

No. 7: New clause.—Add the following to stand as No. 8:—The said Henry James Scott and his transferees shall not hold or have any interest in any lease or license granted in pursuance of the Special Lease (Lake Clifton) Act, 1916:

The MINISTER FOR LANDS: I move—

*That the amendment be agreed to.*

Mr. S. STUBBS: I move an amendment—

*That the Council's amendment be amended by adding the following words:—“And shall carry on all works and the dredging and prevention of pollution and obstruction of the Swan river to the satisfaction of the Minister, and shall submit plans of all buildings to be erected for the approval of the Minister, and shall supply lime from the special lease to be granted under this Act to the public so far as there is a demand for same in such quantities as the Minister may direct.”*

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

[*The Speaker resumed the Chair.*]

Resolutions reported, and the report adopted.

A committee consisting of the Hon. H. B. Lefroy, the Hon. R. T. Robinson, and the Hon. W. D. Johnson drew up reasons for not agreeing to two of the Council's amendments.

Reasons adopted, and a Message accordingly returned to the Council.

*House adjourned at 12.25 a.m.*

## Legislative Council,

*Tuesday, 13th March, 1917.*

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

### PAPERS PRESENTED.

By the Colonial Secretary: 1, Roads Act by-laws, Kalgoorlie. 2, Public Library, Museum and Art Gallery; Report of Trustees for year ended 30th June, 1916. 3, Report on the Nornalup area by Mr. Camm.

### BILL—KINGIA GRASS TREE CONCESSION.

#### *Consideration of Select Committee's Report.*

Hon. W. KINGSMILL (Metropolitan) [4.35]: In moving that the report of the select committee be adopted, I would like, first of all, to mention one or two matters which lie beneath this report. The case of the kingia grass tree may be taken as typical of the case of most of our small industries, and, by the way in which we treat the development of the kingia grass tree industry so may it be supposed we will continue to treat the others of our small industries. This House, composed as it is of thirty members who are not bound to one another, at all events so far as the bulk of them go, by any consensus of opinion or shade of political thought, has evolved during its career what might be termed the foreshadowing of the policy of the Legislative Council in connection with various subjects. For instance, it will be well within the recollection of hon. members that there is a decided trend in this House to treat the alienation of land reserved by the Crown with a great deal of caution, I might almost say a great

deal of apprehension, and it is right that that should be so. May I be permitted to hope that this House, in dealing with concessions asked for under the present Bill will develop a policy of caution, if not of apprehension, similar to that which it has displayed towards the alienation of Crown lands. When I speak of our minor industries I am speaking of something which, in my opinion, may play a very important part in the future of this State. I am speaking of a number of industries which I think are realisable assets to a great extent, and for the realisation of which a good deal of caution is needed in order that they may be realised to the best advantage and for the benefit of the community. We have a number of these minor industries awaiting development, both by land and by sea. We have the industry we are now dealing with, the industry in connection with the use of our immense area of country timbered with blackboy. We have all the minor branches of agriculture, some of which may be almost treated as industries separate from agriculture. We will have in future, I have no doubt, as they have in other countries, the development of the fur farming industry. Those are a few which will occupy the attention of those living on the land in this State, but if we turn to our coasts we have a series of most valuable industries awaiting development, and the method of the development of those industries should be given earnest attention by the Government and the people of the State, before rash steps are taken which may retard development and which may have the effect of throwing them into wrong hands. We have all the subsidiary industries connected with pearling—oyster cultivation, both of edible and pearl oysters. We have the sponge industry, the fish curing and preserving, and a hundred and one other industries, all of which will be developed when the people begin to turn their attention to these matters. In Western Australia, and in fact the whole of Australia, the lives of the people have been, if anything, too easy. The people have not been forced to look round for subjects in which to interest themselves. There is another and a wider aspect of this case, and it is the fact that we will have in the course, I think, of a

few months, one of the greatest problems to face in the Commonwealth and throughout the Empire that the world has ever been confronted with—I allude to the profitable repatriation of those soldiers who have been fighting for us the battles of the Empire. I think those who are dealing with the matter are somewhat apt to neglect the psychological or the mental aspect of that question. These men, when they come back, will not be the men who went away. They will be men of different ideas in many cases, unsettled in regard to their mentality, and, in my opinion, the only way to successfully repatriate these people will be to give them an interest in such of the minor industries that, if one will not suit them, they will be able to turn their attention to another. There is another reason why these minor industries should be encouraged to the utmost, and it is that there has been too great a tendency on the part of Australians to get an employer to lean up against, and not enough tendency to strike out for themselves in an independent direction. I hope the development of the minor industries will have the effect of providing that independent employment for young Australians which in many instances is now lacking. With regard to the treatment of minor industries, the British Empire as a whole is somewhat apt to neglect them. In America we find they have extensive and well-endowed State supported departments for the purpose of making investigations in the various directions connected with these minor industries, and it is due to this that an industry in America, which we will say in our own case is of minor consequence, has developed into one of the most important—I allude to the manufacture of fertilisers from the otherwise useless fish which surround the American coast. We have on our coast better conditions, if anything, than those which prevail on the American coast, where there are employed thousands of craft and tens of thousands of people in that industry. But this by the way. In dealing with the kingia grass industry, it might be well to contrast the possible way of dealing with it by the Government which has just gone out of office and the Government now in office. The Government who have gone out of office who would have made a State industry of this if they had seriously

considered the matter. That, of course, is too much in one direction. But the present Government have gone to the other extreme. Instead of making a State industry of it, they have encouraged private enterprise to such an extent that without apparently making inquiries they have given away ten times as much land as their Surveyor General said was available with this tree growing on it. That errs just as much on one side as the supposititious case of how a former Government might have treated it on the other. In my opinion the proper way to encourage this and other industries is by judicious assistance, not by throwing them holus-bolus into the hands of any one individual or any one association of individuals. The Government should give assistance to such industries in the manner they have assisted mining by the erection of public batteries, in the manner in which they have assisted the dairying industry by providing butter factories, and the assistance they have rendered to numerous other industries by providing plant and necessary facilities for the carrying on of those industries as public concerns, and not purely and simply private concerns. If that were done, I think the people of the State would have a better opportunity of engaging in these industries for what they are worth than if any other method were adopted. Dealing with this particular Bill, the committee recommend that it be not further proceeded with, and they do it for several reasons. It may be said that the committee should have recommended that the Bill should be amended, but when the Bill is examined it will be found that rather than it should be amended in so many directions, it would be very much easier for the Government to withdraw the Bill and bring in a fresh one, if they wish to do so, than to proceed with the Bill and amend it as desired, in the first place in the interests of the country, and in the second place in the interests of the concessionaire. It is inferred in the report of the select committee that this concession, if granted, should only be granted to the pioneers of the industry. It is extremely difficult to find out who is the pioneer of this small industry which we are now dis-

cussing. The furthest back gentleman I have been able to ascertain—unfortunately I did not find out about him until after the committee had risen—was a gentleman named Polain, who first introduced this kingia grass tree to various gentlemen, including a Mr. Weaver and a Mr. Benjamin. The well-known firm of Bethel & Thurston have also spent a good deal of time and money endeavouring to make a success of this matter. Then we have Mr. Benjamin, the former concessionaire under the Bill, to whom the Colonial Secretary has alluded. He formed a company, the history of which company seems to be a history of dissension and wasted effort right through. Then we have the present gentleman, Mr. Langford, coming along and asking that a concession of 500,000 acres should be given him for the purpose of exploiting the industry. Personally—I believe I am speaking for the whole of the members of the committee—what I want to do is to see this industry, and any other industry developed, to the fullest possible extent so long as it is done along legitimate lines. Unfortunately, although this House was good enough and kind enough to pass a Bill precisely similar in nature to the one which is now before it, with the change of name to Mr. Langford for Mr. Benjamin, I think it is a very good thing that even at this eleventh hour this matter was looked into and the rights of the question were decided upon. In the first place the Bill provides for a concession of 500,000 acres. This, as I have already said, is ten times as much as the Surveyor General, who may be looked upon as speaking with some little authority, declares to be the area carrying this kingia grass tree in the State. If any company or individual obtained a concession of 500,000 acres, there would not be a stick of kingia growing on unalienated Crown lands outside that concession. I claim that this is not a thing which any individual or association of individuals ought to ask for, or if they do ask for it, ought to get. Looking at it from the point of view of the individual or an association of individuals, this Bill imposes some most stringent conditions. In the first place these people have to put up £500 guarantee. In the second place they have

to pay a rent to the amount of £250 per annum, whether they pay it out of the kingia grass tree area or not. In the third place they have to put up machinery to the value of £5,000. With regard to the £500 guarantee, perhaps this is a wise provision. With regard to the £250 rent, this represents, at 6d. per ton royalty, which is a fair royalty for the Government to charge for getting this or any similar product of the soil, 10,000 tons per annum, or, taking it at a rate which we are led to believe the raw material yields of finished product, at the rate of 2,000 tons of finished product per annum. So far as we could ascertain this would supply the Australian trade for 20 years. It will be seen, therefore, to how slight an extent the Bill was considered before it was again brought before the House. Taking £5,000 worth of machinery, this would mean that these people would have to put up at least twice as much machinery as they could use. There again no inquiry seems to have been made. They are very consistent in the lack of inquiry, because even botanically they are grossly wrong. In the agreement it is inferred that the kingia grass tree is a supposed blackboy. It has no more botanical connection with blackboy than an onion, and perhaps not as much. As a result we have a Bill brought down, and I do not think the House or the country can blame any of us when we ask that the subject should be thoroughly investigated before the concession is made. If there were a glaring instance of the rightness of the course I pursued on a previous occasion, namely, that these concessions should be made the subject of private Bills, this Bill furnishes it. If it had been introduced as a private Bill, the promoter, Mr. Langford would have had to bear the expense of the select committee inquiring into it, which expense, however, would have been very slight. The select committee did not ask to go to the Eastern States to see how many brooms were used in Melbourne, as royal commissions—

Hon. J. F. Cullen: Usually do.

Hon. W. KINGSMILL: Usually do. This select committee was very moderate in its demands and very inexpensive in its methods. But the cost of the inquiry by

the select committee should have been borne by the promoter. If a thing is worth looking for it is worth the while of the promoter to pay the necessary money for making the inquiries into it. If that system had been followed, I venture to say that the Bill would never have appeared in this form before Parliament, if indeed it had appeared in any form whatever. I have dealt with the area of the concession, which area is absurd, and with the conditions under which this concession was to be granted to the individual or individuals who were to acquire it, which conditions are irksome in the extreme to these individuals. I cannot for the life of me make out how it is that any individual should ask for such a concession except for the fact, as Mr. Langford has stated in his evidence, that he did not know what was in the Bill. It is very evident that the other parties to the agreement did not know what was in the Bill either, and it is also evident—and I admit it with a certain amount of shame—that the House did not know what was in this Bill, or in the last Bill when they passed it. I hope the repentance of the House will be signified by their taking the course which is recommended to them by the select committee, and adopt the report. I have some sympathy with Mr. Langford, the proposed concessionaire. I take it that most hon. members have met that gentleman in the course of the last few weeks, and probably know his position so well that it is unnecessary for me to explain. As some hon. members know, he has been in Perth for the last two or three weeks, and I understand he has taken the opportunity of seeing members in connection with the matter. I have a certain amount of sympathy with him, because he has been so good-naturedly impulsive in the matter. As soon as he heard that the Bill had passed through the Lower House, he seemed to think that the approval of the Upper House was a mere detail, and that it would undoubtedly go through this Chamber. He, therefore, immediately set to work and made all the necessary arrangements for the financing of the industry. If these people want the industry to work, they are much better off without the Bill. The essence of the work-

ing of an industry is the obtaining of the raw material for that industry as cheaply as possible. If they obtain that raw material by the payment of a Government royalty, or by the payment of men to cut the kingia grass tree on a monthly license fee, they will obtain it very much more cheaply than if they have to pay the interest on the £500 deposit, and £250 per annum which represents a royalty on 10,000 tons of kingia grass tree—a most absurd amount—and in the third place have to erect £5,000 worth of machinery, some two or three thousand pounds' worth of which would be useless to them. With regard to the working of the industry, these people would be far better off without the Bill. If, however, they want something to sell and to finance with, perhaps the Bill might come in for that purpose, but for that purpose only. With regard to how much we should consider this matter of providing this gentleman with something to sell, that is for this House to decide. I do not like these industries being made the medium of what I may term company mongering. It is not, I think, a good or a healthy thing. Furthermore, when we consider the probable constitution of a modern company—I do not know what this company is going to be—we cannot but think that most companies nowadays are grossly over-capitalised. There are so many paid up shares which have to go to this quarter and that quarter, that a company starts out in life with a burden that it can scarcely stagger under, out of all proportion to its working capital. I am, of course, only speaking in general terms. It is doomed to failure before it starts operations, and I want to avoid that as much as possible and to see that the minor industries and the major industries of the country provide as much scope as possible for men wishing to work independently of any employer, and for their own hand rather than work for wages. I think that is a good proposition, and one with which even my friends who belong to the Labour party would agree substantially. I want to see this country a country of small holders. I am convinced that in the small holder lies the wealth of any country. The trusting confidence of Mr. Langford in this connection

is almost touching. I should be very sorry to see that gentleman embarrassed in any way, because he has been somewhat too precipitate in his methods. It seems to me that the other party to the arrangement, the Government, have on the other hand everything to win under this Bill, and surely it might be possible for some arrangement to be arrived at between Mr. Langford and the Government whereby he may be placed even in a better position as regards the working of the industry than he would be under this Bill, without an absolute monopoly of the industry—for whatever that monopoly is worth—being handed to him, and whereby he might be placed in a position in which he would be able more cheaply to exploit the industry than if the Bill became law. I do think that under the Land Act of 1898, Section 112, wherein power to grant a timber lease is given to the Government, it would undoubtedly be competent for the Government to grant this gentleman a lease, and now that they have some information with regard to the area of unalienated Crown land growing this kingia grass tree I take it that they would observe due precautions in regard to the areas of such lease, and do not suppose that they would again give anyone 500,000 acres for this purpose. I contend that it would be competent for the Government to grant a lease of 15,000 or 20,000 acres to Mr. Langford in order that he might prosecute this industry, I hope to a successful issue. It would not be a fair thing that any company should ask for a monopoly in an industry. We know from the evidence taken by the select committee that this kingia grass tree is being cut in Western Australia, and shipped away to Melbourne, where it is being manufactured by another set of persons altogether, persons who are quite independent of those operating at Fremantle.

Hon. R. G. Ardagh: Cutting on private lands.

