

we wait. If we have this large tract of country, 1½ million acres in the Esperance district awaiting settlement, why not proceed to settle it as soon as possible? Even if the Bill is passed the settlers may have to wait a considerable time before the line is constructed. The settlers have claims to consideration and the passing of the Bill will give them heart and confidence. At the present time they ought to be in a state of despair, but they are not, they feel that the time will come when Parliament will recognise their claim. I move—

*That the Bill be now read a second time.*

On motion by Hon. J. F. Cullen, debate adjourned.

*House adjourned at 5.55 p.m.*

on the statements of Mr. Mephan Ferguson re pipes purchased in Germany. 3, By-laws under the Water Boards Act for the Derby area.

By the Minister for Works: Balance sheets of the Boya Quarry for the years ended June 30, 1913, and June 30, 1914, together with various departmental reports.

By the Premier: Report of the Auditor General on the accounts of the State Steamship Service.

By Hon. R. H. Underwood (Honorary Minister): 1, Gaols Department Annual Report, 1913. 2, Fisheries Act—(a) Exclusive License Regulations, (b) Draft indenture of exclusive whaling license to Aktieselskabet Australia. 3, Health Act, Food and Drug regulations. 4, Commissioner of Police, report for the year ended June 30, 1914. 5, Report of Proceedings of Registrar of Friendly Societies.

## ASSENT TO BILL.

Message from the Governor received and read assenting to City of Perth Bill.

## Legislative Assembly.

*Tuesday 12th January, 1915.*

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

### PAPERS PRESENTED.

By the Minister for Mines: 1, By-laws under the Metropolitan Water Supply, Sewerage, and Drainage Act. 2, Notes

### QUESTION—FERTILISERS FOR ESPERANCE SETTLERS.

Hon. J. MITCHELL asked the Minister for Lands: 1, Is it not a fact that fertilisers were supplied by the Government to the settlers on the land north of Esperance? 2, If so, what quantity and upon what terms? 3, The number of settlers so supplied? 4, Acreage under cultivation this season (1914)?

The MINISTER FOR LANDS replied: 1, Yes. 2, Quantity—April, 1912: 43 tons 15cwt.; April, 1913: 59 tons 13 cwt. 1qr. 12lbs.; April, 1914: 59 tons 8 cwt. 1qr. 9lbs; total: 162 tons 16cwt. 2qrs. 21lbs.; Terms—Advances for seed and fertiliser to be repaid out of the proceeds of the first year's crop. 3, 44. 4, Area of land under wheat, oats, and barley in the Esperance Statistical District as given at the forecast for the season 1914-15:—Wheat, 3,954 acres; oats, 361 acres; barley, 23 acres; total, 4,338 acres.

### QUESTION—EDUCATION INSPECTORS' SALARIES.

Mr. GRIFFITHS asked the Minister of Education: To what extent have inspectors' salaries been increased and from what date?

The MINISTER FOR EDUCATION replied: There have been no increases since April, 1913. The increased amount of £164 shown on the Estimates is made up as follows:—(a) An inspector took long service leave on half-pay last year. This year he is on full pay all the time. The difference is £120. (b) An amount of £44 is due as arrears in connection with a re-classification dating from 1912. In 1912 the salary of the Chief Inspector was raised from £510 to £552; the salaries of senior inspectors from £504 to £528. The salaries of two other inspectors were raised in 1913—the rises dating from July, 1911—from £456 and £480 to £504, on an appeal for re-classification. This step was taken in order to remove, at any rate in part, a long-standing anomaly by which an officer suffered financially in being promoted from a teachership to an inspectorship.

### QUESTION—LAND SELECTED, REDUCTION OF PRICE.

Mr. E. B. JOHNSTON asked the Minister for Lands: When will the reduction in the price of lands selected since the 1st January, 1910, promised by the Premier in his policy speech, be carried into effect?

The MINISTER FOR LANDS replied: The matter is now receiving consideration with a view to introducing a Bill during the present session, providing for the reduction of prices and extension of term of conditional purchase leases.

### QUESTION—POSTPONEMENT OF DEBTS ACT, ROYAL COMMISSION.

Mr. E. B. JOHNSTON asked the Premier: 1, Have the Government yet given the promised consideration to the question of appointing a Royal Commission

under "The Postponement of Debts Act, 1914"? 2, When will the Commission be appointed? 3, Are the Government aware that many hundreds of worthy settlers, who are suffering from the effects of this year's drought, have promissory notes falling due on the 1st February next, for amounts due for machinery, artificial manures, etc. 4, As the settlers are unable to meet these payments, will the Government relieve them from oppression by having a moratorium declared before 1st February next? 5, If not, why not?

The PREMIER replied: 1, Yes. 2, No decision has yet been arrived at. 3, Yes. 4 and 5, Answered by No. 2.

### QUESTION — EXPEDITIONARY FORCES AND STATE EMPLOYEES.

Mr. E. B. JOHNSTON asked the Premier: 1, Are the Government aware that Associated Banks established in Western Australia are giving those employees who join the expeditionary forces either six or twelve months' leave of absence on full pay, or else paying them the difference between their usual and their military pay? 2, Are the Government aware that in New South Wales State employees who volunteer are paid the difference between their military and State pay? 3, Since the State should be a fair employer, will the Government give to their employees who have volunteered at least similar consideration to that granted in New South Wales? 4, If not, why not?

The PREMIER replied: 1, No. 2, Yes. 3, No. 4, When the matter of payment to be made to the Government servants who volunteered for service with the Expeditionary Force was first raised for consideration, I was invited to attend a Premiers' Conference in the Eastern States in order that the matter might be arranged on a basis which would be satisfactory to the Commonwealth and all the States. Through unduly short notice I was unable to attend this conference, but I advised the Prime Minister by wire that this State would fall into line with any general arrangement arrived at by the

conference. In due time I was advised of the arrangements made and agreed to between the Commonwealth and the States, and after laying the matter before Cabinet, I wired our concurrence. Subsequently I was advised that New South Wales had broken away from the arrangement, and when attending the conference of Premiers in Melbourne in November I inquired the reason of this, and was advised that while the Premier of New South Wales was absent from the State the Acting Premier of that State had made a public pronouncement to the effect that the difference between the military and State pay would be allowed. This pronouncement having been made, the New South Wales Government felt obliged to honour the promise it contained, although it was at variance with the arrangement arrived at by the Conference of Premiers. The matter was subsequently discussed by the last Premiers' conference, and it was unanimously decided that notwithstanding the action taken by New South Wales, the original decision arrived at by the Conference of Premiers should stand.

#### QUESTION — YILLIMINING-KONDIN RAILWAY.

Mr. E. B. JOHNSTON asked the Minister for Works: When will the Yillimining-Kondinin railway be handed over to the Working Railways Department?

The MINISTER FOR WORKS replied: The completion of this railway has been delayed owing to the shortage of telephone materials for the telephone line, deliveries of which have been postponed by the war.

#### QUESTION — JOYCE BROTHERS' PROSECUTION.

Mr. HEITMANN (for Mr. Price) asked the Minister for Lands: 1, Is he aware that in the recent prosecution of Joyce Bros. the case was adjourned for the production of two witnesses from Albany, and although one of the proposed witnesses was in Perth for the purpose

of giving evidence, the department failed to call him? 2, Is he satisfied as to the manner in which the case was conducted by the Crown prosecutor?

The MINISTER FOR LANDS replied: 1, It is understood that it became unnecessary to call witnesses, as the facts that were to be deposed to were admitted. 2, There are apparently no grounds for dissatisfaction as to the conduct of the case by the Crown Prosecutor.

#### QUESTION — MILITARY CENSORS AND STATE SERVICE.

Mr. FOLEY asked the Premier: 1, Are any of the censors employed in the State public service? 2, Are they drawing their ordinary pay as well as securing extra remuneration from the Commonwealth Government? 3, Seeing that we have many unemployed, will he relieve those gentlemen from State service whilst they are in receipt of such a high salary from the Commonwealth Government?

The PREMIER replied: 1, No. 2, See answer to No. 1. 3, Answered by No. 2.

#### QUESTION — PIPE MANUFACTURE, AUSTRALIAN AND GERMAN.

Mr. TAYLOR asked the Minister for Mines: 1, Has his attention been called to an alleged interview with Mr. Mephan Ferguson? 2, Are all, or any, and if so, which of the following statements made therein correct:—No. 1.—That the late Minister for Works purchased pipes in Germany? No. 2.—That the pipes manufactured by Mr. Ferguson are preferable to the German pipes, and that the price is about equal, and slightly in favour of Mr. Ferguson? No. 3.—That Mr. Ferguson could have supplied his pipes long before the pipes were required? No. 4.—That most of the German pipes are now lying unused at Sawyers' Valley, and are deteriorating by oxidisation and rust?

The MINISTER FOR MINES replied: 1, Yes. 2, No. 1 incorrect, but a tender was accepted in Perth for pipes of German manufacture. This, of course, was long before there was any knowledge

of an impending war. No. 2 incorrect. The imported pipes were very much cheaper. No. 3 incorrect, and the early delivery of the imported pipe was of vital importance. No. 4 incorrect. The early arrival of the imported pipes (within two months of acceptance of tender) enabled 6,216 feet of them to be used immediately on delivery, on the urgent work or replacing the badly encrusted pipes between No. 2 Pumping Station and Sawyers' Valley. The remainder of the pipes, 9,688 feet, are in stock ready for immediate use as occasion may require. The condition of the 30in. main generally is such that the principal engineer, prior to purchase of these pipes, considered the position to be one of active and immediate danger, owing to the shortage or reserve stock of pipes for emergency use. The pipes still in stock are not deteriorating by oxidation and rust. The coating naturally will suffer, and certain of the pipes may, as usually happens with reserve stocks, require re-coating, but no injury to the metal is being sustained. In order to make the matter more explicit than is possible when replying to a question, I desire to read a brief statement covering the facts of the transaction. It is as follows:—

At the end of July, 1913, Cabinet approved of the purchase of 16,000 feet of 30-in. pipes. This was on the urgent recommendation of the principal engineer, who specially emphasised the necessity for prompt action. Tenders were advertised on 7/8/13 with closing date 21/8/13, subsequently extended to 28/8/13. Five tenders were received, and consideration was reduced to two, namely those from Mephan Ferguson and Strelitz Bros. In the course of his report on these tenders the principal engineer stated—"Strelitz's pipe has more metal, being 5/16-in. thick as against 1/4-in. in Ferguson's. In jointing Ferguson's pipe requires two rings and caulking for each. The extra lead and labour for this is equal to about 6d. per ft. addition, making 19s. 6d. In other words, Strelitz's pipe saves 6d. per foot in lead and caulking, plus maintenance on one joint. This

maintenance would be a big item in a long length of pipes. Strelitz's pipe is 17s. 6d. per foot as against Ferguson's 19s. (plus 6d.). That is £14,000 as against £15,000. Socket of Strelitz's pipe makes a first class joint, superior to the locking bar. Strelitz's time for delivery is 2,000 feet in 10 weeks, balance in fortnightly deliveries extending over 18 weeks. Ferguson's time for delivery is six months. Pipes are wanted urgently. In this case delivery is as important as price. On class of pipe, price, and delivery I recommend Strelitz's tender at 17s. 6d. per foot." Summarised, the following points in favour of Strelitz's pipes were emphasised in the engineer's report:—Price is 11 per cent. cheaper; metal is 1-16in. thicker; delivery more than 1½ months earlier; piping less costly to lay and maintain. This recommendation came before the Minister on 3/9/13, and on 4/9/13 the Minister minuted as follows:—"I approve of acceptance of Strelitz Bros' tender as in my opinion time of delivery is the important feature, so kindly see that there is no misunderstanding on this point. Local manufacture has special claim, but I question whether we should go beyond 10 per cent., and again, the contract is so small that we would be pressed to give additional work on completion of this." The Tender Board approved on 18/9/13, and acceptance was issued to Strelitz Bros. on 19/9/13. On 9/2/14 the principal engineer certified that the contract had been completed according to conditions specified. Early in September the representative of Mephan Ferguson approached the Minister and was referred by him to the principal engineer. They met and discussed the question on 13/9/13. In reporting on this discussion the principal engineer stated that—(a) He was informed the pipe-making plant could be transferred from Melbourne and re-erected in three or four months, but the formal tender was for six months delivery. (b) The plant would cost about £30,000 and a suggestion was held out that in the event of departmental manufacture be-

ing later on the State would purchase the plant. (c) There was a suggestion that price for any future contracts might be reduced, but nothing was definite. (d) The value of the extra metal in Strelitz's pipe, which is 25 per cent. thicker, may be taken as approximately 4s. per foot, which, added to difference in price, makes about 6s. per foot in favour of the Strelitz pipe. (e) The jointing is 11s. cheaper, equal to 5d. per foot, and total difference in value may be taken as about 6s. 6d. per foot, or £1,716 per mile. (f) New pipes are required as soon as it is possible to get them. Verbal promises or wires as to deliveries cannot be taken as binding. (g) My recommendation is to accept tender for imported pipes at once as pipes are urgently required. The engineers are doubtful whether the full quantity of water required can be delivered at Kalgoorlie this coming summer. (h) This should be sufficient to cause the Government to support the engineers in their endeavours to keep the water running. Local manufacture is not being opposed, but we have a first class pipe offered at £1,716 per mile cheaper than the tender for local manufacture. (i) It would be unfair to make an arrangement with Ferguson at this stage, because—(1) Other firms would tender for local manufacture; (2) The locking bar pipe is not the best on the market. The extra thickness of the imported pipes gives them more than an advantage in length of useful life, for the reason that the rate of corrosion decreases as the depth of same increases. The early arrival of imported pipes (within two months of acceptance of tender) enabled 6,216 feet to be used in Dec., 1913, and Jan., 1914, in the urgent work of replacing the badly encrusted pipes between No. 2 pumping station and Sawyers' Valley. The total length of imported pipes purchased was 15,988 feet. Of these, 6,216 feet have been taken into use, 9,688 are stored at Sawyers' Valley, and 84 feet are along the pipe track. The coating on the pipes stored at Sawyers' Valley is suffering from ex-

posure to the weather, and it will be necessary to recoat them before laying or repair the coating from time to time as may be found necessary whilst they are stored, in the same way as it has been found necessary to repair the spare locking bar pipes that have been lying along the pipe track for the past 14 years. Although the coating of spare pipes is invariably damaged by exposure to the weather, yet the metal in such pipes has in no case suffered any appreciable deterioration, even after 14 years' exposure. In the case of pipes kept in reserve, as these are, damage to the coating is inevitable, and was expected, and it was fully anticipated that recoating would have to be done when pipes drawn from the reserve stock are taken into use. If Mr. Ferguson's tender had been accepted, none of the pipes supplied by him would have been used so far, owing to later delivery. All of them would still be in stock and would require the same attention as regards recoating, etc., as is now required by the spare pipes on hand. The imported pipes were purchased primarily for holding as a reserve stock against emergency requirements, the condition of the 30-in. main generally being such that the principal engineer, prior to the purchase of these pipes, considered the position to be one of active and immediate danger, owing to shortage of reserve stock.

