

The CHAIRMAN: Order! I have been looking at the amendment and I have arrived at the conclusion that it is hardly relevant to the Bill. We are not dealing with proprietary clubs and the Title of the Bill would have to be altered were the hon. member's amendment agreed to. The hon. member's correct procedure would be to test the feeling of the House by a motion, and if the motion were carried the Government could consider the advisability of introducing a Bill to deal with the matter. I am reluctantly compelled to rule the hon. member's amendment out of order.

Mr. LAMBERT: I bow to your ruling.
Title—agreed to.

[The Speaker resumed the Chair.]

Bill reported with amendments, and the report adopted.

House adjourned at 3.50 a.m.

Legislative Council,

Wednesday, 14th March, 1917.

	AGE
Papers presented	2249
Questions: Close of Session	2249
Coal bunkers on fire	2249
Bills: Agricultural Bank Act Amendment, recom.	2249
Racing Restriction, 1s.	2354
Land and Income Tax Assessment Act Amend-	
ment, Com.	2355
Industries Assistance Act Amendment, Com.	2360
State Trading Concerns (No. 2), 2s.	2365
Kingia Grass Tree Concession, sel. com. report	2373
Treasury Bonds Deficiency, Com.	2375
Special Lease (Stirling Estate), Assembly's mes-	
sage	2379
Roads Act Amendment, 2s.	2382
Public Service Act Amendment, 2s.	2383
Enemy Subjects Employment, 2s.	2385

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

PAPER PRESENTED.

By the Colonial Secretary: By-laws, municipalities of Fremantle and Southern Cross.

QUESTION—CLOSE OF SESSION.

Hon. J. M. DREW (without notice) asked the Colonial Secretary: Can he give the House some information as to whether the intention of the Government is to endeavour to close the session this week?

The COLONIAL SECRETARY replied: I can assure the hon. member that it was the intention of the Government to close the session this week. Whether it will be found practicable to do so, is a question which rests quite as much with hon. members of this House as with myself.

QUESTION—COAL BUNKERS ON FIRE.

Hon. W. KINGSMILL (for Hon. J. Ewing) asked the Colonial Secretary: 1, Is it a fact that a steamer arrived in Fremantle on Saturday last with her bunkers on fire? 2, If so, what coal was being used?

The COLONIAL SECRETARY replied: 1, Yes. 2, Indian, Welsh, and New South Wales.

BILL—AGRICULTURAL BANK ACT AMENDMENT.

Recommittal.

Order read for consideration of report of Committee.

On motion by the Colonial Secretary, Bill recommitted for the purpose of further considering Clause 5.

In Committee.

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

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

The COLONIAL SECRETARY: I regret to have been compelled to take the course of recommitting the Bill. Last evening an amendment was made in Clause 5, the first part of which originally read—

Advances may be made by the bank under and subject to regulations in furtherance of any scheme approved by the Governor for the settlement on the land

of persons who have been on active service with His Majesty's naval and military forces, or their dependants.

The words "the Governor" were struck out, and "Parliament" inserted in lieu. At the time I raised no protest against the amendment, because it seemed to me that I had said all I could say in endeavouring to induce the House to pass the Bill as it stood. Further, I thought it desirable, if it were possible, to agree with the amendment in order not to clash with the wishes of what Mr. Drew terms a respectable minority. But as the result of consultation with my colleagues it is thought that the Government would be acting improperly in accepting the amendment unless compelled to do so by a majority of the House. The Bill, as I repeatedly pointed out, is no place in which to insert conditions for the scheme of repatriation of soldiers. That scheme, so far as it has been outlined up to the present, is embodied in the file I have in my hand. I would have laid the file on the Table of the House in the ordinary way when we met this afternoon; but, had I done so, it would have had to remain there for the rest of the session. There is only one file in existence, and it has already been laid on the Table somewhere else, and may be called for somewhere else. I will now leave it at the disposal of hon. members of this House, and I hope it may remain here for some time; but, if it is called for, I cannot help it. Practically the whole of the information contained in these papers has been published in the Press, although, of course, the file contains details which have not yet been published. At any rate, I have done my utmost to make the whole of the information available to hon. members. I repeat, it is not to be expected that the details of the scheme for the repatriation of soldiers will be included in a Bill to amend the Agricultural Bank Act. All that the Bill purports to do is to allow the Government to use the machinery of the Agricultural Bank for the purpose of utilising the money to be handed to this State by the Commonwealth Government on loan, for the assistance of returned soldiers. If the amendment made last night is to stand, it will mean that until the complete repatriation scheme is

submitted to and approved by Parliament the Government will be deprived of the opportunity of utilising the machinery of the Agricultural Bank in connection with the matter. To be so deprived may seriously hamper the operations of the Government, and may make the handling of the business more costly than otherwise would be the case. I consider the Government are entitled to have the amount of confidence placed in them by this House with regard to this particular Bill. Consequently I move an amendment—

That the word "Parliament" in line 2 be struck out, and "the Governor" inserted in lieu.

If the House will not trust the Government, but says that the whole scheme must be submitted to Parliament, so far as this Bill is concerned, then I have no doubt hon. members voting in that direction will be prepared to take the responsibility of hampering the Government in this matter.

Hon. J. F. CULLEN: I am sure the House would be very sorry indeed to hamper the Government on any question, and especially on a question connected with the country's duty towards returned soldiers. But I do not think the Colonial Secretary has made out a case for reversing the amendment. My own idea is that a considerable part of the repatriation scheme is already embodied in a Bill to come before the House within the next day or two. In fact, the most important item of the scheme, the settlement of returned soldiers on the land, is embodied in a land Bill which will reach the House in due course this session. Had there been equal urgency for other parts of the scheme, there was nothing to hinder the Government from having those parts embodied in a Bill and also submitted this session. That is one side of the question. The other side is that the scheme for the repatriation of our soldiers is one of the most important questions that Parliament could be asked to help the Government in shaping and perfecting. I think Parliament may fairly complain that the Government have not taken both Houses fully into their confidence on the whole matter. There was nothing to hinder the Government from having the necessary empowering Bill for the entire scheme ready for submission to

Parliament. Parliament will willingly wait a few days for any Bill the Government may desire to bring down. But is it right for the Government to say, "Trust us; we will do the whole thing, including the making of regulations"? I do not think the Government have properly treated Parliament in this regard. The Colonial Secretary has said there may be hampering delays. As a matter of fact, the Government have started the scheme already; indeed the previous Government started one phase of the scheme in making provision to educate returned soldiers on poultry farms and at kindred pursuits, and the present Government have incurred considerable expenditure by sending survey parties to mark out the land, and organising industrial parties to clear it. Whilst it rests with the Government to formulate the scheme, I hold that it is within the right of Parliament to approve and perfect it.

Hon. Sir E. H. WITTENOOM: I am inclined to support the Colonial Secretary, because it seems to me this scheme is dependent on regulations, and those regulations may continually require to be revised. Suppose we put the scheme and the regulations into the hands of Parliament; then if Parliament is not sitting the Government will be bound down to what has been previously approved. I think the request of the Colonial Secretary deserves favourable consideration. It is desirable that the Government should have power to make advances from the bank. The whole scheme is entirely new, and it would be inadvisable to tie the hands of the Government in respect of it.

Hon. A. SANDERSON: This question was fully discussed last night, when the Committee arrived at a decision. I am not afraid of reopening the question, because the more we consider it the more shall we be convinced that it would be a bad thing to reverse that decision. The two parties to the proposal are the Agricultural Bank and the Government. The proposal is one of prime importance to both Commonwealth and State. Had the Government and the Agricultural Bank the confidence of the country—

Hon. J. F. Cullen: I think they have.

Hon. A. SANDERSON: How can the hon. member say the country has confidence in the Agricultural Bank?

Hon. J. F. Cullen: We had a division of 18 to 5 on the point last night.

Hon. Sir E. H. WITTENOOM: The bank is only to be used as a medium.

Hon. A. SANDERSON: It has been used as a medium for the last 20 years; and look at the position it has got into. I have no confidence in either the Government or the Agricultural Bank, and therefore I am not prepared to hand over to those two parties this most important question. If the Federal Government are going to advance 2½ millions of money for distribution through the Agricultural Bank, those responsible for that proposal cannot know the position of the Agricultural Bank, or they would hesitate to hand over so large a sum to that institution, which has not published a balance sheet for two years and which is admittedly in a hopeless state in respect of its finances. The Government have destroyed the Liberal party in this State and have lost the reputation that perhaps they once had. If the Committee is prepared to reverse its decision it will be to me a most peculiar phenomenon. I can see no reason whatever why we should go back on the decision of last night.

Hon. J. EWING: Last night I occupied considerable time in endeavouring to get an amendment through. I withdrew that amendment on the understanding that we should have an opportunity of discussing the whole scheme.

The Colonial Secretary: So you shall have.

Hon. J. EWING: If "the Government" is to be inserted in lieu of "Parliament" we shall have no say whatever in connection with this scheme, at any rate not during the present session. I have read the Land Bill, and I fail to see where my amendment can be inserted in that measure. I am not prepared to support the Colonial Secretary without an assurance from him that Parliament shall have a full say in this matter. The general principles of the scheme could easily be laid before Parliament. The Minister and the authorities of the Agricultural Bank could outline the

general principles of the scheme by which they will be guided until Parliament again meets in July. That would give me an opportunity of taking the sense of the Committee on the amendment I was discussing last night. All the difficulties touched upon by the Colonial Secretary could be overcome. We should not lay all the responsibility on the shoulders of Ministers, but should take a fair share of it ourselves. I do not wish to hamper the Government in this great work, but I think we should be entitled to investigate it. The scheme is already being pushed ahead. I would like to hear the Colonial Secretary say that a short Bill shall be prepared on the lines I have indicated. This would be more satisfactory to all concerned.

THE COLONIAL SECRETARY: The hon. member has again referred to the amendment he submitted and withdrew yesterday. I propose to read a very brief extract from the agreement arrived at by the conference between the Prime Minister and the Premiers of all the States, the conditions of which govern the advancing of the money by the Commonwealth Government to the State.

Hon. J. Cullen: It does not necessarily govern our advances to the returned soldiers.

THE COLONIAL SECRETARY: One of the conditions is the rates of interest that should be paid by settlers and another condition is to secure as far as the varying conditions of each State will allow uniformity of conditions throughout the Commonwealth for soldier land settlement. To have agreed to the amendment of Mr. Ewing would have been to have destroyed the agreement under which the Commonwealth Government had advanced the money. Then again it has been suggested that we should compile a Bill at once. The Government have placed their scheme as far as it has been developed before the public through the Parliament. The land settlement portion of the schemes contained in the Land Bill and as soon as the balance of the scheme has been developed it will be placed before Parliament next session. I cannot help thinking that the settlement of soldiers on the land will occupy the attention of the Government for years to

come. It is absolutely impossible for a Government to submit a scheme at the present time. There is one question and one only before the Committee and that is whether the Government are to be permitted to use the machinery of the Agricultural Bank in handling the money advanced by the Commonwealth. If members take up an attitude that they will not permit the Government to do this they take the responsibility on their own shoulders.