Hon. W. KINGSMILL: I do not think there should be any difficulty in this connection. I think it is quite competent for the Government to grant a lease under this section. If it is not so competent, it may be because timber may not be taken to include kingia grass tree. If that is not so—I do not see why it should not—surely

in the Land Bill which may come to this House in the very near future we can put in a definition of timber which is at present not defined in the Land Act to include this plant and other plants of a similar nature in order that this lease may be granted without the trouble of coming to Parliament with a concession Bill of the sort which we have now before us. For the reasons which I have given and which I may recapitulate, firstly, that the area under the Bill is absolutely excessive; secondly, that the restrictions placed on the concessionaire are absolutely irksome, and, thirdly, that it is inadvisable to give a monopoly to this individual or to any individual or an association of individuals. I beg to move, and I ask the House to support my motion,—

*That the report of the select committee be adopted.*

Hon. A. SANDERSON (Metropolitan-Suburban) [5.3]: I frankly confess I am puzzled over this affair. We have a Bill referred to a select committee consisting of Mr. Kingsmill, Mr. Drew, and Mr. Allen and, knowing the high reputation these gentlemen have with us, in the ordinary course of events we naturally would accept the conclusions at which they have arrived—at any rate, I speak for myself—without much parley. But in this particular case I am unable to agree with them. I am not going through what Mr. Kingsmill went through, the fishing industry, the sponge industry and the oyster industry, and how matters ought to be dealt with in this country; I am not going to deal with the question that he raised that this country is a country of the small holder, or he wishes to see it so. That is an interesting statement in itself—I am not going into that. I am going into the question of the kingia grass tree and this concession asked for. I do not intend to rival the hon. member in his knowledge and interest in the flora and fauna of this country, although I will ask him to accept my assurance that my interest in it is very keen. This kingia grass tree has interested me ever since I saw it growing on my land and in many parts of this country. It was discovered in 1815 and is described by Captain King; that is a little over a hundred years ago. I am intensely interested in the

efforts made in Western Australia to develop the natural resources, not by the present generation but by past generations, and I have tried in vain, in the records of old Western Australia that I possess, to find anything having been done with the kingia grass tree except putting it down as a floor in bush houses. What has happened? Nothing has been done for one hundred years and this gentleman come along and wishes a concession.

Hon. J. F. Cullen: He wishes a lot.

Hon. A. SANDERSON: I am going to deal with that question of the lot. He does not, excuse me, nothing of the sort.

Hon. J. F. Cullen: He wishes the lot.

Hon. A. SANDERSON: Nothing of the sort. I shall answer the hon. gentleman at once. He is dealing with Crown lands only and there must be an enormous number of trees of the kingia grass tree growing on private lands that this concession will not touch, so that he is not dealing with the lot. The hon. member rather drags me off the course I wish to pursue, as he generally does.

The PRESIDENT: I advise the hon. member not to reply to interjections.

•Hon. A. SANDERSON: We have got this kingia grass tree and for one hundred years nothing has been done with it. The concessionaire comes to the Government, makes an agreement with the Minister for Lands, and we may assume that this agreement has been carefully scrutinised by the officers of the Government, it is endorsed by the Government—I think I am correct in saying by two Governments—it passes another place and runs the risk at the present time of being thrown out here. For what purpose? Is it because of the oysters, and the sponges, and the fishes in the waters on the coast, or because of what is done in America? I do not want to detract from the interest which my friend takes in the flora and fauna of this country. I am puzzled. I have not had time to go into this matter. The select committee has had time to go carefully into the question but I have not.

Hon. W. Kingsmill: That is very apparent.

Hon. A. SANDERSON: The point I put is quite as clear and intelligent and forcible

as my friend's talk about sponges and fishes and this country being a country of the small holder. What ineffable nonsense! We have the largest territory in the Commonwealth and the thinnest populated in the world and the hon. member talks about the country being that of the small holder. I shall vote in favour of the concession being granted.

Hon. W. Kingsmill: Why?

Hon. A. SANDERSON: Because if we can establish any industry at the present time it will be a good thing.

Hon. W. Kingsmill: Five hundred thousand acres.

Hon. A. SANDERSON: Nothing of the sort. There are not five hundred thousand acres of this land. You can only get the kingia grass tree over the Crown lands. If this gentleman who is interested in this matter can establish an industry dealing with kingia grass he will confer a benefit on the whole country and a very particular benefit on the people who have land on which the kingia grass tree grows.

Hon. W. Kingsmill: Oh!

Hon. A. SANDERSON: I will take my own few little acres of land. What am I doing with the kingia grass tree? Cutting it up and burning it as quickly as I can, and here is a company who comes along and proposes to utilise this tree which has been known for a hundred years and with which nothing has been done. The hon. member says it is evident I do not understand anything about it.

Hon. W. Kingsmill: Oh, no.

Hon. A. SANDERSON: I understand this as a West Australian and the holder of some kingia grass trees, at a time like this I thought the House would welcome the granting of a concession. And as for dealing with this matter, the hon. gentleman tells us he knows a better way of doing the business and that the company would be better off by doing this business in another way. That is their matter. This is supposed to be a business proposition and we may fairly assume the parties are trying to put it through in the most businesslike way possible. I go further even if it must damage the cause I have at heart. Let any gentleman get a concession here for dealing

with the kingia grass tree and let him hawk it about to see if we can utilise this product. If the hon. member was speaking as a shareholder or a prospective shareholder I could understand his warning, but as far as the people of Western Australia are concerned we are giving a concession over Crown lands and not the private rights over the kingia grass tree, and I am convinced every person who has got kingia grass tree on his land will be glad to see this attempt being made.

Hon. Sir E. H. Wittenoom: But they are giving too much land.

Hon. A. SANDERSON: I would give them the lot.

Hon. Sir E. H. Wittenoom: That is a mistake.

Hon. A. SANDERSON: I am not authorised to speak on behalf of the company but I understand they are willing to take fifty thousand acres.

Hon. Sir E. H. Wittenoom: That is sensible.

Hon. A. SANDERSON: Between fifty thousand acres and five hundred thousand acres—it may seem peculiar—but there is practically nothing because the fifty thousand acres comprises the whole of the Government land on which the kingia grass tree grows.

Hon. Sir E. H. Wittenoom: Then why give them power to deal with the extra land?

Hon. A. SANDERSON: I understand they are willing to accept fifty thousand acres.

Hon. Sir E. H. Wittenoom: That settles the question then.

Hon. A. SANDERSON: I do not wish to take up the time of members at the end of this session if that settles the question. I have no authority to say so, but I believe this company will accept a fifty thousand acres concession; at any rate, surely in fairness to them they should be given the opportunity of considering the matter. It is not suggested that there is anything dishonourable in coming to a country to develop its industries and to get concessions. I am not intimately acquainted with the industry from a botanical point of view. I have no interest except a public interest in

the concession. I am speaking as a West Australian and interested in seeing the development of the country. The kingia grass tree has been known over a hundred years and no one has been able to do anything with it.

Hon. W. Kingsmill: No?

Hon. A. SANDERSON: I differ from the hon. member. If you would give me time and the opportunity to go through the old West Australian books and papers in my possession I think I could show that attempts have been made before any of us here were born to deal with the natural products of the country of which the kingia grass tree is one. If you look up the Kew Gardens record on the question of kingia grass tree you will find in connection with the ordinary *Xanthorrhoea Hustilis*, trees of this country, that attempts have been made in parts, before any of us were born, to put these growths to commercial use.

Hon. Sir E. H. Wittenoom: They tried to make gas out of the gum long ago.

Hon. A. SANDERSON: And many other things. We cannot possibly trust the Government with the cash, but we can trust them with the grass tree. I am satisfied that the Minister for Lands and his officers will see that our interests are fully protected, and I hope the scheme will be given an opportunity of development.

Hon. J. A. GREIG (South-East) [5.16]: I rise to oppose the motion. The crux of the committee's report is that the Bill be not further proceeded with. I am not in favour of the Bill, but I am in favour of proceeding further with this question. The committee's report states that it is inadvisable that the Government should confer upon any person a monopoly. I agree with that. If we could amend the Bill so as to grant the concessionaire 20,000 acres it would be sufficient for any one company to handle and would leave a large reserve to be granted to other companies that might also wish to enter into the kingia grass tree industry. The report also states that if the concession is granted it should be granted to the undoubted pioneer; but it is admitted that the select committee do not know who the pioneer is. As Mr. Sanderson has pointed out, this question has been before the people of Western Aus-

tralia for over 100 years. For the last 10 years, to my knowledge, people have been seeking the sanction of successive Governments to deal with the kingia grass tree, but one Government after another has been successful in blocking the development of this industry. The report states that kingia grass tree can be found growing from 50 miles north of Perth to the Leeuwin, and in some places over a width of 27 miles. If we take the average width as 20 miles—

Hon. W. Kingsmill: We would not be justified in doing that,

Hon. J. A. GREIG: In some places it extends over 30 miles across. Let us take the average as being 10 miles in width. We have then 1,250,000 acres of land carrying kingia grass tree. So if the Bill were amended to grant the concessionaire 20,000 acres we would not be giving away any monopoly. Further, the report states that the kingia is growing on both poor lands and rich lands. We may take it for granted that the majority of the rich lands have been alienated, and therefore unless the industry is established to treat this material it will be destroyed. Mr. Sanderson has said that he is destroying it on his own property because there is nothing else to do with it. The report also states that the value of the fibre has been proved beyond question. That being so, and seeing that we claim to be out to develop the primary industries, I do not think the select committee were justified in recommending that the Bill be not further proceeded with. They should have recommended that amendments be made. I admit that if the necessary amendments were made there would be very little of the original Bill left. It is perhaps the worst Bill I have ever seen placed before any responsible body. Mr. Kingsmill, in referring to the primary industries, said he would like to see independent employment in these industries. He referred to the position we are likely to be in shortly when our soldiers return. But this is not an industry that can be worked by men without capital. To-day the concessionaire is working this industry, but according to the evidence given before the select committee he is unable to work it at a profit, because he has not up-to-date machinery. To procure that machinery



it is necessary that there should be a company, and to float that company it is necessary that they should have some security. Mr. Kingsmill also said that if we granted a concession of half a million acres probably the company would have something to sell. If we grant them a concession of 20,000 acres probably they will have something to sell; but I do not think they want to sell. All they want is a guarantee from the Government that when they erect machinery and put capital into the venture, they shall have some area of land on which they can cut the trees. To ask people to go into this industry and put up a large plant and cut the timber on a monthly license, would be like asking a prospector to go out and find a gold mine and erect the machinery and necessary plant to treat the ore, without first giving him a lease. All the company require is a lease giving them the right to remove this timber.

Hon. W. Kingsmill: They can get it without a Bill.

Hon. J. A. GREIG: If it can be obtained without a Bill, if the House can be assured of that, and if the Government are prepared to immediately grant a timber concession for the cutting of the kingia grass tree I would be quite willing to see the Bill dropped and the matter attended to in a businesslike manner; but if this can be done without a Bill it is strange that previous Governments have not acted in that businesslike way and given a concession similar to the timber concessions. The concessionaire is practically on the same footing as are applicants for concessions under which to cut jarrah timber. It is absurd to think that anybody would erect a timber mill, costing thousands of pounds, without first obtaining a right to the timber on the lease.

Hon. W. Kingsmill: Plenty of them do it.

Hon. J. A. GREIG: Even so, it is a little different in the case of the kingia grass tree. Because we know the value of the jarrah, the industry has been established and the markets are well known; but the pioneers of the kingia grass tree industry should be given special consideration, because they have to find a market for that product.

Hon. R. G. Ardagh: Did not the previous Government grant a concession?

Hon. J. A. GREIG: Yes, but under the terms of the agreement the concessionaires must put up a guarantee of £500; pay £250 annual rental; and erect £5,000 worth of machinery. These conditions were enough to cripple any company in its initial stages. One would think that the Government drew up that agreement with the intention of hampering the industry.

Hon. R. G. Ardagh: The concessionaires agreed to it.

Hon. J. A. GREIG: Probably they did, but with further experience the concessionaires to-day are of opinion that this machinery would be of no use whatever.

Hon. W. Kingsmill: They apply under the Bill.

Hon. J. A. GREIG: I cannot understand what the concessionaire is asking for, on the face of the evidence given before the select committee.

Hon. W. Kingsmill: That is so.

Hon. J. A. GREIG: Again, the select committee suggest that the State should offer inducement and financial assistance under the Industries Assistance Act to develop this industry. I cannot see why the select committee should recommend further State socialism of this kind when we have private enterprise willing to develop the industry; when people are asking to be allowed to develop an industry. It seems like taking an extreme course for the select committee to recommend further State socialism. Mr. Sanderson said it would make no difference whether we granted 500,000 acres or 50,000 acres, I cannot agree with that. I am of opinion that the Surveyor General's estimate of 50,000 acres of kingia grass tree growing on Crown lands is too conservative. I think we have three times that area on Crown lands. Therefore I do not agree with Mr. Sanderson. I hope the House will take this matter into serious consideration and will so amend the Bill that it will be acceptable to the concessionaire and still conserve the interests of Western Australia.

Hon. J. M. DREW (Central) [5.28]: I rise to endorse the remarks of the chairman of the select committee and also to say a

few words as to the comments of hon. members who have spoken. The select committee's report as originally laid before hon. members was referred back for further consideration with a view to securing evidence by Mr. Langford, who had not been previously called. Mr. Langford's manager was informed that the select committee would sit, and every opportunity was afforded him to give information to his employer as to the proceedings of the committee. The committee heard Mr. Langford, as desired by this House, and have seen no reason to alter their decision. I say this without casting any reflection on Mr. Langford, who was straightforward in his statements and showed no inclination to hide anything that should be submitted for the consideration of the committee. The position, however, is that the committee are opposed to the granting of a concession to either Mr. Langford or anyone else. We came to the conclusion that Mr. Langford can secure far greater advantages for himself, and for the company he intends to promote, by the process of taking out woodcutters' licenses under the Land Act, as mentioned by Mr. Kingsmill. Under the Land Act Mr. Langford has all the means of securing as much kingia grass as he desires. He will have the right, if not the absolute or exclusive right, to cut kingia grass tree growing on any Crown lands in Western Australia. By adopting this course Mr. Langford will, as Mr. Kingsmill has pointed out, secure many advantages which he would not possess under the Bill. But he will not have the advantage of a monopoly, which he certainly will have if the Bill is carried, or if Mr. Sanderson's suggestion to grant 50,000 acres is accepted. The evidence of Surveyor General was given cautiously, and his estimate was that Western Australia contains about 50,000 acres of Crown lands carrying kingia.

Hon. A. Sanderson: Make it 25,000 acres, then.

Hon. J. M. DREW: No doubt the intention of the proposed concessionaire is to secure almost the whole of the kingia growing on Crown lands. In my opinion, it is not desirable to grant anyone a monopoly of this description. The evidence of men who ought to know proves that the product

of the kingia grass tree is very valuable, and that the industry will not remain undeveloped long even if Mr. Langford is not granted the concession. The industry is being developed at the present time by another gentleman, Mr. Buntine. We examined Mr. Buntine, and he stated that he did not want a concession, but would be quite satisfied, if necessary, to take out an ordinary timber license. He was cutting on private lands, but he saw no necessity for securing a concession in order to allow of his developing the industry. We have no more right to grant a concession in connection with this valuable product than we have the right to grant a concession for the cutting of sandalwood in various parts of the State. At present anyone who wishes to cut and remove sandalwood must pay a license fee of 2s. 6d. per month for every man employed in cutting or in removing. This system has worked well in the past; no one has had a monopoly, but everyone has had an opportunity. The same principle, I submit, should apply in the case of the kingia grass tree. Mr. Greig stated that the kingia grass tree had been before Western Australia for 100 years without anything having been done with it. Assuming that to be so, I would reply that mallet bark was before Western Australia for 70 years and that nothing was done with it until someone discovered its virtues. If Mr. Langford had discovered the virtues of the kingia grass tree, he would be entitled to some consideration from Parliament. But such is not the fact. The virtues of the kingia grass tree were discovered before he embarked in the industry; and, from the evidence submitted to the select committee, the kingia possesses many virtues which do not appear to be within the knowledge of the proposed concessionaire. Mr. Greig further expressed the opinion that the select committee should have suggested amendments in the Bill. Why should the select committee suggest amendments in view of their final decision that no concession should be granted at all? Even if they had come to the conclusion that a limited area should be granted to Mr. Langford, it would have been impossible for them to frame amendments which would meet the altered position. except at the expense of considerable time.