I move—

*That this statement do lie upon the Table of the House.*

Question passed.

## BILLS (2) RETURNED FROM THE COUNCIL.

- 1, Supply, £668,270.
- 2, Wagin-Kukerin Railway Extension.

## BILL — LOCAL OPTION VOTE CONTINUANCE.

Received from the Council and read a first time.

## BILL—INDUSTRIES ASSISTANCE.

*Message.*

Message from the Governor received and read recommending the Bill.

*Second reading.*

The MINISTER FOR LANDS (Hon. W. D. Johnson—Guildford) [4.56] in moving the second reading said: I desire to point out that this Bill has been framed and presented with the object of putting on a practical and business basis the assistance which it has become necessary to render in the agricultural districts to our settlers who unfortunately have suffered through the recent drought, and also to render assistance to those who are working in our mining and other industries whose business has been disorganised and whose product it is impossible to market owing to the unfortunate war. The Bill is called the Industries Assistance Bill and specially mentions agriculture and mining. These two industries are particularly specified because we look upon them as our principal industries, but I do not desire members to be under the impression that it is the Government's intention to limit assistance to these particular industries. It is proposed to render assistance to all industries which may suffer in consequence of the drought, or more particularly in consequence of the war. It will be remembered that immediately after the war broke out the market for copper, lead and tin particularly became absolutely closed, and as a result the tin mines at Greenbushes were closed down, and this caused a disorganisation of trade and business in that locality, and threw quite a number of workers on the unemployed market. Again, the Minister for Mines experienced difficulty in regard to the lead mines in the North-West and the copper mines in other parts of the State. Quite recently we had a long discussion in this House in regard to the position of the pearl shell industry, and it was urged that the Government should go to the rescue of that industry and assist those engaged in it

to survive the troublous times through which they were passing.

Mr. Green: That is not all.

The MINISTER FOR LANDS: No; I mention these industries to show that the Bill is not limited to one or two. The desire is to give the Government full power to assist all industries which are deserving and are justified in approaching the Government for assistance at the present juncture. The Bill will enable us to advance that assistance and to obtain some security in return for the assistance given. We have no power to-day to legally advance assistance to any industry. It is true that, generally speaking, we have been able to assist the agricultural industry by other means than those provided in the Agricultural Bank Act, and it is also true that we have granted assistance to the mining industry and to the pearling industry, but it must be borne in mind that we have done this without any legislative enactment which enabled us to do it in a practical and business way, and with some guarantee to Parliament and the State that the assistance had been rendered on a business basis, and that when things again became normal and conditions were more flourishing the finances of the State would be recouped.

Mr. Heitmann: What about the Mining Development Act?

The MINISTER FOR LANDS: I expected an interjection of that kind. Members might assume that we are able, under the Mining Development Act, to render assistance to those in trouble in consequence of the disorganisation of trade. But that is not so. The Mining Development Act is limited and does not give power to render the assistance that we have rendered and are rendering and possibly shall render in the future. While it is true in speaking of the other industries than agricultural, that the assistance has been rendered necessary owing to the war, that does not apply to the agricultural industry. The assistance to the agricultural industry is rendered necessary by reason of the unfortunate drought which has been experienced

right throughout the whole of Australia. Possibly it is just as well to emphasise this point because there are some people who are prone to think that the drought has been limited to Western Australia. I am aware that in Western Australia, farming has gone a little too far east. We have to bear in mind that where we have got down to bedrock in Western Australia we compare more than favourably with the older settled portions of Australia. When speaking of the drought we speak of the Australian drought and the Western Australian experience has been no greater than that experienced in the other States of the Commonwealth. Then again while I point out that the assistance to the agricultural industry has not been rendered necessary by the war; as a matter of fact if there had been a normal season, the war would no doubt have been of advantage, because the prices of products would have increased enormously. Taking the prices of the products that we usually send overseas, the prices would have been considerably higher if we had such a season as we had in 1912-13. If we had such a season, Western Australia would have been in a very happy position to-day. It is just as well to point out that those settlers who are suffering to-day are unfortunately mainly those who started farming in an active way during the years 1909-10. Those farmers have had no opportunity of gaining some little profit from their operations during the good or normal seasons we had prior to 1910. We find on investigating matters that those farmers who had a run of three or four normal years prior to the year 1910 have got through fairly well. There was a profit in farming prior to the year 1910 and owing to that settlers were able to put aside a little to tide them over the bad seasons which we have since had. But a great number of settlers went on the land in the years 1909-10 and they had no opportunity of gaining any profits from their operations during the normal seasons, or good seasons if you will, that were experienced before the bad seasons recently. Then again, those settlers were also beginning to feel

the increased burdens placed on them by the increased price of land, which took effect prior to 1911. Owing to the altered conditions, sixpence per acre was paid on land for three years and then the increased price up to £1 or 25s. per acre has had to be paid, with the result that the land rent has been a great burden to those who have taken up land. Then again we have to bear in mind that a large number of settlers went on the land in the years which I have mentioned, in what I may claim as the land boom years of Western Australia.

Mr. O'Loughlen: Who made them?

The MINISTER FOR LANDS: It is just as well to get these facts on record, that it is not the fault of the land, but the administration in some cases and in other cases the inexperience of settlers. In my opinion the possibilities of agriculture in Western Australia was boomed unnecessarily, with the result that quite a number of people were encouraged to go on to the areas in the eastern districts without money and experience. The man who had experience and no money very often got through because he had the experience and started the right way. He was able to go to the Agricultural Bank and get money and spend it in such a way as to get good results. But unfortunately we had a number of settlers who were encouraged to go on the land because they were told that in Western Australia farming was so simple that it did not require a great deal of experience, and little or no money was necessary. The result was that people flocked on the land and the little capital they had was paid in application fees for the land and the first year or two's rent, then the crops owing to the dry seasons were not as good as we would have liked them to be, with the result that those settlers had a particularly bad time. I want to be absolutely fair, and to point out that we are all very wise after the event. It is quite possible that had we been in the Lands Department at the time that the increased price was imposed on the land, we may have been encouraged to do the same as was done, because we know there was a land boom and people were rush-

ing the land. There were the cautious individuals who said we were overdoing it, but we are now talking after the event and we all know a lot after the experience; but we may not have been wiser than other individuals if we had been in the same position as they were at the time. We have to admit, that in a number of cases—too many cases—men went on the land and took their wives and families with them without experience and without money; and we see to-day that those people have suffered but we have to recognise now that in many cases some of those settlers are absolutely the best we have. They have bought their experience, and it is distinctly unwise to say to those who have battled through and bought their experience, "We have done with you, you must stand down and somebody else must take your place," and it may be that the somebody else who takes the man's place will not do as well as the man who was previously there. We have introduced this Bill because the settlers on the land to-day with the experience they have gone through are an asset to the State, and we desire to render assistance to keep them on the land to enable them to overcome their difficulties and make up leeway. That was exactly the same reason that influenced the Government to go to the rescue of the settlers in 1911. In 1911, that was possibly the first time the drought had any serious effect on farming operations in Western Australia, the Government were faced with the problem just as we are faced with it to-day. Unless we render assistance it is impossible for the settlers to remain on their holdings. Feeling as we do to-day that we have good settlers, the Government then decided to assist those settlers to get their crops in, the result was not sufficient to enable them to repay the Government for the advances made. The farmers to-day are saddled with the liabilities of 1911 or a portion of them, and they will now be saddled with the liability which we propose to make if the Bill becomes law. The Government did not wait for this Bill to start the organisation for the purpose of helping our farmers. We have rendered assist-

ance already. The Government immediately realised the difficulty that would be facing our farmers owing to the drought of last year, and my predecessor, Mr. Bath, made a recommendation to Cabinet to come to the assistance of the farmers, and the Farmers' Assistance Board was created and has been working ever since, providing food or rather guaranteeing the storekeepers to give food to the settlers and supplying fodder to those who are keeping their horses on their holdings. The board has also been assisting others to take their horses from the place where there is no feed to places where they will have an opportunity of feeding their animals and the board is also rendering assistance in making arrangements for fertilisers and seed wheat. The Bill proposes to confirm the appointment of that board and the duties of that board up to the time of the passage of the Bill, so that the Bill is retrospective so far as that is concerned. The operations of the Bill will only apply to those cases in which assistance is rendered. I want to emphasise that point because later on it will be seen that we intend to take a first mortgage over the agricultural holding of the individuals, but only to take the first mortgage from the man who receives assistance from us. We do not interfere with the farmer who gets assistance from other financial institutions. If a farmer applies to the Farmers' Assistance Board for relief and states that he has a mortgage to another institution, the board can apply to the institution to see if they are prepared to allow the Government to carry the farmer over, and if so the Government will assist, but the Government must have a first mortgage. It is not likely that any financial institution will say, "We will not help him and you shall not." I cannot realise how any institution would take up such an attitude, for they have security on the farmer to-day. If we take the farmer off the land, the farm becomes of little or no value and it becomes the property of the Crown, and the financial institution will have nothing to realise upon; but if a financial institution allows us to render assistance to enable the farmer to get in another crop and we take from that crop



what it cost to put in that crop, the financial institution will have the surplus, and it is to the advantage of the financial institution to allow us to continue to keep the farmer on the land so that ultimately he will be able to overcome his difficulties. But, of course, I want to make it perfectly clear that the Government could never see their way to advance money unless they can get the first mortgage. We must get a full mortgage over the crop which we render possible by our advance.

Mr. James Gardiner: Plus an additional security over the land.

The MINISTER FOR LANDS: No. We take the first mortgage on the whole of the agricultural property.

Mr. S. Stubbs: And a lien on the crop as well.

The MINISTER FOR LANDS: That, of course, includes a lien. However, I shall deal with that phase of the question later. As I was proceeding to say when interrupted by interjections, we are limiting the Bill to those cases where we do render assistance. If we do not render assistance, the Bill does not apply; but if we do render assistance, the Bill applies automatically.

Mr. Heitmann: We want a Bill that can get over those difficulties.

The MINISTER FOR LANDS: I do not agree with the hon. member interjecting. I do not see any difficulty.

Mr. Heitmann: I know of a case of a man who was refused assistance by the Agricultural Bank, and also refused assistance by the mortgagee.

The MINISTER FOR LANDS: The hon. member does not understand the question. The hon. member is referring to a case where a man applied to the Agricultural Bank for assistance. This measure, however, has no reference whatever to the Agricultural Bank.

Mr. James Gardiner: You will find the hon. member is right. Settlers have been refused help by the Assistance Board as well.

The MINISTER FOR LANDS: Let me say, then, that I do not wish hon. members to gather from this measure that the Government are going to help everyone who comes to them for assistance. As a

matter of fact, I have had before me two or three cases that I have said must be turned down. In some cases it is utterly impossible to carry the settler on: indeed, it would be an injustice to the individual and his family to attempt to carry him on, to continue him on a holding of which he cannot possibly make a success. I do not wish it to be gathered from this measure that we are going to advance to everyone who applies. We will advance to everyone where we think there is a reasonable prospect of Government assistance leading to ultimate success.

Mr. Hickmott: To put it shortly, you will give no assistance unless you get a first mortgage.

The MINISTER FOR LANDS: That is absolutely it. If you take the first mortgage provision out of the Bill, there is no Bill.

Hon. J. D. Connolly: Is that a first mortgage over the land as well as over the crop?

The MINISTER FOR LANDS: Yes.

Hon. J. D. Connolly: So, if you advance a bag of seed wheat, you want a mortgage over the land.

The MINISTER FOR LANDS: The hon. member must bear with me for a while. We take the first lien over the crop, but we provide how the proceeds of the crop are to be distributed. For example, having got a first mortgage we then provide by this Bill that the Colonial Treasurer shall have the first claim. He exercises his right of first mortgagee to recoup himself the interest on the money he has advanced. Then he takes, secondly, payment for the seed wheat or other cereals, fertilisers, hay, chaff, implements, machinery, live stock, flour, or other commodities, which he may have advanced for this year's crop. In other words, the Government take from the proceeds of the first crop, after the first mortgagee, the Colonial Treasurer, has exercised his right of obtaining payment of interest—and of course that must be paid—the amount which the Government have advanced in order to make the crop possible. After that, the Government share with the rest of the creditors. The Third Schedule provides how the remainder of the proceeds shall be distributed.

Mr. James Gardiner: You are practically taking a first mortgage over the property, and then you make the interest due to the private first mortgagee the third consideration.

The MINISTER FOR LANDS: Yes. The hon. member shakes his head, but I wish to point out that the Third Schedule was arrived at by conference between the Seed Wheat Board and the Chambers of Commerce. When we were financing settlers in 1911 through the Seed Wheat Board, as is well known to hon. members, the Government worked in, to a very large extent, with the Chambers of Commerce. It was then agreed between the Chambers of Commerce and the Seed Wheat Board that the proceeds of the crop should be distributed on the lines set forth in the Third Schedule. I cannot say that that is exactly provided in the Third Schedule, but I understand that such is the arrangement agreed to between the Chambers of Commerce and the Seed Wheat Board in 1911.

Mr. James Gardiner: That is practically telling the first mortgagee that he must wait until you have paid the machinery man and the current year's rates and taxes.

The MINISTER FOR LANDS: But if the private mortgagee is prepared to carry on a settler to whom he has advanced money, the Government do not interfere. Where, however, a man comes to the Government and says "Save me from disaster"—and that is practically what it means—it is only fair that the Government should receive that which they have advanced in order to enable the farming to be continued.

Mr. James Gardiner: The question would be the relative importance of the machinery as against the land.

The MINISTER FOR LANDS: That is a matter which we can discuss in Committee, but personally I think a fair basis has been arrived at. Still, the point is open to argument; and if any unfairness is shown to be liable to result from the Third Schedule, no doubt the Government will give the matter further consideration. I wish to assure hon. members that I think the Third Schedule represents what was agreed to between the Seed

Wheat Board and the Chambers of Commerce.

Hon. J. Mitchell: The Chambers of Commerce would be the unsecured creditor, then? That is, virtually?

The MINISTER FOR LANDS: There is no difference in the security at all. Again, after having satisfied the interest and the advance as provided by Sub-clauses (a) and (b) of Clause 9, the Colonial Treasurer then comes in, as provided by Clause 22, and as set forth in detail by the Third Schedule. Having satisfied those claims, we go on to deal with the remainder of the crop, as is outlined in the financial proposals of the Bill. Before coming to that aspect of the matter, however, I wish to draw attention to the fact that we have tried to keep down costs in connection with this business as far as possible. We have provided for a simple form of acknowledgment on the part of settlers receiving assistance. Such a settler simply acknowledges his liability, and that acknowledgment automatically becomes a mortgage or a bill of sale. There is no payment of fees or stamp duty, or anything of that kind. The plan works automatically, the acknowledgment becoming a mortgage; and thus the settler is free from all those costs which appertain to the registration of an ordinary mortgage—stamp duties and so forth.