Hon. H. MILLINGTON: I am in favour of Mr. Cullen's amendment. At present the Government have not power to make regulations, but they want that power. I have no confidence in the Government and I am not prepared to give them the power they ask. I have more confidence in Parliament than in the Government and therefore I want Parliament to have the power and not the Government.

Hon. J. CORNELL: I have no desire to hamper the Government, but I have a genuine desire to find out exactly where we stand. I have one desire that Parliament should set out or approve of the conditions on which soldiers are to be settled on the land. A matter of greater importance is the allocation of the pensions and the Federal Government fixes the pensions. I understand that a certain amount of money is forthcoming from the Federal Government for the settlement of soldiers on the land, and it is the desire of the Government that that scheme shall be on a uniform basis throughout the States. But that scheme will be apart altogether from the Agricultural Bank because the money used by the Agricultural Bank is voted by the State Parliament from Consolidated Revenue or loan funds and the scheme agreed to by the Premiers' Conference will form a separate Bill. This Bill sets forth clearly under what conditions and at what rate of interest borrowers other than soldiers shall pay. I assume that the clause means that the Agricultural Bank shall either be the medium—I think it will need amending before it can be carried out—by which the money is distributed or to act as an auxiliary to the scheme which will be brought forward and I hope embodied in an Act of Parliament so as to distribute the money.

The CHAIRMAN: I would ask members to confine themselves to the amendment and not discuss the scheme at this stage.

Hon. J. CORNELL: If the Bill is restored to the condition in which it came to this House it will mean that the Governor-in-Council and not Parliament may frame regulations under which advances will be made to the persons mentioned in the Bill and at the rates agreed upon in the Bill or at a lower rate. I do not think this clause will affect the general scheme and I do not think the Government can put forward a scheme by means of regulations.

Hon. J. DUFFELL: It will be remembered that last night when I moved an amendment it was pointed out that if my amendment were carried it would wreck the Bill. That being so those who voted against my amendment are endeavouring to wreck the Bill now by an alteration to Clause 5. The leader of the House has told us that the carrying of the amendment will practically wreck the Bill. I believe in majority rule and whilst I would have liked to have had a majority on my side when I moved my amendment the majority was in favour of the Bill which was necessary in completing the repatriation scheme. I am prepared to accept the amendment proposed by the leader of the House and vote in support of the deletion of "Parliament" and the retention of "Governor."

Hon. J. W. KIRWAN: It appears the Government are in a difficulty. The position is that anything that can be done in this State for the repatriation scheme must be of a uniform character. What was done at the Premiers' Conference must be approved by the Federal Parliament. The desire of members is that Parliament and not the Government should have some supervision over the scheme. Personally I have more faith in Parliament than in any Government, State or Federal. The scheme is bound to be approved by the Commonwealth Parliament. The Commonwealth Parliament has to supply the money and surely those supplying the money should call the tune. The matter might be overcome by inserting in place of the words, "Any scheme approved by the Governor" the words "Any uniform scheme approved by the Parliament of the Commonwealth."

The Colonial Secretary: It might be twelve months before there is any chance of anything being done by the Commonwealth.

Hon. J. W. KIRWAN: What was agreed upon at the Premiers' Conference must come before the Federal Parliament. If the hon. member wishes to have the sanction of all the State Parliaments, surely when the matter comes before the State Parliament, and it is desired that it should be uniform with the rest of the States, due consideration will be paid to the matter. There is no reason, if "Parliament" be substituted for "Governor," why this should wreck the whole scheme, or interfere with what has been done by the Commonwealth authorities. It is so very important a matter that we cannot leave it to the discretion of the Governor. I can understand the Colonial Secretary, when he was sitting in the position Mr. Drew now occupies, expressing profound distrust in the late Government, and I can well imagine, if this proposal had come forward, and if it had been left to the Scaddan Government, the indignation and scorn with which the present Colonial Secretary would have received the proposal and denounced it. We do not know how long the present Government will remain in power, but there are those in this country who have as little confidence in the present Government as the Colonial Secretary had in the Scaddan Government. If the Government cannot suggest a better way out I must vote with Mr. Cullen.

Hon. V. HAMERSLEY: It seems to me that this is a matter of advances which are usually made according to regulations. Members must have surely overlooked the proviso which says that any regulations made shall come before Parliament, and that so much of the regulations which are not agreed to by Parliament shall not have the force of law. We should restore the word "Governor" and I hope that hon. members will not hamper the Government. The regulations will have to be supervised by Parliament from time to time.

Hon. J. F. CULLEN: This clause only concerns the scheme so far as it applies to the settlement of the land. The greater part of that settlement will come under the Land Bill which is now before another place. The

only other item of land settlement that has been foreshadowed—that of market gardening—can be added to that Bill, and then Parliament will have the complete scheme so far as it has gone; that is, the scheme for the settlement of soldiers on the land.

Hon. J. Ewing: Can it be done in that Bill?

Hon. J. F. CULLEN: Easily. The Minister should say that either he will consult his colleagues and bring down an amendment, or that he will give full consideration to an amendment which may be submitted, but the proper thing is for the Government to submit the amendment covering what they have already foreshadowed in the way of provision for settling a number of the returned soldiers near a market and on small areas of land.

Hon. J. Ewing: Why not introduce a small Bill?

Hon. J. F. CULLEN: There is no need for it, although it is a matter of indifference whether it is in another Bill or is embodied in a clause in the Land Bill now under consideration. Will the Minister undertake that there will not be any further necessity for the amendment which I moved last evening, and which the Committee accepted? Parliament will then have the right to approve of the general scheme, leaving it to the Government to work out regulations which would have the force of law unless objected to, in due course.

The COLONIAL SECRETARY: Every feature of this scheme will be submitted to Parliament as quickly as possible. I appeal to hon. members not to say that until these features are submitted to Parliament the Government shall not be allowed to use the machinery of the Agricultural Bank.

Hon. J. F. CULLEN: The Committee are objecting to the occurrence in this Bill for the first time, of Parliament handing over its rightful power to the Governor. Why did not the Government bring its land schemes before Parliament? This House is in sympathy with the returned soldiers and all that the Government can do to help them, and I want the leader of the House to say that the Government will bring down a simple amendment in the manner I have suggested.

Hon. J. E. DODD: I am far from being satisfied with what is proposed to be done for the returned soldiers, and if I were sure that Parliament would be given an opportunity of having a good, fair, and honest discussion on this matter, I would move in that direction. We cannot evade our responsibilities in regard to the returned soldiers, and unless Parliament is given an opportunity of going into these schemes and knowing what it is proposed to do, I should be inclined to support the retention of the amendment. On looking through *Hansard* I find in the speech made by the Premier that the Commonwealth authority in regard to the repatriation scheme is the War Council. I have not the slightest confidence in the War Council and up to date I do not think that the Council merits any one's confidence, and, if we are going to allow the schemes to be controlled by that body, Parliament should have some opportunity of considering the matter.

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

Ayes	..	..	..	..	13
Noes	..	..	..	..	11

Majority for .. 2

AYES.

Hon. J. F. Allen	Hon. C. McKenzie
Hon. H. Carson	Hon. G. W. Miles
Hon. H. P. Colebatch	Hon. E. Rose
Hon. J. Duffell	Hon. C. Sommers
Hon. J. A. Greig	Hon. Sir E. H. Wittenoom
Hon. V. Hamersley	Hon. C. F. Baxter
Hon. R. J. Lynn	(Teller.)

NOES.

Hon. R. G. Ardagh	Hon. J. W. Hickey
Hon. J. Cornell	Hon. J. W. Kirwan
Hon. J. Cunningham	Hon. H. Millington
Hon. J. E. Dodd	Hon. A. Sanderson
Hon. J. M. Drew	Hon. J. P. Cullen
Hon. J. Ewing	(Teller.)

Amendment thus passed.

Clause as amended agreed to.

Bill again reported with a further amendment.

BILL—RACING RESTRICTION.

Received from the Assembly and read a first time.

BILL—LAND AND INCOME TAX ASSESSMENT ACT AMENDMENT.

In Committee.

Resumed from the 7th March. Hon. W. Kingsmill in the Chair; the Colonial Secretary in charge of the Bill.

Clause 2—Grant of Land Tax and Income Tax:

The COLONIAL SECRETARY: Progress was reported on this clause in order that time might be given for consideration and inquiry into it. The difficulty is very real and must be overcome in an equitable manner in connection with the change over for the period for which taxation returns are to be furnished. Once the change over is made the difficulty will, of course, disappear. The intention of the Government was that if the Bill were passed, Parliament at the beginning of the next financial year should be asked to pass a Taxation Bill actually imposing that tax. That Bill would have contained a proviso that in respect to the financial year 1917-18 the taxpayer would pay only one half of the amount for the year's taxation.

Hon. J. F. Cullen: That would not rectify it because one half might be different from the other half.

The COLONIAL SECRETARY: It is the only way of overcoming the difficulty. It assumed that in each financial year the taxpayer has to pay a certain tax. The altering of the date on which the return would have to be made would have the effect of expediting by six months the date of payment of the tax. Consequently, it is considered a fair thing to collect only one half of the returns on the first occasion. When making the return itself covering the period from the end of June in one year to the end of June in the next, all that is done is really to assume that the income tax from the end of June to the end of December, 1916, would be the same as the income tax from the end of June to the end of December, 1917. It has been suggested that an easier method of getting over the difficulty would be to call upon taxpayers to furnish a return covering only the period from the 1st January to the 30th June. This would mean that the farmers and pastoralists would entirely es-

cape taxation for one financial year, their income being all included in the return up to the end of December. If the farming community were called upon to furnish only a return of income for the period from the 1st January to the end of June they would in most cases escape taxation altogether. The same thing would apply to pastoralists. That would not be fair to other taxpayers, and would involve a loss of revenue which the Treasury could not stand. It is not necessary to amend this Bill in any way because it does not impose a tax at all. It only relates to the making of returns.

Hon. Sir E. H. Wittenoom: That is the most arduous part.

The COLONIAL SECRETARY: It is not an arduous part at all, because taxpayers are required to make exactly the same return for the purposes of the Commonwealth, and the whole object in introducing this Bill is to show that one return may serve the two purposes. When that is done, the provision of this particular Bill will be complied with. When the taxation Bill comes before Parliament it will have to contain a provision that is acceptable to both Houses in regard to the amount of taxation that has to be paid in respect to these returns. The intention of the Government is that the Taxation Bill shall be accompanied by a proviso that one half only of the land tax and one half of the income tax shall be paid in the first year. That is done because the whole period is being pushed forward six months, and to take only half would be equitable both to the Treasury and to the taxpayers. If it is desired that the provision in regard to one half of the taxation shall be put into this Bill the Government can have no objection except that it would be altogether out of place in a Bill which provides only for returns. It might also to some extent hamper Parliament when the Taxation Bill itself comes forward, when hon. members might think that some other provision is also necessary. In the making of the change over difficulties will arise that must be met. It will be necessary for the taxpayer to furnish a return showing a full year's income. How we are going to deal with him afterwards will be a matter for

consideration when the Taxation Bill comes forward.