Had the committee arrived at such a conclusion, they would have suggested the bringing down of a new Bill to meet the position created by the reduction of area. As regards Mr. Greig's contention that the industry cannot be worked without capital, the committee had evidence on that aspect of the question from various witnesses, who variously fixed the amount required at from £600 to £3,000. One witness, who had had experience in developing the industry, stated the cost of the machinery, if I remember rightly, at about £600. Mr. Langford was of the opinion that about £3,000 was required. Anyhow, even taking the highest estimate, the amount of capital required is not large.

Hon. Sir E. H. WITTENOOM: Has anyone yet dealt successfully with the kingia grass tree?

Hon. J. M. DREW: Yes: I believe the present company have.

Hon. Sir E. H. WITTENOOM: Are they making money out of it?

Hon. J. M. DREW: I mean, the proposed concessionaire. Mr. Greig, again, declared that assistance under the Industries Assistance Act is socialism. A Bill to amend that Act is to be considered to-day, and I dare say Mr. Greig will exhibit consistency and vote against every clause of the measure. It is the first time I have heard in this House that the Industries Assistance Act is based on socialistic principles. The Bill provides for the granting of assistance, not only to the agricultural industry—which is not socialism—but also to other industries during the present period of stress. Apparently, some hon. members do not regard assistance to the agricultural industry as in the nature of socialism at all; but, if an attempt is made to aid some other industry, they consider that is socialism straight away. Such is the consistency of some hon. members. I hope Mr. Kingsmill's motion will be carried. Then, if Mr. Langford wishes to prosecute the industry, he can take out woodcutters' licenses. If it is feared that this will not afford him security of tenure, there would be no objection on the part of the House to guarantee Mr. Langford the issue of woodcutters' licenses for a number of years. I may mention that the only instance in which a woodcutter's license was refused

in this State was when I, as Colonial Secretary, refused to grant it to an Afghan at Lawlers, though the Supreme Court subsequently compelled me to grant it.

Hon. J. DUFFELL (Metropolitan-Suburban) [5.40]: I support the select committee's recommendations. The committee have gone into the question exhaustively, and have heard the witnesses who they considered could give evidence of value to the committee. After their first report was presented, it came to the knowledge of certain members that further evidence, which was regarded as essential, would be available if the inquiry was re-opened. The committee assented to that course, and heard further evidence. I have carefully read the committee's report, and I consider their recommendations justifiable. The Bill, as has already been pointed out, is not only cumbersome and absurd, but also irksome to the proposed concessionaire. I am sure that hon. members whilst practically unanimous in the view that no individual should suffer pecuniary loss because of experiments made by him, yet agree that the committee's recommendations represent the best method for achieving the desired end. Certain natural resources of this State are awaiting development, and one of them is the kingia grass tree. I am informed on very good authority that the proposed concessionaire has expended a considerable amount of money in endeavouring to develop the industry. But we are reminded that numerous predecessors of his also expended money with the same end in view. Whether or not from want of sufficient funds, these predecessors did not make a success. The Bill would be of absolutely no value to either the proposed concessionaire or anyone else. First of all, the area asked for is absurd. Then, the amount of rental provided, and the amount to be spent on machinery, are both burdensome. I feel sure that no injustice to any individual would result from adopting the suggestion that the industry should be worked under woodcutters' licenses. From inquiries I have made I am satisfied that the men who are prepared to back the concessionaire in making the industry a payable proposition are men worthy of the best consideration of this

House. I personally know several of these gentlemen in Melbourne; and they have the money to invest in the industry. However, if the Bill is withdrawn and woodcutters' licenses are substituted, the problem will be solved. I consider that the committee's recommendations should be acceptable to all parties.

Hon. C. SOMMERS (Metropolitan) [5.44]: The view I take of this matter is that the proposed concessionaire and those associated with him are attempting to make use of something which hitherto has been merely a waste product. Here are people willing to spend money on something which we in Western Australia have hitherto considered of no value at all. Such people ought to be encouraged. But the area is altogether too large. If the company was prepared to accept a concession over say 50,000 acres, it might be possible to make a success of the venture. I think Mr. Greig rather misunderstood the position this afternoon in his reference to the Industries Assistance Board. We require all the capital available under the Industries Assistance Act, as we can find good use for as much of that capital as we can provide. Mr. Duffell has told us that he personally knows some of the gentlemen who are prepared to finance the concessionaire. I realise in this connection that there are people in the Eastern States who are prepared to do this, but it is likely they would ask, before putting their money into a venture, what the concessionaire is likely to get; and under the latest proposal the reply would be a monthly license from the Minister for Lands, which license would be subject to withdrawal at any time at the will of the Minister, and those people would then realise that their asset was liable to be suddenly cancelled. It is only natural that investors would want something more substantial. I think the State might be prepared to take the risk of granting 50,000 acres out of 500,000, because if then someone else desired to start another company, there would be plenty of available land for the purpose. I understand however, that one company will be able to supply the requirements of the whole of Australia in this commodity. We have been told that the company has spent a considerable sum of money in an attempt to estab-

lish this industry, and in my opinion such people should be encouraged by this House by the passing of this Bill, especially in view of the fact that similar measures have, in the past, been passed in other instances.

Hon. J. EWING (South-West) [5.48]: I have travelled all over every portion of this State, but have not before heard of kingia grass being put to any use whatever, and I am pleased to hear now that there are people prepared to go into this industry for the purpose of developing it. The position is that the Government has submitted to Parliament for ratification an agreement granting a concession over 500,000 acres of land. That agreement has been passed by another place, and is now before this House; and I do not think it is the desire of any member of this House to do anything calculated to prevent the introduction of capital into the State. We should endeavour to overcome the difficulties presented to us to-day. I do not believe it to be the desire of any member of this House to do anything which would be in the nature of encouraging monopoly; but there is no monopoly contained in this proposal. It is proposed only to grant a lease. Mr. Kingsmill has pointed out that the proposed expenditure of £5,000 is out of proportion to the value of the industry. That, of course, is a serious matter from the point of view of the concessionaire. I am prepared to vote against the recommendation of the select committee unless the Minister can assure me that the establishment of this industry will be brought about by some other means, as I realise that if the recommendation of the committee be adopted the industry would be shelved so far as Western Australia is concerned. Mr. Duffell has pointed out that the company has spent many thousands of pounds, and he suggests they should be recompensed. If so, they should get a lease or something substantial, but which at the same time would not create a monopoly, while affording them the opportunity of adding further capital to that already expended in the development of the industry. I feel sure every member of the House would be willing to do something in that direction. But whatever is given to the company, it must be a properly prepared lease under proper conditions, signed, sealed

and delivered for a specified period of years. I am satisfied that this is a bona fide attempt to develop one of our latent industries. Men in high positions in the Eastern States are prepared to put their money in to assist the concessionaire under this Bill, and I am anxious that this House should not, by its vote to-day, place the matter in such a position as will make this impossible. Before I vote in favour of the adoption of the report, I want from the Minister a definite pronouncement—if the Minister is not prepared to make a definite statement to-day the question might be adjourned until to-morrow—as to whether a lease can be granted. If it can, I believe it is the desire of this House that it should be. Conditionally upon that, I am prepared to vote for the adoption of the report, but I am not prepared to allow this Bill to be knocked out and the matter shelved.

Hon. J. F. CULLEN (South-East) [5.45]: I suggest that hon. members generally are not properly aware of what it is the concessionaire desires. He asks that the £500 be waived in consideration of his having spent much more. Then he asks that the £5,000 should be waived, which appears to indicate that he himself is going back on his compact in his latest request. This House is desirous of helping every industry on a reasonable and sound basis, but it is necessary that the applicant first makes up his own mind. It is evident now that the applicant can have known nothing about the conditions embodied in the Bill. He should first make up his own mind and then approach the Government and ask either for a lease, or that the Government shall facilitate a private Bill being submitted to Parliament for a reasonable concession, and Parliament can then decide. Until that has been done, I certainly am not prepared to go against the report prepared by a select committee of this House. The wisest course would be for the applicant himself to first make up his mind and get either a lease under the Land Act or have brought forward a private Bill. That is the proper course for any applicant for a concession.

Hon. J. F. ALLEN (West) [5.56]: I have been much surprised at the remarks addressed to the House by some hon. members, because those remarks have shown that

those members cannot have read the evidence given before the select committee, and that they have, in some cases, only casually read the report presented by the committee. The evidence given before the select committee was very interesting, and if members of this Chamber had taken the trouble to peruse it before making the statements referred to this afternoon, I am satisfied that some of those statements would never have been made. When I first brought this matter before the House on the second reading of the Bill, I did so for two reasons: Firstly, because I considered that if any of the natural industries of the State were to be exploited, they should be exploited genuinely and for the benefit of the State; and, secondly, because I felt that if any concession were to be granted, it should be granted for this specific purpose, and not for the purpose of enabling certain persons to make capital of something of the value of which the public knew nothing at all. At that time I called the attention of the House to the proceedings which had transpired in Melbourne in connection with the previous concession granted some two years ago, under a Bill exactly similar to the one now before us, similar almost word for word with the present Bill, with the exception of the name of the concessionaire. The terms and conditions were the same, and the covenants were the same. And when we look through the evidence given before the select committee, we find that right throughout the past six or seven years one name has been associated with this proposed industry, and is associated with it to-day, the name of Mr. Benjamin. We find, too, that Mr. Benjamin has been busy in connection with the establishment of this industry for the past six or seven years. How it came that Mr. Benjamin arrived at his estimate with regard to the value of kingia grass we were unable to trace. Mr. Kingsmill has given an indication that this question was investigated prior to Mr. Benjamin coming into it. We know that Mr. Benjamin was the first to approach the Government of the day for a concession in connection with kingia grass; and we gathered from the files that neither Mr. Benjamin, the Government, nor the officers of the department knew very much about kingia

grass. They, at that time, could not distinguish between it and blackboy, they did not know where it grew, and did not know whether there were five acres or five million acres of it. However, after negotiations with the then Minister for Lands, a lease was approved between Mr. Benjamin and the Minister on somewhat similar lines to those laid down in the present Bill. Mr. Benjamin was associated in this matter with Mr. Bethell, managing director of the W.A. Brushware Co., Ltd., a member of the Chamber of Manufactures. Mr. Thurston went into the matter at that time and after experiments and submission of the material to various people in different parts of Australia and of the world, decided it was not of sufficient value to proceed with. We next find Mr. Benjamin cropping up in connection with a Mr. Weir. These two gentlemen approached the Government and the Government again submitted a lease or agreement, somewhat similar to the agreement embodied in the present Bill. But on this occasion negotiations went a step further and the then Minister for Lands actually signed the agreement and submitted it to Mr. Benjamin. The stumbling block on that occasion, however, was a deposit of £500, which had to be placed in the hands of the Treasurer before the lease could become effective. Mr. Weir suggested that the Government should accept his guarantee for £500 instead of a cheque for the amount. That was not satisfactory to the Government of the day and the matter again collapsed. Years went by and we find Mr. Benjamin approaching the department again. Apparently he must have been sitting on the doorstep of the Minister for Lands year after year in connection with this business. He again got a concession granted subject to the payment of a deposit of £500. Mr. Benjamin on that occasion took the draft agreement with him to Melbourne and a gentleman named Langford then appeared on the scene. Mr. Langford knew nothing of the business and admitted so when giving evidence before the select committee. He stated he was a mining man and as he did not see his way clear to do any business himself he introduced Mr. Benjamin to someone else. The result of the interview advanced the

industry a step further and we find a prospectus issued and published in the Melbourne Press as well as being sent out in the ordinary form as a pamphlet to those who might be interested in the formation of a company in Melbourne. This was the prospectus to which I referred when the Bill was before this House on a previous occasion. The company was formed and shares were sold on the strength of that prospectus. When Mr. Benjamin was giving evidence before the select committee, I asked him if anyone else in connection with the industry had ever visited this State prior to the issue of the prospectus. He replied in the negative and I asked him who was responsible for the issue of the prospectus. Mr. Benjamin did not know. He was the gentleman who had received a concession by Act of Parliament for the development of this industry and yet he told us he did not know anything about the prospectus and that he had never seen it before it was issued, also that he was not responsible for the statements contained in it. He disavowed any connection with it, although he was the promoter of the company and the vendor of the concession. The company having been formed, some machinery was purchased and the work of extracting the fibre was commenced and contracts were entered into with firms in Melbourne for the manufacture of brooms. Those brooms were sold to different local bodies about Melbourne and gained an excellent name. Mr. Benjamin then came to Western Australia in the interests of the company.

Hon. J. F. Cullen: Did he ever pay the £500?

Hon. J. F. ALLEN: It was paid but it was ultimately partially absorbed in the payment of arrears of rents, and the Government agreed to allow the use of what remained for the purpose of benefiting the company. The Government therefore have nothing left of this. The company was formed in Melbourne, machinery was erected and business was commenced, but so far as I can gather—and this is outside the evidence of the committee—the company discovered that the industry so far as Australia was concerned was very small. Mr. Bethell stated in his evidence that the total amount of bass used in Australia

was only up to about a hundred tons per annum. Mr. Buntine and Mr. Benjamin made a similar statement but Mr. Langford gave the quantity as 150 tons. As the kingia fibre as a product can only take the place of bass, it shows that the market in Australia is limited. The Melbourne company discovered that the market was small, that the conditions of the lease were oppressive and naturally they could not carry on. The result was that under the weight of these various conditions they went into liquidation and the concession in Western Australia was cancelled by the Government some eighteen months ago. Out of the old company in Melbourne a certain number of the members formed themselves into a syndicate and continued the industry. They acquired machinery and carried on operations in Melbourne, these operations being in existence to-day. These people I contend, ought to be considered, because they are the people who in the first place found the necessary money to enable Mr. Benjamin to secure a concession which really first started the industry as a commercial concern, and they are prepared at the present time to continue that industry in Melbourne. They are ready to come to Western Australia provided the door is not closed to them by the granting of a concession to any other person. Now we come to Mr. Langford's connection with this company. After the collapse of the old company in Melbourne, we understand from Mr. Langford's evidence that he was again approached by Mr. Benjamin. Mr. Langford held some ten shares in the old company for which he admits he did not do anything except to introduce one person to another. Mr. Langford knew nothing about the company; he knew none of the directors and he knew nothing of the business. Mr. Langford was again approached by Mr. Benjamin and he sent Mr. Benjamin to Western Australia to again open up a business here. This was about the time when the concession to the Melbourne company had been cancelled. Mr. Benjamin came to Western Australia and a factory was started at Fremantle. It was equipped with machinery and operations were begun without any concession having been granted to the company or without the company having asked the

Government for any such concession. They established the industry there to produce the fibre and the only reason for doing so which was gathered from the evidence of Mr. Langford was that he was desirous of floating a company in Melbourne with a capital of £15,000 or £20,000. This brings me back to the remarks I made on the second reading of the Bill. If the industry is to be established I am prepared to support it and as a member of this Chamber I am entirely opposed to the granting of a concession to any individual or community for the purpose of exploiting the public rather than the development of the industry. I do not want to say that Mr. Langford intends to do this.

Hon. J. Ewing: You have practically said so.