Mr. James Gardiner: The simplicity is quite a relief.

The MINISTER FOR LANDS: Again, it is provided that in lieu of registration under the Bills of Sale Act a register shall be kept at the Agricultural Department open for public inspection. In other words, the Government will place every settler's advance on record, and anyone interested can ascertain at the Agricultural Department how any settler stands. By this means the complication and expense of registration under the Bills of Sale Act will be avoided. These special provisions, of course, apply only to the agricultural industry. Any advances made by the Minister for Mines will be secured in the ordinary way. I do not wish to convey that the Government are going to

make the mining industry pay full fees for registration and so on; but hon. members will recognise that it is not possible to arrange matters in connection with the mining industry as simply as in connection with the agricultural industry. However, in each case the desire of the Government will be to keep down costs, as compared with those surrounding an ordinary mortgage.

Mr. Male: How about the pearling industry?

The MINISTER FOR LANDS: That is exactly in the same position. The pearling industry is receiving consideration. I think I am justified in mentioning that only yesterday the Government gave the position of the pearling industry lengthy consideration, on a report submitted by the Honorary Minister (Hon. R. H. Underwood). We propose to assist the pearling industry on a given basis. I can assure the hon. member that the matter has not been lost sight of, and I think I may say that the Honorary Minister has gone closely into the question, and that his report has met with the general approval of the Government. Thus it will be recognised that we have not lost sight of the interests of the pearling industry. In the course of a few days hon. members will know exactly what the Government propose to do.

Mr. A. A. Wilson: How about the timber industry?

Mr. Gilchrist: Are you assisting the pastoralists as well?

The MINISTER FOR LANDS: The Bill is not limited at all. We will assist any industry which requires assistance and can prove the necessity for assistance. If an industry proves that, then the industry comes under the provisions of the Bill. I have already emphasised that point. Although the Bill specially mentions the agricultural and mining industries, the measure is not limited to those two industries. It is an Industries Assistance Bill, and if the pastoral industry can prove that it requires assistance the Government will give the matter considera-

tion equally with the position of other industries mentioned in the Bill. Provision is made that a minimum rate of 6 per cent. shall be charged on all advances made. It must be borne in mind, however, that this charge of 6 per cent. interest will be more than compensated by the fact that the farmer will be placed on a cash basis, that what he buys through the medium of the Government advance will be bought for cash. His fertilisers, for example, will be a cash transaction. It is true that he will pay 6 per cent. interest on the moneys he spends in fertilisers, but if he bought his fertilisers on credit that would cost him more than 6 per cent. Thus the payment of the 6 per cent. interest will save the farmer a good deal of money in other directions, by placing him on a cash basis. Again, provision is naturally made for re-payment; but the Bill provides that in making demand for re-payment the Colonial Treasurer shall take into consideration the profits made by the person to whom advances have been granted and the returns derived from the land charged with such advances during any season or seasons prior to the making of such a demand. In other words, when the Treasurer makes a demand for a payment he must take into consideration the possibility of the farmer being able to meet the demands. Where the farmer had a good crop, the Treasurer will make a demand in proportion to the crop; if, however, the settler has had no crop at all, then the Treasurer would make no demand, but would simply help the settler again, as is provided in this Bill. Therefore, while the Government will make demand for re-payment and for 6 per cent. interest, the demand for re-payment will be in proportion to the ability of the individual borrower to pay. Next, provision is made for penalties in the case of dishonest practices by settlers. Generally speaking, I do not think the farmer will practise dishonesty; but we have, unfortunately, had one or two such cases, and we accordingly impose penalties where a farmer sells any of the commodities supplied to him or mis-

uses those commodities in any shape or form.

Mr. James Gardiner: You want to protect the honest man.

The MINISTER FOR LANDS: We want to protect the honest man, as the hon. member has said. The financing of the Bill is provided for out of moneys appropriated by Parliament for the purpose. A suspense account is to be created, and re-payment will be credited to the suspense account. From that account interest and sinking fund will be met on the amount of money advanced or appropriated by Parliament, and the remainder can be used for continuing the advances to settlers. For instance, supposing that next year a farmer gets a fairly good crop, the Government will take the proceeds and distribute them, paying off some of his liabilities. As a result of that distribution, the farmer may have no surplus, and then the Government will again come to his rescue. We can continue that assistance under the suspense account until assistance becomes unnecessary. Then, under the provisions of the Bill, the Government will put the Board out of existence and the measure will die, any remaining funds in the suspense account being paid into revenue or loan funds, as the case may be; and thus the whole thing will cease.

Mr. James Gardiner: Do you not see any difficulty in connection with displacing the present mortgagee?

The MINISTER FOR LANDS: That is a matter for the mortgagee to decide. On his application we help him in the first year, and next year the original mortgagee says, "I am prepared to carry him on." In such case we walk out, and the thing goes along. We only help those who come to us for assistance. There will be no desire on the part of the Government to continue assistance if outside financial institutions are prepared to come in. It is pleasing to note that a number of outside financial institutions are helping the settlers, more this year than previously. It will relieve the Government a good deal, and after all I would like to see the settlers independent of the Government; be-

cause we educate the settlers up to a feeling that they are getting the assistance from the Government and that it does not matter much if they do not pay up promptly, whereas the outside institutions keep them up to their task. Altogether I think they are more independent when dealing with outside institutions.

Mr. Willmott: It would be a good idea, then, to allow the sleeper-cutters to sell to private people; it would save the Government the necessity of financing them.

The MINISTER FOR LANDS: We are quite agreeable to allow the sleeper-cutters to cut on Crown lands and sell to private individuals, provided they sell through the State sawmills branch. We object to letting the private sleeper-cutters cut on Crown lands and sell to others; because if they sell to us they demand market rates, whereas they may be prepared to take less than market rates from the private buyer. As long as they will sell strictly at market rates we are agreeable that they should do business with outside firms, but that business must be on a sound basis, because when they sell to outsiders they come into competition with us.

Mr. Willmott: Why not allow them to sell through the district rangers instead of through the State sawmills branch?

The MINISTER FOR LANDS: So long as the Government have a representative to protect them against unfair competition they will be quite agreeable to make provision as the hon. member suggests. We do not want the sleepers for ourselves, provided they are sold at market rates. Another part of the Bill deals with the much discussed question of relief to farmers who have sold their wheat in advance, who have made contracts for the sale of wheat which they cannot now supply. The Bill provides that those contracts shall be deemed to have been made as the result of the proceeds of the individual's crop; in other words, that when he sold the farmer sold wheat which he expected from his own land. There may be cases of speculation, in which the farmer sold, not only what he expected

to grow, but a little more which he expected to buy from his neighbours; but, for the purpose of putting this on a proper basis, we state that the sale made by the individual shall be deemed to have been a sale of the proceeds of his own crop. Then we go on to say we are prepared to grant relief to those who cannot fulfil their contracts, provided they go to a resident magistrate and prove their inability to comply with the contracts. Provision is made that on one applying for relief to a resident magistrate, that official shall notify the other party to the contract and hear the application in public, so that both sides shall be called upon to make their case. The magistrate will then determine whether the settler shall be wholly or partly relieved, and in deciding what proportion of the contract shall be fulfilled he must take into consideration the settler's seed wheat and personal requirements. If the settler has a surplus the magistrate can say that that surplus shall go to fulfil a portion of the contract.

Mr. James Gardiner: If he can fulfil his contract in full out of that he has to do it.

The MINISTER FOR LANDS: Yes, or, in other words, he has to fulfil in proportion to his ability to do so, having first satisfied his own requirements.

Mr. Heitmann: There may be some who have had the wheat but sold it at an enhanced price.

The MINISTER FOR LANDS: It is a dishonest action and they are liable to prosecution for it. In order that these contracts may not drag on and be indefinitely held over the heads of the farmers, it is provided that applications for relief must be made before the 31st March.

Mr. James Gardiner: Assuming a verdict was given against the applicant and a certain penalty was imposed upon him which he was unable to pay, are you going to assist him in that?

The MINISTER FOR LANDS: No. This is a question of supplying wheat.

Mr. James Gardiner: If he cannot supply his wheat and a penalty is im-

posed upon him which he cannot pay, will you assist him?

The MINISTER FOR LANDS: No, there is no such provision in the Bill. I understood the hon. member to ask whether, in the event of a settler having had the wheat and sold it at an enhanced price, the magistrate would have power to fix the price of the wheat, which he would have to pay.

Mr. James Gardiner: No. Assuming he had not the wheat to supply, and yet the magistrate said, "You will be liable for, say, £50," and he could not pay that?

The MINISTER FOR LANDS: No; it is a question purely of wheat deemed to have come from his own holding. If he has none, he cannot supply. If he has a little over and above his own requirements, the magistrate may require him to partly fulfil his contract, but the magistrate cannot say, "If you have no wheat you must supply money in lieu thereof." If he cannot supply wheat there is no liability.

Mr. Robinson: Suppose the purchaser sold on to another man; is there any provision for such a case?

The MINISTER FOR LANDS: No, under this we are merely relieving the settler.

Mr. Robinson: But if the settler was relieved in such case the purchaser would be in a bad way.

The MINISTER FOR LANDS: It was generally considered that we have no power as a State to protect those outside.

Mr. Robinson: But it might be handled twice within the State.

The MINISTER FOR LANDS: The hon. member can raise that question in Committee, when we will consider it. Our desire is to relieve the settlers. I do not think we should take cognisance of gambling in wheat. I have not a great deal of sympathy with such cases. I have heard of cases of people buying in this State and selling in the Eastern States. That is legitimate, but I do not regard as altogether legitimate the buying of wheat in this State and the re-selling of it within our own boundaries.

However, the matter can be raised in Committee and if it can be shown that we should give some relief to those who have passed the wheat on, the matter will receive consideration. I have dealt with the Bill and outlined its principal features. To a large extent it is a machinery Bill concerning a matter of vital importance to the State and to settlers, while it means a great deal to the merchants also. While we are helping the settler, we also wish to do justice to those who have helped the settler in the past. The storekeeper, the merchant and the machinery agent have each played an important part in the development of our agricultural industry. We can never forget the assistance rendered by the storekeepers and the great burden they are carrying to-day. Of course they are carrying it by virtue of the sympathy of merchants; but they have done a great deal to develop our agricultural industry, and in presenting the Bill the Government have tried to recognise the value of what those people have done. Under the Bill we will be carrying the settler along and improving his condition, and extending the assets that can be realised by the other creditors when we have the proceeds of the crop. Moreover, we are putting the farming community on a cash basis for the next year. That means a great deal to the merchant. We have endeavoured to see justice done to the State and fair consideration given to all those who deserve it for the assistance they have rendered in the past.

Mr. James Gardiner: You purpose constituting a board of three members. Do you propose that the present board should carry out the functions?

The MINISTER FOR LANDS: That is so.

Mr. James Gardiner: But there are only two of them, I think.

The MINISTER FOR LANDS: I think there is a third. However, if provision is made for three, it is desirable we should have three. I submit the Bill to the consideration of hon. members. I do not think it will occasion a great deal of discussion, although of course

there is a lot of detail which will require attention in Committee. I am quite sure hon. members will realise that it has been framed in a fair spirit and with a desire to keep the settlers on their holdings, and at the same time give consideration to the merchants, while trying generally to maintain the asset we have in our agricultural industry. I move—

*That the Bill be now read a second time.*

On motion by Hon. J. Mitchell, debate adjourned.

## ANNUAL ESTIMATES, 1914-15.

### *In Committee of Supply.*

Debate resumed from the 22nd December on the Treasurer's Financial Statement and on the Annual Estimates; Mr. Holman in the Chair.

Vote—*His Excellency the Governor*, £1,750:

Hon. FRANK WILSON (Sussex) [5.46]: I could have wished that the Government had ordered the weather to break, so that we might have considered this important Budget of the Treasurer's in a cooler atmosphere and under more congenial circumstances.

Hon. R. H. Underwood (Honorary Minister): The weather has broken up North.

Hon. FRANK WILSON: I commend the brevity of the Treasurer in delivering his Budget. His speech was on similar lines to that of His Excellency the Governor on the occasion of the opening of Parliament. I shall endeavour to confine my remarks to the four corners of the Budget's deliverance, and the Estimates themselves. I can understand that the Treasurer is anxious to get over his work in connection with the Budget as early as possible, because we must come to the conclusion that it certainly is a statement of finances which no Treasurer would care to have the responsibility of delivering. I agree with the Treasurer that it is no time for idle sentiment or carping criticism, and I want to say at once that

I shall endeavour to keep clear of either of these factors during the debate. I do not think that anything in the nature of ill-natured fault-finding has ever been a characteristic of mine in this House. It would be out of place at all times and more so at this particular juncture. If I have been guilty of such a thing in the past, it has been unintentional. The Treasurer has mentioned that we have to face the effects of the war. We have to face the effects of the war and of the exceptional drought which has extended not only throughout Western Australia, but generally, more or less, right throughout the Eastern States. The effects of the war will intensify as this year passes along, and certainly the effects of the drought which is now upon us will be more fully felt each day. I at once admit that I do not envy the Treasurer his enormous responsibilities with regard to the finances of the State. He knows full well that, so far as is compatible with the position that I hold in this House, I should be quite willing to render him any assistance in the arduous work he has to perform. It is, however, impossible for any two men, especially when those men are guided by different political thought and opinion, to handle the finances of any big concern, or any State. The responsibilities must rest upon one pair of shoulders. No doubt my friend opposite is broad enough in most respects, and I presume will be able to carry his financial load, together with the other burdens that he is staggering under. I appreciate the remarks that the Treasurer let fall with regard to the Under Treasurer's exceptional responsibilities—I am referring to the present Under Treasurer, Mr. Black. Undoubtedly he has a hard row to hoe, and as Controller General of Accounts—a very proper appointment, so that he may have a thorough grasp of departmental accountancy right throughout the Government departments—I realise that he will have a most difficult and arduous position to fill during the next year or two. On previous occasions I have paid my tribute to the late Under Treasurer, Mr. Eliot, who for 50 years has done faithful service for the State. May I simply state, with

other hon. members in this Committee, that I hope he may enjoy many years of well earned rest in return for the services he has rendered, a lifetime service, to the State of Western Australia. I have no intention to-night of dwelling on the statements which have fallen from the Premier from time to time when delivering his Budgets, or even prior to that, when he occupied the position of leader of the Opposition. We know that he prophesied, for instance, or that he believed, that the policy of the Labour party was one which would save the people from financial disaster. I do not wish to dwell upon that statement, nor to point to the many promises which he made to practice the strictest of economy in administration. Nor shall I draw any attention further than I am doing to the many warnings which have fallen from the Opposition benches, but which, unfortunately, have been like water poured upon sand. It is hard to realise the terrible trouble that the Empire is passing through just now. It is, perhaps, more difficult for us to realise than the people who are residing nearer the seat of war. The results of the war no man can tell. We do know, however, that it has brought terrible suffering, which undoubtedly, as the Treasurer has mentioned, it is very difficult to estimate, and it is up to us to endeavour, as far as possible, to concentrate our thoughts from time to time upon the intense struggle which is going on in Europe, and the countless happenings in which we are so deeply interested, and which involve every portion of the British Empire. A communication which I have recently received from the north-east coast of the Motherland, which has suffered a bombardment to some extent at the hands of the German fleet, goes to show that our brethren of the Motherland are determined to see this matter out. My informant writes that the people go about with set faces, grimly determined to defeat the Germans at any cost of life and money, and that, notwithstanding the loss of tens of thousands of lives already in this war, there is still no mourning in the country. People who have lost their relatives and their dearest friends in bat-

He are still not mourning their loss, but are simply imbued with the determination to see the matter through to the end. This shows the spirit of an awakened Empire. We want to dwell more upon the troubles which we are engaged in in this war than upon party differences in Western Australia. We ought to feel that, as a State of the Commonwealth, we are proud to take our humble part in maintaining the prestige of the British Empire, determined also to see the war through to a successful conclusion. To return briefly to the figures which have been presented to us, I do not intend to detain the House long in reviewing the position as it appeals to me. I want at once to concede to the Treasurer all the credit that is due to him for being able to produce an accumulated deficit of £446,000 in round figures, and bring it within a few hundred pounds of the amount he estimated it would stand at when he delivered his Budget last year. Against that, however, in regard to the estimated deficit it has to be remembered that both the revenue and expenditure were under-estimated to the tune of £187,000. He evidently derided on this occasion the old adage and cut his garment according to his cloth, as he derided it when in Opposition, and so he cut down his expenditure, and rightly so, that he might be able to bring out figures almost exactly on a line with those which he previously prophesied. The pity of the position is this, that in order to effect that creditable result there is a sum of £142,000 which represents a saving of expenditure upon public works and buildings. That will be seen in return No. 1 as presented with the Estimates. If hon. members will look into the items they will see that we have unfortunately had practically to starve our schools, our hospitals, our police stations, some of the last named being particularly required in the North-West, to bring about that result.