Hon. J. F. CULLEN: The Colonial Secretary says that it is the only fair way to make a return for the whole year, that is for the six months on which we have to pay, and for the six months previous, and to take one half of the whole. If he will only look into the matter he will see that the farmers and pastoralists will not only pay on the whole of the returns for the year already put in, but will pay also on the half up to the 30th June. Returns have already been submitted to 31st December last, and the next return should cover the period between that date and 30th June. If the Government will notify the Commissioner of Taxation in accordance with the statement now before us, all will be well. But it has to be realised that taxpayers will be called upon to furnish their next returns before the Assessment Bill is passed. I hope the Minister will undertake that the Commissioner will be so notified, because the Taxation Bill itself will not be passed until three months hence.

Hon. Sir E. H. WITTENOOM: There may be much to be said from the point of view of the Minister, and I am prepared to admit the bulk of the proceeds from farming and stations does come in before the 31st December. But in many districts a considerable portion of the wheat returns are not in before that date. Under the proposal in the Bill wheat realised on in January or February, and which has been included in the previous year's return, will have to be included in the 1917 return. Another illustration: a man has 1,000 bales of wool, which are sold at £10 a bale before December, and he sends in a return covering £10,000. In March or April he may receive an additional £5 per bale, which means that there will be an additional £5,000 to be included in his income tax return for 1917. The Minister bases the whole of his argument on the fact that the Federal Government require returns made to the end of June; but I have always found the Federal Taxation Commissioner quite willing to meet the convenience of taxpayers by adopting their State returns to the end of December. If we make the return from January to June, I do not think

the fear of the Colonial Secretary will be realised as to the paucity of the revenue to be derived from this source.

The COLONIAL SECRETARY: I have consulted the Commissioner of Taxation, who states that the principal objection to making the return to June 30 next only is that a large number of taxpayers would be exempted from taxation altogether. Those would include practically all farmers. I think it will be admitted that between the 1st January and the 30th June the farmers' outgoings are in excess of his income.

Hon. J. F. Cullen: Then why should he pay tax?

The COLONIAL SECRETARY: And that to a very great extent the farmers anticipate a comparatively small amount to come in before the end of June.

Hon. J. F. Cullen: Having already paid on the previous return, why should they be called upon to pay again?

The COLONIAL SECRETARY: The farmers would have to make out a return during the early months of 1917, and to pay tax for the twelve months of the financial year 1916-17. It is now proposed to make a change over, and that in order to secure uniformity they shall pay tax for the financial year 1917-18 six months earlier than they previously did; and as they shall pay six months earlier it is proposed they shall pay only one-half. Mr. Cullen suggests because they are called upon to pay six months earlier, they should not pay anything at all. If the proviso be added to the clause that the return shall be for the period 1st January to 30th June, it would mean that for the whole of the financial year 1917-18 this particular section of the community would not pay sixpence in taxation; for the reason that the return would show an excess of expenditure over income. I admit the case is different so far as some of the pastoralists are concerned. But, as regards the farmers, their outgoings exceed their incomes between the 1st January and the 30th June. Consequently, if a farmer's income tax for 1917-18 is to be based on his income as has been suggested, based on an assessment covering the period from the 1st January to the 30th June, then for the whole of that financial year he will pay nothing at all.

Hon. J. F. Cullen: Rubbish!

Hon. J. DUFFELL: The leader of the House is hopelessly mixed up over this matter. I do not doubt that the Commissioner of Taxation has furnished the Colonial Secretary with the statement which he has endeavoured to communicate to the Committee. That is why the hon. gentleman is hopelessly mixed. The eleventh year of taxation, according to this clause, is 1917-18. The same thing is conveyed, inferentially, by a later reference to "June 1918." The fact is that the Taxation Department are so hopelessly behind with their work that they cannot get the necessary work done for the period desired. Instead of the Taxation Department driving their work, their work is driving them. The thing is as clear as daylight. What we desire is a Bill which will bring this State into line with the Federal Government in respect of returns on the 1st July next, so that both sets of returns can be made up from the 1st July next to the 30th June of the following year.

The COLONIAL SECRETARY: The hon. member is, I will not say hopelessly mixed up, but quite incorrect. In moving the second reading of the Bill I said that the eleventh year was the year ending on the 30th Jun, 1918, and that the assessments for that year, if the Bill was passed, would be made up to the 30th June, 1917. Thus, if the Bill passes, it will be directly after the 30th June, 1917, that we shall have to furnish our returns to the State Department in exactly the same way as to the Commonwealth Department.

Hon. J. DUFFELL: No. That is where the Colonial Secretary is wrong. On the 1st January, 1917, we shall be called upon to make our assessments from the 1st January to the 30th June, 1917, not 1918.

Hon. J. F. CULLEN: The Colonial Secretary's last remarks are perfectly correct, but they do not touch the point in dispute.

The Colonial Secretary: I was only answering Mr. Duffell.

Hon. J. F. CULLEN: The point I urge is that if consecutive time is covered in returns there can be no loss of revenue to the State.

Hon. A. Sanderson: Ultimately.

Hon. J. F. CULLEN: There can be no leakage at all.

Hon. Sir E. H. Wittenoom: There may be delay.

Hon. J. F. CULLEN: The taxpayers have already sent in their returns to the end of 1916. Now, to make the change soundly, we must have either a short year or a long year, must have either a return covering six months or a return covering eighteen months. The simplest course is to have six months. If the taxpayer makes a return to the end of June next, and then in due course makes a return from that time onwards as from the end of June, where is the possibility of leakage?

The Colonial Secretary: It will be six months behind.

Hon. J. F. CULLEN: Certainly not. He will make a return for the six months. The hardship in that connection is on him, for he will have to pay a little earlier than under the present law. The difference between myself and the Minister is that the proposal of the Government is that taxpayers shall go back six months and pay again on a proportion of the money on which they have already paid, which is manifestly unfair.

Hon. C. F. BAXTER: It seems to me quite clear that the Government intend to compel taxpayers to pay half a year's taxation twice over.

Hon. Sir E. H. Wittenoom: A portion of it.

Hon. J. F. Cullen: They will halve it.

Hon. C. F. BAXTER: The trouble emanates from the fact that under the system adopted by the Commissioner of Taxation of compelling farmers to return estimates of the year's operations we pay the taxation on the year's operations before we receive any returns from them ourselves. The half-year from the farming community would be a losing half-year for the Commissioner of Taxation, because we farmers have already paid in respect of the half-year.

The COLONIAL SECRETARY: Perhaps hon. members will look at the matter from this point of view. Under existing circumstances the taxpayer sends in his return at the end of December, and the tax becomes due, say, in February. Each February, therefore, the taxpayer pays over his cheque for the year's income tax. So as to make the State return uniform with the

Commonwealth return, we now say to the taxpayer, "You will make your return at the end of June instead of at the end of December, and instead of paying your income tax in each February you will pay it in each August; but on the first occasion that your income tax becomes payable in August you will pay only half."

Hon. J. F. Cullen: The Minister must see that that cannot be fair.

The COLONIAL SECRETARY: I have spent hours on this matter with the Commissioner of Taxation.

Hon. J. F. Cullen: That accounts for the muddle.

The CHAIRMAN: I shall ask hon. members not to interject. It simply prolongs the debate.

The COLONIAL SECRETARY: The Government say to the taxpayer, "Because we are hurrying you by six months for the first year of the change, you shall pay only half of the tax." Let me give a concrete instance. Suppose a man's income tax amounts to £20 a year. He pays that amount in February. The Government now say that in order to achieve uniformity they will ask him to pay in August instead of in February.

Hon. J. F. Cullen: But he has already paid in February.

The COLONIAL SECRETARY: Of course he has. It would be a manifest injustice to make that man pay £20 in August. It would be equally unjust for the man to refuse to pay anything in the next ensuing August, and for him to defer any payment until August twelve months. The proposal of the Government is that such a taxpayer, having paid his tax of £20 in February, shall, the system having been altered, pay £10 in August next, and £20 in the following August, and so on.

Sitting suspended from 6.17 to 7.30 p.m.

Hon. J. DUFFELL: A general confusion seems to centre in Clause 2. Before tea I remarked that the leader of the House himself was confused in regard to the interpretation of the clause. If I was not correct in this I contend at least that the interpretation of the clause, as given to the Committee by the Colonial Secretary,

hinges upon the words "the eleventh year." The Colonial Secretary is quite correct when he says that his words refer to the 30th June, 1918. Therefore the difference between the Minister and members is in the word "eleventh." To put the matter in order, I move an amendment—

That "eleventh" in line 3 be struck out and "tenth" inserted in lieu.

It will be seen that we shall have to make further amendments, because it will give the Commissioner power to make an assessment, not for the period 1st January, 1917, to 30th June, 1917, but for the 12 months 1st July, 1916, to 30th June, 1917. If we pass the clause in its present form it will mean to the 30th June, 1918. This is what we wish to obviate. We ask, "why not get into line straight away, why the eleventh at all, why continue the present complication of returns?" There is no reason why we should wait till 1918 for what we can get in 1917. This "eleventh" has been cunningly put in by the draftsman, at the instance of the commissioner, for a purpose which is opposed to the wishes of the majority of members.

The COLONIAL SECRETARY: I would like to understand exactly what the desire of the hon. member is. The 10th year of assessment is the current financial year, and in respect of this year all the taxpayers of the State have already furnished returns. Does the hon. member desire that all those returns should be withdrawn?

Hon. J. Duffell: No.

The COLONIAL SECRETARY: If the amendment is carried that will be the effect.

Hon. J. Duffell: No; I will provide for that by another amendment.

The COLONIAL SECRETARY: The taxpayers have already furnished returns for the 10th year of assessment, which is the financial year ending 30th June, 1917.

Hon. J. Duffell: No; it is to the 31st December last, six months of the current financial year.

The COLONIAL SECRETARY: I am afraid the hon. member does not follow exactly what the term "year of assessment" means. It means the financial year in which we have to pay the tax, and it

has no reference whatever to the period covered by our returns. The 10th year of assessment is the current financial year ending 30th June, 1917, and for that year all taxpayers have already furnished their returns. If the amendment is carried, the effect will be that every taxpayer will have to furnish another return.

Hon. J. Duffell: Yes, for the six months.