Hon. J. F. ALLEN: I did not. I do not desire to reflect on Mr. Langford. That gentleman told the select committee that he knew nothing about the business. He does not know where kingia grass grows or whether there is five acres or five million acres of it. All he said was "Give me a concession and the Bill, so that I may be able to show that I have a security of tenure to enable me to float the company in Melbourne." Mr. Langford was beautifully vague; he gave the select committee very little information to enable them to arrive at a decision and although we pressed him to give us some idea of what he desired he was not able to do so. This vagueness was interesting. Not only was Mr. Langford vague but everyone else was vague. The surveyor general told us that only 50,000 acres of Crown lands carried kingia grass. The concession originally granted was for 500,000 acres. Who was responsible for the fixing of those areas at that time? I take it that that was done by the Lands Department and if so, surely the Surveyor General would be consulted in connection with a matter like that. There is another point in connection with this which hon. members have failed to note and it is that not only is the fibre from the kingia grass something to be considered of value, but we have evidence from a chemist that the other portions of the kingia grass tree are also of value. If, therefore, we did as

Mr. Sanderson suggested, granted a concession over 500,000 acres, such an action would be closing the door to anyone who might desire to use the other products in the direction suggested to the select committee, because the concession would cover the whole of the kingia grass tree and not alone the fibre. I would like hon. members to know something of the value of kingia fibre. The fibre is extracted from that portion of the tree between the core and the bark. There is a pithy matter inside the tree which is surrounded by a ring of fibre in a matrix of pith, and outside of that is the bark. The fibre runs up and down the tree and it is extracted by machinery and then cut into lengths for the purpose of being made into brooms. Neither the company in Melbourne nor the factory in this State has done anything except to produce fibre and sell it to broom makers to be made up, but the making up of the fibre into brooms has demonstrated that the fibre from the kingia tree is a superior material to bass. With bass it is necessary to reinforce a broom with a ring of cane to prevent the bass fibre being quickly worn out, but with the kingia grass that is not necessary. The kingia grass broom is self-contained in its own material and lasts considerably longer than bass reinforced with cane. I made inquiries yesterday as to the relative value of the two brooms and I found that one of the local government bodies in this State had given 45s. a dozen for brooms made from bass and 50s. a dozen for kingia grass brooms, and they considered that the kingia at the higher price was the better broom. To come back to what I originally said. The total market for kingia grass in Australia is something like 100 tons per annum. A small company, with a small capital would be quite capable of dealing with that quantity, and if any concession were needed it would be a very small one indeed to enable them to get that quantity of material for the whole of the Australian market. If hon. members had taken the trouble to read the evidence as well as the report they would have seen that the only possible way of establishing this industry in Western Australia was by granting a license instead of a huge concession which would have the

effect of closing down the industry to everyone.

On motion by Hon. H. Carson debate adjourned.

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

#### BILL—MENTAL TREATMENT.

Returned from the Assembly without amendment.

#### BILL—SPECIAL LEASE (STIRLING) ESTATE.

Message received from the Assembly notifying that amendments Nos. 1, 3, 5, and 6 made by the Council had been agreed to; that amendments Nos. 2 and 4 had been disagreed with, and that amendment No. 7 had been agreed to subject to a modification in which the Assembly desired the concurrence of the Council.

#### BILL—AGRICULTURAL BANK ACT AMENDMENT.

##### *Second Reading.*

Debate resumed from the 6th March.

Hon. J. DUFFELL (Metropolitan-Suburban) [7.35]: The question is that the Bill be now read a second time. I move an amendment—

*That all the words after "that" be struck out, and the words "In the opinion of this House the Government should appoint a Royal Commission to inquire into the subject matter of this Bill and the general management of the Agricultural Bank" be inserted in lieu.*

My reason for moving for a Royal Commission is owing to the fact that a select committee cannot sit when the House is in recess. To show that I have a precedent for this action, I will point out that I have consulted *May*, a recognised authority, and in the eleventh addition, page 472, *May* says—

It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a Bill, to move, as an amend-



ment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the Bill; or expressing opinions as to any circumstances connected with its introduction or prosecution; or otherwise opposed to its progress; or seeking further information in relation to the Bill by committees, commissioners, the production of papers or other evidence, or in the Lords the opinions of the judges. The principle of relevancy in an amendment governs every such proposed resolution, which must, therefore, "strictly relate to the Bill which the House, by its order, has resolved upon considering," and must not include in its scope other Bills then standing for consideration by the House. Nor may such an amendment deal with the provisions of the Bill upon which it is moved, nor anticipate amendments thereto which may be moved in Committee, nor attach conditions to the second reading of the Bill. When such a resolution amounts to no more than a direct negation of the principle of the Bill, it is an objectionable form of amendment; but there are special cases for which it may be well adapted. On the 21st February, 1854, an amendment was made to the question for reading the Manchester Education Bill a second time.

Hon. J. F. Cullen: I hope the hon. member is not going to read all of *May*.

Hon. J. DUFFELL: I hope that you, Sir, will protect me in trying to make my position clear.

The PRESIDENT: The hon. member has moved an amendment, and he is now supposing that I shall object to it, and is fortifying himself by reading a lot of *May*. I think all that should come afterwards if I object to the amendment.

Hon. J. DUFFELL: I thank you, Mr. President, for the remarks you have made. At the same time as my amendment is of such an important nature, I desire to place on record the reasons that I have for making such a drastic amendment. At the same time, if it is not necessary to substantiate my amendment, I will take it for granted that the House will not object to my proceeding with it. My reasons for asking the

Government to appoint a Royal Commission are solely because a select committee cannot sit when the House is in recess. I am not in favour, as a rule, of Royal Commissions, but I contend that the Bill before us for consideration is one which calls for special inquiry and one which demands an inquiry, owing to the information which the House has received quite recently. It will be remembered that a question was put up in this House by Sir Edward Wittenoom a few days ago as to how many farms were thrown back upon the Agricultural Bank. The reply was that 754 farms had been thrown back on the hands of the Agricultural Bank, 239 had been since taken up, and 515 were still in the hands of the bank. I asked a question last week as to how much money had been advanced by the bank on these 515 farms which had been thrown back upon their hands, and upon which very little, if anything, in the way of improvements had been made. The leader of the House informed us that something like £139,848 had been advanced on these farms, which were now practically useless, and which were in such a condition that no one was in a hurry, at any rate, to take them up. It also came out as a result of certain information sought by hon. members that reports from the trustees of the bank had been conspicuous by their absence. In looking at the papers which were laid on the Table of the House in November last by the Auditor General I find, in regard to the Agricultural Bank, that the auditor makes the following remarks:—

Examination for the year 1914-15 completed, but the reports have still to be forwarded.

Section 41 of the Act reads as follows:—

In every year the trustees shall furnish a balance sheet and report to the Minister for Agriculture upon the operation of this Act, and every such balance sheet and report, together with the report of the auditor, shall be laid, as soon as possible, before both Houses of Parliament.

It will be generally acknowledged that these reports have not been forthcoming. The late Government were blamed time and again for not placing before the House in-

formation which was sought, and which we were justly entitled to. We find that only last week what the previous Government failed to get a private member of the Chamber was able to get, and that he was able to give information to the Council which members had been unable to get for some time past. There is not the slightest doubt that the reports which are stipulated in Section 41 of the Act, which I have just read, were not laid upon the Table of the House or in another place. Taking these things into consideration and further that the Agricultural Bank is the only financial institution which has not been able to fulfil its obligations since war has broken out, I contend that it is only right and proper that we, as members of Parliament representing the people, should be possessed of this information for the purpose of disseminating it amongst those who have sent us to this place, if we are asked. It will be seen that the Agricultural Bank has failed to keep faith with Parliament in the way which I have indicated, to the effect that they have 515 farms now upon their hands, upon which no less than £139,848 has been expended, justifying what Sir Edward Witenoom said last week, namely, that it is one of the tremendous leaks which require special attention. It is very evident there is something wrong somewhere. I do not wish to place the blame on any individual, either the Managing Trustee or any other of the trustees; but I do say it is very evident that certain reports of inspectors must have been furnished to the Manager of the Agricultural Bank before approval was given to those advances which were made and which total such a large amount of money. I have no desire to labour the question, and I think I have drawn attention sufficiently to facts which warrant me in moving in this direction. I trust hon. members will realise there is urgent necessity for inquiry to be made into the management of the Agricultural Bank and for a report thereon to be made to this House.

Hon. J. W. KIRWAN (South) [7.48]: I second the motion. I am pleased that the hon. member has moved in this direction. For some considerable time there has been rather adverse criticism with regard to the

Agricultural Bank throughout the State. This Bill itself which has been brought down by the Government is evidence I think of the slipshod way in which the business of the bank has been conducted. The bank was established in 1906, that is 11 years ago, and the purpose of this Bill is to give the banks powers of foreclosure. The first thing to be done by persons in charge of financial institutions such as this should be to look into their powers and see that they were on the same basis as other financial institutions. But it is only now, after 11 years, that the proposal is brought forward that the bank should be given power which it should have had from the very outset, and powers which the management, as business men, should have seen that they possessed before. The object of the amendment moved by the hon. member is that an inquiry be made regarding the Agricultural Bank, and if there be any doubt as to the necessity of some inquiry into this matter, it is provided in the questions that have been asked in this House by two hon. members and by the meagre replies received to those questions. From the replies we have had certain information, and that information of itself is sufficient to justify us in asking for further information. The information obtained is that 12,000 farmers have been assisted by the Agricultural Bank, that no fewer than 724 properties have been forfeited, that of these 219 have been sold, that 515 are still on the hands of the bank, that many of the 515 forfeited properties now on the hands of the bank have been improved to only a very small extent, and that the amount owing on these properties totals £139,848. Another hon. member followed up that information by some very pertinent questions, and the replies received can hardly be regarded as satisfactory. Amongst the questions asked was, "What is the value placed on these properties by the bank"—that is the properties which had been forfeited, and the reply was, that the amount cannot be definitely stated, but it is anticipated that many of the properties could be disposed of for an amount which would cover the indebtedness. Surely any properly conducted financial institution would be able to state without very much difficulty the value of the properties forfeited. The third question asked was,

"Have they all been inspected?" and the reply was "No. The reports of a considerable number of properties are not to hand, and the inspectors have been instructed to furnish reports of the balance in due course." When we are not obtaining that information which ought to be provided with in reply to the questions asked, and when we have not received a report since 1913, it is time that inquiry should be made into the affairs of this institution. This subject has caused comment for some time past throughout the State, and I am quite certain that if an inquiry be decided on it will meet with the approval of the people of the State. Personally I do not altogether like the idea of a royal commission. We already have a number of commissions, and I think that procedure is inclined to be somewhat overdone. But in a matter such as this, involving between three and four million pounds, a matter in which we have such meagre information and in connection with which the public is asking for information, there seems no alternative to appointing a royal commission. I am certain there are members of this Chamber who would be willing to serve on such a commission and to forego the fees ordinarily charged. I would, however, impress on the hon. member who has moved for this royal commission that care should be taken as to its personnel. It is desirable a proper estimate of the value of those farms which have fallen into the hands of the bank and should include at least one man with a thorough knowledge of the lands of the State. Further, it would be necessary that the commission should have a report by an expert accountant on the affairs of the bank.

Hon. W. KINGSMILL (Metropolitan) [7.56]: I have listened with attention to the remarks of the mover and seconder of this amendment, and whilst I am convinced there may be some grounds for desiring an investigation, I think we should not sacrifice this important Bill, however desirable it may be considered to appoint a Royal Commission. I would suggest that the hon. member withdraw his amendment and make his desire for a commission the subject of a separate motion. He must be aware that any dilatory amendment on a motion for the

second reading of a Bill, such as an amendment that the word "now" be struck out with a view to inserting the words "six months" or "three months," would, if carried at the second reading, have the effect of preventing the further consideration of the Bill during the then current session, and would therefore result in killing the Bill. I am entirely at one with both hon. members who have spoken to the amendment in their desire that an inquiry be held into the management of the Agricultural Bank; and I believe that the management of the bank would be quite willing that inquiry should be made. But I am endeavouring to point out that the procedure now being followed is possibly not the best way of securing the desired inquiry. There is no necessity for sacrificing the Bill, to which I understand neither the mover nor seconder of the amendment objects. Mr. Duffell might give notice of motion for to-morrow that he will move that in the opinion of this House it is desirable that a Royal Commission be appointed to inquire into the management of the Agricultural Bank and to report thereon to this House. As hon. members know, in this House notices of motion are always given precedence over other business, and I should say the Minister would be very willing to give such motion in its subsequent stages a prominent place on the Notice Paper. From what I have heard there is not much likelihood of the session ending to-morrow, or the next day, and it may not end next week even. I do not wish to raise the point as to the relevancy of the amendment to the Bill, although I have serious doubts regarding it. I do not know even that relevancy would be secured by inserting in the amendment the words, "to inquire into the provisions of this Bill." I should have no objection to a motion such as I have outlined if moved to-morrow by the hon. member. Indeed, I will give it my hearty support; but I do not think this important Bill should be sacrificed in order to bring about the desired inquiry. I have no wish to deprecate the appointment of Royal Commissions, but the frequency with which commissions are now being appointed is becoming monotonous. However, I will waive even that objection in order to see this Bill

through. The provisions of the Bill are, I understand, very necessary in order to secure the proper working of the Agricultural Bank, and for that reason I shall support the motion for the second reading of the Bill. I am unable to support the amendment, but I certainly will support the second reading of the Bill.

Hon. J. Duffell: If the leader of the House will give an assurance that the Government will allow this question to be fully discussed to-morrow I will withdraw the amendment, and move in the direction indicated by Mr. Kingsmill.

The Colonial Secretary: If the hon. member likes to give notice of motion it will be dealt with in the ordinary way.

Hon. J. F. CULLEN (South-East) [8.3]: Mr. Kingsmill anticipated a request I desired to make to the mover and the seconder of the amendment. There is no conflict between the amendment and the second reading of the Bill. I do not mean to imply that I would vote for the appointment of a Royal Commission, because I certainly would not. My chief objection to the speeches made by Mr. Duffell and Mr. Kirwan is that they reflected seriously on the trustees of the bank. Mr. Kirwan's argument was that those trustees ought to have seen the need for the powers proposed in the Bill, and applied for them long ago. I would like to point out that the work of the trustees is administrative. How is the hon. member to know that those trustees have not, long before this, brought many matters before the Government of the day? It rests with Parliament to pass the necessary legislation for the control of the Agricultural Bank. Those members appear to have overlooked this phase of the question: administrators deal with questions as they arise if they are sensible men and do not look for difficulties ahead. Until quite recently, until the stress of the last four years, the Agricultural Bank had plain sailing. It was doing a magnificent work with the confidence of the whole of the people, a work that is broadening and solidifying the foundations of settlement in this State; and, as I say, until quite recently, no difficulty arose. There were, of course, a few cases of clients of the bank meeting with adversity, just as similar cases happen amongst the clients

of every financial institution. I rather take this view of the work of the Agricultural Bank: it is simply marvellous that so few failures have occurred under that institution. It has never been a commercial institution. It has rather been looked upon as a public benefactor to help to tide settlers over their early beginnings and enable them to get on their feet. It was never intended in the early days of the bank that it should continue its assistance to any settler beyond the initiatory stages. The intention of the bank was that after a settler had found his feet he would move on to the commercial banks and, having paid back the money he had had from the Agricultural Bank, that money would go to some other beginner. Until a few years ago there were very few cases of failure even under this system of benefaction rather than of commercial banking. It is a testimonial that can never be destroyed to the carefulness and kindness of the manager of that bank that so many were helped from feeble beginnings to sound positions as producers of wealth. The name of William Paterson is a household word in this State. He has done a work that no manager of a commercial bank has had to do, a work far more onerous, far more wearing in its nature; and until a few years ago he had scarcely a failure. Where is the financial institution that can show its books without numerous failures during the last few years? Now that the Agricultural Bank is faced with an increasing number of clients who are unable to continue their battle, naturally the trustees would look into their powers of dealing with properties that fall into their hands; and on looking into them—I do not say the trustees did not discover it before—they are faced with the need of this further legislation. Now, when the Government come to us, I do not think any hon. member is in a position to say that the blame, if blame there be, rests with the trustees of the Agricultural Bank. It is rather with the successive Governments that have had the control of legislation for this bank. I should be sorry if any act of this House tended to arouse doubts as to the management of this bank. It is impossible to estimate the value of this bank's work in the State, and if there are 500 farms thrown on the hands of the trustees,

after all it is really a very small proportion of the total member that the bank has been carrying.

