking fund and

would give short-dated Treasury Bills as the security. These Bills, if redeemed at maturity, will certainly put the sinking fund back into its original condition. We have to ask—"Is that the intention of this House? Is it wise for us in the present tightness of the money market? Are we justified in doing this or are we justified in sending that money out of the State to redeem stock at a price which will confer a great boon on posterity, but at the same time will give no relief whatever to the people at present?" It is admitted that it is the most difficult thing in Australia to get money to carry on necessary works, and if we send out £265,000 and stop legitimate development to that extent it becomes a question of the policy of the State and the policy of this House and for the thinking members of the House to decide which is the wiser course to pursue. The sinking funds of Australia become rather farcical for the simple reason that the policy suggested of taking up our own stock and issuing fresh stock merely absorbs them and there is no money for redemption either for the stock for which it is issued or at the maturity of the loan. I do not want Western Australia to drift into that position. When the Premier made his remarks, I understood he intended to issue fresh loans and that those loans would mature at a date after the present ones for which the sinking fund is provided. He assures us this is not so, that it would be only by short-dated Bills and those short-dated Bills would have to be met after the war. No real damage would occur to the sinking fund if we are satisfied that future Treasurers will not find a plausible excuse for continuing that position even after the war. If I were certain that the Treasury Bills would be met after the war, I could say without the slightest fear of contradiction that we would not be injuring our sinking fund provided we redeem them and pay that money back into the sinking fund for its original purpose of redeeming the stock. It is a question that should be debated without any heat. It is a question full of interest to those who take an interest in

it. It is a question in which the financial position and the financial outlook of this State are deeply interwoven and, consequently, I do not think anyone wants to give a hurried expression on a motion such as the one before the House. I would rather have it discussed at a round table, each of us feeling he was not throwing bricks at another and each thinking he was doing his best for the State in the present shortness of the money market. Are we doing that which will keep the credit of Western Australia good? Are we doing anything which will injure it? I care not whether a member sits on the Government side or on these benches or on the Opposition benches, no one would wilfully injure the credit of the State of Western Australia.

On motion by Mr. Bolton debate adjourned.

#### DISCHARGE OF ORDERS.

The PREMIER (Hon. J. Scaddan—Brown Hill-Ivanhoe) [9.55]: I move—

*That Orders of the Day—"Control of Horse-racing (Consideration of Joint Select Committee's report); Parliamentary sanction for public works (Consideration of Council's Message); Interstate action for suppression of disease (Consideration of Council's Message)," be discharged.*

We proposed to take into consideration the Joint Select Committee's report on the Control of Horse-racing but, as no Legislative action can arise this session, there is nothing to be gained by discussing it. That is why I am asking for the Order to be discharged.

Question passed.

#### JOINT SELECT COMMITTEE, MONEY BILLS PROCEDURE.

*To adopt Report.*

Order of the Day read for consideration of Joint Select Committee's report on procedure on Money Bills.

Mr. ROBINSON (Canning) [9.56]: The report of the select committee is printed



and is in the hands of hon members. I move—

*That this House approves of the report of the joint select committee of the Legislative Council and Legislative Assembly appointed to inquire into the procedure on Money Bills and requests the Government to introduce legislation to give effect thereto.*

The Premier: We agree to that.

Mr. ROBINSON: It is always difficult for members to go through the report of a committee and a Bill and thoroughly assimilate the contents. A great deal of time has been devoted to this question by members of both Houses including yourself, Mr. Speaker, and I would like to make a few remarks. There are two aspects in which financial Bills are regarded, first, the right to originate and secondly the right to amend. The right to originate is not affected by this report because that important principle of the Constitution prevails that expenditure must originate in the Assembly. With regard to the second point, the right to amend, it is already conceded in a modified form of the request for amendments. The difference consists somewhat in the method of rejection. Financial Bills might be divided into two classes (a) those that are purely financial, and (b) those that are partly financial. With respect to class (b) it is desirable that the right to amend should extend to the non-financial clauses, and therein arises the difficulty, the difficulty of the mixed procedure with respect to those Bills which are partly financial, and the difference might be phrased in the making and the suggesting of an amendment—the making of an amendment in the clauses not financial and the suggesting of an amendment in the clauses that deal with finances. The difference however, is almost too slight in practice to be worth the inconvenience both Houses are put to by the consideration of the different classes of procedure. I may say that the general principle of the Council's right to amend financial Bills is restricted. If the Government's proposals are reduced in the Assembly, the usual course is defeat of the Government and the other