The COLONIAL SECRETARY: I fail to understand what the hon. member is driving at. The 10th year of assessment is finished with, except in respect of payments. The returns have been made, and nothing remains save for the commissioner to collect his money. And now, for the 11th year of assessment, we are going to establish a different principle.

Hon. J. F. CULLEN: I have a proposal which I think will satisfy the hon. member, namely, to let these clauses go and insert a new clause as follows:—

Provided that the first assessment under this Act shall be for the half year ending 30th June, 1917, and only one-half of the exemptions provided under the principal Act shall be allowed.

There is a fair business proposal. The hon. member is entering upon an endless list of amendments, and besides, he is starting out wrongly. The Bill properly mentions the 11th year of assessment. I think my proposal will do away with all difficulties. It will be fair, and will take no revenue from the Government. It will simply delay the Government in getting revenue for the second half of 1917 until 1918. Returns have already been furnished to the 31st December under statutory compulsion. If the Taxation Commissioner gets, as he desires, returns from 1st January to 30th June, he will collect half taxation in a period for which full taxation has already been paid.

Hon. A. SANDERSON: It must be obvious to the leader of the House that the Committee is determined to grant only six months; and it is obvious to me that the Government and the Commissioner are equally determined to, if possible, to get 18 months. Is the Government prepared to accept the six months?

The Colonial Secretary: No; they cannot. They dare not; it would be impracticable.

Hon. A. SANDERSON: It does not matter what the reasons are; I am not surprised at the Minister's decision. It is remarkable that the Committee, having arrived at a determination, has been able to arrive at this understanding on this financial question, whereas in respect of other financial proposals of the Government the House has not been able to do so. If members will turn to the eighth annual report of the Commissioner of Taxation, it will be found that the amount involved is comparatively insignificant. The total amount therein dealt with is £100,000, but the question at issue now is not £100,000, but only the difference between the amount the Government would collect in six months and £100,000, which could not exceed £10,000 or £20,000.

Hon. J. M. DREW: Four or five clauses of the Bill will require to be withdrawn in order to carry out the wishes of several members, with whom I am in sympathy. On the second reading of the Bill I said the proposal was that the Government should collect two years taxation within six months and, further, that they would be able to collect 12 months taxation on a six months return. That has been admitted this afternoon. Why was the information not forthcoming earlier? Obviously it is because the Minister was not supplied with it by the Commissioner of Taxation, and members must now consider what would have happened had the Committee not probed the question. Would the Commissioner have collected 12 months tax up to June next? The Colonial Secretary has stated that, under the amendment many of the farmers would not pay any income tax at all. That is quite true in respect of the six months ending June next, but for the succeeding year the farmer would have to pay a very much higher tax, for the reason that his returns would then cover his income period and not the expenditure period. I suggest to the Colonial Secretary that he postpone this clause until tomorrow. I had been under the impression that it was the intention of the Minister to introduce an amendment, but as he has not

done so I suggest that he postpone the clause.

The COLONIAL SECRETARY: Before moving to report progress I wish to explain that I desire to be in a position to explain the wishes of members on this matter to the Commissioner of Taxation. Mr. Drew has said that I have withheld information but I would point out that when the matter was first brought up I quoted from a Bill introduced in another place in which it was specifically stated that the tax would be for six months only.

Hon. J. M. Drew: I did not say you withheld the information.

The COLONIAL SECRETARY: No, but that the Commissioner had done so; and yet, in another place, the Commissioner and the Government had circulated a Bill containing a proviso that only one half of the taxation would be collected.

Hon. J. Duffell: Why was it withdrawn?

The COLONIAL SECRETARY: That Bill was not proceeded with, but a similar Bill will require to come forward later on. Mr. Drew has said that if this Bill be proceeded with the Commissioner could collect a whole year's taxation. I tell the House that the Commissioner cannot collect anything at all under this Bill. This measure only provides the method under which the Commissioner shall make his assessments. Subsequently a taxation Bill must be put through and in that the provision may be made for the collection of half a year's tax only. Mr. Drew also said that for the first half year period after the change over the farmer would pay no taxation but in the next year he would pay more than ever, because he would then only be charged in regard to his income period and not for the period of expenditure. Is it not obvious that, in making up the subsequent return, the farmer would include the period from the 1st July one year to the 30th June in the next, so that he would include both the profit period from July to January and the expenditure period from January to June. The Government say that they wish to do this without prejudice to the Treasury or an injustice will be done to the taxpayers, and as we push forward the period six months, we shall only collect half a year's

revenue. But the taxpayer must make his return out for the year. The Government are not in a hole over this matter as some hon. members have suggested. So far as the Government are concerned, we do not want it. We desire it only to convenience the taxpayers. The only effect of dropping this Bill will be that the much desired change will not be carried into effect. I am quite willing to report progress until to-morrow, but that will mean that we must arrive at a method of making this change over which will be just to all taxpayers, or else we must drop the Bill.

Hon. J. DUFFELL: I desire to correct the statement made by the hon. member in reply to my remarks. The leader of the House told hon. members that we were in the eleventh year of assessment.

The Colonial Secretary: I told the hon. member that we went to this tenth year, as he said, we should go back to the year we are at present in, namely, the year ending 30th June, 1917, in respect of which returns have already been made.

Hon. J. DUFFELL: If hon. members consider it is not advisable to alter the eleventh year, and they are prepared to abide by the remarks of the leader of the House, then I will give notice of a further amendment to delete the word "twelve" in the last line and make the period six months. I am still convinced that the returns have been made for the eleventh year, and if this clause is amended, the position will be brought into line with that of the Eastern States, where the alteration will come into operation on the 1st July next. The desire is that we should furnish a six months return from the 1st January to the 30th June and then that in July, 1918, we should furnish a twelve months return.

Progress reported.

BILL—INDUSTRIES ASSISTANCE ACT AMENDMENT.

In Committee.

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

Clauses 1, 2, 3—agreed to.

Clause 4--Where advance made pursuant to application, acknowledgment and contract not essential:

Hon. V. HAMERSLEY: I move an amendment—

That in line 5, after the word "applicant," the following words be added:—"and upon a caveat being lodged by the Board, but not otherwise, in the form set out in the Schedule to the 'Industries Assistance Act Amendment Act, 1915,' against the land in respect of which the applicant is registered as lessee or proprietor."

The amendment will make it essential that a caveat shall be lodged so that a man, who perhaps is approached with the object of lending money on the land, has some opportunity of seeing what charges there are on that land and what sort of security there is. As the clause reads at present, there would be no record in the Titles Office of any encumbrances, and if one goes through the Bill it will be noticed that a bank, under various other clauses, has to keep an alphabetical list of advances made. The banks have failed to do that and anyone going to a bank to search would not be able to get the full information as to what advances had been made. It is necessary that a caveat shall be lodged and it is with that idea that I am moving the amendment.

The COLONIAL SECRETARY: I have no objection to the principle of the hon. member's amendment but I think the position in which he proposes to introduce it is the wrong one and might lead to a misinterpretation. The Crown Law Department have suggested that instead of putting the words in the middle of the clause, they should be added in the form of a proviso.

Hon. V. HAMERSLEY: I will accept the Colonial Secretary's suggestion and will withdraw my amendment so that the words may be added as a proviso.

Amendment by leave withdrawn.

The CHAIRMAN: The amendment read out by the Colonial Secretary is not the same as that moved by the hon. member. I suggest that the hon. member should withdraw his amendment.

Hon. V. Hamersley: I shall be glad to do so.

Amendment by leave withdrawn.

Hon. J. F. CULLEN: This clause gives great powers to the Administration. I question whether the words "or may hereafter be made" are necessary. Will the Colonial Secretary tell us whether they are necessary or not.

The COLONIAL SECRETARY: Under the original Act a simple form of acknowledgment of contract was introduced in the place of any formal instrument of mortgage and bill of sale as security for advances. The system has been found to be unworkable and it is desired that the procedure should be amended. The amendment is now suggested in Clause 4. I agree that some substitute safeguard should be provided and propose to move a proviso on much the same terms as outlined in the amendment proposed by Mr. Hamersley.

Hon. Sir E. H. WITTENOOM: In the past people have lent money to various farmers and other people and these have looked at the titles and found them perfectly clean, whereas the Industries Assistance Board under the Act had a claim against such titles. This amendment is to provide that in future directly the Government have a claim under the Industries Assistance Act against the property there should be lodged a caveat so that any person advancing money against such property may know that the title is not clean.

The COLONIAL SECRETARY: I move an amendment—

That the following proviso be added to the clause, "Provided that a caveat in the form set out in the schedule of the Industries Assistance Act Amendment Act, 1915, or to the effect thereof shall be lodged against any land in respect of which the applicant is registered as lessee or proprietor."

Hon. Sir E. H. WITTENOOM: Will this have exactly the same effect as the proposed amendment?

The Colonial Secretary: I think it would have exactly the same effect.

Hon. A. SANDERSON: Are we going to accept that without an amendment being placed on the Notice Paper and the fullest opportunity being afforded of our being satisfied that we are going to get what we require?

Hon. Sir E. H. WITTENOOM: The amendment proposed is in legal form and we are quite safe in accepting it. I am assured of this on good authority.

The COLONIAL SECRETARY: It was drawn up by the Solicitor General to meet the desire expressed by Mr. Hamersley.

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

Clauses 5, 6, 7—agreed to.

Clause 8—Amendment to Clause 15—Advances to be a first charge on lands, crops, etc., of applicant:

Hon. J. A. GREIG: I move an amendment—

That in paragraph (c) of Subclause 1 all the words after "Act" be struck out. This clause as it stands will automatically by a stroke of the pen, place all the goods and chattels of over 2,000 farmers in the hands of the Industries Assistance Board. It is too far-reaching to ask farmers to give up everything to the board. A farmer will have no say whatever in what he will do in his own affairs. The Government want to make it compulsory that every farmer shall give everything he possesses to the board by Act of Parliament, and all that he may accumulate in the future as well. Under this Bill it will be impossible for a farmer to kill a sheep on his own farm for his own use without being liable to a charge of committing a criminal offence, for which the penalty is £100 or six months imprisonment.

Hon. Sir E. H. WITTENOOM: Perhaps the hon. member has not quite grasped the clause. If those words were omitted, the Government would have no security except over the goods which they had given the applicant the money to buy. Thus, the Government would have no margin at all.

Hon. J. F. CULLEN: But the previous subclause makes reference to crops.

Hon. Sir E. H. WITTENOOM: Yes; the Government have the margin of the crops also.

The COLONIAL SECRETARY: It was certainly never intended that the clause should operate in the harsh manner suggested by Mr. Greig. Subclause 2 has a proviso giving the board power to exempt from the security as they may think fit. That power would be used to prevent any hard-

ship, and also to prevent a settler from being hampered in his legitimate operations. The object of this amending measure is to strengthen the board's security. Indeed, the effect will be to protect the honest settler. A dishonest settler will, under this measure, be prevented from selling his hitherto free assets and clearing out when he is indebted to the board. That is a thing which has happened occasionally, and which should be prevented. The only objection that can be raised is that mentioned by Mr. Greig, but there is the proviso to which I have drawn attention. It must be borne in mind, also, that many of the farmers affected had the benefit of the moratorium legislation.