Hon. Sir E. H. Wittenoom: About 25 per cent.

Hon. J. F. CULLEN: Certainly not. There are some 12,000 farms in all. It is about 4 per cent. The attitude of Parliament should be, "Here is a time of stress; it is not a time for laying bare all the weak points in any institution." Where is the business man with an ounce of business fitness who would say to-day, "I want all the world to come and look into my financial position"?

Hon. J. Cornell: The hon. member would not apply that argument to the trading concerns' balance sheets.

Hon. J. F. CULLEN: Where is the business man who to-day would disclose the confidential matters of his own business? This is a time for carefully nursing the institutions of the State. It is a time for mutual help, and certainly not a time for any hon. member to let loose his inquisitiveness and magnify—

Hon. J. Duffell: On a point of order. The hon. member accuses me of bringing this amendment forward on the grounds of personal inquisitiveness.

The PRESIDENT: I do not think it is a breach of order. People do ask questions because they are inquisitive and want to know.

Hon. J. F. CULLEN: I would not wound the hon. member's feelings, but I feel very strongly on the duty of Parliament, as leaders of public thought, to make the very best of a difficult situation, and especially when we consider the years during which by magnificent work the bank has been infusing confidence in the country. I admit that if I were going on purely commercial grounds I would criticise many things which the bank trustees have done. But they have not been working on purely commercial grounds.

Hon. J. Duffell: They have been working under an Act.

Hon. J. F. CULLEN: Yes, an Act of benefaction; it is not a economical Act at all. Hon. members stress the point that there would have to be someone on this Royal Commission capable of valuing land. I would

like to know where is the experienced valuer of land who would care to value the bank's securities to-day. Where is a man experienced in the valuing of country land who would give a decided opinion to-day about all the lands in the control of the bank, properties scattered all over the State? It is impossible to value those properties at the present time. It is a time of suspension of selling values. There is scarcely any selling to-day. There will not be until the war is over. Would the novice come forward and say that because there are no bids for a property it is therefore worth nothing? Apparently that is the idea of the hon. members who father this amendment. It is impossible to know to-day what is the value of a property. There is practically a suspension of business in regard to real estate, and especially in regard to country estate, and until some time after the victory is won in this great war there will be no normal values of property. Let hon. members approach any land authority, and he will say, "Do not ask me to value the bank's properties." Let Parliament strengthen the hands of the bank's trustees and recognise the all but superhuman responsibility that rests on their shoulders. It is a simple matter for the owner of a purely commercial concern to say, "That account is going wrong; close it"; but it is a very difficult matter to say, "Here are struggling settlers; it rests with us to save them or to drive them off their land." The trustees of the Agricultural Bank stand almost in the relationship of trustees to the settlers—one might almost say in a paternal relation to the settlers. Indeed, for the first seven or eight years of the bank's existence Mr. William Paterson was like a father to the settlers. He visited them; he knew their position; he advised them the best to do; and he carried them almost on his own shoulders.

Hon. Sir E. H. Wittenoom: Has he sole control now?

Hon. J. F. CULLEN: No; but he is chairman of the trustees. He is assisted by two good men. Criticism such as the two hon. members have offered tends to weaken the hands of the trustees. Let the Bill be passed. The House is unanimous about the need for this Bill.

Hon. A. Sanderson: I beg your pardon.

Hon. J. F. CULLEN: I say the House is unanimous as to the need for these powers. I for one will vote against the amendment as representing a mischievous interference with a magnificent institution.

Hon. C. SOMMERS (Metropolitan) [8.18]: I was in hopes that Mr. Duffell would accept the suggestion of Mr. Kingsmill, and withdraw his amendment so as to allow the Bill to pass. It is all very well to say that the Bank could have found out all these things long ago, but the trustees admit their mistake and now ask for these powers. Once the Bill is passed I shall with the greatest pleasure support Mr. Duffell in asking for a Royal Commission. The Royal Commission would not necessarily prove harassing either to the Government or to the trustees, but may produce evidence which would be useful to the trustees and put them on the right road. The Agricultural Bank is a magnificent institution; but in one respect I do not think it is well managed. It is managed by the Managing Trustee (Mr. William Paterson), and by two other trustees, who, I understand, do not devote the whole of their time to the affairs of the bank but are paid a small fee and sit once a week. An institution dealing with twelve thousand farmers requires continuous watchfulness. Surely it is too much to expect the Managing Trustee to look after twelve thousand farms with such assistance as is rendered by the two other trustees. If these two gentlemen were made permanent members of the bank's staff, Mr. Paterson would have some time to go about the country and learn what is going on. I think the fact that more attention in this respect is needed, is proved by the amount of £139,000 spread over 500 farms which are very poorly improved, if at all improved. The amount runs out at about £300 per farm. It is time we had an investigation into the matter. We ought to know whether other farms are in a satisfactory position. Going about the country as I do, I know of many farms on which money has been spent which represents an absolute loss to the State. The men who have had the money have done no good for themselves and no good for the

country. Some of them were never suited for the work, and the land which they attempted to farm was quite unsuitable for farming. The trustees of the Agricultural Bank ought to have known of these facts. In the interests of the bank and in the interests of the settler, I myself told Mr. Paterson of one such case, and suggested to him that the account ought to be closed. The Royal Commission would bring out such cases, and in that way would prove useful to the bank and would well repay any expenditure incurred. In regard to the date of the establishment of the bank I wish to correct Mr. Kirwan. It was established in 1896. I know that in 1901, when I was Minister for Lands for a short period, every application for a loan that came to the bank was brought to my office by Mr. Paterson, and we used to discuss the matter together. In those days, of course, the bank was a very small affair, and I was, after a fashion, joint manager of the bank, no loan being made without my sanction.

The Colonial Secretary: The date of the new Act is 1906.

Hon. C. SOMMERS: Yes; but I know that in 1901 the Government lent money through the Agricultural Bank. The sum of £139,000, to which I have referred, averaging £300 per farm, I think we may reckon to be absolutely lost. If by the appointment of a Royal Commission we could obviate the recurrence of such a loss, the expenditure involved in the investigation would be well worth it. No doubt the Government would bring in any further legislation which the report of the Royal Commission might prove to be necessary. I cannot say too much for the work Mr. Paterson has done in the past. Of course, we are speaking more of the present than the past. In the initial stages of the bank Mr. Paterson was a father to the farmers. His expert knowledge of all classes of farm machinery enabled him to put a harvester or a drill into position much better than most experts could do it. For all the good work Mr. Paterson has done in the past I give him every credit. But twelve thousand borrowers spread all over the State represent a huge undertaking to look after. Mr. Paterson may be improving in experience, but he is not improving as regards age, and therefore I think he should have more

assistance. One result of the appointment of a Royal Commission would no doubt be to lessen Mr. Paterson's work. The request for a Royal Commission does not in any way spring from inquisitiveness. It is an absolute necessity for us, as custodians of public funds, to see that public money is well spent; but to block the Bill for the sake of having a Royal Commission appointed is a thing I would not agree to, and I appeal to Mr. Duffell to withdraw his amendment asking for the appointment of the Royal Commission. The bank admit their mistake, and are taking the earliest opportunity of rectifying it. The Bill is much needed, and should therefore go through.

Hon. A. SANDERSON (Metropolitan-Suburban) [8.25]: Let me disillusion one or two hon. members as to the unanimity of the House on this Bill. I contend the Bill ought to be rejected, and for this reason, amongst others, that we have not the bank's report up to date. Therefore the bank have no right to come here asking for further powers. They have no right to make such a request before we know the position of affairs up to the 30th June, 1916. The absence of the bank's report to that date is, I consider, in itself a sufficient reason for rejecting the Bill. But we can go a good deal further than that, if hon. members will give any examination to the clauses of the measure. First of all, there is the question of the powers of mortgage. I must confess that I have not looked up the matter, but it is very difficult to credit that under the original Act the bank were not put in the ordinary position of a person who advances money on loan. It is very difficult to question that this clause must be necessary, but it is also very difficult to believe that the original Act does not provide for the bank having the ordinary powers of a mortgagee. Even if the bank are now asking for those powers, reasonable as they are, I would not grant them in the absence of the report—which is a statutory report, if I may term it so—to the 30th June, 1916. Now, let us come to Clauses 4, 5, and 6.

The PRESIDENT: I must remind the hon. member that the question before the House is the amendment asking for the appointment of a Royal Commission. That amendment becomes the substantive motion.

Hon. A. SANDERSON: Would I be permitted to speak on the Bill itself later? The PRESIDENT: Yes.

Hon. A. SANDERSON: I am compelled to deal with the question of the Royal Commission to inquire into the bank and into this Bill. I do not envy the members of the Royal Commission their task. How are they going to set about it until they have the report up to the 30th June, 1916? They can inquire, if they like, into the rate of interest; and there, in fact, is the crucial point of the whole situation. It is not whether the powers of the mortgagee are exercised or unexercised, that is going to put the bank right. It is not the appointment of the Royal Commission, whatever they may discover in the affairs of the bank, that is going to put the bank right. From the beginning to the end of this question, the trouble is, not having sufficient capital. What will the Royal Commission say, what can they say, on the question of the bank's capital? What is the proposal now? That the bank shall charge one per cent. more than the price of the money which the Government raise. We are told that the lowest price at which the Government can raise money is  $5\frac{1}{2}$  per cent. That is the very lowest. We are also aware, for ourselves, apart from any official intimation we can get, that  $6\frac{1}{2}$  per cent., when the whole thing is worked out, is the price which the Government will have to pay for money if they can borrow it. And one per cent. is to be added to that. What are we going to do? Are we going to run the bank at  $6\frac{1}{2}$  per cent. to  $7\frac{1}{2}$  per cent. interest?

Hon. J. W. Kirwan: And then there is one per cent. to provide for bad debts.

Hon. A. SANDERSON: The Royal Commission can deal with that matter also. I myself am comparatively indifferent as to whether a Royal Commission are appointed or not. In my opinion, it really will not make much difference whether we have a Royal Commission or not. As one hon. member has pointed out, it will rest with the Government to decide whether a Royal Commission should be appointed. But the reason why I am going to vote for the amendment is that it will kill the Bill for this session. That, I contend, is a very proper procedure. If the Bill goes into Committee, I

shall delve into the affairs of the bank. I do not want the assistance of the bank officials or of anyone else. I simply want the assistance of figures which I already have, as a former client of the Agricultural Bank, and as one who has taken a great interest in the institution. Now a word with regard to the trustees. Let the Royal Commission inquire into the position of the trustees. What will they find? That the responsible trustee, from motives, I frankly believe, of patriotism, has allowed his salary to be put on a figure which I believe is less than that received by the manager of a branch of an important bank in the country. How can we expect that knowledge and that interest, that close and undivided attention to be given to the affairs of the institution when we have a beggarly salary of something like £800 a year paid by an institution of this kind?

Hon. J. F. Cullen: That is Parliament's fault.

Hon. A. SANDERSON: A great many things are Parliament's fault. One of the faults of Parliament is rushing through this legislation during the last few days of the session.

Hon. C. F. Baxter: There has been no rushing to-day.

Hon. A. SANDERSON: Has there not? There are two hon. members here who have sufficient sense of responsibility to say that they will not permit this legislation to be rushed through. Let the Royal Commission inquire into the position of the trustees, and they will find that the managing trustee has a salary which is totally inadequate, and the other two trustees, it will be found, draw remuneration at the rate of two or three guineas a sitting.

Hon. C. Sommers: It amounts to £150 a year.

Hon. A. SANDERSON: I am getting information from the most surprising quarters.

Hon. J. W. Kirwan: I am not too sure it is not dear at the money.

Hon. A. SANDERSON: That might be discussed also at considerable length, but I am not dealing with that. I am simply pointing out the position of the trustees, and am going to put the responsibility for the position that the bank is in to-day on

the shoulders of the present Minister for Industries. If we have a Royal Commission appointed we might get some interesting information. Here is one performance of the Minister for Industries during a visit of his to Kellerberrin some six or seven years ago. This is what he said—

They had got the land. They had got the Agricultural Bank to assist the development, but he was bound to admit the Agricultural Bank Act now needed amendment, and two months ago he had drafted an amendment to liberalise the Act.

We can date the trouble from the appearance of this gentleman on the scene, and I hope the Agricultural Bank Royal Commission of inquiry will make a note of that. The Minister went on to say—

A farmer ought to have a wife.

Why should a farmer have a wife? That is a very pertinent inquiry from the Minister for Industries. He goes on—

Because she could borrow the same amount of money as her husband.

So that is the reason. That may be a good reason, but it does not satisfy me. He went on to say—

He wished to see 10,000 men kept busy clearing the land with the funds of the bank.

Let the Royal Commission inquire into that, and that is why I say I shall have nothing to do with assisting in the passing of this Bill. I said the other day, and I repeat now, that if there is one man responsible for the existing condition of things, it is the present Minister for Industries, and at a time like this, notwithstanding the provisions of the principal Act, he will be able to charge one per cent. more than it cost the Government to raise the money. Under our Treasury Bills Act—and all these Acts are interwoven one with the other—the Treasury can issue bills to any amount so long as a Loan Bill is passed. It is up to 7½ millions now, and the Treasurer can pay any interest he likes. Hon. members astonish me by saying that the House is unanimous in wishing to see this Bill passed. I have said that the Royal Commission will have financial matters entirely to deal with. The powers of the mortgagee are, comparatively speaking, a bagatelle. Hon. members know,



even assuming that they have the fullest powers they desire, they cannot exercise those powers under the Federal moratorium; that is to say, if I am a settler and the bank are going to sell me up, I can go to the court and claim the protection of the Federal legislation, and then it will not be the Minister who will decide the question; it will be the courts who will decide as to whether the bank will be permitted to put this into operation. I do not say this is an important matter. I do not consider it is, but it is a matter that should be dealt with in connection with the only clause which is at all tolerable from my way of looking at it in the Bill. Let the Royal Commission inquire into the proposals with regard to the soldiers.

Hon. C. F. Baxter: If you throw out this Bill you will hold that up. This Bill makes provision for advances to soldiers.

Hon. A. SANDERSON: Surely the hon. member must be joking! We must be intensely interested from a patriotic and a financial point of view in this question of the returned soldiers. I tremble for these men, and I tremble for the country when I think that the whole thing is to be handed over to the Minister for Industries. Could any worse fate befall anyone than to be handed over to that person? The hon. member must be joking when he says that the rejection of this Bill will affect the position of the returned soldiers. I say it will not have any influence on this at all.

Hon. C. F. Baxter: I have read the Bill.

Hon. A. SANDERSON: I have read a good deal more than the Bill. I keep my eye on what is going on in Australia and not alone at Doodlakine. It will not have one iota of influence, because the whole of the responsibility has been shouldered by the Federal Government openly and above board. If hon. members think that Clause 5 of the Bill which provides for the making of advances to soldiers will aid the soldiers, they are mistaken.

Hon. J. Ewing: That clause will be amended.