The Premier: If what we have given is regarded by you now as starvation, I do not know what you would call a feast.

Hon. FRANK WILSON: Will the Premier look at the figures. If the hon.

gentleman will keep quiet he will have an opportunity of refuting them, but he always wants to argue the point before I have been able to make my statement. I counsel a little patience on his part. Let us take a typical instance. On page 112 of the Estimates we see that last year school buildings were voted something like £31,000, which was to be expended. We spent, however, a little over £4,000 only. We can quite understand why the late member for Geraldton complained with regard to the accommodation provided at the school in that town. When we couple that with the figures we can see at once that, even with all the increased expenditure in that great Education Department over which the Attorney General is proud to preside, it has not been provided with the facilities which we voted for it last year, and so to that extent has this creditable result been brought about.

Mr. Heitmann: What is the creditable result you speak of?

Hon. FRANK WILSON: We have a small item, the Kalgoorlie hospital, in connection with which there was a sum of £600 for a children's ward which was not expended out of the vote. Provision was also made for the Marble Bar hospital water supply, but the vote (£135) was not expended.

Hon. R. H. Underwood (Honorary Minister): Because the ratepayers would not have it.

Hon. FRANK WILSON: Then there were additions to assisted hospitals, for which £1,000 was voted for necessary expenditure, but of which not more than about half was actually expended. For new police stations, quarters and additions, which I have referred to as having been required in the North-West, we see that the sum of £3,800 was voted to be expended in that direction but actually only £737 was expended. On that return it will be noticed that on the Educational Vote generally we saved some £15,000, which includes £5,000 for salaries.

Mr. Heitmann: Has not that always been the practice?

Hon. FRANK WILSON: The practice has never been, so far as my ex-



perience goes, to starve the requirements of the country for the purpose of reducing our deficit. I said at the onset that I am not going to pass outside the four corners of the Treasurer's speech and the Estimates, therefore I am not going to be led off the track by interjections of hon. members as to what happened half a decade ago.

The Premier: It is well that you should forget it, perhaps.

Hon. FRANK WILSON: The Premier has quite sufficient to remember. If he wants some more he can have it all.

The Premier: I can get it all by looking up *Hansard*.

Hon. FRANK WILSON: That would have been very nice reading for the Premier over the Christmas holidays. A thousand pounds in secondary school scholarships was saved, for the expenditure on which we voted, £5,530, but of this only about four thousand was expended. In our Lands Department I find that there was a saving in expenditure of a sum of £8,000, particularly in regard to the items on surveys, for which we voted £12,500, and expended £7,190. In connection with this matter, although on first appearances, of course, it brings home the lesson that the surveys of our lands are falling off, and that, therefore, we are not providing for settlement, I quite admit that at the present juncture, having regard to the position in which the Government find themselves this year, they might not improperly ease off their surveys; because, for one thing, of the exceptional drought that we are undergoing.

The Premier: It would have been much better if some of the surveys made in the past had never been made.

Hon. FRANK WILSON: I do not know that that is so. The Premier has to prove that. He is fond of making assertions.

The Premier: It is correct.

Hon. FRANK WILSON: I think it would be a good thing if the hon. gentleman would turn up the maps he has had surveyed since he took office. He will find that they are much further east of

the rainfall area than any surveyed in my time.

Mr. Munsie: And a good deal farther south.

Hon. FRANK WILSON: And a good deal farther east.

Mr. Munsie: Esperance is farther south, and it has a good rainfall.

Hon. FRANK WILSON: The Auditor General's report, which the Premier mentioned as being available to hon. members, is full of interesting information, and makes some comment on this question. The Auditor General points out that the provisions of the Act have not been carried out with regard to surveys; that is, to recoup expenditure from Loan Funds in forty half-yearly instalments, as laid down in the Land Act Amendment Act, 1909.

The Premier: You yourself were responsible for the introduction of the Bill, and you made no provision for recouping the money.

Hon. FRANK WILSON: The Premier is making a wrong statement.

The Premier: I am not.

Hon. FRANK WILSON: Parliament was responsible for passing the Bill, and the Premier is responsible for ignoring it. The hon. gentleman should read the Auditor General's report—

The Land Act Amendment Act of 1909 provides that all expenditure from Loan Funds on preparing land for the purpose of sale shall be charged to the Consolidated Revenue Fund in forty half-yearly instalments, and paid to the Trust Fund at the Treasury. Last year it was reported that there was a considerable shortage in the amount that should have been drawn from the Revenue Fund and transferred to Trust. For the year under review the amount on the Estimates (£10,000) was transferred. This sum, however, would not be sufficient to meet the current year's contribution apart from any arrears at the commencement. The provision of the Act, therefore, in respect to the establishment of the Land Improvement Loan Fund, has not been complied with.

We could not have anything more emphatic than that comment of the Auditor General. Then the Auditor General goes on to point out that there is an amount of over £54,000 lying to the credit of the Fund not earning interest.

Hon. R. H. Underwood (Honorary Minister): Did you pay much attention to his comments when you were Treasurer?

Hon. FRANK WILSON: I paid every attention to them, and observed them to the letter.

The Premier: How about the arrears? I refused to pay arrears which you left behind.

Hon. FRANK WILSON: Arrears since 1911. The Auditor General's reports show that all our transactions were carried out properly. The arrears have accumulated since 1911, and the Premier ought to know that if he does not know it. The point of this is that although the deficit has been accurately forecasted by the Treasurer the country has not got the works for which Parliament made provision. The money has gone, but the works have not materialised. That is the position, as any hon. member can see for himself. We may, with the Treasurer, take credit for the fact that he has accurately forecasted his deficit; but we cannot, with the Treasurer, take credit for having been supplied with the works which are so necessary to the well-being of our people. Next, let me draw attention to what page 8 of the Auditor General's report has to say on the question of the deficit. The Auditor General makes a startling statement with regard to items on the Consolidated Revenue Account not having been charged up, and he points out that they ought to have been charged up, being applicable to the Consolidated Revenue Fund. He says—

Although the figures making up the deficit are in accordance with the Treasury books, there are items which have not been charged against the Consolidated Revenue Fund although applicable thereto, and credits have been made which, in the opinion of the Auditor General, cannot be regarded as

legitimate receipts on account of the Fund. Further reference to these matters will be found under the appropriate headings.

Then, again, we have a statement made by the Auditor General which I say, with all due regard for the Premier's feelings, the hon. gentleman ought to take into consideration with a view to adjusting matters. The statement made is that there are items which ought to be charged to Consolidated Revenue, but which are also charged up.

The Premier: That is only the Auditor General's opinion, after all. The Under Treasurer was of opinion that the items had been properly charged.

Hon. FRANK WILSON: No.

The Premier: I say, yes.

Hon. FRANK WILSON: On the following page the Auditor General instances sums aggregating £45,000 taken in as revenue and not in order. That means that the Treasurer has taken credit for revenue, although the cash has not come into the Treasury. This is not as it ought to be. Then, if the Premier will turn to page 26 he will find a list amounting to £136,000 under "Outstanding Advances," of which a large proportion would increase the deficit, so the Auditor General says.

The Premier: We disagree on the matter; that is all.

Hon. FRANK WILSON: These accounts ought to be adjusted, at any rate to some extent, in the direction which the Auditor General has suggested.

The Premier: We do not agree; that is all.

Hon. FRANK WILSON: I am pointing out where the Premier is wrong. He must please himself as to what action he takes.

The Premier: It is only a matter of opinion. The Under Treasurer says it is correct.

Hon. FRANK WILSON: According to the Auditor General there are amounts totalling £136,000 of which a large proportion should have been debited to General Revenue.

The Premier: In his opinion.

Hon. FRANK WILSON: In his opinion; and that would have increased the deficit. There is one little item in this schedule, "Insurance on Motor Cars, £294," carried forward. I mention this merely to show that even a small item like that is carried forward. The Premier himself may not have known of this; but his officers ought to have known of it, and the hon. gentleman should give them a rap over the knuckles for it.

The Premier: I would not like to give my officers a rap over the knuckles every time the Auditor General finds fault. It would be very unfair.

Hon. FRANK WILSON: The Premier had better do some rapping; otherwise he will find himself getting into a mess with his finances. That item is on page 36.

The Premier: The Auditor General is no more infallible than any other public officer is.

Hon. FRANK WILSON: I think we have got into a bad habit of trying to unload our responsibilities on public officers. The Auditor General is a servant of Parliament, and we have a right to take notice of his reports.

Hon. R. H. Underwood (Honorary Minister): The Auditor General is wrong.

Hon. FRANK WILSON: Possibly he may be wrong.

Hon. R. H. Underwood (Honorary Minister): In many cases he is wrong.

Hon. FRANK WILSON: I say the Honorary Minister knows nothing at all about the subject. He has not even read the report. If we take all these figures into consideration with the report of the Auditor General, it goes to show that the deficit at the end of June last might easily have been £100,000 greater than shown; that is, if these items which should have been debited to Consolidated Revenue Account had been so debited.

The Premier: The Auditor General is only a critic. He is not the man who has to take the responsibility; that man is the Under Treasurer. The Auditor General has never given much help yet.

Hon. FRANK WILSON: I think he has.

The Premier: I say he has not.

Hon. FRANK WILSON: I know there was a fair amount of friction between the Auditor General and the departments because he wanted the departments to straighten out their financial messes. The Premier ought not to encourage the friction. He ought to endeavour to bring the Auditor General and the departments together, so that the differences might be discussed, and some measure of adjustment be arrived at.

The Premier: There is no occasion for them to come together. If the Auditor General finds anything going wrong, he should bring it under notice at once.

Hon. FRANK WILSON: He does.

The Premier: He does not do that.

Hon. FRANK WILSON: There is any amount of bringing under notice here in the Auditor General's report. Although it may not have reached the Premier, it must have gone to the Under Treasurer; and if it did not reach the Treasurer himself, that is the fault of the Under Treasurer.

The Premier: Everything that comes into the department comes before me.

Hon. FRANK WILSON: There are moneys taken to credit of Consolidated Revenue which had not actually been received by the Treasurer. Then there are items charged up against "Advance Account" which ought to have been charged up against Consolidated Revenue, but were not so charged. They are large sums, taken in the aggregate; and these facts go to show that our financial position is not accurately stated, that we have not got that full and true and accurate statement of accounts which the member for Irwin (Mr. James Gardiner) pleaded to the Premier, a few nights ago, to give us when bringing down the Budget.

The Premier: This is criticism of the accounts of the Under Treasurer, who carries the responsibility. The Under Treasurer has not an opportunity of putting his side of the case.

Hon. FRANK WILSON: The Under Treasurer gets the opportunity when the Treasurer replies. What is the use of having a statement which may be £100,000 out one way or the other? And yet this

is the only conclusion one can draw from the report of the Auditor General. There are sufficient items criticised in the Auditor General's report to affect our financial standing by, at any rate, £100,000, if not more, one way or the other. I do not wish to apply offensive terms, although offensive terms have often been applied to my financial statements in years gone by. I know that the Premier himself is not conversant with every detail of these items, by any means. His authority would be obtained for some of the items, but the bulk of them he would never see. Therefore I shall not accuse the hon. gentleman, as I was accused by him on one occasion, of issuing instructions to "fake" the accounts. But I am justified, I think, in asking that the Premier should take the report of the Auditor General into very careful consideration. I do not suppose he has had time yet to read it, certainly not to digest it.

*Sitting suspended from 6.13 to 7.30 p.m.*

Hon. FRANK WILSON: In regard to loan funds and loan expenditure as outlined by the Premier, we shall have another opportunity of discussing the details when the Loan Estimates come down. In the meantime it is necessary, I think, that members should take into consideration the enormous amount provided each year for the payment of interest and sinking fund. This year we are spending over a million and a half, which is equivalent to something like £5 per head of the population. The interest bill alone will be about £4 per head of the population. When we compare this with the neighbouring States, we find that Victoria's amount is 31s. per head of the population, while in Queensland—a State which is pretty well analogous to Western Australia—the amount is 46s. per head of the population. Our figures, therefore, give us food for serious thought.

The Premier: It is not a fair comparison.

Hon. FRANK WILSON: I admit Western Australia is larger in extent, and that it is more sparsely populated, while we have greater demands made upon the

Government than is the case in the neighbouring State of Queensland.

The Premier: Take the direction in which the money is expended.

Hon. FRANK WILSON: Queensland's expenditure is exactly the same as ours.

The Premier: Not on harbours and water supplies.

Hon. FRANK WILSON: It is exactly the same as ours.

The Premier: Oh, no.

Hon. FRANK WILSON: Yes, on railways, harbours, and water supplies.

The Premier: No, no.

Hon. FRANK WILSON: Queensland has gone through exactly the same period.

The Premier: Oh, no; those works are under boards.

Hon. FRANK WILSON: When the hon. gentleman has finished saying "No, no" we shall get on.

The Premier: Do not fall into the position of decrying your State wrongly.

Hon. FRANK WILSON: I am not doing anything of the kind; I am only asking hon. members to give serious consideration to the position of our loan indebtedness to-day, and to the fact that we have to spend something like £5 per head of the population to pay interest and sinking fund, whereas in Queensland the amount is only 46s. per head.