Hon. H. MILLINGTON: I feel inclined to support the amendment. When the original Act was under consideration it was pointed out that to tighten the cord round the farmer's neck to such an extent as to cause him to lose courage altogether was inadvisable. Many farmers were induced to come under the board by certain specified considerations, and those farmers will now find that the whole of their security is to be required from them. Too much security cannot be required from some men; but there are others who have it for their main object to get clear of the board. If the amendment is not carried, I certainly hope the board will administer the provision sympathetically.

Hon. J. F. CULLEN: I hope the Minister will agree to the amendment. In the back blocks some of the farmers really are short of food to eat, and a farmer so situated would be committing an offence if he killed a sheep or a calf. There is a great deal in Mr. Greig's argument.

Hon. C. F. BAXTER: I think the provision is too far-reaching. A client of the board may be supplied only with superphosphate, a comparative trifle, and yet the board, under this provision, will have a lien over the whole of his assets. The effect will be to force clients of the board to deal solely with the board, which, I think, is not desired. This drastic provision would stop all outside credit.

Hon. V. HAMERSLEY: The provision not only applies to the goods and chattels of the settler, but must stop all outside credit.

If this clause is passed as it stands, it will put an end to the share system of farming between large, old established farmers on the one hand, and new settlers on the other hand. A dragnet clause of this nature, covering all the assets of a farmer under the board, would make the share system of farming too risky a speculation for the other man. I think the amendment is reasonable and fair.

Hon. J. A. GREIG: I do not think the question needs much labouring. The Colonial Secretary said it would be possible to get exemption, but in order to obtain exemption a farmer would have to apply to the board, and his holding would have to be inspected. Numbers of farmers have owed the board as much as £1,000 under the old conditions and have reduced their debt to £200; and yet, by this provision, the board will require additional security to cover a debt of £200, whilst they thought the existing security sufficient for an advance of £1,000. Under this provision such men would not be able to sell a dozen of eggs without the consent of the board. The Bill seems to me the dizzy limit in State socialism. It has been suggested that settlers may sell off and clear out. I know of several settlers who would clear out if they thought this Bill would become law; they would prefer saving their few goods and chattels now, to the prospect of losing everything later. A number of the settlers have been on wodge-land and have proved its uselessness. If the State lost a little on these settlers through the Industries Assistance Board, the State and the settlers would be about quits. The original conditions of the Industries Assistance Board required a mortgage over land and a lease over crops; but this provision will compel the farmer to give security over everything he has. In such circumstances the farmer would feel that he had been trapped into compulsory State socialism.

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

Clause 9—Amendment of Section 21 and repeal of Third Schedule:

The COLONIAL SECRETARY: I move an amendment—

That the following proviso be added to the clause:—"Provided that where any land of an applicant is mortgaged in pri-

ority to the security of the Colonial Treasurer, it shall not be obligatory on the Colonial Treasurer to apply the proceeds of the crops of such mortgaged land to the liquidation of the indebtedness of the applicant, and the Colonial Treasurer in the exercise of his discretion to distribute the surplus proceeds as aforesaid may exempt from such distribution the proceeds of crops raised on such mortgaged lands."

This proviso has been drafted by the Solicitor General to overcome the difficulty which has arisen in connection with property cropped with the joint assistance of the associated banks and the board. At present the board must administer the whole of such an estate. The amendment will empower the board to relinquish their claim to crops which have not been grown with the board's assistance.

Hon. V. HAMERSLEY: How will this affect those business men who, before the coming into operation of the principal Act, had advanced so much to the farmers in the eastern areas? The provision seems to leave it open to the Government to decide that those men shall look out for themselves. Many of them have been waiting for their money for years.

The COLONIAL SECRETARY: Under the Act as it stands they would be left high and dry. The intention of the clause is to give them their money; to distribute the surplus proceeds among the creditors pro rata. It should be a very great relief to the people to whom the hon. member refers.

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

Clause 10—Amendment of Section 22:

Hon. J. M. DREW: I would like to know the reason for dispensing with the alphabetical index. It must have been of great convenience to business people in making investigations.

The COLONIAL SECRETARY: As a matter of fact the index has not been kept. It is now proposed that ledgers shall be kept. These will serve the purpose of the index.

Clause put and passed.

Clause 11—Interest of settler in mortgage of land, crops and chattels not to be alienated:

Hon. J. M. DREW: I wish to again draw attention to a point I raised on the second reading. Under the clause it will be impossible to successfully sue anyone who has had assistance from the Industries Assistance Board although the debt may have been incurred prior to the debtor receiving that assistance. Under Clause 4 he may be with the board for five years, and of course after a period of six years he will have automatically evaded his debt under the Statute of Limitations.

The COLONIAL SECRETARY: If the operation of this measure continues for so long, it may be necessary to introduce some legislation to cover the point raised.

Hon. J. M. DREW: There is also the question of the moratorium. The Government should introduce some legislation to suspend the operation of both those laws in respect to the Bill.

Clause put and passed.

Clauses 12 to 15—agreed to.

Clause 16—Effect of amendments:

Hon. V. HAMERSLEY: I move an amendment—

That the following proviso be added to the clause:—"Provided that no such amendment shall affect the priority of any encumbrances given previous to the coming into operation of this Act."

The people who advanced money to the settlers did so in all good faith and it was generally agreed by the board and those holding the encumbrances that it was a good thing for the State to help those settlers. The Bill is far reaching. Some of those lands can be leased for seven years and the money advanced on the lease becomes a charge on the land. It seems to me essential that due notice should be given to those who have prior mortgages.

Hon. Sir E. H. WITTENOOM: The object of the amendment is to tone down a very drastic retrospective clause. To an extent it will protect those who have taken some security over the properties prior to the Act. Without the amendment the effects of the clause might be disastrous. I will support the amendment.

The COLONIAL SECRETARY: On the subject of the hon. member's amendment the Solicitor General says he can see no

reason why the effect of the amendments should not be retrospective, and adds that prior mortgages are protected by the proviso to Section 15 as set out in Clause 8 of the Bill.

Hon. V. Hamersley: That section is repealed.

The COLONIAL SECRETARY: But another giving the same protection is substituted in its place.

Hon. V. Hamersley: No, it is nothing like so good.

The COLONIAL SECRETARY: It gives exactly the same protection as before to prior mortgagees. The principal point of difference in the new clause has been removed by Mr. Greig's amendment. The Solicitor General also points out that the amendment of Section 15 makes an advance for land rents as well as commodities a first charge, and as against mortgages the first charge on three crops. He asks, if the land rents were not paid where would the mortgagee be? Again, if the board did not make the advance the mortgagee would necessarily have to do so to preserve his security, and the Solicitor General asks why should the board be expected to advance those rents in the interest of the mortgagee? The Solicitor General holds that Clause 16 should be passed as printed.

Hon. V. HAMERSLEY: Under the Act the board has the right to refuse to accept payment when a man desires to discharge his liabilities, and on occasion the board has exercised that right. I know several instances of hardship in consequence. The clause is a repudiation of all obligations entered into by previous mortgagees. If obligations entered into in years gone by are to be repudiated we might yet see repudiation in other directions. In regard to the future, new settlers independent of the board who might get into financial difficulties would find a disability in going to a private bank for support. Under the Bill they will be driven to either the Industries Assistance Board or to the Agricultural Bank. So far as the future is concerned it does not matter to me, but I do think that without this clause there is not sufficient safeguard in respect of moneys which has been loaned to settlers. I know of instances of advances to settlers in respect of which

there is not much hope of their being realised.

Amendment put and passed.

New clause:

The COLONIAL SECRETARY: I move—

That the following be added to stand as Clause 17:—"Notwithstanding anything contained in the principal Act and its amendments to the contrary the following provisions shall have effect:—

(1.) No advance shall be made after the commencement of this Act to any settler or other person not already in receipt of assistance from the board whose land, chattels, or crops are subject to a registered mortgage or charge, without the consent in writing of the mortgagees or encumbrancer. (2.) Any settler or other person indebted to the board for advances may, subject as hereinafter provided, at any time repay the amount of such advances with interest, and the receipt of the board for such payment shall operate as a discharge for all charges, liens, and encumbrances created by the principal Act or its amendments in favour of the board: Provided that the board may, as a condition of such discharge, require the consent of all creditors of such settler or other person as aforesaid, so far as such creditors have given notice to the board of their claims, or the payment by such settler or other person as aforesaid to the board of such further amount as shall be sufficient to satisfy such claims, and the release of the board from all guarantees."

New clause put and passed.

Bill reported with amendments, and the report adopted.

BILL—STATE TRADING CONCERNS (No. 2).

Second Reading.

Debate resumed from the 8th March.

Hon. J. M. DREW (Central) [9.7]: In one or two respects this Bill is in my opinion a good one. Provision is made for supplying each concern with its own capital by means of an advance account at the Treasury. This will remove a lot of un-

necessary red tape, and it will afford each concern greater facility for the despatch of business. In future, under this measure, profits only will be dealt with in revenue account. It has been the custom in the past to place in revenue account the whole of the income and expenditure in connection with these trading concerns. The result has been that the revenue account has been unduly inflated, and the public have to a large extent been deceived. The aggregate amount paid into revenue in connection with the trading concerns mentioned in the schedule is £605,000. The Government, I understand, intend to act in the same way with regard to water supply and sewerage as they propose in connection with this Bill, that is, to place the profits to revenue instead of the whole of the revenue and expenditure. It will follow that the revenue will be decreased by no less a sum than one million pounds, and no doubt later on the Government will claim that the revenue of the country has decreased to the extent of one million pounds a year, but that they have been able to meet the difficulty by the exercise of economy and by decreasing expenditure. Some time ago, when the late Government was in power, our friends travelled around the country and stated that although the Government had command of not less than 25 per cent. more revenue than their predecessors they were unable to finance the business of the country. When this Bill has been passed and a similar measure brought forward to deal with water supply and sewerage, the present Government will be able to tour the country and say that they have been able to do not much worse than the Labour Government with 25 per cent. less revenue. There are some palpable defects in the Bill and the effect of these will be to place an undue burden on the trading concerns. Each trading concern under this measure is to contribute not only to a sinking fund but also to a depreciation fund. Clause 8 makes provision that there shall be contribution to a sinking fund and a later clause makes provision that there shall be a contribution to a depreciation fund. There should be either the one or the other, but not both. In connection with any private business,

as a rule, no provision is made for contribution to a sinking fund, although provision for a contribution to a depreciation fund is made. Under this measure the trading concerns of the State will have to bear a double charge, which they should not be called upon to carry. There should be, as everyone who has given the question any thought and who is acquainted with business methods must know, either the one or the other—the sinking fund or the depreciation fund, but not both. Take the saw mills. Depreciation has in the past been debited against the saw mills on a basis which will mean that at the end of the life of the mills they will have been paid for, if the mills have been profitably carried on. But, with the sinking fund, in future, in addition to this depreciation fund, the mills would be twice paid for during the same period of time, for in this measure there is provision which enables the Colonial Treasurer to calculate the sinking fund on a 40 years basis or such other time as seems to him sufficient in the circumstances. For instance, if he came to the conclusion that the life of a mill was 20 years he would base his sinking fund on that period, and, in addition, the accountant would debit against the profit and loss account depreciation on exactly the same basis as well. Under the existing Act there is provision for both sinking fund and depreciation, but the smaller must be deducted from the larger. Section 13 of the Act reads—

Whenever the total amount of depreciation so determined shall exceed the amount provided for the repayment of Loan moneys raised or used for the purpose of capital of a trading concern the amount of such excess shall be charged against the profit and may be appropriated by the Colonial Treasurer.