Hon. A. SANDERSON: Of course it will be amended and the best way to amend it is to strike it out. I am protesting against the introduction of this legislation at this period of the session when we are told that

we are finishing this week, next week, or the week after. Finally let the Royal Commission inquire into this: Why should the mistakes of the Agricultural Bank be visited on the local bodies? If hon. members will look at Clause 6 they will see what I mean. The essence of this Bill and the amendment is the question of the financial position of the Agricultural Bank. The cause of the trouble was this ridiculous inflation which was largely engineered by the present Minister for Industries. Therefore, I am quite prepared to vote for the Royal Commission, and the principal reason that induces me to vote for it is that it will kill this Bill. It is impudence—that is not too strong a word—on the part of an institution to come to Parliament with no balance sheet and no report for two or three years and ask for further assistance. The hon. member has not mentioned any names of those who would form the Royal Commission, but I suppose the matter will be considered later.

Hon. C. Sommers: That is a matter for the Government.

Hon. A. SANDERSON: If it is to be a white-washing commission, who are the Government going to get to white-wash the business?

Hon. Sir E. H. Wiltensoom: It will not be carried.

Hon. A. SANDERSON: If this is not carried when we get into Committee I shall go exhaustively into the position of the affairs of the bank in order that we may stop anything but Clauses 1 and 2 from passing, namely, those clauses relating to the mortgagee, and I shall offer the most strenuous opposition to the whole of the clauses included in the Bill.

Hon. J. M. DREW (Central) [8.46]: When I made my speech on the second reading of the Bill I expressed the opinion that there should be an investigation into the administration of the affairs of the bank as soon as possible. I pointed out that this Bill was proof in itself of the laxity of the administration. The powers enjoyed by private mortgagees have not been enjoyed by the Agricultural Bank, although it was the largest trading concern in the State, and although it had had the handling of some millions of money. I further pointed out, as was pointed out also by

Mr. Sanderson, that no balance sheet or profit and loss account, or report, had been laid on the Table of the House since 1913, or, to be more accurate, the last report which was laid on the Table of the House was dated the 30th June, 1913.

Hon. J. J. Holmés: What about 1914-15? You are responsible for that.

Hon. J. M. DREW: If I was responsible, I am prepared to take the blame. Whoever is responsible should be censured. It seems to me that those who are in charge of the bank, the manager and the trustees of the bank, are the persons responsible. The Minister cannot be expected to keep in touch with every detail of this character. No report, except the one up to the 30th June, 1913, has been placed on the Table of the House, although the trustees of the bank are obliged by statute and by law to present a report and balance sheet, and profit and loss account, every year. It is nearly a week since members of the House drew attention to the fact that these balance sheets and profit and loss accounts had not been supplied, and up to the present these accounts have been withheld. It is open defiance of this House. There has been ample time between the announcement by members that these documents had not been forthcoming for the balance sheet to be printed and submitted for the consideration of members. It is, however, not yet forthcoming. When I made my speech I was not aware, as I am now, that these 515 farmers owed the bank no less than £139,000 odd. That is not the whole list. There are more than 515 farmers who have failed in their obligations to the Agricultural Bank. If there were only 515 farmers out of 12,000 settlers, there would not be so much to complain of, but on top of these 515 open failures there are something like 2,500 hidden failures who have not met their obligations to the Agricultural Bank, and who have been assisted by means of the Industries Assistance Board, and financed by that board. They have not, so far as I have been able to discover, paid any interest for some years. They have been helped through the Industries Assistance Board, and in that way the whole thing has been smoothed over. It should be investigated. Of course no blame can be cast upon the present Gov-

ernment and probably none, upon the past Government. It is a matter which should be investigated and the present Ministry should not offer any opposition to the fullest inquiry. I am casting no reflections at all upon Mr. Paterson. When Mr. Paterson was enabled to administer the bank himself and see personally to the securities, and make proper investigations, everything went well and succeeded. Past Governments and past Parliaments are in a measure responsible. I know of some clauses in certain measures amending the Agricultural Bank Act which went through the House and another place and which I opposed because I thought they were too risky; and I knew well, too, that Mr. Paterson was opposed to them, but he had to administer the Act, and probably the administration of these particular provisions is responsible for the present condition of affairs.

Hon. W. Kingsmill: No doubt about it.

Hon. J. F. Cullen: How does the State's own account stand?

Hon. J. M. DREW: We are not dealing with the State's own account. We are dealing with the Agricultural Bank; we must keep to that point. If the Colonial Secretary is not prepared to give the House an assurance that an opportunity will be afforded to discuss and finalise the motion to-morrow for the appointment of a Royal Commission, I shall oppose this Bill. I cannot succeed in defeating it, but I trust that the Colonial Secretary will see the wisdom of falling in with the views at any rate of a respectable minority of the House.

Hon. J. CORNELL (South) [8.52]: I approach this subject with some hesitation. I do not understand the working of the Agricultural Bank, though I think I am in good company in that. I intend to vote against the amendment. I hope to outline my reasons and to put a little logic on my side. There is no getting away from the fact that the carrying of the amendment will mean the loss of the Bill. That is obvious. It has been said by some hon. members that it will not do any harm and that the bank can go on. One speaker said that it went on for 11 years without it. There are, however, two sides to the question. It will mean that the Government can go on and can ignore the opinion of the House.

They need not appoint a Royal Commission. I say that the whole foundation of this motion is based on a recent discovery. As a regular attendant at the House I say that every year reports are laid upon the Table of the House, but how many of them are read?

Hon. J. Duffell: Reports of the Agricultural Bank?

Hon. J. CORNELL: All reports, according to the Statute, should be laid on the Table, but how many of these are read? Hon. members have sat in the House since 1913, and if they claim to know the Statutes, they know that they have never raised one protest on the floor of the House against that provision of the Agricultural Bank Act, that the report and balance sheet should be laid on the Table of the House. It was only Mr. Sanderson, in delving into some question, who discovered the fact, and now we have an amendment to this Bill which will defeat it, the amendment being founded on this recent discovery, and through the industry of one member, and one member alone. To sum up, the whole gravamen of the charges to-night is based on the fact that the Agricultural Bank trustees have not complied with the Statute and laid the annual report upon the Table of the House. I presume that the managers of the bank are subservient to the Minister.

The Colonial Secretary: That is so.

Hon. J. CORNELL: Then the Minister is to blame. I have never been generous to the Labour Government or any other Government, but I have never endeavoured to retard the progress of the House on a quibble. If the fault lies on any shoulders it lies on the shoulders of the Ministers of the Labour Government up to the time they went out of office. It was their duty to see that the reports were laid on the Table of the House. When the present financial year ends, and if the present Government have not seen that the reports are laid on the Table of the House, then I say they will be equally as culpable as the Government which preceded them. If any hon. member has an indictment of mal-administration against the Agricultural Bank, he should launch it in a comprehensive motion and should back it up by facts. If he can make

out a case to the House that there is mal-administration and an inquiry is needed into the business of the Agricultural Bank, I will give him my vote. I charge the Minister with this responsibility, that if a motion is launched in this House accusing that institution of mal-administration, it is the function of the leader of the House and the representative of the Government in the House, to give up the time of the House that is necessary to inquire into it. He should not endeavour to hide things in any way. He should endeavour to permit of the time being placed at the disposal of the House to discuss the charges made. If a case is made out, then a Royal Commission should be appointed, backed up by facts, and I will give my vote to it. Another thing I object to is the delightful vagueness in regard to the Royal Commission. The amendment should have set out who would be the Commissioner to be appointed and the individual concerned should be named. He should be one who would understand the business upon which he would proceed as directed by the House. I hope the hon. members who make the charges to-night, particularly Mr. Sanderson, will, if they know anything regarding the administration of the bank, not attack this Bill in Committee. The hon. member may detain the House in Committee, but he will not seek the object he is after. Though he has put up a very good case and entertained us, he has practically said he will vote for the amendment and kill the Bill if he can. I have seen several Bills brought into the House in connection with the Agricultural Bank but have never yet heard any discussion of any length in regard to that institution. As one who has not always been generous in his remarks about the public service, and about those members of it who do not carry out their work, I would say that those who are at the head of affairs are the persons who are responsible and the persons who should take the blame. If the trustees of the bank do not furnish the reports, it is the function of the Minister to tell them that the report must be furnished or to inform Parliament that he has not been able to obtain it. I listened with a great deal of interest to the fulsome eulogy by Mr. Cullen of Mr. Paterson. I do not

wish to detract from the good work done by Mr. Paterson, but in connection with an institution handling the money which the Agricultural Bank does, Parliament and the people are entitled to know how its business is conducted, and are entitled to have the report and balance sheet which the Act states shall be laid upon the Table of Parliament. I want to remind the hon. member that when it comes to a question of balance sheets of trading concerns, when it suits his book, irrespective of the strenuous time through which we are passing, he takes another attitude. I say that, whether it be an agricultural bank or a trading concern, the whole of its transactions should be set forth as required by law, in just the same way as is required of a friendly society or an industrial union. I say again that the Minister is responsible. I shall oppose the amendment, for the reasons I have given; and I say again, that if a case can be made out to my satisfaction that there has been mal-administration in this institution I shall vote for a motion for a Royal Commission and shall ask that the House be given reasonable time to debate and consider such a motion.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [9.5]: I trust the House will not defeat the Bill. And I am somewhat surprised at the action taken by the hon. member who moved the amendment. It is a week since the hon. member secured the adjournment of this debate, and it was open to him during that time to have given notice of motion that it is desirable that a Royal Commission should be appointed. I fail to see how the hon. member can be under the impression that his amendment is at all applicable to the subject matter of the Bill. I have been asked to give an assurance that if the hon. member will withdraw his amendment I will agree to this motion for the appointment of a Royal Commission being discussed and finalised to-morrow. I absolutely refuse to give any such assurance. I think it is a most unfair and unreasonable suggestion to make, and I am surprised that my predecessor in office should have endorsed such a proposal as that the debate shall be finalised to-morrow. Nothing of the sort was ever asked of him. It is the custom when

a motion of this kind is launched that the mover puts his case, but it would be treating the matter contemptuously if the leader of the House did not then move the adjournment of the debate in order to make inquiry of the authorities of the bank in order to find out what there is in the contentions put forward. If Mr. Duffell can to-morrow put up a case sufficient to justify his moving the motion, it will justify and demand of me that I move the adjournment of the debate in order to ascertain from the trustees and the Minister controlling the bank what they have to say in reply. It is customary, too, that Ministers should move the adjournment of the debate when a motion of this kind is launched against any institution. Such a course is most desirable, as otherwise it might happen that hon. members, hearing only one side of the case, might commit themselves to a certain course before a Minister had time to reply. Therefore I think the request that I should be asked to finalise the debate to-morrow unreasonable, and, whatever may be the fate of the amendment, I absolutely refuse to give any such undertaking. If the hon. member can put up a case to justify a motion of this kind then, so far as I can, I undertake to expedite the consideration of that motion, but I certainly am not going to give the undertaking that he has asked for. I am at a loss to understand why the hon. member did not give notice of this motion in the ordinary way. He might have done so and allowed ample time for its consideration. I assure members that this Bill is necessary in order to enable the bank to nurse its securities so as to guard against the possible loss of its money in the same way as other financial institutions in this State dealing in agricultural securities to-day have to nurse their securities. I venture to say that if any of those institutions were placed in the position the Agricultural Bank is in and were asked to stop in that position four months whilst a Royal Commission inquired into the administration the suggestion would not be welcomed. I do not intend to reply at any length to the, to my mind, unreasonable and unfair attacks of Mr. Sanderson on the Minister for Industries. The hon. member made some slighting reference as to what would be the fate of our soldiers

if they in any way came under the care of the Minister for Industries. So far as I am concerned I hope that the soldiers will be to a very large extent under the care of a man of constructive ability, and not under the care of a man who to my knowledge in this House has never done anything except to try and destroy the work of other people. Mr. Drew said that the introduction of this Bill was an evidence of faulty administration. Faulty administration by whom? Up to the time the last Liberal Administration left office there was no occasion in this House to draw attention to this matter, there was never any trouble about the handling of the securities of the agricultural bank. Exactly when the necessity for action arose I do not pretend to say, but the necessity for it was strongly brought before the attention of the present Administration immediately after they assumed office, and after investigation it was seen that the necessity was there. Consequently the Bill was introduced. And I think no member can deny that it is necessary that the bank should have the powers incorporated in this Bill. Now we come to the question of the non-furnishing of the balance sheets and report, which is said to be another evidence of maladministration. Again I ask, maladministration by whom? So long as the previous Liberal Administration was in power the reports and balance-sheets were furnished to Parliament in accordance with the Act. Since 1913 that practice was departed from. Mr. Cornell has been absolutely fair, but other members have suggested that the present Government is responsible. I say that until the matter was brought up in this House not one member of the present Government was aware that those reports and balance sheets had not been presented and that the law had not been carried out. I immediately brought the matter under the notice of the Minister controlling the department. He inquired into it, and he has told me that the preparation of the report and balance sheet is being hurried forward and that they will be placed on the Table as soon as they are available. Not only that, but if the House be not in session I undertake that the report and balance sheet will be immediately published in

the Press so that members of Parliament and the public generally may see them. Members may say that the report is up to the 30th June and that consequently the report for last year should be ready now. I entirely agree; but again I say it is in no way the fault of the present Administration. Quite recently, within the last month or two I have had reports of departments under my own control carrying us up to only the end of 1915. I protested against that and have insisted that in future these reports must be furnished within a reasonable time. When the previous report of the bank was placed on the Table covering the year 1913 it was well into 1914, towards the middle of the year, much later than the date the present Government contemplates presenting the report up to 30th June last. That is the ground upon which this Bill has been attacked, because the previous Administration for the past two years neglected to carry out the provisions of the Act. I can give members this assurance that the present Administration will carry out the Act, and further, that if anything like a reasonable case is made out by Mr. Duffell, should he choose to take the course to-morrow of moving for the appointment of a Royal Commission, I shall, as I say, adjourn the debate in order that I may have an opportunity of consulting the Minister in charge of the department and the trustees of the bank; and I shall then be prepared to continue the debate and will give ample time for this House to consider the motion. But I absolutely refuse to give the undertaking asked for. This Bill I repeat is necessary, and it is necessary in the interests of our soldiers. Through the Federal Government a large sum of money is to be made available for the purpose of repatriating soldiers. That money can be applied to that purpose only through the Agricultural Bank. If any member chooses to shoulder the responsibility of refusing to give the Government the opportunity of settling our returned soldiers on the land, he is welcome to take up that attitude, but I do not think he will find much support for such an attitude either in this House or outside. I trust the amendment will be rejected.

Hon. J. E. DODD (South) [9.10]: I had not intended speaking on this amendment

until the Colonial Secretary addressed the House, but I think I would be lacking in loyalty to my colleagues if I permitted to pass unnoticed the absolutely unfair remarks of the Colonial Secretary. I entirely agree with the remarks of the Leader of the House that Mr. Duffell should make out a case before asking for a Royal Commission, that he should give us something to go on by which we should be able to record our votes. But when the Colonial Secretary makes the statements that no necessity arose for an amending Bill in the years of the previous Liberal Governments—

The Colonial Secretary: I did not say that. I said during recent years,

Hon. J. E. DODD: Had the Minister stated that the necessity had arisen owing to the fact of the war and the drought he would have been justified.

The Colonial Secretary: I said that when moving the second reading of the Bill.

Hon. J. E. DODD: But the Minister did not say it just now. I would be lacking in loyalty to my colleagues if I allowed that statement to pass unchallenged. I think Mr. Drew was quite fair in his remarks, though I did not agree with all he said. I think it only fair I should say this. I am not in favour of the amendment by Mr. Duffell until the hon. member has shown cause for the appointment of a Royal Commission. I should be prepared to support his amendment provided he could show sufficient reasons.