Hon. R. H. Underwood (Honorary Minister): We are only carrying out what you authorised.

Hon. FRANK WILSON: Hon. members have not done that; I wish they had. They are still attempting to carry out the programme which ought to have been finished years ago. Anyhow, the position is one for serious consideration to-night, and I am asking hon. members to give it that consideration. Since 1911, when hon. members opposite assumed control of the affairs of the country, the indebtedness per head has increased from £73 10s. to £94 11s. We ought, therefore, to stop and consider the position. Even if we do deduct the working capital of the Agricultural Bank, which the Premier has justly to some extent, asked us to deduct, as well as the amount he has expended on workers' homes—half a million—we still have the enormous increase in the indebtedness

of the State of £15 per head of the population in three years.

The Premier: If you make a comparison with any of the other States you must exclude water supplies, harbour improvements, and sewerage.

The Minister for Mines: In quoting Victoria just now—

Hon. FRANK WILSON: I mentioned more specifically Queensland.

Mr. James Gardiner: Queensland spent on harbours and rivers £2,100,000.

Hon. FRANK WILSON: All their works have been carried out by Government departments, hence my observation that we are passing through a period which Queensland passed through many years ago. She may since have transferred some of her liabilities to trusts and bodies of that description. At any rate, our position is such that we are entitled to take it into serious consideration. During the three years preceding 1911 we increased the indebtedness of the State from £72 to £73 10s. per head. Yet immediately we get a change of Government away we go and increase the indebtedness by £15 per head, deducting the capital of the Agricultural Bank and the amount spent on workers' homes.

Hon. R. H. Underwood (Honorary Minister): Are you opposed to loans?

Hon. FRANK WILSON: The hon. member knows I am not, but his party are. He ought to study his platform. If he did do so, he would find that his party disowned it.

Hon. R. H. Underwood (Honorary Minister): You seem to disown yours, too.

The Premier: This year we shall be called upon to provide an expenditure of £2 10s. per head merely to assist the farming community.

Hon. FRANK WILSON: I daresay, and the hon. member will have to find £1 per head of the population to cover his deficit, which is another very serious matter. I am just pointing out that it is easy enough for any Treasurer to give a list showing how money has been expended, but the question is whether it has been wisely expended, and whether the State has had a proper return for that expenditure. A big loan expenditure

does not guarantee full employment for the people, and the figures with regard to unemployment in Western Australia prove that conclusively. The latest returns show that we have a percentage of unemployed much greater than in the Eastern States.

The Premier: That is not correct.

Hon. FRANK WILSON: A report dated the 31st March last showed that our percentage was 8.2, that of New South Wales 6.4, and of the Commonwealth 5.9.

The Premier: Those are union returns.

Hon. FRANK WILSON: They are returns given by Knibbs, the Commonwealth Statistician. We cannot get away from the figures, notwithstanding the fact that we have so many State enterprises. The way to make a place prosperous is not to establish State enterprises, and go in for a large loan expenditure on them; the only true way to make a country prosperous is to make the individual citizens prosperous by giving them the opportunity of obtaining legitimate assistance in every walk of life.

Mr. Thomas: How much of the ten millions was absorbed in those enterprises?

Hon. FRANK WILSON: A good £600,000.

Mr. Thomas: That is only a fraction.

Hon. FRANK WILSON: At any rate when the Loan Estimates are brought down I shall appeal to the Minister for Works to provide us with accurate returns of the costs of construction. Let us have the costs of the construction of the new railways, and the cost up to date of the other large undertakings, for instance, the power house and plant at East Perth and harbour extensions, which I believe have been started in some parts of the State, but of which we know very little. We want to know what they have cost up to date, and the estimated balances to complete them. In addition, I would like to see the plans of these undertakings placed on the walls of the Chamber, so that we

might know exactly what the Government propose to carry out. We hear rumours, and we get a little information from the member for Bunbury, in regard to the extension of the harbour at that port. It leaks out here and there, but we do not know exactly what it is that the Government intend to carry out. We are entitled to know, and I hope the Minister for Works will supply us with the information. The Premier, in speaking in regard to his loan transactions in London, and talking about the investment of some surplus loan funds in the hands of the Agent General, pointed out that £160,000 had been lent temporarily to the Government of Victoria at three per cent. That is a very easy way of investing for a short time money in the hands of the Agent General, but he went on to say that the next speculation which had taken place was in regard to stock which had been purchased and then re-sold, and that a profit of some 10½ per cent. had been gained thereby. I interjected in order to get to the bottom of the whole thing, as to whether this had been done on the authority of the Agent General, or whether the Premier had been consulted. The Premier admitted that he had been consulted. I characterise this speculation as a doubtful policy. Indeed I do not think it is covered by any authority we have in this State. The Auditor General has referred to it in his report, and asked for the authority for the transaction. I hope, in addition to our trading enterprises which are all more or less speculative, that we are not going to add stock-jobbing to the list.

The Premier: You understand that the money would have been lying idle.

Hon. FRANK WILSON: All moneys raised are trust moneys, and they are to be expended in strict accordance with the schedules of the Bills authorising the raising of those loans. To advance temporarily might be characterised as a legitimate investment for the time being, but to speculate on the rise or fall of the market, even with our own stocks, is wrong.

The Premier: We are in a different position from the other States, because

we may dispose of most of our sinking fund.

Hon. FRANK WILSON: You have to dispose of it at the market value. If we speculate on the rise or fall of our own stocks with money raised from the British money lender for a specific purpose, why should we not speculate with British Consols, or stocks of foreign countries, and why not speculate in railways and in other companies stocks? It seems to me it is a transaction that ought not to meet with the commendation of the Premier, and ought not to have been authorised. For the sake of making a small profit we ought not to run the risk of making a loss.

The Premier: The State could not make a loss.

Hon. FRANK WILSON: Of course the State could; if the stocks decline and you have bought at a higher price you make a loss.

The Premier: But if the sinking fund trustees purchased, would not the State get the benefit?

Hon. FRANK WILSON: No. You will have lost the difference, and it will not matter who gets the benefit. The Premier in other words referred to the collapse of the note system. That did not come as a matter of surprise, because we all realised that the issue of paper money was limited by the capacity of the public to absorb. I can congratulate the Premier on having secured from the Commonwealth £3,100,000 at 4 per cent.

The Premier: I never asserted that.

Hon. FRANK WILSON: It was in your speech.

The Premier: No.

Hon. FRANK WILSON: I took it from your speech. The hon. member had better look it up. It is fortunate for Western Australia that under existing circumstances we have been able to make arrangements through the Treasurer for this money from the Commonwealth, and although I have been opposed to any restriction in regard to borrowing on the part of Western Australia I cannot but think that it was reasonable for him to give the undertaking that Western Australia would not borrow for a period of

twelve months on receipt of this £3,100,000. Of course the position can be reviewed at the end of twelve months, and in the meantime the hon. member has certain latitude in regard to Treasury bills. But it must be remembered that although we have £3,100,000 to expend that is all we are likely to get for the next twelve months. We have grave commitments to meet, and large loan expenditure to face in many directions. It is a question again of the wise expenditure of this loan money to bring something back to the State. The assistance of farmers, of course, carries a certain amount of risk, but it is a risk which we ought to be prepared to undertake. Even if it comes to £2 10s. per head of the population, Parliament will not be slow to agree to it and take the risk of a good harvest from which to recoup the outlay.

The Premier: Nor will you be slow twelve months hence in criticising the extra debt.

Hon. FRANK WILSON: I shall never be slow to criticise, but I hope my criticism will always be fair. Up to the present the Premier has not had this expenditure to face. The enormous amount of money he has borrowed has gone, and it is this new loan which he will have to apply to the assistance of the farmers.

The Premier: They are only getting half a million of it—I am speaking of past expenditure.

Hon. FRANK WILSON: Let me turn to the Estimates of revenue expenditure for 1914-15. Without going into details, these figures, together with our loan indebtedness, which is ever increasing, undoubtedly show that we are drifting perilously near the danger zone. The outstanding feature of the Estimates of revenue expenditure is the enormous deficit which the Treasurer expects we shall have to face in June next, representing an increase for the year of £340,000, or over £1 per head of population. It is an enormous increase, and every effort on the part of the Treasurer, and of hon. members as far as they can assist him will be required to reduce it. There is not much comfort to be derived from the Premier's statement that he has £400,000, due to the

Government by the citizens of the State for deferred payments of rent, interest, and Agricultural Bank loans to set off against the deficit. In the first place he cannot set off Agricultural Bank loans against the deficit, because they are a debit against loan funds.

The Premier: But the interest on them.

Hon. FRANK WILSON: No, the Premier said that £400,000 was to be set off against the deficit. He cannot set off that amount against the deficit.

The Premier: I have not. I said the interest was to be set off.

Hon. FRANK WILSON: No. Here are the Premier's words—

It is well to remember that a sum approaching £400,000 is due to the Government by the citizens of the State for deferred payments of rent, interest, and Agricultural Bank loans.

The Premier: No. Interest on Agricultural Bank loans.

Hon. FRANK WILSON: No. "Deferred payments of rent, comma, interest, comma, and Agricultural Bank loans."

The Premier: I did not say "comma" at all.

Hon. FRANK WILSON: Has the hon. gentleman got £400,000 due as interest on Agricultural Bank loans?

The Premier: No. I was asserting that £400,000 was owing to revenue by the farming community.

Hon. FRANK WILSON: For what?

The Premier: Partly for interest on Agricultural Bank loans.

Hon. FRANK WILSON: To what extent?

The Premier: Agricultural Bank interest, £69,000.

Hon. FRANK WILSON: That is not £400,000.

The Premier: No, but rents amount to £200,000.

Hon. FRANK WILSON: No, the Auditor General tells us that outstanding on account of conditional purchase instalments and rents amount to only £110,000, an increase of £31,000 on last year.

The Premier: That was at June 30th last.

Hon. FRANK WILSON: That is what we are talking about. You give the result of last year's transactions as up to 30th June; then you give the rest of the year we are entering upon. It refers to the figures we are dealing with.

The Premier: No, I said that of our present deficit £400,000 was owing by the citizens.

Hon. FRANK WILSON: Then the Premier has mixed up his figures. The Auditor General tells us that outstandings on account of conditional purchase instalments and rents amount to only £110,000. That is to say, only an increase of £31,000 on last year.

The Premier: What is that an evidence of?

Hon. FRANK WILSON: That we are not so far to leeward as the Premier would have us believe.

The Premier: No, that they have had the accommodation of £80,000 which we should have received.

Hon. FRANK WILSON: Are they not charged interest?

The Premier: No.

Hon. FRANK WILSON: Well they should be. You ought to show the true position. It ought all to be charged up. Do not let us hide our true position from ourselves. Let us debit the interest, even if we have to remit it subsequently. However, the deficit stands at £900,000. The question is, can we hope to get this deficit of to-day back by the end of June next to even the figure submitted by the Treasurer. The six months' figures are not reassuring, and I confess I see very little probability of getting the estimated revenue of £5,307,000, or £102,000 more than last year. The Estimates are again intensely complicated by the inclusion of trading concerns other than State monopolies such as the Railways. By the figures given no one can tell how the trading concerns are going to pan out through the year. We ought to have a clear indication of the estimated results of our trading concerns for the year. The saw-mills, the steamers, and the implement works account for about £500,000 of estimated revenue; yet the six months'

revenue collected by these State enterprises amounted to only £211,000. Here, then, is a probability of a considerable shortage. Of course we can deal with that more fully later on. In the meantime effect should be given to the Auditor General's recommendation that steps should be taken to prevent the intermingling of the transactions of the trading concerns with those of the Loan and Revenue funds of the State. Undoubtedly they should be kept separate and distinct in order to avoid confusion of the Estimates. The Trading Concerns Act contemplates such a system, Section 5 providing that all moneys appropriated by Parliament for the capital expenditure of a trading concern shall be paid to the credit of an account to be kept in the Treasury. This has never been done, and therefore we have the unfortunate position that we start huge trading concerns, and they are financed by the Treasurer, no interest being accounted for, either as against an overdraft or as against a surplus. The system is wrong, and the Premier should see if he cannot bring it more in accordance with the Act. If we turn to Railways, the biggest item of revenue on these new Estimates, we find it is estimated that we shall receive £2,319,000, or within £63,000 of last year's revenue. The month of December shows a falling-off of £17,000, although I admit that the returns for the six months are within £5,000 of those of the corresponding six months of last year. This is perhaps due to some extent to the increased fares and freights which were imposed, and which returned £44,000 from January to the end of June. During the short time they were imposed, the Railway Department collected that sum as the result of the increases; and in passing, I might remind the Committee that the bulk, or a large proportion of this, has been paid by the very people we set out to assist and about whom there has been so much talk, namely the farmers and settlers. They have to pay the greater portion of this £40,000.

The Premier: The hon. member for Northam said it would not affect them at all.



Hon. FRANK WILSON: He did not say anything of the sort.

The Premier: He did.

Hon. FRANK WILSON: The Premier ought not to make such statements.

The Premier: He asserted that the taking off of that toll would assist merely the timber companies, and not the farmers.

Hon. J. Mitchell: Nothing of the sort. I said it would largely assist the timber companies.

Hon. FRANK WILSON: The terminal charges amount to £14,500. It is quite true that a good proportion of this sum comes from the timber companies. Especially is this so on the line from Wonneurup to Nannup, but the figures have often been given, and it has been shown that the farmers and settlers have to pay it on all the branch lines. The fertiliser rate, which was reimposed, brought in £19,500 in about two months, and the special concessions for livestock for breeding purposes, and agricultural machinery in truck loads, make a difference of some £1,300.

The Premier: When?

Hon. FRANK WILSON: From January to May, the different periods when these rates were reimposed. It can be found in the report of the Commissioner of Railways, page 6.

Mr. Thomson: The farmers are paying 80 per cent. of the increase.

Hon. FRANK WILSON: Yes, about £35,000 out of the £44,000, is being paid by the farmers.

The Premier: According to the member for Katanning, they are not paying, but we are.

Hon. FRANK WILSON: The Premier himself is not paying anything. The State may be providing some of the money, but seeing that the Agricultural Bank has refused to make its payments for many months past, I do not see how the State has assisted the farmers.

The Minister for Lands: That is incorrect, as you know. It is typical of you.

Hon. FRANK WILSON: It is absolutely true.

The Premier: It is not correct.

Hon. FRANK WILSON: It is absolutely true. The Premier knows that the Agricultural Bank, in accordance with his instructions, repudiated the payments which were due for improvements done.

The Premier: We did nothing of the kind.

Hon. FRANK WILSON: The Government got hard up in July, and suspended payments on the certificates by one half.

The Premier: That is absolutely incorrect.

Hon. FRANK WILSON: Did the bank make the payments?

The Premier: Never mind; you said we repudiated the payments.