Under that Section the trading concerns would not be required to contribute to both. Then, again, each concern is allowed a certain amount of capital, and it has to pay interest on its daily balance at the Treasury. That is all right, but under Clause 5, if there were any profits they would go into the public revenue, and no interest whatever is to be credited to the trading concern in connection with these

profits. Thus, if any money is drawn out of the Treasury by a trading concern it must pay interest on that money; but, if the trading concern hands over money to the consolidated revenue no interest is credited. Hon. members will at once recognise that that is not a fair proposition. Under a fair method of accountancy the State Steamship Service should show a fairly big profit this year, but if the Bill passes as it stands, it will be debited with interest which is quite right; it will be debited with sinking fund, and it will be debited further with a redemption fund in connection with the purchase of the "Kangaroo," and this will tend to reduce the profit immensely, and if there is any profit left, instead of using that profit towards the reduction of interest, that profit will go into revenue and the trading concern will not be credited with interest. This Bill should never have been introduced under the conditions which are existing at the present time. It is a distinctly party measure, and a party measure of the extremest type. There was a general understanding at the outbreak of hostilities that no legislation would be introduced by the then Government which would be calculated to provoke political dissension at a time when all minds should be directed to the one great common aim, the victorious ending of the war. In keeping with that understanding the then Premier jettisoned a large number of strictly party Bills as soon as he recognised that the safety of the Empire was in danger. Not only is this a party measure but it is one of the most objectionable with which the Opposition can be confronted. It is a direct challenge to party warfare. It is an open invitation to a political quarrel of the bitterest kind, for it provides machinery to shatter with one stroke the policy inaugurated by the previous Government. A large section of the Ministry's following is clamouring for a National Government. They want to end political strife and bring about political unity and they are inspired by the very worthy object of terminating Parliamentary warfare and directing the State's energies towards national ends. But can the question of a National Government be respectfully considered? Can it be even entertained when legislation of this provocative

character is flaunted before the eyes of the Opposition?—No measure could be introduced calculated to create greater rancour in Opposition circles than the Bill we are now considering. The object of the measure is to undo all that the Labour Government have done in carrying out their socialistic policy. The present Government have thrown overboard very important legislation; they have dropped the Bill for the suppression of betting after a great display of fireworks and after participating in a demonstration in the Perth Town Hall, where we were led to believe the Government would die in the last ditch before they relaxed their grip on the throat of the gambler. But the Bill has been dropped like hot coal, and the voice of the bookmaker is still loud in the land. There were other taxation measures including a very clumsy piece of mechanism designed for the purpose of levying imposts on the commodities used by the people. Those have also been rushed down a steep place. There is to be no taxation, although the deficit is bounding upwards with unprecedented velocity. In fact, after listening to the Colonial Secretary on the impropriety and the folly of introducing taxation at the present time, I am astonished that the Government ever suggested that taxation should be introduced, or that they actually introduced taxation measures in another place. Other legislation of equal, or almost equal importance, has also been tossed overboard, but the Government have held on to this measure tenaciously. The action of the Government would be bad enough at any time, but more particularly at the present time when the war is on, but it is worse when we consider the circumstances that the Government have no mandate from the people to do this. The present Government came into existence by a combination of circumstances without any reference at all to the electors of Western Australia as a whole. That such a Government should take advantage of its position and take advantage of the fact that it was blown into office by a side wind, seems to me to be a quite unfair action and one which should not be supported by the Legislative Council. Even if members disapprove of the trading concerns, and I know a large majority in

this House does disapprove of their continuance, they will still remember the fact that the Government in asking for power to end these trading concerns have never received any instructions from the people of Western to take that course. If the trading concerns are to go, the electors of Western Australia should be afforded an opportunity of saying so, and they will be afforded that opportunity next September. In the meantime the Legislative Council should stay its hand in regard to one or two clauses of the Bill, insist on their being expunged and allow the people when the general elections come on to decide the question as to whether these concerns shall continue or not.

Hon. J. J. Holmes: This Bill does not say that the trading concerns shall go.

Hon. J. M. DREW: No, but it gives the Government power to sell. The Bill is not wanted by the present Ministry, it is not wanted for the purpose of restricting them in the establishment of trading concerns, because the establishment of trading concerns is directly opposed to their policy. The restrictive features of the measure are, however, intended to apply to some other Government which may perhaps embark upon socialistic enterprises.

Hon. J. J. Holmes: Is it not the object of the Bill to prevent a Government usurping the functions of Parliament?

Hon. J. M. DREW: That is one of the objects. In 1911 the electors of the State placed the Scaddan Government in power by a very big majority, and previously the Labour Government had clearly intimated to the people that, if given the opportunity, they would embark on these socialistic enterprises. One of the trading concerns especially was advocated by both parties. Mr. Wilson announced that he intended to place steamers on the North-West coast. I read his speech clearly in print, but even if I was deceived we had an ample confirmation of the fact in this House a few months ago, when Mr. Holmes stated that he had been circularised as a pastoralist by the previous Liberal Government and asked what number of stock he would be prepared to supply if the Government placed a steamer on the coast.

Hon. J. J. Holmes: That is quite right.

Hon. J. M. DREW: If this Bill passes, the State steamers may be sold. We may wake up some morning to discover that they have been disposed of to one or other of the steamship companies. I can understand from this Bill that possession cannot be given to any purchaser without the consent of Parliament, but it will be much easier for the Government to get the consent of Parliament after they have already made a contract for the disposal of the State shipping enterprise. Suppose the Government agreed to sell the ships next month, the position would be that they would make no arrangements for future freight, and it would not be safe because they would already have agreed to dispose of the State steamers but would have to seek the consent of Parliament. Parliament would be faced with the position that the Government had made no contracts, and if the ships were not sold they would be tied up for six or seven months to the Fremantle wharves. Consequently, the House would have no alternative except to ratify the sale. The Bill came to this House by the narrowest possible majority and this is a deliberative Chamber which prides itself on the fact that it checks hasty legislation. I recognise it is futile to argue on this question if members are influenced by their prejudices against the trading concerns. But I feel certain they will rise superior to those prejudices and view the matter in a calm and judicial light recognising that before many months have elapsed they will have an opportunity of expressing their opinion on the question, and if the people reinstate the present Government, it will be a direction that the people do not require the trading concerns. Then the Government can come forward and boldly ask the Legislative Council to sanction the sale. But in view of the fact that Parliament will shortly be dissolved and that members will have to meet their constituents, the Legislative Council should at the present time take such action as will prevent anything being done until the people have been consulted.

Hon. J. E. DODD (South) [9.27]: I thought that many hon. members would speak on this Bill to-night and that I would have an opportunity of saying a few words to-morrow. I wish to say that to some

parts of the Bill I do not take great exception but I take up exactly the same stand as Mr. Drew. The Bill is designed principally to prevent any further trading concerns being entered upon by any Government without consulting Parliament. It was stated by the present Government on several occasions that they came in to restore Parliamentary sovereignty, but in this Bill they are endeavouring to place Parliament above the people. In 1911 the Labour party were returned by the largest majority ever known in Western Australia and one of the principal planks of their platform was the establishment of State trading concerns. That verdict has never been reversed, although at the last general elections the Government certainly did not retain the numbers they had, but the verdict in regard to State trading concerns was not reversed. Now we find that the Government which have been established ostensibly to restore the sovereignty of Parliament are out not merely to do that, but to place Parliament over the people. They know well that if the Bill is carried no matter what the verdict may be at the next general election, this Chamber will have power to prevent any further trading concerns being established. It is an outrageous stand for the present Government to take up, especially considering the method and combination of circumstances, pointed out by Mr. Drew, under which they came into power. With regard to restoring the sovereignty of Parliament, I would say that the very first act of the present Government was to abrogate the authority of Parliament and to stop a railway passed by both Houses, despite the fact that they make the boast they will restore the authority of Parliament. I do not know, in regard to the clauses mentioned by Mr. Drew, that we can make the Bill very much better. The Government, in the action they have taken, and further, in the measure that they first brought before another place, when they sought to dispose of the trading concerns without consulting Parliament, have shown very little regard indeed for the professions they made. I hope that this Chamber will be what it professes to be, a House of review, and will consider this matter in all its bearings and not pass it hurriedly, and

will see first whether it is wise to flout the will of the people in the way the Bill proposes to do. I hope that the second reading of the Bill will not be carried.

Hon. J. MILLINGTON (North-East) [9.32]: I move—

That the debate be adjourned.

Motion put and a division taken with the following result:—

Ayes	..	..	..	..	10
Noes	..	..	..	..	12

Majority against	..	2
		—

AYES.

Hon. J. Cunningham;	Hon. J. W. Kirwan
Hon. J. E. Dodd	Hon. H. Millington
Hon. J. M. Drew	Hon. A. Sanderson
Hon. J. Ewing	Hon. J. W. Hickey
Hon. V. Hamersley	(Teller.)
Hon. W. Kingsmill	

NOES.

Hon. C. F. Baxter	Hon. R. J. Lynn
Hon. H. Carson	Hon. G. W. Miles
Hon. H. P. Colebatch	Hon. E. Rose
Hon. J. F. Cullen	Hon. C. Sommers
Hon. J. Duffell	Hon. C. McKenzie
Hon. J. A. Greig	(Teller.)
Hon. J. J. Holmes	

Motion thus negatived.

Hon. A. SANDERSON (Metropolitan-Suburban) [9.37]: This is not a very satisfactory way of conducting business. We are entitled to have a clear statement from the Government as to what they are proposing to do and what they are not proposing to do.

Hon. W. Kingsmill: We had one this afternoon.

Hon. A. SANDERSON: I do not call that a clear statement. It was too conditional. I am prepared to discuss these public questions.

The PRESIDENT: The question is the second reading of the Bill.