Hon. C. F. BAXTER (East) [9.14]: I rise to oppose the amendment. I am somewhat surprised at the venom which has been introduced into this debate. In my opinion Mr. Duffell has not shown sufficient reasons for bringing forward his amendment, and if the amendment be carried its effect will be to defeat what is a very useful Bill. The need for the amending of the Act did not arise until we encountered the recent bad seasons. No blame is attachable to any Government in that respect. The Agricultural Bank had certain powers under the Mortgagees Act, but they had not the definite powers asked for here. Further than that, they ask for powers to lease, and I do not think it is the duty of hon. members to prevent that institution from trying to put its securities on a sound footing. Mr. Kirwan

made a great deal of the fact that the bank officials could not supply the Minister with sound valuations of the 500 odd farms on the hands of the bank. I have as great a knowledge of the valuing of farm lands as has any other man, yet I would not attempt to make a valuation of any farming property at the present time. I know of two properties offered for sale, one at £2 an acre, which seems a very good proposition until we turn to another equally good and in the same locality, offered at 18s. per acre. How would members effect the valuation of farm lands to-day? I consider the answer given to the question asked in the House was the only one the trustees could give. We must not lose sight of the fact that the Agricultural Bank was started, not as a financial institution, but as a developing institution. Now it has been turned into a financial institution, yet we expect the same results. Of course we have not quite got them, although personally I think they have been very good indeed. I can see very little use for the appointment of a Royal Commission. In fact, I have but little faith in Royal Commissions, for they appear to me to be developing into picnicing organisations. Reference has been made to the assistance of returned soldiers. The amendment would defeat a Bill which will assist the returned soldiers. Provision is being made for advances to returned soldiers, and whilst I would like to see that amended to embrace those soldiers abroad, I think we should do nothing to curtail the assistance to be given, rather should we endeavour to increase it. Mr. Sanderson declared that the soldiers will be taken care of by the Federal authorities. From what I gathered this afternoon in reference to the Mental Treatment Bill, I think the State Government will probably find the responsibility falling on their own shoulders. Had I been aware of the fact that the provision of £1 a week was to be taken out of the pension allotted to soldiers, I would have voted against the measure. The hon. member suggested also that this would be a white-washing commission. There is no need whatever for any white-washing of the Agricultural Bank. I have been closely associated with that institution

for years past, and I think every effort has been made, not only by the trustees, but by the bank officials, to do what is right and just to their clients and to the State. I know also that they have been very successful in both directions. The late Government made a very great mistake when they transferred the accountant, the man in charge of the securities of the Agricultural Bank, to another department at 48 hours' notice. That man occupied, perhaps, the most important position in the public service, yet he was transferred practically without notice. He was the accountant and the securities clerk, and he was withdrawn from the Agricultural Bank and installed in the Agricultural Department, while a man from the Lands Department was brought to fill the vacancy in the Agricultural Bank, a man who knew nothing whatever of the particular securities to be handled. It would be bad enough in any other institution, but it was far worse in the Agricultural Bank, because there so much depends on the personal security. The bank has been built up on personal security. Advances are made to settlers on virgin ground, which shows clearly that to a large extent personal security is relied upon. The cry for this Royal Commission arises from the fact that no report from the bank has been laid on the Table. The balance sheets have been all in order, as the Auditor General's report shows. Until a search was made for the report with a view to getting information regarding the Industries Assistance Bill, nobody asked for the missing report. Very little interest is taken in the annual reports of departments. I admit that the report should have been here, but when we have regard to the transfer of officials from the bank—a considerable number was sent to the Industries Assistance Board—it is somewhat unreasonable to expect that the trustees should have furnished the statutory report. No case whatever for a Royal Commission has been put up. Just consider for a moment the unenviable position in which the trustees have found themselves on many occasions. Three times has authority been issued to increase their capital, while the Government of the day have not been able to provide the money authorised under the previous increase, in consequence of which the trustees

have had to face their clients with a shortage of cash, notwithstanding the increased authorisation. I hope the amendment will be rejected, for no good can come of it. I will support the second reading of a Bill which is eminently necessary to the bank.

Amendment put and a division taken with the following result—

Ayes	..	..	..	5
Noes	..	..	..	18

Majority against .. 13

#### AYES.

Hon. J. M. Drew	Hon. A. Sanderson
Hon. J. Duffell	Hon. J. Cunningham
Hon. J. W. Kirwan	(Teller.)

#### NOES.

Hon. J. P. Allen	Hon. W. Kingsmill
Hon. C. F. Baxter	Hon. R. J. Lynn
Hon. H. P. Colebatch	Hon. C. McKenzie
Hon. J. F. Cullen	Hon. G. W. Miles
Hon. J. E. Dodd	Hon. H. Millington
Hon. J. Ewing	Hon. C. Sommers
Hon. J. A. Greig	Hon. Sir E. H. Wittenoom
Hon. V. Hamersley	Hon. E. Rose
Hon. J. W. Hickey	(Teller.)
Hon. J. J. Holmes	

Amendment thus negatived.

Question put and passed.

Bill read a second time.

#### In Committee.

Hon. W. Kingsmill in the Chair; the Colonial Secretary in charge of the Bill.

Clauses 1, 2—agreed to.

Clause 3—Power to lease:

The COLONIAL SECRETARY: I move an amendment—

*That the following proviso be added to Subclause 1 of Clause 3:—"Provided that if the mortgaged land is subject to a mortgage registered in priority to the bank's security, such lease shall not be binding on the prior mortgagee without his consent."*

Amendment put and passed.

Clause, as amended, agreed to.

Clause 4—Rate of interest:

Hon. A. SANDERSON: This clause is the kernel of the Bill. I hope the Colonial Secretary will tell hon. members his view of the position. Under the clause as I understand it, the bank will charge the settler one

per cent. more than the amount which the Government will pay for their loan. The Government raise money by loan, and hand it over to the bank, and the Government charge the bank one per cent. That was a proper method of doing business in the early days. This State of Western Australia raised a three per cent. loan above par—though only a few shillings above par. That was about the time the Agricultural Bank was at its best. That money could easily be let out at the ordinary rate of five per cent. Moreover, the settler had to pay only the interest for the first five years, after which he began to repay the principal. Apart from the deficit, the Government now have 7½ millions authorised but not raised. They are financing on Treasury bills and Treasury bills only. Here is the difficulty in fully explaining the rate of interest in connection with this clause. The ordinary member of Parliament cannot tell what is being done at the present time in the matter. We have only the rough assurance of the Treasurer that the money is costing us 5½ per cent. at the present time. I will take it at that, as the best. The money will then be lent to settlers at 6½ per cent. Hon. members can easily see the difference in the position so far as the settler is concerned. The most important point of all—once we clearly understand the State is being financed on Treasury bills—is that the Treasury Bills Amendment Act authorises the Treasurer to issue bills to any extent up to the authorised amount of 7½ millions at any rate he likes. To allow the Agricultural Bank to lend to settlers at one per cent. over and above the rate of interest the bank themselves are carrying is simply to court disaster. The settler will never be able to repay with interest at 6½ per cent. And 6½ per cent. is the minimum; the rate may possibly be 7½ per cent. Is that a reasonable, sound, business proposition?

Hon. J. F. Cullen: What would the settler have to pay elsewhere?

Hon. A. SANDERSON: There the hon. member opens the whole question of the Agricultural Bank, with which I do not propose to deal now. I dealt with it before.

Hon. J. Ewing: Are you going to move an amendment?

Hon. A. SANDERSON: What is the use of moving an amendment? The clause should be struck out. My object is to save the country from further liabilities and from disaster. If hon. members, once they are seized of the position, think fit in their wisdom to pass the clause, I can only say that I am not responsible to the country. I am responsible, however, to the people who sent me here, to show to the best of my ability how public affairs appear to me. I would let the bank go back to the five per cent. rate as the only way of doing business.

Hon. V. HAMERSLEY: Do I understand the hon. member wants the State to borrow money at 6 per cent. and loan it to the settlers at 5 per cent.? Does the hon. member think the State would benefit by such a proceeding?

The COLONIAL SECRETARY: The intention of the hon. member is quite obvious. It is exactly the same intention as he had in supporting the amendment which has just been defeated. That intention is to kill the Bill, to prevent the Agricultural Bank from carrying on and from continuing to assist settlers when they need assistance more than ever, probably. If the bank are to carry on they must be allowed to charge sufficient interest to cover the cost of money and working expenses. It is true money costs more now than it cost formerly, but that is only relative.

Hon. J. DUFFELL: I take strong exception to the remark of the leader of the House imputing motives to me in moving my amendment.

The Colonial Secretary: I rise to a point of order. I made no reference to Mr. Duffell. I said Mr. Sanderson's motive in opposing this clause was the same motive as he candidly confessed in supporting the amendment previously before the House.

Hon. J. EWING: There is a great deal of sense in what Mr. Sanderson has said. The day a charge of over five per cent. is made for money advanced by the Agricultural Bank will be a sorry day for the settlers. However I would not take the responsibility of striking out the clause unless I was perfectly satisfied that some provision would be made for giving the farmers advances at 5 per cent. To advance money at the rates which have been quoted this even-



ing, for the purpose of placing people on the land, is utterly out of the question. Successful farming would be of such great advantage to the State as would far more than repay a loss of one per cent. or  $1\frac{1}{2}$  per cent on money lent to the settlers. I do not wish to wreck the Bill. I believe Mr. Sanderson's object is to protect the farmers, and nothing else.

**The COLONIAL SECRETARY:** Does the hon. member suggest that the Government should advance money irrespective of what is paid for it? If so it will need a different Bill from this. It will need a Bill to provide for a bonus or a present to farmers. This is only a temporary measure while money is dear. If the clause is struck out it will mean that no advances will be made.

**Hon. J. EWING:** I have no intention of doing any injury to the Bill, but I am alarmed at the high cost of interest to be charged to the settlers of the State. We can not charge farmers more than five per cent. and expect them to succeed. If we have to do it, it must be only a temporary expedient.

**Hon. J. W. KIRWAN:** I understand it has been the custom in connection with the Agricultural Bank, to advance money at one per cent. more than the Government paid for it originally. Will the Colonial Secretary state whether that is so? In this case there is a provision that the interest shall not exceed by more than one per cent. that which the Government paid. When that one per cent. was originally fixed the idea of the bank was that it should cover all working expenses. It was not presumed at that time that the bank would have any considerable losses. From questions answered in this House it would appear that the bank has had considerable losses, and if that one per cent. is merely to provide for administrative expenses and does not provide for any possible losses, I would like to know how the ultimate losses are to be made up? The higher the rate of interest the greater the possibility of losses in the future, and with the increased rate of interest the possibilities are that the losses, which are considerable already, will be still greater in the future. If we make no more provision than one per cent. it will land us in a very serious position. At this particular time, in view of the existing demands and the condition of

the finances of the State, we cannot be too careful.

**The COLONIAL SECRETARY:** In the past the one per cent. has been ample to cover working expenses, and also small losses when they occurred. The hon. member's question seems to apply to the financial year just closed. I have not seen the balance sheet for that period; it is not available.

**Hon. J. Duffell:** Mr. Baxter had it in the House last week.

**The COLONIAL SECRETARY:** At any rate the report is not yet ready. The question will depend upon what success the bank meets with in realising on those assets which have fallen into its hands. Every private financial institution is in much the same position. They are nursing their agricultural securities expecting to realise on them, and I am hopeful that this one per cent. will prove sufficient. There is every reason to hope that if the bank is allowed to administer its affairs as private financial institutions are doing, when the disabilities owing to the recent drought have been overcome, the bank will clean up its affairs without losses. Money is at a high rate of interest the world over, and not only will it be the farmers who will be affected, but the people carrying on every other form of industry. It will not matter whether they are paying three per cent. or 23 per cent., everybody will be in the same position. The Bill specifically provides that this rate of interest shall be charged while money is dear. If the rate of interest never went down our farmers would not be prejudiced, because they would be competing against other farmers who would be paying six per cent. The Government will have to borrow money at the cheapest rate it possibly can. I believe that the arrangement entered into by this Government that the Commonwealth Government shall borrow money and lend it to us is the best we can make.

**Hon. A. SANDERSON:** If I could get my own way I would say we ought to postpone this matter in order that we might have an opportunity of looking into it. This is a financial measure, and for the leader of the House to tell us that it does not matter whether we pay three per cent. or 23 per cent. for our money as long as

everybody is paying the same rate of interest is, to say the least of it, very peculiar. That is the way they are financing this country. To perdition. If hon. members will pass this clause without fully considering what it means, and how we can protect the interests of the farmer as well as the taxpayer, then it will be their affair, and it will not be a creditable affair either. Consideration of this particular clause should be postponed in order that hon. members, like Mr. Ewing, who, doubtless from his position and experience, has an intimate acquaintance with the people he represents, rightly seeks to prevent them paying an exorbitant rate of interest, and on the other hand I, who represent a metropolitan-suburban area, want to see that the money we raise and are paying for is not squandered on a gambling venture. What I have said in this House I am prepared to say on any platform, and I am not going to see money squandered when the Chancellor of the Exchequer, the Prime Minister of Australia, and everyone else say we must exercise the greatest caution with our finances. The Colonial Secretary says it does not matter whether they pay 3 per cent. or 23 per cent., we are all in the same boat. We have these reckless financial proposals of the Government. They have ruined the party and the reputation of Ministers, and will ruin this country if they are not careful. No wonder they want to form a National Government to destroy the Government they have in office at the present time. Bill after Bill comes down to us without the slightest consideration being given to them. Clause 4 deals with the finances of the country. It is the kernel of the Bill. If I can help it, it will not go through without the fullest discussion being given to it. Our finances are in an execrable state and we should deal with them under the clause we are discussing. It is pretty obvious what the motive of the Government is. They wish to shovel this thing through while the Standing Orders are suspended at the closing hours of the session and get away from us. They are not going to. I have too much at stake in this country, and I love this country too much to permit a set of gamblers to gamble away the heritage which has been be-

queathed to us by our forefathers and should be preserved to our children. This Bill should be postponed so that we have the fullest opportunity of considering the financial position, as it applies to Clause 4 in the Bill.

Hon. C. SOMMERS: I have always understood that people who borrowed money at a high rate of interest and loaned it at a low rate were well on the way to the insolvency court. If we borrow money at  $6\frac{1}{2}$  per cent. and lend it at 5 per cent. we, too, shall find ourselves in the bankruptcy court. I take it that the farmer would pay  $6\frac{1}{2}$  per cent. interest rather than not get any money at all. For our wheat and our wool and our stock we are getting higher prices than we did in the past when money was cheaper. Those engaged in these industries could now afford to pay 6 per cent. It is only on the new advances that this interest will have to be paid.

The Colonial Secretary: Strictly in regard to the new advances.

Hon. C. SOMMERS: Then those people who have improvements to make can postpone the work until they are able to go on with them.

Hon. J. W. KIRWAN: I do not feel fully justified in voting for this clause as it stands. I intend to move an amendment. At the present time, when the rate of money is so high and the prospects of losses are so considerable, and it is desirable that the affairs of the bank should be straightened, we should see that the money should not be loaned at less than the rate of interest payable for the time being from the funds raised by the bank. The amendment I propose will free the authorities of the bank, and the clients of the bank cannot expect to get their money at less than 1 per cent. more under the circumstances. The bank, too, might be justified in giving a deserving man an advance which might pull him out of a difficult position. I move an amendment—

*That in the fifth line the words "if more than five per cent. shall not exceed by more" be struck out and "shall not be less" inserted in lieu.*

The COLONIAL SECRETARY: I hope the Committee will not agree to the amendment. The object of the amendment is to make money dearer to the farmer. The Bill

provides that the rate of interest shall not be more than 1 per cent. over and above what the State has to pay. The hon. member wants to remove the discretionary powers now in the hands of the trustees and enable them to charge whatever interest over and above 1 per cent. they may deem desirable.