Hon. FRANK WILSON: If I give a cheque for a certain sum, and then say I will pay only half the amount, that is a repudiation. The bank gave certificates for certain sums of money, and such certificates were as good as cheques. To give grounds for my contention that the revenue of the Railway Department—our greatest revenue earning department—has been over-estimated, and I can only take an outside view of it, let us consider these two items. Last year we carried over our railway system 410,000 tons of wheat, hay, straw, and chaff, which represented something like 13 per cent. of the whole of our railway traffic, and earned £205,000 in revenue. How much of that will we get this year? Members who represent farming constituencies must know that we cannot get anything like the return we got last year; in fact I think we shall be lucky if we get 25 per cent.

The Minister for Mines: That will be compensated for to some extent by the carriage of sleepers and rails for the Trans-Australian railway.

Hon. FRANK WILSON: The point is, how much will we get? If we obtain £50,000 we shall be lucky. In view of the limited harvest the large proportion of it will be reserved by the farmers for their own use, and will not be carried over the railways. Last year we carried 750,000 tons of locally grown timber, representing over 24 per cent. of our total traffic earnings, and we earned £300,000. How much of that do we expect to get during

the present year? Even assuming that the average kept up during the last six months, the question still remains, how much can we safely estimate for the next six months? If the average kept up and we earned £150,000 we would still have £150,000 to get from timber traffic in order to make up the £300,000, and we cannot obtain that during the next six months.

The Premier: That is only a difference of opinion.

Hon. FRANK WILSON: I am giving my reasons for the statement I am making.

The Premier: I prefer to take the evidence submitted by the Railway Department.

Hon. FRANK WILSON: The Premier would rather take his own figures.

The Premier: They are not my figures.

Hon. FRANK WILSON: Yes, they are. I have made up Estimates too often not to know that if the Premier did his work thoroughly he would review such figures, and cut them down if necessary.

The Premier: If necessary.

Hon. FRANK WILSON: The Premier is responsible for the figures. These two items alone will probably represent a shortage of something like £200,000 in the railway revenue, and we must also take into consideration that other things must fall off, and the passenger takings will decrease as the year goes on. As the Minister for Mines interjected, the material for the Trans-Australian railway may, to some extent, make good the shortage, but I doubt very much if it will to the whole extent of the shortage of these two items, to say nothing of the shrinkage we may expect in other directions. As an indication that this is the correct view, let us take certain figures, which give a very good idea of general trade in the State, and in regard to which it will be noticed that the Premier or one of his responsible officers has made due provision for an enormous shrinkage. He estimates that stamp duties will total £17,000 less than last year. He anticipates a falling off in general business.

The Premier: That is in regard to land transactions.

Hon. FRANK WILSON: It is largely composed of general business.

The Premier: No, land transactions; the same number of documents is not going through.

Hon. FRANK WILSON: Taking harbour dues, the Premier has provided for £50,000 less revenue than last year. This is a sure barometer of commerce and trade. The income tax is expected to produce something like £7,000 less, although the dividend tax is to be increased by a measure which we are to be asked to pass. On these three items alone, we find a shrinkage of £74,000, and these items provide a general indication of the trade and commerce of the State. Yet, despite that and the figures of the railways I have quoted, the falling off in our produce and timber traffic, we are told we must get it all back, and more, by the traffic resultant on the construction of the Trans-Australian railway. I think I have made my point sufficiently clear, and I will now pass on to trading concerns. Let me say at once that the figures of our trading concerns are not very illuminating.

The Premier: Before you go on—you say you want to be helpful in your criticism—if you really believe what you say, how do you propose to meet the difficulty?

Hon. FRANK WILSON: Let the Premier ask me something easy. I do not want to be offensive or to make personal remarks, but when the ship is drifting on to the rocks, or when the pilot will take a wrong course and put his ship in danger of running on to a lee shore, it is time to change the pilot. If the pilot is changed it will perhaps be possible to save the ship. I did not want to give an answer, but the Premier asked for it.

The Premier: You are unduly severe on the Honorary Minister.

Mr. Heitmann: Will you write a recommendation for yourself? No one else would.

Hon. FRANK WILSON: I would like to write one for the hon. member. Let us now turn attention to the trading con-

cerns. I have said the figures are not illuminating. They are all mixed up with our general estimates of revenue and expenditure in such a haphazard fashion that it is very difficult to draw anything like order out of the chaos. Take the main items, implement works and saw-mills. We have no balance sheets to guide us; we do not know the tradings of these two big undertakings. The revenue last year was woefully short of the estimate; the Premier expected £269,000 and got £115,000. The Premier said the works were not in full swing and that accounted for the shortage. Now he says the works are in full swing, and we are going to make good this shortage and realise the figure he has estimated. The striking point about the implement works is that we are supposed to get £95,000 revenue this year, and yet we are told something over 600 men are being employed day in and day out in order to earn that revenue. Members need to make only a small calculation to find that it will take all the £95,000 of revenue to pay these men.

The Premier: We are showing it on the Estimates "less receipts and expenditure." You have noticed that?

Hon. FRANK WILSON: Yes.

The Premier: I do not want you to miss a point.

Hon. FRANK WILSON: I can assure the Premier I will not miss it, but I want to know how long the Premier intends to go on showing that sort of thing.

The Premier: Three years.

Hon. FRANK WILSON: Then the Premier will find his implement works in the bankruptcy court. The Estimates show an anticipated cash shortage of £16,000; this is without interest or depreciation. If interest and depreciation are added, the total will run up to £25,000 cash shortage on the year's transactions. This may be covered by stock and outstandings, but the point is we ought to provide capital to cover stock and outstandings. If we are going to have a trading concern and pile up stock

and sell reapers and binders and harvesters on extended payments, a certain capital should be provided under the Act and placed to the credit of the works at the Treasury, and interest should be paid or received, as the case might be, on the balance week by week or month by month.

The Premier: That is a very good suggestion.

Hon. FRANK WILSON: These works should be placed on the same footing as a joint stock company or a limited liability company. They ought to produce their balance sheets, and prove their position year in and year out. How long are these works to continue to show a cash deficit? Ever since they started, almost all of them have shown a cash deficit. Some of them have made a small profit, but as a rule there has been a cash deficit, and thus they give a wrong impression and place the Treasurer in a wrong position. What right has he to allow the revenue and expenditure of the State to be concerned in the profit and loss of these undertakings until he has actually earned the money or lost it? It puts the State in a wrong position. How long are the works to continue to show a cash deficit? The Premier said three years. I say, do not let it run any longer; provide the capital to cover stock and outstandings, and take it away from the Estimates for the administration of the State. We are embarking on all sorts of commercial enterprises in connection with the implement works. The Auditor General on page 69 of his report points out that the State is becoming a middleman. We have had the middleman reviled on more than one occasion in this Chamber as one who is an unnecessary incubus in the State, and yet we immediately turn our implement works manager into an agent for American "Acme" binders. The State of Western Australia has become an agent for these binders. We are not content with manufacturing farming implements and employing our own labour in order to provide cheap agricultural machinery for our farmers, but we are actually laying ourselves out as agents

for American machinery of this description.

Mr. Heitmann: The question is whether we are going to give the farmer cheap machinery or not.

Hon. FRANK WILSON: The Government have no power under the legislation of to-day to do this thing, and the Auditor General points out the illegality of it. It is just about time that some strict control was taken over these enterprises, or we shall soon wake up and find that they are taking control of the State and that we are drifting upon financial rocks. The figures for the six months shown by the Treasurer in regard to these implement works indicate that the expenditure is £49,000 and the revenue £29,000, so that we have a shortage of something over £19,000 without any provision for interest or depreciation. Taking the sawmills, we find that we are supposed to get a revenue of £320,000 from them. Our six months receipts amounted to £136,000, leaving a balance of £184,000, which means that there is over £30,000 a month that we have to get from our State sawmills. It is obvious to anyone who is conversant with sawmill operations that the State cannot, even with the works in full swing, turn out that quantity of timber. We cannot get it.

The Premier: There are a thousand hewers cutting down there.

Hon. FRANK WILSON: The Government must look elsewhere. If there are a thousand hewers cutting down there, why are not they shown on the Estimates? The Government must look to their stock. I suppose we have accumulated some stock which has been sent on and included in the figures for the sawmills. I say that the operations in connection with hewn timber ought to be kept entirely separate from those in connection with the sawmills. We should come to some conclusion as to whether we are justified in keeping on these hewers, and whether the Government are entitled to make a profit out of them. The Government are taking something away from the hewers that they have no right to take.

Mr. O'Loghlen: The private employer of course has the right to take it.

Hon. FRANK WILSON: He has the right to take any profit that he makes in dealing with another employer, or with his employees, but the State has no right to prevent a man from selling the result of his labour in open market, and that is what the Government are doing. The Government say to these men, "You shall only work for us as a Government and the State and you shall work at the price that we fix."

The Premier: That is not correct.

Mr. O'Loghlen: They work for whom they like.

Hon. FRANK WILSON: Of course the Government back down and now say that the single men can do as they like although the married men cannot. We know very well they are giving the results of their efforts to the Government and that the Government are going to reap a profit from the labour of a special section of the community.

Mr. O'Loghlen: That is not so.

Hon. FRANK WILSON: The Treasury returns, which are supposed to be sufficiently explicit to give hon. members and the public generally a fair and clear outline as to the State's affairs, do not show the expenditure on the sawmill enterprises of the Government. This expenditure is included under Public Works and Buildings, if you please, and shows the precariousness of State finance. The expenditure on our sawmills, namely, £300,000 if we reach these figures, is wrapped up under Public Works and Buildings. What, may I ask has a transaction in connection with the sawmills got to do with public works and buildings in Western Australia?

The Premier: They are shown differently.

Hon. FRANK WILSON: In the monthly Treasury returns we have got the six months' revenue of £113,000, but we have nothing to show the expenditure as against that revenue, because it is wrapped up in public works and buildings. It should, of course, be kept entirely separate. Each of these undertakings is of sufficient importance to the

State to be kept entirely separate, and here again I ask that we should have separate accounts and separate capital provided so as to keep them from intermingling with the ordinary expenditure and Consolidated Revenue, which go of course towards the administration of the affairs of the State. To show how promiscuous our finances are under the estimates under revenue, let me point out that over a million of our revenue and more of our expenditure are combined under the headings of these enterprises. Twenty per cent. of the total of the revenue is covered by hotels, sawmills, implement works, steamers, brickworks, quarries, meat, cattle and water supplies.

The Premier: Do not forget the fish supplies.

Hon. FRANK WILSON: The estimated shortage under this head is £92,000, and in addition there has to be provided depreciation, and, in some instances, interest. If we take away altogether the water supply, which I admit to some extent is more of a monopoly—it is of course a monopoly and cannot well be classified with the other undertakings—we still have over £600,000 of our revenue and more of the expenditure embodied in these undertakings. We have only to look at the figures contained in these Estimates to show what a parlous position we are in. The figures will show that State hotels—

The Premier: They are paying all right.

Hon. FRANK WILSON: Show a profit, without providing for any depreciation at all, of £6,550. On the State steamers a loss of nearly £17,000 is shown, but there is no amount provided in this sum to account for sinking fund or depreciation. On the implement works of the State there is a loss shown of nearly £20,000.

The Premier: It is not fair to call it a loss.

Hon. FRANK WILSON: I have no desire to be unfair, and I have told the House that outstandings and stocks may account for this; but they are not shown.

The Premier: Call it a cash shortage.

Hon. FRANK WILSON: We will call it a cash shortage. Our implement works show a cash shortage of £19,518, and here again there is no provision for sinking fund or depreciation. Our sawmills show a profit of £10,350, but no sinking fund or depreciation are provided. Our brickworks show an estimated profit of £1,500, but no interest, sinking fund or depreciation are taken into account. The Boya quarries, I see, have made a loss of £500 since they were started two years ago. They show an estimated profit of £330 this year, but again no sinking fund or depreciation is provided.

The Premier: What does that matter?

Hon. FRANK WILSON: The hon. member will see all about that.

The Premier: Then you can show any profit you like and it will make no difference.

Hon. FRANK WILSON: I want to go into the question of the Estimates and to see if we cannot get to the foundation of them.

Mr. Heitmann: You do not understand them.

Hon. FRANK WILSON: The hon. member is not capable of judging.

Mr. Heitmann: You are not in good form.

Hon. FRANK WILSON: I am never in good form so far as the hon. member is concerned. The meat sales and stock sales are to show a loss, if you please, of £2,637 on a turnover of £62,000, but still no interest, sinking fund or depreciation are provided. Water supplies show a loss of £72,000, though, of course, if we exclude these—

The Premier: Why "of course"?

Hon. FRANK WILSON: Because the Goldfields Water Scheme is included and it has always shown a loss.

The Premier: Then, on the same basis, the other trading concerns have shown a handsome profit.

Hon. FRANK WILSON: It has always shown a loss when interest has been debited against it.

Mr. Robinson: The Government have renewed pipes already.

The Premier: Are you not old enough to know that we do not provide new pipes out of sinking fund?

Hon. FRANK WILSON: Under water supplies, interest is provided to the amount of £151,000, and sinking fund, £89,000. Under these headings there is a total loss of £92,000 on the estimate as framed, and if we take away the £72,000 loss on the water supply, we still have £20,000, which is apparently swelling the deficit and which is to be charged up against the revenue of the State. That is the position. In addition, there has to be paid sinking fund or depreciation, and, in some instances, interest. This is not fair to the Treasurer himself or to the general public. It is not fair that we should appear to be in that position even if we are not in it. We want accurate and full estimates such that anyone can understand who has a fair knowledge of figures. But I maintain that we have not got such full and accurate estimates.

The Premier: I have shown against each item the amount of interest and sinking fund charged, and this has never been shown before. I can only show the figures on a cash basis.

Hon. FRANK WILSON: The Premier has not even shown the interest.

The Premier: I have.

Hon. FRANK WILSON: Not in every instance.

The Premier: I have, wherever it can be given.

Hon. FRANK WILSON: That is, I suppose a new policy, inaugurated since the Premier took office.

Mr. O'Loughlen: You had State sawmills when you took office.

Hon. FRANK WILSON: Not at all.

Mr. O'Loughlen: You established them.

Hon. FRANK WILSON: We had a sawmill as an adjunct to the Railway Department, just the same as the Government have a sawmill up at Midland Junction in connection with the workshops.

Mr. O'Loughlen: Did you not have sawmills competing against private firms?

Hon. FRANK WILSON: We had sawmills just as the Government have at

the implement works, for the purpose of cutting the timber required there.

The Premier: Did you not have refrigerating works?

Hon. FRANK WILSON: We had refrigerating works.

The Premier: Did you show the allocation of the interest and sinking fund?

Hon. FRANK WILSON: No.

The Premier: Did you have a rabbit-proof fence?

Hon. FRANK WILSON: Yes.

The Premier: Did you show the allocation of interest and sinking fund there?

Hon. FRANK WILSON: I am talking about the State trading concerns.

Mr. O'Loughlen: And I am talking about the two sawmills you had competing against other firms.

Hon. FRANK WILSON: There is a vast difference between a State monopoly and trading concerns which are entering into competition with the citizens of the State and the markets of the world.