side take possession of the Treasury bench. If, on the other hand, the Government's proposals are reduced in the Council, the same party carries on but carries on with less funds. The report of the select committee and the Bill it suggests is placed before the House with a view of dealing with the difficulties I have outlined. I have much pleasure in moving the motion which I have already read.

Question put and passed.

## BILL—HEALTH ACT AMENDMENT.

### *Council's Message.*

Schedule of 21 amendments made by the Legislative Council now considered.

### *In Committee.*

Mr. McDowall in the Chair. Hon. R. H. Underwood (Honorary Minister) in charge of the Bill.

No. 1—Clause 242a, Subclause (2), line 4—After the word "two" insert "a registered pharmaceutical chemist who sells or":

Hon. R. H. UNDERWOOD: I intend to move that all the amendments made by the Legislative Council be agreed to. I have gone into the matter fully. The great bulk of the amendments are what might be termed amplifying what was in the Bill previously. The only clause making any material difference is the proposed new Sub-section 242i. After consulting the Medical Department on the matter I am convinced that we have ample power in the Bill. In regard to the first amendment made by the Council I move—

*That the amendment be agreed to.*

Question passed; the Council's amendment agreed to.

Nos. 2, 3—agreed to.

No. 4—Clause 242d—Strike out "twenty" in the last line and insert "five" in lieu:

Hon. R. H. UNDERWOOD: I move—

*That the amendment be agreed to.*

Mr. GEORGE: This puts upon a medical practitioner the onus of reporting cases that might come under

his notice. There is a penalty of £20 which has been reduced to £5. I think that the £20 should be left in. It is not a question of pillorying anyone, but the medical practitioner has to perform a certain duty, and if he does not do so should be made to pay for his neglect.

Hon. R. H. UNDERWOOD: In regard to these penalties I may say I, have never been very anxious for a high penalty. A conviction against a medical practitioner would in my opinion be a sufficient penalty to prevent him from committing the fault again. I do not think it will make any material difference whether the penalty is £5 or £20.

Question put and passed ; the Council's amendment agreed to.

Nos. 5 to 9—agreed to.

No. 10—Clause 242i, Subclause 2, line 2—After the word "disease" insert "in an infectious stage and is in the opinion of the Commissioner likely unless detained to infect other persons":

Hon. R. H. UNDERWOOD: I move—

*That the amendment be agreed to.*

Mr. GILCHRIST: Is the Minister making any provision for the detention of infectious cases, as to where the people are to be maintained, and at whose expense?

Hon. R. H. UNDERWOOD: I have discussed this matter with the Acting Commissioner of Public Health and it appears that we must make provision for the treatment of venereal disease under this measure. What provision we will make I cannot say at present. We shall have to move slowly to begin with, and cannot open out to a big extent before we feel our way. The acting Commissioner favours somewhat strongly the establishment of what are termed night clinics. These would have to be practically free from observation, as persons attending them would not want all the world to know that they were doing so. These points are being considered at the present time. We have not yet considered what system will be adopted but are dealing with the matter.

Question put and passed ; the Council's amendment agreed to.

Nos. 11, 12, 13—agreed to.