Hon. A. SANDERSON: That is the question I am going to discuss. My attitude and my criticism are very different from those of hon. members who have spoken. This is a Bill to regulate the establishment and carrying on of the management of trading concerns of the Government in the State. What have the Government, since their establishment, been doing? They have

been doing nothing else but run trading concerns from start to finish. In the State Railways there is a State trading concern. It is one of the earliest. Now we come to one of the latest, namely, the State Steamship Service. Who proposed and carried on the State Railway trading concern? It had the unanimous support of, one might say, the whole of the country. What is the position of the railways to-day? They are in such a financial condition that unless the Federal Government take them over they will not be able to run at all. They have stopped running to some extent already, and as a commercial venture they are a hopeless failure. If we cannot make the State Steamship Service pay at a time like this when can we make it pay? The Labour Government could make it pay. If we ran a steamer backwards we can make it pay on the present high rates. This is not a question of Liberal principles. Here are people masquerading as Liberals, but they do not know what the word means. This is a great Liberal Bill, and the work of Liberalism, and the principles of Liberalism! What nonsense that all is! Who is the strongest supporter in the House of the State Steamship Service? It is the hon. member from the North, and it is easy to understand why he should be. I do not blame him.

Hon. C. F. Baxter: There are others who support it, and who should support it.

Hon. A. SANDERSON: I know. What is the use of bringing down this Bill at the fag end of the session and attempting to rush it through this House of deliberation without the slightest consideration? An ordinary adjournment of debate which is given every day is refused on this matter. If it is a matter of importance why should the adjournment not be given? If it is one of those stupid things which should be dropped, why is it refused? To tell me that the Liberal principles are involved in this is nonsense.

Hon. C. F. Baxter: Who made that statement?

The PRESIDENT: This is not question time.

Hon. A. SANDERSON: Some hon. members have already explained that they

are not prepared to go on with the discussion on this Bill because they should have the usual adjournment and the time necessary to devote to it. I am prepared to go on with the Bill because I have paid some little attention to the State trading concerns. The question I want to ask the Government is this: if the people of this country are determined, as apparently they are, to have these State trading concerns, how are we going to prevent them from having them? It is no use talking to me about the regulation and business management of these things. What is the use of this Bill when only this evening we have had notice that we pass these Acts of Parliament but no one takes any notice of them? Is the Agricultural Bank a State trading concern? What is the use of this Government coming down here and objecting to a State fish shop and at the same time granting a couple of thousand pounds to a State canning factory?

The Colonial Secretary: It is not a State canning factory.

Hon. A. SANDERSON: It is worse than that. If it was a State canning factory I could move that the papers be laid on the Table of the House, and find out what is going on. I asked for the papers and was told that the negotiations were of such a delicate nature that the papers could not be laid on the Table of the House, and that I could have a look at them at the department if I wished to do so. I want no information which other hon. members and the public cannot get. I have my eye on the State canning factory, and when hon. members know the position of affairs they will be more astonished than they were when the State sausage shop, or whatever was the greatest delinquency of the Labour Government, was established. Let us look at some of the State trading concerns in the schedule, and see what we are dealing with. Let us take the State sawmills. I am speaking without the book, because we have no had time to have a proper adjournment in order to look the matter up. Hon. members will be able to correct me if I am making any rash or unwarranted statements. Who started the State sawmills? Who is responsible for that enterprise? The present Premier. For what purpose? To assist the State railways. I

am not positive, but I believe, that on looking up the records it will be found that the first State sawmill in Western Australia was started by the Premier of the present so-called Liberal Government.

Hon. J. M. Draw: Quite correct.

Hon. A. SANDERSON: Now let us come to the State Implement and Engineering Works. I can say a little on that subject, in which older members will be able to bear me out. Years ago there used to be an agricultural conference meeting in Perth every 12 months under the chairmanship of Sir John Forrest, or the late Mr. Charles Harper, or the late Mr. George Throssell. The late Mr. Lindley Cowen used on those occasions to discourse on what he termed the agronomic resources of this country. It was not a Labour conference, but a conference of the pastoralists, farmers, and settlers of Western Australia. I can see two hon. members who will be able to check these statements. The conference met once a year, and were entertained to an uncommonly good lunch at the expense of the Government of this country. What did we do? Each little agricultural society used to send up to Mr. Lindley Cowen the proposals they wished to have brought forward at the conference. Here again I am speaking without the book, and it is a good many years ago; but I have a distinct recollection that the conference passed a resolution—I need hardly say I did not vote for it—that State implement works should be established in order that the farmers might obtain cheap harrows, pick axes, shovels and any other agricultural implements they needed. Does anyone mean to tell me that any question of Liberal principle is involved? I will tell hon. members where I think Liberal principles are involved. If the people of this country are determined to have these State ventures, the people should not be prevented from having them. Members may protest; they may divide the House, and even divide the country and fight elections on the question; and I think time is on the side of those who are opposed to these enterprises, as shown by the performances which have gone on in this country. I oppose these things from start to finish. I believe this country would be in a sounder position financially, and in a more satisfactory position as re-

gards population, if our State railways belonged to private companies, to rival private companies. But I do not expect hon. members to agree with me, and we can pass that by. Let us come to the State steamers. What is the difference between a member from the North asking for a State steamer since he cannot possibly get a railway, and a member in the South asking for a railway? Surely the two principles are not at variance. The Liberal party as it is known throughout the British Empire—if I may speak for the party on this occasion—will agree to anything approaching State enterprise only when it is a question of life and death, peace or war. The party may also make a few exceptions for different reasons, and very good reasons, and in only one or two cases. Taking them right through the piece, I say the State trading concerns are unnecessary and unsound. My views on the point did not carry weight with the public, and I said, "Very well; if those are your opinions I will not stand in your way; since you have carefully considered these matters, try them." Hon. members know what has been done in this country. What is the position of State trading concerns to-day, beginning with railways? Then a certain test was applied by the so-called Liberals. The criticism brought against the State trading concerns was that they were Labour ventures and did not pay. Let us take that as the test of the soundness or unsoundness of an enterprise.

Hon. J. Ewing: It is a very poor test.

Hon. A. SANDERSON: It is an interesting test. I have heard it applied as a test by the present occupants of the Treasury bench. Let them apply that test, and where do they land themselves? Are the railways paying? Are the State batteries paying? The State tramways are paying. Presumably we did a wise thing in taking the tramways over. I think I was the only member—hon. members will correct me if I am wrong—who said, when that great question of the tramways was discussed in this House, "Why cannot you leave the trams alone?" But the whole fight turned on the question, not of private enterprise, not of leaving the trams in the hands of the company—and what a mag-

nificent position we should be in to-day had we done that—

Member: Why did not you vote for that?

Hon. A. SANDERSON: I could not get any support. The present Colonial Secretary made his debut as a political champion in opposing the Government purchase of the trams.

Several members interjected.

The PRESIDENT: I think it far better for hon. members not to interrupt. It simply lengthens the debate.

Hon. A. SANDERSON: There is very little use in talking about lengthening the debate. I wanted to adjourn it. Reverting to the trams, what was the question or issue? Not whether the trams should be left in the hands of the company or put in the hands of the Government, but whether they should be put in the hands of the Government or in the hands of the Perth City Council. The present leader of the House was a powerful spokesman for the Perth City Council on that occasion.

The Colonial Secretary: I wish to correct the hon. member. The only question before the House at that time was the Government purchase of the trams, and the hon. member voted for the proposition.

Hon. A. SANDERSON: As I am speaking of events which occurred only four or five years ago, I say without the slightest hesitation that the question to be decided by Parliament at that time was whether the Government should have the trams or the Perth City Council should have the trams.

Hon. J. E. Dodd: That was what the select committee sat for.

Hon. A. SANDERSON: I am dealing with the general outline of the position, and I challenge anyone here to substantiate, before an impartial set of politicians, that that was not the real issue before Parliament. Why did I vote for the taking over of the trams by the Government? For this reason, and for this reason only, that I was sent here by the electors of the Metropolitan-Suburban Province, who were intensely interested in the matter and who were entirely opposed to the Perth City Council coming in and getting, as they thought, too much at the expense of the metropolitan-suburban municipalities. I said, "Very well; if that is

the case, and as there is no possibility of my own views being carried out, I shall vote for the Government taking over the tramways." My own view was that the tramway company should be left in possession of what they had. In the circumstances, however, I voted, without the slightest hesitation, for the Government taking over the trams, and I would do so again.

Hon. J. Duffell: You did quite right.

Hon. A. SANDERSON: I leave hon.

members to discuss that question among themselves. I am giving my view of the position, and my recollection of the subject is pretty clear. Stripped of all extraneous matter, the point at issue is that great discussion on the tramways was essentially this—are the Government or are the Perth City Council to take over the tramways? The leader of the House can make explanations and can deny that statement as much as he pleases, but I am confident that the man in the street, will agree with my view. Are the trams paying to-day? I understand they are paying, and returning very good dividends. Applying the test of payable results to this matter, what are we to do with the tramways? What have we been doing for the last week but setting up the greatest State trading concern the country has ever seen? I refer to the Industries Assistance Board. The position as regards the Industries Assistance Board is entrenched now; and it will be quite as impossible for the present Government, or any Government, to get rid of the board as to get rid of the State railways. A clause is inserted in this Bill to provide that the funds necessary for the establishment or carrying on of any State trading concern shall be such moneys as may be from time to time appropriated by Parliament for the purpose. If we get a Government sent back by the people with a good strong working majority, then, if this House refuses to let State trading concern go on, the Government will get the money in some other way. I myself hope that the whole thing will be abolished; but if we are to continue sound constitutional government we must behave in a sound constitutional manner. Our only course is to recognise that the people of this country,

whether rightly or wrongly, have decided that matter, and to recognise that they should have the power to carry out their wishes. The province of this House is certainly to delay matters, and give time for reconsideration. But what time is there for reconsideration as regards this Bill under present circumstances? The Government are absolutely flouting public opinion. They are absolutely determined to get their own way, by hook or by crook, whether or not they carry out the wishes of the people. Who put them in office? That is the question to be asked. I can tell the Government very well who will turn them out of office; and that is the electors, when they get the opportunity. To bring forward measures like presents conduct of business which is equalled only by the scandalous way in which the Government have conducted the finances. I am absolutely indifferent as to whether the views I express are received with pleasure or with displeasure. I am going to fight, as I have fought all my life, for what I maintain are true Liberal principles. It is a Liberal principle that public business shall be conducted on sound lines. I say of their financial administration that it is a scandal, and I say also that their conduct of business is almost as bad as their financial dealings. To tell us that we are going to close down to-morrow, and that this Bill is to be rushed through Committee and that we are to have the Land Bill and the Racing Bill, and half a dozen others—that Hon. J. M. Drew: We have not been told

that.
Hon. A. SANDERSON: Well, I am not in the confidence of the Government, but if we are to close down to-morrow what is the use of trying to rush half a dozen Bills through at the last moment? If we are not going to close to-morrow why was the adjournment of the debate refused?
The PRESIDENT: I draw the hon. member's attention to the Standing Order 392 as follows—

No member shall reflect on any vote of the Council except for the purpose of moving that such should be rescinded.
Hon. A. SANDERSON: I will not try to rescind that vote. If it is the desire of hon. members to rush business through like this,

who is better pleased than myself? It is no pleasure for me to come here night after night and see public business conducted in this way; but I am paid to be here to protect the interests of those who sent me, and I am going to do my best. We are entitled to a clear statement of what business we have to do and whether we are to close down to-morrow. Are hon. members to be expected to rush half-a-dozen Bills through without discussion? On the Bill before us I have no belief whatever in State trading concerns but, if the people are determined to have them, they will have them as long as the cash lasts. As the cash is running out, time is on my side and there will not be any more of these concerns, whether we have the Bill or not.