The Premier: What about the public batteries? Are they trading concerns in opposition to private firms?

Hon. FRANK WILSON: Yes. Why were they not included in the State Trading Concerns Act? They were put in with the other trading concerns in the Act, but cancelled immediately afterwards.

Hon. J. D. Connolly: The State battery system was for the development of mining and is not a trading concern.

Hon. FRANK WILSON: If we take away the loss of £72,000 on water supply we still have a loss of some £20,000 on these concerns. The goldfields loss is £69,768, according to the Estimates submitted. It has been increased rapidly year by year. We got it down to some £26,000 in our last year of office.

Mr. McDowall: The goldfields are keeping the whole State.

Hon. FRANK WILSON: Here the loss, instead of decreasing, is increasing. It is up to £70,000. It used to be £90,000. We got it down to £26,000. Now, however, it is rapidly drifting back to the old position. The metropolitan water supply and sewerage has nothing whatever to do with the State, being a service rendered specially to the citi-

zens of our metropolitan area. That service, however, is brought into Consolidated Revenue, and it shows a loss of £2,695. The hon. gentleman purposely brought metropolitan water supply and sewerage into Consolidated Revenue, although it is a service rendered to special citizens who ought to stand the loss, or get the profit from it, as the case may be.

The Premier: They have not a right to it.

Hon. FRANK WILSON: Why have they not a right to it?

The Premier: Because the general community has found the money.

Hon. FRANK WILSON: No.

The Premier: Have they not?

Hon. FRANK WILSON: No. When the Premier started to tinker with the figures and rearrange his stock, he brought that item into Consolidated Revenue; but up to the time when he took office, the citizens had been borrowing the money on their own bonds from the Savings Bank. Here we have a loss on metropolitan water supply and sewerage of £2,695. It would be just as bad if it were a profit on the other side. It has nothing whatever to do with the revenue and expenditure of the State, and it ought not to be there.

The Premier: It is going to be there while we are here, anyhow.

Hon. FRANK WILSON: I think the Premier will ultimately bow to the inevitable. On the report of his Minister for Lands he declared emphatically that he would not erect freezing works at Wyndham. Not he! Freezing works were not wanted at Wyndham! For three years we battled for them as the salvation of our stock industry; but no, the Government would not put freezing works at Wyndham because it was unnecessary. And yet to-day the Government have come round, having discovered their error. The Premier has given an undertaking that freezing works will be erected at Wyndham.

The Premier: Well, why do you not give me credit for that?

Hon. FRANK WILSON: I am giving the hon. gentleman credit for it. The

Government have adopted, as a first plank of their policy, what they derided when it was advocated by us. Therefore the Premier must not say that this item of metropolitan water supply and sewerage will be there as long as he is there, so far as these accounts are concerned. In another 12 months' time he will find circumstances will compel him to make the alteration which I am asking him to make now with good grace. Then the State steamers are still pursuing their disastrous way and contributing, as I have pointed out, very largely to our parlous financial position. The accounts show—it is a marvellous statement that was placed on the Table—that we have made a loss of something like £40,000 in the two years the steamers have been running. However, we have on this balance sheet an item of £22,813—the loss for the year 1912-13—transferred. Although that amount has been paid out of the Treasurer's current account, yet it has been transferred to something or other and is wiped out and obliterated so far as the State Steamship Service is concerned. I do not know whether this is considered to be the proper sort of balance sheet to place before the public. I think it is not the proper sort. I certainly consider the public ought to be made conversant with the exact position. I do not think we ought to have anything that will in the slightest degree hide the actual results of these concerns, and more especially of the State steamers. We have lost an amount of £22,813 which has been transferred. Where to? I do not know. I cannot find out where it has been transferred to, and even the Auditor General's report does not enlighten me as to where the money has come from, although the report takes exception to the proceeding. Then we have the loss of £17,273 for last year, and an item of £11,785, a Treasurer's "special advance," an item which has been provided to enable the service to pay the bill for the No. 3 survey, amounting to £14,000. So that we have briefly, this position: the steamship service shows a loss of £51,871 for two years, and we have an esti-

mated loss for the present year of about £17,000, to add to that. Thus, £69,000 is absolutely gone, if the figure estimated for the current year is approximately correct, as I presume it to be because it is so near to the results of previous years. Further, there is no interest on a sum of £49,000 advanced by the Treasurer; and the depreciation which has been written off to allow of the achievement of these results is deemed to be insufficient. The Auditor General reports that it is not sufficient, and outside authorities would tell the Premier exactly the same thing.

The Premier: Who is the outside authority that said so?

Hon. FRANK WILSON: Any ship-owner, any man brought up in the shipping industry, will tell the Premier the same thing if the hon. gentleman will only inquire.

The Premier: I do not think they know, or the Auditor General either, if he said so.

Hon. FRANK WILSON: The Premier is giving 20 years' life to his vessels, and he cannot get it out of them.

The Premier: The "Western Australia" is in better condition to-day than she was when we bought her.

Hon. FRANK WILSON: Then, for Heaven's sake, let the Premier get rid of her! How long are we to go on with the losses? The State has, in fact, lost the value of those steamers already.

The Premier: You may wake up some day and get a shock to find we have bought two others.

Hon. FRANK WILSON: I wake up every morning to a shock. However, there is the position; and surely it is not a laughing matter, but one that we ought to consider seriously. Are we to continue running these steamers at an annual loss of anything up to £20,000? No man in his sane sense would do it. If the Premier were to put the steamers up for sale to-day, he could not get the money that the people have lost on them. The capital is gone. There are many other matters in the Auditor General's report to which the Premier might well pay a little attention, and to which I

may refer later on when they come up for further consideration. I do say, however, that the time has arrived when we should cut our loss as regards the concerns which are showing such disastrous results. I say that in all earnestness. If the Premier is not prepared to adopt that course, let him refer the question to a select committee; and if the select committee reports in favour of discontinuing the State steamship service, then let us stop the steamers at once.

The Premier: Whom shall I put on the committee?

Hon. FRANK WILSON: I do not care whom. Let the Premier put on his pilot, the Honorary Minister.

The Premier: What about putting on your pilot, Moxon?

Hon. FRANK WILSON: It is marvellous when one thinks how many schools and hospitals and other conveniences could have been supplied out of the loss on this one department alone.

The Premier: We have supplied more of those conveniences than ever you did.

Hon. FRANK WILSON: How long are the people going to stand being taxed to make good these losses, simply because the Premier has not the pluck to acknowledge that he has made a mistake, and to get rid of the steamers? A private owner running steamers in that fashion would be in the bankruptcy court. Of course, any undertaking that eventually gets into the bankruptcy court is a benefit, so long as it runs, to the employees; but the disaster which will result from not closing up this steamship concern will be far worse than the distress involved in cutting our loss.

The Premier: Shall we close up the Port Hedland railway because it is showing an annual loss?

Hon. FRANK WILSON: The Premier can do any foolish thing he likes; I am not here to stop him. That interjection of his is a foolish interjection, and he knows it. I am trying to keep myself within the four corners of the Premier's speech, and of the Estimates he has put before the Committee. If he will let me alone, I will do that. Of course, if he wants to drag me on to a side track, say a



dissertation on the principle of running railways, or branch railways, which are not paying, as an adjunct to a big State monopoly, I do not intend to follow him.

The Premier: I would not ask you to do the impossible.

Hon. FRANK WILSON: As regards the running of a State steamship department which shows such disastrous results, it is unnecessary to say that this is not justified by the running of portion of the railway system at a loss. The railway system must be taken as a whole. With regard to meat supply, pretty well the same remarks apply. Our meat stalls have shown, according to the balance sheet, the enormous profit of £16 on a turnover of £21,000. Livestock shows a loss of £2,773 on a £20,000 turnover. The total loss on our meat supplies for the two years ended on the 30th June last was £3,571. The balance sheet shows that, and that is equal to about 10 per cent. on the sales, and would therefore account for at least 1d. on each pound of meat sold. I ask the Premier whether I was not justified in saying three years ago that the object is to apply public funds to selling meat at a loss to a certain section of the community. Now we have the addition of a fish stall. These enterprises are all conceived in ignorance, without any proper method of going about them. To establish a meat stall in a populous centre does not relieve the people as a whole, and never will. I do not care if the Government establish 40 meat stalls; it would have no effect. As regards fish supply, if the Premier wants to run the trawler up and bring a fresh supply down, then let him arrange for distribution of the fish amongst the people. His statement three years ago was that we would have fresh fish delivered to the doors of the people at 5d. per lb.

The Premier: Who said so?

Hon. FRANK WILSON: The Premier said so.

The Premier: I did not say anything of the sort.

Hon. FRANK WILSON: Fresh fish at 5d. per lb., and delivered at the door, that was his statement.

The Premier: Just produce that statement.

Hon. FRANK WILSON: Why not run the trawler to the fish markets and sell for any price you like at Fremantle?

The Minister for Works: Your Government built such a breakwater there that it is impossible to get in with a trawler.

Hon. FRANK WILSON: Let the Government remove the breakwater then. I do not believe the statement; but, if it represents a fact, then let the breakwater be taken away. Why should not the Government make such regulations as would permit of the distributors' coming along and buying at a certain price so long as they sold at a certain price?

The Minister for Works: That will come.

The Premier: We cannot get the supply; that is the trouble.

Hon. FRANK WILSON: The position is exactly the same as in connection with the meat supply. Who is getting the advantage of the Government meat supply in Western Australia to-day?

The Premier: We are bringing down about 10 tons of fish every fortnight.

Hon. FRANK WILSON: The Government are doing the wrong thing in not giving the public—

The Premier: We are doing the Dago out of a bit.

Hon. FRANK WILSON: Let the fish go round to the people generally, and limit the distributors' price.

The Premier: You are too impatient. We will get to your place, all in good time.

Hon. FRANK WILSON: This is the red herring that the Premier wants to draw across the trail. As regards the Estimates of Expenditure, I do not intend to touch on them at present, except just to point out that they can come under review, if necessary, when the departmental votes are being considered. Again, however, we find the necessities of roads and bridges and of subsidies to roads boards cut down enormously. Whereas last year we voted £45,500 under this heading, the amount is only £27,000 this year, or little more than one half; and the subsidies to municipalities are cut down from £17,500 to £9,500.

So that the requirements of the public comforts and conveniences are to be sacrificed, because, forsooth, we must carry on all these speculations and lose our money. If we did not have these trading enterprises there would be just the same number of people employed. We would have individual enterprises in full swing, and we would then be able to find the money required by the settlers and others. I have said sufficient to show that the probabilities are that the deficit will be nearer a million than £766,000, that is if the expenditure is not curtailed. Our finances, both loan and revenue expenditure, are in a very parlous condition, and require a strong and determined effort on the part of the Government to set them right. We must have an abandonment of the jocular way in which they are apt to view criticism of the figures, and any attempt to adjust them even in the slightest degree. The member for Irwin (Mr. James Gardiner) in speaking the other day at Balingup made the announcement that when measures were brought forward for the betterment of the people the Government could rely on eight votes from the Country party benches. That of course was a general statement to make, and a statement which we all endorse. The Government can always have a block vote from the Opposition in support of such measures, but is it not rather administration than measures which we require at the present time? Do we not want to adopt one of the planks of the Labour party which they do not carry out, viz., preference to none, and equality of opportunity to all? We want to do away with cant and humbug which teaches men that they must everlastingly lean on the Government. Is it not about time that our citizens learned the lesson that they must rely upon their own manhood. The time has arrived—and at the present juncture no one knows what the future will bring forth—when we must perforce practice economy, and we must learn to make 10s. go where 20s. went before. We are passing through perilous times and I wish the Premier would practice what he preaches—

The Premier: At the present time the merchant is getting more for his product

while the producer is getting the same as he was getting before.

Hon. FRANK WILSON: I am not prepared to accept that statement.

The Premier: It is, nevertheless, correct.

Hon. FRANK WILSON: If the Premier will take the trouble to go among the merchants he will find that many of them are showing a loss.

The Premier: With chaff at about £13?

Hon. FRANK WILSON: I am talking about merchants generally.

The Premier: What does the baker do when he has to pay more for his flour?

Hon. FRANK WILSON: He raises the price of bread.

The Premier: Of course; he must get more when he has to pay more for his flour.

Hon. FRANK WILSON: And the worker's wages are raised from 8s. to 9s. per day.

The Premier: Nonsense.

Hon. FRANK WILSON: Will the Premier say that the working man is not getting as good pay in Western Australia as in any other part of the Commonwealth.

The Premier: Yes, due to the fact that we are remaining here.

Hon. FRANK WILSON: As you go on raising wages, so does the cost of commodities go up. As you increase the cost of production, the selling price goes up.

The Premier: Have we raised wages since the present drought and war have overtaken us and have not the prices of the commodities of the wage earner gone up?

Hon. FRANK WILSON: The hon. member made promises on the hustings in order to get their support.

The Minister for Works: He is not the only one either who made promises.

Mr. James Gardiner: It is costing 26s. 9d. here just now to buy a sovereign's worth of goods.

Hon. FRANK WILSON: I was referring to the remarks of the Premier when he said that the State was made up after all of individual citizens, and that to neglect them would interfere with the State as a whole. If he only prac-

tises what he preaches in that sentence he will come out all right. I am sorry to find that the Premier foreshadows that the State Savings Bank will be transferred to the Commonwealth.

The Premier: That is not correct. I foreshadowed that the two banks would be amalgamated, and we would then have more money than at present.

Hon. FRANK WILSON: The Premier foreshadowed that the State Savings Bank is to be absorbed by the Commonwealth and that we are to have representation on the board of management, and his contention was that we should take that into consideration at the present time because of a sum of £183,000 which he might have had last year, and which he did not get, because of the absence of an arrangement of this sort. We are not concerned about that. Surely our credit is sound enough to make good that amount. We have in our State Savings Bank a big undertaking which has grown with the State, and which has been in existence since Responsible Government. It shows us now a profit of £21,000 per annum, which helps the Treasurer in his revenue expenditure, and we give better terms to the depositors than the Commonwealth offers. For instance, the Commonwealth Bank will only give interest up to £300, while the State Bank pays interest on deposits up to £1,000. Not only does the State make a direct profit from a good going concern under its own management, but it also gives an advantage to its citizens, and so long as we can retain that position we shall get a fair proportion of support.

The Premier: We are not getting it.

Hon. FRANK WILSON: The hon. member was not getting it even before the Commonwealth Bank was started. As soon as the Labour Government came into power the people became hard up, and they began to draw upon their savings which they had made during our period of office.

The Premier: We induced confidence, and the people began to invest.

Hon. FRANK WILSON: If we are to consider any amalgamation I hope that we shall have not only representation in

regard to management but also a share of the profits. The Commonwealth ever since its establishment have been making inroads in the revenue of the State. We have excessive probate duties and an increased land tax, and now in regard to the Savings Bank they are double-banking our people. It is about time we put up a determined front. We have in our Savings Bank an institution which has been managed successfully, and is showing us a handsome profit. We should therefore be chary about handing it over

The Premier: You have to go to the people of Australia to stop it.