Hon. R. J. LYNN: I think this money should be advanced, and the securities should be so intact that unless the security is sufficiently good against the advance the trustees of the bank should not make that advance. It is no use putting in such a drastic amendment. It would mean an encouragement of the gambling element. Though a security may not be at all desirable, the trustees would be in a position under the amendment to say that they would take the risk and charge an additional 2 or 3 per cent. Money cannot be advanced at a better rate or under better conditions than 5 per cent., or as laid down in the Bill, plus 1 per cent., in order to cover these administrative charges. It is a very reasonable amount indeed. With all the inspections we have in the State we cannot take any further risk other than a reasonable one. The security should be there, and if it is not there the advance should not be made, the bank should not take the risk. If it is thought the bank should take other risks, then provision should be made in another measure by way of bonus for the purpose of keeping people on the land. Advances made by those controlling our finances, whether it be through the Treasury, the Agricultural Bank or any other Government institution, should be against a sufficient security.

Hon. A. SANDERSON: I am not quite clear how far the proposed amendment will affect the position, and I would ask the leader of the House how much money has the Agricultural Bank at the present moment available to advance by way of loan?

Hon. J. DUFFELL: I have before me a document which I regret I had not when moving my amendment previously. From this I learn that at the 30th June, 1916, the total value of loans outstanding was £2,695,550. We have already been told by the Colonial Secretary that in respect of

the 515 farms which have fallen back into the hands of the bank, and in respect of which loans to a total value of £139,849 were made, had very little improvement done on them. At this same date, 30th June, 1916, the unpaid interest outstanding amounted to £180,623. In the light of these figures it must be recognised there is necessity for inquiry. I regret I had not this document when speaking previously, but I hope I shall have another opportunity of moving for an inquiry.

Amendment put and negatived.

Clause 4—agreed to.

Clause 5—Advances in aid of settlement on the land of returned soldiers:

Hon. J. F. CULLEN: I move an amendment—

*That after the words "have been" in line 3 the words "or are" be inserted.*

The reason for the amendment is to enable a man now on active service, who is represented here by an agent or attorney, securing the advantages of the clause.

The COLONIAL SECRETARY: I think it unnecessary to make the suggested amendment. It must be recognised as desirable when making advances that the borrower be present. It is frequently a matter of personal security; the trustees want to know the man. For this reason I think it would be unwise to insert the words.

Amendment by leave withdrawn.

Hon. J. EWING: I move an amendment—

*That after the word "dependants" in line 5 the following words be inserted:—  
"Provided that no interest shall be payable on any such advance for the first five years after the advance is made."*

I do not think there is likely to be any opposition to the amendment. The other day the Colonial Secretary stated that the Government would charge the soldier settlers a lesser rate of interest than ordinary settlers, commencing at 3½ per cent. in the first year and increasing ½ per cent. annually until it reached the rate charged to other settlers. That is a clear and distinct statement by the Government through the Colonial Secretary, and I understand that position was arrived at after the conference between the Federal and State authorities.

The Federal Government have agreed to advance the money to the State Government for the repatriation of soldiers. Interest is to be charged from the moment the settler gets his money. On an average the soldier settler will pay a little over 4 per cent. for his money, and therefore the difference between the payments made on £1,000 by the ordinary settler and the soldier settler will represent about £10. Here we see exactly the advantage the soldier settler is to have over his civilian neighbour. I think the State should do much more for the soldier settler. I have no wish to deceive members as to the financial effect of the amendment. If we refrain from charging interest for the first five years it will cost the State something like £87,000 per annum. In my view it is not too great for those men who have fought to protect our lives and property. I do not think it will be possible to successfully settle soldiers on the land except we make some substantial consideration in their favour.

The COLONIAL SECRETARY: The Government are entirely in sympathy with the amendment, but I think a great mistake would be made by inserting the proviso in the Bill. The Bill itself does not fix the rate of interest to be charged soldiers. It makes provision by which the trustees can reduce the rate of interest, and in moving the second reading I stated that it was intended to reduce the rate of interest to soldiers, and I sketched briefly the arrangement arrived at between the Commonwealth and the State authorities under which the Commonwealth Government are making these advances. It is quite possible that the Commonwealth Government will take up a stand for uniformity as between the States in this regard; also, there is a great difference between money obtained from the Commonwealth Government, advances to the State for this purpose and the repatriation money handled by the War Council which is largely the result of voluntary contribution. This is a large business proposition, and the tentative arrangement made between the Commonwealth and the State is that the interest charged to returned soldiers shall be reduced in the way I have indicated. The Bill does not prevent the

State going much farther than that, if the State is anxious to do so. The time to question whether or not the provisions made by the Government in regard to returned soldiers are sufficiently liberal will be when the regulations are being framed. It would be a mistake to tie the hands of the Government and perhaps cause complications with the Federal authorities by inserting in the Bill something which should not be resolved upon until the regulations are being framed, especially in view of the fact that it is desired that the arrangements should be the same in each of the States.

Hon. A. SANDERSON: I have been following this question of the repatriation of soldiers. The leader of the House pointed out that it is highly probable the Federal Government will insist upon some measure of uniformity. An attempt to deal with the enormously important question of the returned soldier in a clause amending the Agricultural Bank Act does not carry much weight. The matter is a Federal one, and the Federal Government will insist upon dealing with it. I venture to remark that this is pure claptrap. From the showing of the leader of the House, it is evident that the Federal Government have not yet spoken their final word on the question of the returned soldier. Probably, so far as Western Australia is concerned, the Commonwealth Government would be well advised to separate themselves altogether from the Agricultural Bank. If they are going to find 2½ millions to deal with the returned soldier in Western Australia, I would suggest to them to start entirely on their own, if for no other reason, because the principles under which they are going to operate are entirely different from the business principles which we have sought to-night to apply to the Agricultural Bank.

The CHAIRMAN: I cannot permit the whole question of the repatriation of soldiers to be discussed on this clause.

Hon. A. SANDERSON: That is a ruling of great help and guidance to us. How is it possible to discuss the repatriation of soldiers on this clause?

Hon. Sir E. H. WITTENOOM: It seems to me a mountain is being made out of a molehill over this clause, which is merely a little

incidental provision. If occasion should arise, the trustees are to have power under this clause to make advances in connection with any schemes devised for returned soldiers. In the circumstances I intend to support the clause. I have my own views on the subject of the placing of returned soldiers on the land, and I have come to strong conclusions, which, however, I do not propose to air on this occasion. I am afraid I cannot support Mr. Ewing's amendment. To give five years' exemption from interest to the returned soldier would set up a precedent for other settlers. The soldiers should not be rewarded for their fighting in this manner. Undoubtedly the precedent would give rise to a great deal of disagreement.

Hon. J. M. DREW: If Mr. Ewing wishes to accomplish his purpose, it seems to me he must go very much further. In the event of his amendment being carried, it means an additional charge of £87,000 annually on the Agricultural Bank. That institution is supposed to be conducted on business lines. If hon. members desire to make such a concession to the soldier, then, in the interests of the stability of the Agricultural Bank, it will be necessary to make provision for the Treasurer to recoup the Agricultural Bank each year to the extent of £87,000.

Hon. J. F. CULLEN: I suggest to Mr. Ewing that it would be unfair to place hon. members in the position of having to vote against this amendment, the proper place for which is not in this Bill. The clause under discussion simply gives the trustees of the Agricultural Bank discretionary power to fall in with any scheme initiated for the returned soldier.

Hon. J. A. GREIG: I support the amendment. It may not do all that we desire, but I do not see that there can be any harm in having it inserted here. I do not think the amendment is claptrap. The best way to assist the returned soldiers is to enable them to settle on the land, and the amendment will help in that direction. I admit the amendment may cause loss to the Agricultural Bank, but that loss could be adjusted in the distribution of the money Western Australia is to receive from the Federal Government.

Hon. J. DUFFELL: While I would like to support anything having for its object

to ameliorate the position of the returned soldier, I agree with Mr. Cullen that this is not the proper place for what the amendment proposes. In connection with the amending Land Bill, hon. members will have something to say on this subject. I cannot see my way to support the amendment in connection with the present Bill.

Hon. J. EWING: An entirely wrong view is being taken of the question. The Agricultural Bank is the medium through which these funds pass. I do not wish to place either Mr. Cullen or anyone else in a false position, and I say that this clause of this Bill is the proper place for the insertion of my amendment. In connection with the amending Land Bill, a hundred and one opportunities will be taken to stave off this important amendment. I cannot take Sir Edward Wittenoom's view that this clause is merely permissive. The Minister for Lands has stated that a sum of £2,500,000 is now available for this purpose. The surveyors are out now looking for the most favourable localities, and as soon as those localities have been decided upon the £2,500,000 is to be expended. Moreover, the returned soldier is to get his money from the Agricultural Bank.

Hon. Sir E. H. WITTENOOM: That is another thing.

Hon. J. EWING: This is special money provided by the Federal Government for a specific purpose. It will not affect the Agricultural Bank at all.

The COLONIAL SECRETARY: I give way to no man in my desire to do anything for returned soldiers, and I am surprised that Mr. Ewing will not take my word when I say that the Government will do everything possible. To carry the amendment will endanger the arrangement that has been made between the Commonwealth Government and the State.

Hon. J. CORNELL: Under this Bill Parliament will have to vote the money.

The COLONIAL SECRETARY: The money is made available by the Commonwealth Government under certain arrangements with the States, and the hon. member wants to bring in an amendment which will destroy those arrangements and which might result in the money being no longer available. Those who vote in favour of the

amendment must take the responsibility of probable delay in the preparation of the scheme and possibly compromising the position between the Federal Government and the State.

Hon. J. EWING: I thank the Colonial Secretary for the explanation he has made. He did not tell me that we would have an opportunity of discussing this matter.

The Colonial Secretary: The clause tells you so.

Hon. J. EWING: I did not read it that way. The explanation is a very fair one, and I therefore ask leave to withdraw the amendment, relying upon whole hearted support when the right time comes.

Amendment by leave withdrawn.

Hon. J. CORNELL: The Colonial Secretary has told us that part of this clause deals with the distribution of money provided by the Federal Government.

The Colonial Secretary: Loaned to us.

Hon. J. CORNELL: All the money in connection with the Agricultural Bank is voted by Parliament. Is it the intention of the Government when they get that money to put it into Consolidated Revenue and supply funds in the usual manner to the Agricultural Bank through Parliament? The clause will deal with the returned soldiers by regulation and not legislation. While Parliament is anxious to deal comprehensively by legislation with the returned soldiers, the provision here is that the matter will be dealt with by regulation. Hon. members know that many regulations passed by Governments are laid on the Table of the House and have met with a hostile reception, but they have not been repealed. I make this appeal as probably one of my last utterances here, that so far as this clause is concerned, if it is carried and it becomes law, though there will be power to disallow a regulation, the Government may make another. It is plain to me that there is going to be government by regulation.

The COLONIAL SECRETARY: All that this clause does is to empower the bank to advance money under regulations framed in accordance with the scheme. The scheme will have to be a comprehensive one, but it will be necessary for the Agricultural

Bank Act to contain this clause in order that regulations may be framed in accordance with the scheme.

Hon. A. SANDERSON: At what rate of interest is this money to be advanced by the Commonwealth Government?

The COLONIAL SECRETARY: The rate of interest has not yet been determined. It depends on what it costs the Federal Government to raise it. An undertaking has been given that we shall get it for what it costs them.

Hon. J. CORNELL: Is it not possible for the Government to deal with the returned soldiers in the same manner as is set forth in the Mines Regulation Act? This is about the only piece of legislation of its kind on the statute book. The rules and regulations are set out in the form of an Act of Parliament, which has power to amend them at any time. If regulations are to be made in connection with the soldiers I want to be certain that they will be dealt with on those lines.

Hon. A. SANDERSON: What is intended to happen if we pass this Clause? The Government of the State, not the Parliament, can get into communication with the Federal Government and agree upon a scheme. Regulations will then be issued by the Government to deal with the scheme of repatriation, and Parliament will have no opportunity of dealing with them.

Hon. J. EWING: It appears to me that we shall have no opportunity of discussing this scheme in connection with the soldiers. If I have no opportunity of discussing the general scheme this session then I have given up the opportunity I had to-night of doing so. Shall we have an opportunity of discussing the matter this session or not?

The COLONIAL SECRETARY: It would be impossible to submit to Parliament this session a scheme for the repatriation of soldiers. Indeed, the Government will do well if they complete the scheme in time to submit it to Parliament immediately after the recess. If the hon. member wishes to discuss the question this session he can only do so by direct motion. The Government would not be prepared to submit the whole scheme to Parliament this session.

Hon. J. F. CULLEN: I move an amendment—

*That the words "the Governor" be struck out, and "Parliament" inserted in lieu.*

This will insure to Parliament its right to deal with the scheme.

Amendment passed; clause as amended agreed to.

Clause 5—Term "owner" in Roads Act not to be extended to Agricultural Bank:

Hon. A. SANDERSON: This will hit the roads boards hard. Will the Colonial Secretary interpret the clause?

The COLONIAL SECRETARY: The object of the clause is to relieve the Agricultural Bank from the necessity of paying rates upon those properties which have been abandoned by owners and are temporarily in the hands of the bank. It is only a fair proposition.

Hon. A. SANDERSON: Surely the Government are not going to deprive roads boards of the rates from land owned by the bank simply because it is a bank?

Hon. J. F. Cullen: The bank represents the Crown.

Hon. A. SANDERSON: Then there is no necessity for the clause. It will be a good spur to the bank to see that they get on with their work and do not leave these abandoned farms. Instead of taking the penalty, which the ordinary mortgagee in possession would take, the bank are to be exempt from payment.

Clause put and passed.

Title—agreed to.

[The Deputy President took the Chair.]

Bill reported with amendments.

## BILLS (2)—FIRST READING.

Public Service Act Amendment.

Roads Act Amendment.

Received from the Assembly.

*House adjourned at 11.26 p.m.*

## Legislative Assembly,

*Tuesday, 13th March, 1917.*

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

### QUESTION—WHEAT POOL 1915-16, FURTHER PAYMENT.

Mr. S. STUBBS asked the Minister for Industries: 1, Is it correct, as stated in the *West Australian* of the 6th March, that a further sixpenny dividend on last year's wheat is to be paid in May next? 2, If this is so, will the payment be made free of deduction for charges?

The MINISTER FOR INDUSTRIES replied: 1, The Australian Wheat Board hope that it will be possible to pay a further dividend against the 1915-16 wheat in May next. 2, This matter cannot be decided until the amount of the dividend is known.

### QUESTION—FREMANTLE PRISON WARDERS.

Mr. CARPENTER asked the Honorary Minister: 1, What is the name of the officer who supplied the replies to my questions on the 7th inst. referring to the penalising of prison warders? 2, Did such officer make inquiry as to the accuracy or otherwise of his assertion, viz., that no one had been advised by a medical officer to leave the warders' quarters on the ground of ill-health? If so, of whom did he make such inquiry, and upon whose authority did he make that assertion? 3, Seeing that the reply supplied to the final paragraph of my questions had no necessary connection with the question asked, will he himself state whether the Government intend to penalise seven public servants for objecting to live in a house which only one can occupy?