No. 14—Clause 242i—Insert a new subclause to stand as 5 as follows:—  
"When any person is subject to examination or detention under the provisions of this section, and is found not to be suffering from venereal disease or to be suffering from venereal disease, but not in an infectious stage, or to be suffering from venereal disease in an infectious stage, but not likely to infect others, he shall be entitled as of right to inspect any written statement made to the Commissioner under Sub-section (1) of this section, and to have a verified copy of every such statement":

Hon. R. H. UNDERWOOD: I move—

*That the amendment be agreed to.*

Mr. GEORGE: This proposed new Sub-section means that any person who has been reported for examination and has been proved to be clean shall have the right to inspect any statement made to the Commissioner in the matter. Does that open up the possibility of prosecution for defamation of character, or any loss or damages? If so it cuts both ways.

Hon. R. H. UNDERWOOD: The fact that any person who is found to be clean after examination has the right to inspect any statement made to the Commissioner regarding him will no doubt prevent many people from giving information that might be of use to the department. On the other hand, the provision will protect citizens from malicious persons. Any person who has a spite against another might go secretly to the Commissioner of Public Health and say that a person is suffering from venereal disease and that he should be examined. This does not prevent action by the department because if the Commissioner has reasonable ground, or his inspectors have reasonable ground, for suspecting that a person is suffering from this disease that person can be summoned and fined £20 for not having been treated. It would be better to give the power to the Commissioner as he is likely to

be the most reliable man. Under this clause the department has ample power to deal with the matter and the amendment only protects innocent people from molestation at the hands of any spiteful person.

Question put and passed ; the Council's amendment agreed to.

Nos. 15, 16—agreed to.

No. 17—Add the following new clause to stand as 242l:—"All proceedings under sections 242a, 242b, 242c, 242d, 242e, 242f, 242h, 242i, 242j, in any court shall be heard *in camera* ; and it shall be unlawful to publish in any newspaper a report of any such proceedings. Penalty : For a first offence, One hundred pounds, or imprisonment with or without hard labour for not exceeding six months ; for any subsequent offence Five hundred pounds, or imprisonment with or without hard labour for not exceeding twelve months " :

Hon. R. H. UNDERWOOD : I move—

*That the amendment be agreed to.*

Mr. GILCHRIST : What is the reason for this amendment ? Will there be any safeguard to protect those who are being proceeded against ? Proceedings *in camera* against a person are always dangerous, although I understand the necessity for keeping these matters confidential. I presume a full and clear account of the proceedings will be kept for reference at any time ?

Hon. R. H. UNDERWOOD : I think the amendment is advisable. After all, people will not be charged with crimes under this measure. In the event of the department possibly making a mistake, it would be very inadvisable to have it published in the newspapers that a woman, say, had been charged under this measure. Even if the proceedings were justified, publication would be altogether undesirable. The children's court is conducted much on the same lines as are laid down for the court under this measure.

Question put and passed, the Council's amendment agreed to.

Nos. 18 to 21—agreed to.

Resolutions reported, the report adopted, and a Message accordingly returned to the Council.

### DISCHARGE OF ORDERS.

On motion by the MINISTER FOR WORKS, Orders of the Day,—Mine Workers' Relief Fund Bill (second reading), and Nos. 10 and 11, Attendance of member before select committee of Legislative Council (Council's Messages), were discharged from the Notice Paper.

*[House adjourned at 10.20 p.m.]*

## Legislative Council,

Thursday, 18th November, 1915.

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Bills : Road Closure, report, 3R. .. .	2554
Land Act Amendment, report, 3R. .. .	2554
Supplementary Loan, £1,300,000, 2R. .. .	2554
Health Act Amendment, Message .. .	2554
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Licensing Act Amendment Continuance, Message .. .	2571
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Permanent Reserves (No. 2), 2R. .. .	2577
Select Committee, Money Bills Procedure, to adopt report .. .	2578
Adjournment, special .. .	2580

The PRESIDENT took the Chair at 3 p.m., and read prayers.

### PAPERS PRESENTED.

By the Colonial Secretary: 1, Fremantle Harbour Trust, report of Commissioners for year ended 30th June, 1915. 2, State Children Act, amendment of regulations. 3, Health Act (a) regulations *re* meat inspection and branding,