Hon. FRANK WILSON: I do not think there is anything in the Constitution that will permit the Commonwealth to close up the Savings Bank. We can still run our Savings Bank, although they are running theirs, and we can hold our own.

Mr. B. J. Stubbs: They have transferred their accounts; what then?

Hon. FRANK WILSON: If we take the Commonwealth and the State Savings Banks we will find that there is a shrinkage as compared with three years ago of a couple of hundred thousand pounds in the deposits to-day. The Premier has asked us to take into consideration an item in the Audit Department of £644, indicative of the payment of increases consequent on the decisions of the Appeal Board.

The Premier: It involves some £4,000, that is, immediate cash, and it means the upsetting of the whole of the reclassification of the civil service.

Hon. FRANK WILSON: Why? All I know is that all the public service have been paid from the 1st July, 1911, according to the classification which was drawn up on the undertaking that that classification would be acted upon from that date, and except some two hundred who had the right to appeal. I have no hesitation in saying that we must uphold the appeals and pay the amounts according to the undertaking given. The Appeal Court was established, and it was presided over by a Judge, a representative of the Government, who I think was

Mr. Hope, and a representative of the department concerned. Of the two hundred who appealed about 150 got a verdict in their favour, and there is no option but to pay them.

The Premier: The decisions of the Court were absolutely wrong.

Hon. J. D. Connolly: Were the other awards of the Arbitration Court wrong?

Mr. B. J. Stubbs: They were not high enough.

Hon. FRANK WILSON: I would be sorry to put myself up as a critic of the action of the Court. We gave the Court that power and we have no right to withhold the decisions given by it.

The Premier: They have upset all the grades, and have made one man senior over another who had been in the Department ten years longer; the biggest blunder ever made.

Hon. FRANK WILSON: I may be allowed to express my regret at the announcement made by the Premier that there are to be no increments over £156. I think the regulations provide that automatic increases of £12 per annum have to be given from the starting point of £60. To my mind the association's proposal to stop all increments except to married men receiving less than £204 per annum would be preferable. The time has arrived when we must distinguish between married and single men. A single man earning even under £156 can better afford to wait his increment than can the married man under £204.

Mr. Willmott: Very often a single man has more people to provide for than has the married man.

Hon. FRANK WILSON: Scarcely very often. Not more than five per cent. have bigger responsibilities than the married man. And as these single men of under £204 per annum largely predominate in that class, I believe the Government would show a greater saving than by stopping all increments to officers earning over £156.

Mr. O'Loughlen: Why not come down to £120? You were paying schoolmasters £90. Let us give them a living wage.

Hon. FRANK WILSON: The hon. member says I had schoolmasters at £90. My predecessors had them at £70, and 20 odd years ago they were paid only £50, while before that there were no schoolmasters at all in the State.

Mr. O'Loughlen: That was in your day.

Hon. FRANK WILSON: And yet old colonists will declare that 50 years ago they could live much better on £50 than they can live on £100 to-day.

Mr. O'Loughlen: If we want an honest public service let us give them enough to live on.

The Premier: But not enough to rear up over somebody else.

Hon. FRANK WILSON: I agree with the Premier that the drought and the war are beyond his control, but I want him to remember that whilst we concede that point our financial decadence had set in long before we heard of either the war or the drought. The pernicious system of building up an ever increasing deficit year after year, despite an increasing revenue, and of depending upon loans to make good the difference, can have only one result ultimately, namely, financial disaster. Let me conclude by saying that we look to the Government to remedy this state of affairs. They alone have the power, and theirs is the responsibility.

Progress reported.

## BILL—YILLIMINING-KONDININ RAILWAY EXTENSION.

*In Committee.*

Resumed from the 22nd December, 1914: Mr. Holman in the Chair, the Minister for Works in charge of the Bill.

The CHAIRMAN: The question is the following amendment moved by Mr. E. B. Johnston: That in line 3 of Clause 3 the word "one" be struck out and "five" inserted in lieu.

Mr. GRIFFITHS: During the Christmas holidays, I made an extended tour of the district, in the course of which I met a large number of settlers whose holdings will be served by the railway. I

discussed with them this question of deviation, and while a few are disposed to favour the amendment, it may be said that all agree that they want no alteration of the route if alteration is to mean delay.

**The MINISTER FOR WORKS:** The object of the Railways Survey Act was to give members an idea of the route of this and other railways. The surveyor found it necessary to carry the route eastward to avoid a hill of granite. In the circumstances the one mile limit provided should be retained.

**Hon. J. Mitchell:** Have the people objected to the deviation?

**The MINISTER FOR WORKS:** No; the only objection is that the northern end of the line contains a bend.

**Mr. Heitmann:** Could not the line be brought this side of the hill?

**The MINISTER FOR WORKS:** No, the widest portion between the two lines is 26 miles. The promise that this railway should be constructed on the completion of the Kondinin line was made before the outbreak of the war, when the Government had the money.

**Hon. J. Mitchell:** You have the money.

**The MINISTER FOR WORKS:** We have not.

**Hon. J. Mitchell:** You have three millions.

**The MINISTER FOR WORKS:** The farmers will want half of that. The line will be constructed as soon as the finances permit.

**Hon. J. MITCHELL:** The route having been surveyed, and no objection having been taken to it, we should retain the one mile deviation. The limit of deviation was set up because of the action of the ex-Minister for Works in connection with the Wickepin-Merredin line when the 10 miles deviation permitted the Government to do something which should not have been done. If that line had been built on the route intended, there would have been no need for this railway. The line should be built as soon as possible. It is ridiculous to ask us to pass such measures if the Government have no in-

tention of constructing the lines. I hope the Government will devote a portion of the £3,000,000 loan to this work.

**Mr. WANSBROUGH:** During the adjournment I came into touch with numbers of settlers from this district, and the consensus of opinion is that the present route should be adhered to. The Minister should be more definite as to the probable date when the line will be started.

**The Minister for Works:** You will get no promises out of me.

**Mr. WANSBROUGH:** Failing the immediate commencement of the line, adequate road provision to the rail head should be made for settlers. While the staff is on the spot the clearing of the route should be continued for use as a road until the line is built.

Amendment put and negatived.

Clause put and passed.

Clauses 4 to 7—agreed to.

Schedule, Title—agreed to.

Bill reported without amendment, and the report adopted.

## BILL—STAMP ACT AMENDMENT.

### *Second Reading.*

**The PREMIER (Hon. J. Scaddan—Brown Hill-Ivanhoe) [9.24]** in moving the second reading said: This measure, perhaps to the disappointment of a number of members, is not for the purpose of increasing the duty under the Stamp Act, but merely to rectify one or two small anomalies which have occurred and which we consider should be rectified at this stage. The principal object is to bring about uniformity with the other States in connection with the stamping of certain documents, and from that point of view it neither shifts the burden of the stamp-duty on to the shoulders of any other person, nor increases the burden, but permits the judgments of the High Court of Australia to be made effective in Western Australia as in other States where similar legislation is in operation. This is the main object, but at the same time, we have made provision that all public offi-

cers and not a few, as was previously specified, before accepting any document, shall satisfy themselves that it is properly stamped. If it is not properly stamped they shall refuse to accept it. We have evidence that quite a number of documents have been accepted by public officers because they were not in a position to legally refuse to accept them, such documents being not properly stamped. They could not do more than bring the matter under notice, and in many cases even that was not done. We are broadening this provision to provide that any public officer shall not receive an unstamped instrument. The schedule to the Stamp Act Amendment Act of 1913 is to be amended by omitting the words "mortgagee or obligee" and inserting "mortgagor or obligor." This is intended to bring about uniformity with the Acts of Queensland and Tasmania particularly so that decisions of the High Court shall apply here, as in other States. Clause 4 is designed to do justice to those who have to stamp certain instruments of collateral security so that they shall not have to pay two, three, or even five times over. It is unfair when certain instruments are put in as collateral securities that more than one should be stamped. We have included this provision so that there shall be no misunderstanding. We have not been charging stamp duty on more than one such instrument, but we want to have it laid down that only one such instrument shall be liable to stamp duty as a collateral security. These are the whole of the intentions covered by the measure. There is no provision to increase or modify the stamp tax—the object of the Bill is merely to adjust anomalies. I move—

*That the Bill be now read a second time.*

- Question put and passed.

Bill read a second time.

#### *In Committee.*

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

## BILL—GOVERNMENT ELECTRIC WORKS.

### *Message.*

Message from the Governor received and read recommending the Bill.

### *Second Reading.*

The PREMIER (Hon. J. Seaddan—Brown Hill-Ivanhoe) [9.30] in moving the second reading said: This Bill is consequential upon the Electric Light and Power Agreement Act of 1913. This is made necessary in order to provide machinery clauses conferring on the Commissioner of Railways the necessary powers to construct works for the distribution of electric current. Hon. members will be aware that while we have in connection with our tramway system an electric power station and we have entered into an agreement with the Perth City Council and have also endeavoured to enter into agreements with other local bodies to supply them with current from that particular power station, at the present moment we have no local body to sell the current to that we are producing. For that purpose, therefore, it is necessary that we should pass this measure. We have already entered into some agreements, and, we omitted, when passing the previous Act, to take the necessary power to enable the Commissioner of Railways to sell the current generated. Hon. members, I am sure, have no desire that the Government should produce electric power and be able to generate current, but at the same time be unable to sell it.

Hon. J. Mitchell: Does the Premier propose to proceed with the Bill to-night?

The PREMIER: I have no desire to press the second reading this evening. I was saying that for that purpose we have to take those powers and we are doing that by providing that the powers and obligations vested in the Government by the State agreement shall be vested in the Commissioner of Railways. The provisions of the Electric Light and Power Agreement Act as between the City council and the Government are in no way affected, but, subject to that Act, areas

may from time to time be defined within which the Commissioner of Railways may establish electric works and erect electric lines for the generation and supply of electricity, but before any buildings or permanent works of any nature can be undertaken by the Commissioner under this Act, he must obtain the consent of the Minister for Railways for the time being. The incidental powers conferred on the Commissioner are similar to those powers which are found in all Acts of this character, particularly in the Commonwealth Post Office and Telegraphs Act relating to the construction of telegraphs and telephone lines and they do not call for any particular comment. The same powers that the Commonwealth take for breaking up a road or a street for the purpose of erecting telephone poles or electric light lines, we as a State Government are desirous of also taking, which will give the Commissioner of Railways power to take up a line or carry out other works that may be deemed necessary and he will have to make good any damage that may accrue to the owners of the properties concerned, so that a safeguard will be afforded to the public in every possible way. The provisions of the Public Works Act, 1902, apply and compensation for any damage sustained by the exercise of these powers is to be assessed according to the powers contained in that Act. There is also power to set up arbitration should any dispute arise between the Commissioner and any person suffering damage. The Commissioner has power by Clause 13 of this Bill to make by-laws relating to the construction, maintenance and use of works and to prescribe scales of charges for electricity and the method of recovery of such charges. Provision is made requiring notice of such action to be given to the Commissioner, as in the Railways Act, to require plaintiffs in actions for personal injury to submit to examination by a medical practitioner as required by the said Act, and limiting the liability to damages in the case of loss of life or injury to the person. We have limited the liability of the Commissioner to £2,000 which is exactly the

same as the maximum liability for which he is responsible under the Railways Act. We have, in fact, made it on all fours with the Railways Act now existing. Similar provisions to those in the Railways Act are contained in Sections 17 and 18 relating to receipts and expenditure and the quarterly accounts which must be submitted to Parliament. The provisions of the Government Railways Act and the Industrial Arbitration Act as relating to Government employees are extended to these works. Lands acquired for the purposes of the Act are exempt from rates as in the case of railway lands. These are the principles of the measure. The main object is to enable the Commissioner to do what we have empowered him to do, namely, to generate this current and to dispose of it by sale to local bodies or any other person. As we have only asked for those powers which are conferred on the Commissioner under the Railways Act, I am sure there will be no objection on the part of hon. members to the measure. I have no desire unduly to press it, and I am prepared to allow the second reading to stand over until another sitting. I move—

*That the Bill be now read a second time.*

On motion by Hon. J. Mitchell, debate adjourned.

#### ORDER OF BUSINESS.

The PREMIER (Hon. J. Scaddan—Brown Hill-Ivanhoe) [9.35]: I wish to inform hon. members that to-morrow I do not propose to move, after we have dealt with private members' business for two hours, that the discussion on motions shall continue. I hope that by doing that, we shall be able to proceed with the Orders of the Day. I simply desire to warn hon. members of this because the general practice has been to proceed with motions. The business of the Government is so important that I think it will be apparent to hon. members that it will be to their interest if we proceed with the Orders of the Day after discussing motions for two hours.

I want hon. members to know that so that they will be here when we proceed with the Government business.

Hon. J. Mitchell: What do the Government propose to go on with to-morrow Members would like some idea as to what measures the Government are likely to proceed with.

The PREMIER: The present intention of the Government is to dispose of as many Bills as possible before proceeding very far with the discussion upon the Estimates. The purpose of this is that the Legislative Council may have some business before them to consider. Otherwise that Chamber will have to adjourn for a week or a fortnight with the result that towards the end of the session this Chamber will then be waiting for the Council.

Hon. J. Mitchell: Is it proposed to proceed with the Industries Assistance Board Bill?

The PREMIER: The second reading of this Bill will be one of the first matters brought forward. Other Bills are ready also to come forward. It is merely a question of taking them in the order that will suit hon. members.

*House adjourned at 9.40 p.m.*

## Legislative Council.

*Wednesday, 13th January, 1915.*

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

### PAPERS—WHALING LICENSE.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [4.35]: Yesterday

I made a promise to the Hon. A. G. Jenkins that I would to-day lay upon the Table of the House papers in connection with the granting of an exclusive whaling license to a Norwegian company. Since making that promise, I have discovered that the Premier had given a similar undertaking in another place; and the papers referred to will be laid on the Table of the Legislative Assembly this afternoon. Mr. Jenkins, I understand, will be satisfied so long as he has access to the papers.

### BUSINESS OF THE HOUSE.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [4.36]: Yesterday I gave hon. members to believe that the Council would probably adjourn over next week. I find now that the Legislative Assembly intends to devote special attention to Bills in order to provide this House with work; so that there is little likelihood of an adjournment over next week.

### ASSENT TO BILLS.

Message from the Governor received and read assenting to the following Bills:—

- 1, Supply (No. 1), £668,270.
- 2, Wagin-Kukerin Railway Extension.

### LEAVE OF ABSENCE.

On motion by Hon. J. CORNELL, leave of absence for six consecutive sittings granted to the Hon. R. G. Ardagh on the ground of ill-health.

### BILL — LICENSING ACT AMENDMENT ACT CONTINUANCE.

Introduced by the Honorary Minister and read a first time.

### BILL—GRAIN AND FOODSTUFF.

*Assembly's Message.*

A Message having been received from the Assembly notifying that it had agreed