Hon. W. KINGSMILL (Metropolitan) [10.4]: It is my intention to support the second reading; indeed, I think it will be carried by a large majority. It is because I felt convinced that the majority would be large that I voted for the adjournment which the minority asked for. The smaller the minority the more are they entitled to get their adjournment. I do not think it is wise to refuse an adjournment when there is time for such. So far as we know, the session may last two or three weeks longer. The extremely indefinite answer given by the leader of the House this afternoon to a question asked without notice leads us to believe that there is no immediate intention of closing down, and that is why I voted to give the minority a chance of expressing their views against the Bill. Personally, I have no fault to find with the Bill, because invariably I have been against trading concerns being conducted by the Government, with the exception, perhaps, of the trams, which were bought by the late Government. In connection with that vote I may say I have bitterly regretted ever since that I did not foresee with what ineptitude a tram service, which was run not too well by the company, could be run by a Government department. If I had realised the depths of uselessness to which a Government department could descend in the running of a tram service, I do not know that I should have voted for the acquisition of that service. I might have been forced to do what I have never yet done, namely, walk out of the Chamber with-

out voting. In regard to the Bill before the House, most of us are agreed that it should pass. There are some points in it which call for reprobation. I can see one member opposite who showered contumely on the Labour Government for buying and starting these concerns without the consent of Parliament. I understand that when the Bill was introduced in another place it contained a provision giving the Minister power to sell or lease any of these trading concerns without the consent of Parliament. That has been amended in another place, and therefore that objection to the Bill has been modified, but only at the eleventh hour. I rose principally to express regret that what I apprehend will be a minority in the House should not have an opportunity of more fully voicing their opinion than has been accorded to them.

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

BILL.—KINGIA GRASS TREE CONCESSION.

Consideration of Select Committee's Report.

Debate resumed from the previous day.

Hon. H. CARSON (Central) [10.8]: I wish to congratulate Mr. Allen on having deferred the Bill and secured the appointment of a select committee to go into it. The more publicity given to matters of this kind the better for the State. The reason why I moved the adjournment of the debate was that I had noticed in the February number of *Life* an article headed "What is the Grass Tree Worth?" I thought it referred to the kingia, but on going further into it I find it refers to the blackboy. However, I think that to a large extent what applies to the kingia applies to the blackboy. We require to be careful to see that we do not give a monopoly of the kingia to anybody, seeing that we do not yet know the value of the product. To show hon. members something of the value of the blackboy, I propose to read part of this article.

The PRESIDENT: I scarcely think that would be relevant. It is a different plant.

Hon. H. CARSON: Then I will not read it. I support the motion.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [10.10]: I do not intend to oppose the motion, but there are one or two matters which I would like to explain to the House. I think the intending concessionaire has been very unfortunate. As Mr. Kingsmill pointed out, the Bill, with the exception of a change of name, is, I believe, an exact reprint of a Bill which was passed a couple of years ago, giving a similar concession to another gentleman. In that case the company then promoted for the purpose of carrying on the undertaking fell through, apparently for lack of capital. They put up a deposit to the State, which they forfeited, although I do not know that the State got very much out of it.

Hon. W. Kingsmill: It got the rent.

The COLONIAL SECRETARY: At any rate the concession was evidently not regarded as of much value by those people, because they forfeited their money. Mr. Langford apparently became interested in the matter, and he applied practically for a reinstatement of the previous concession. The Bill was passed through the Assembly and, probably presuming on the fact that a similar Bill had passed this House without much difficulty, Mr. Langford took it for granted that it was safe for him, during the time Parliament was in recess, to assume that his Bill would be passed and to proceed with the formation of a company. I have here two or three telegrams which I propose to read with the object of showing the bona fides of the concessionaire, because it seems to me he has made a bona fide attempt to develop the industry. Had the concession been granted to him the company would have been formed and the work proceeded with. I am not going to say that the concession ought to be granted to him, because I recognise the force of the arguments used by Mr. Kingsmill. We are practically reduced to the position that we must accept the report of the select committee. The Minister for Lands has received this telegram from J. Chaley, 510 Collins-street, Melbourne:—

As a merchant with considerable connection throughout Commonwealth and in England and France I have been induced by Langford's enterprise to handle kingia

grass tree brooms, and I respectfully request that your Government give every consideration to his application for concession already passed Legislative Assembly. Am fully prepared to further this Western Australian industry with own money as also are my business associates. The Minister also received from another Melbourne merchant this telegram—

On strength kingia concession having passed Assembly, arranged with Langford to raise six thousand pounds to more fully develop the organisation of the industry so courageously fostered by him at heavy personal cost. Confidently hope concession be promptly granted so that extensive scheme of operations may go on.

The Superintendent of the Royal Institute for the Blind, Melbourne, telegraphed the Minister for Lands as follows:—

Re Kingia concession to Langford, as one of manufacturers I hope every effort be made to encourage development of industry, the greatest part of expenditure on which being for labour must benefit local workers enormously. Former concession was to company too feeble to carry on, whereas new administration will have adequate capital, enterprise, and plant. Assure you that with reasonable Government support industry will have far-reaching results and the satisfactory prospects are entirely due to Langford's indomitable pluck against almost insuperable obstacles, and his faith in the potentialities of the industry which he has backed up by heavy expenditure out of his own pocket. Therefore Council should offer every inducement and support his efforts by granting concessions even with modifications.

I have also here a letter from a gentleman at Mundijong, who writes to say that he was engaged for some months by Mr. Langford in securing kingia grass. From all I have been told, I think there cannot be the slightest doubt but that that gentleman has spent something like £3,000 in developing this industry and putting it on such a footing that if he were able to obtain further capital he would be in the position of making it a profitable concern. At the present time I think Parliament should be anxious to encourage anybody desirous of develop-

ing our industries; and I believe Mr. Langford has made a bona fide attempt to develop this industry, and that if he cannot be granted the concession he seeks it will prevent him raising the capital necessary to carry on, and will involve him in financial loss. If the Bill is to be dropped, the Government will be able to assist the industry by granting a license to enable Mr. Langford to carry on, although I realise that even if this be done, the fact of his not having a concession will render it more difficult for him to obtain the necessary capital. But such a license would enable him to carry on in the meantime, and when Parliament meets again a Bill, drafted perhaps on somewhat different lines, might be introduced which would enable him to carry on. And I think Parliament would be prepared to give such a Bill fair consideration.

Hon. J. Ewing: Can he get a license?

The COLONIAL SECRETARY: I understand there is some doubt as to whether he can, but I understand also that the difficulty in the way could be overcome by a slight amendment to the Land Act. Personally I am satisfied Mr. Langford has made a bona fide endeavour to develop what may be called one of our unimportant industries, but one which I believe might be developed to considerable proportions.

Hon. W. KINGSMILL (Metropolitan—in reply) [10.18]: I desire only to say that so far as I can see there is nothing to cavil at in the attitude of the leader of the House, and I think there is no doubt he is to be commended. The Minister had told us it can be arranged that a license be granted over a certain area, if a slight amendment of the Land Act were made. I have no doubt but that in the circumstances that amendment would be passed by Parliament, I desire to ask the Minister to ensure that the Government will be guided by the desire expressed by members of this House that no monopoly shall be created; and I hope the endeavour of the Government will always be in the direction of seeing that no opportunity is afforded to any person of securing monopolies. If there is one thing more than another I regret in connection with this subject, it is the attitude taken up by Mr. Sanderson. I believe he spoke as

he did because of his natural tendency to oppose. For instance, he derided my reference to my hope that this would be a country of small holders, saying it was ineffable nonsense. Speaking later in the evening on another Bill, he said that no member of this House had more sympathy with or knowledge of the small holder than himself. I hope the House will adopt the recommendation of the select committee, more especially in view of the information given by the leader of the House. And let me say straight away that consideration should be extended to him, because it is to some extent the fault of the Government if the Bill is not passed. I hope the Government will support the new Standing Order which has been sent at my instance by this House to another place, and which I trust will be made by another place, that these Bills shall be made subject of inquiry by their introduction as private Bills. I venture to say that if inquiry had been made in this case, a great deal of time and trouble would have been saved.

Question put and passed, the report adopted.

BILL—TREASURY BONDS DEFICIENCY.

In Committee.

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

Clauses 1, 2, 3—agreed to.

Clause 4.—Authority to apply money to the credit of Public Accounts:

Hon. J. F. CULLEN: I suggest that this clause be struck out; in fact I think the whole of Part II. should be struck out. I do not say this because I wish to defeat the Bill, but I realise there will be considerable discussion on this Part of the Bill. If the amendment be agreed to, the position will be that this Bill will not apply to any deficit accumulating after 30th June, 1916. Parliament can deal with any future deficits as the necessity for so doing arises.

The COLONIAL SECRETARY: I do not propose reiterating the arguments used when the Bill was at the second reading, beyond pointing out that the object of the Bill is to ensure future deficits being brought

before Parliament in order that Parliament may decide as to what is to be done with them. Parliament may then say whether a deficit is to be funded, or that the Government shall provide for it in the Consolidated Revenue accounts. The effect of the amendment would be to put this question back into the happy-go-lucky style of the past.

Hon. J. F. CULLEN: I agree we should provide for the deficit up to the end of the last financial year, but that is as far as we should go at present. If the Bill is to remain in its present condition I should feel inclined to vote against the Bill.

Hon. J. W. KIRWAN: I quite sympathise with the desire of the Colonial Secretary to finish this week, if possible, and so far as I am concerned if it can be done no one will be better pleased than I. But nothing has come forward this session that has attracted so much notice during the second reading debate as this particular matter brought forward by Mr. Sanderson. The House is unusually small, and whatever way the decision goes I do not think there is a sufficient number of members to show the sense of the House. We cannot get a division on this really important matter when there are only 19 members present. I ask the Colonial Secretary to bring this matter up to-morrow when there is a larger House. I think it is necessary to go into some of the reasons which were debated on the second reading. This is an important matter making provision for deficits in preceding years. It is of supreme importance.

The COLONIAL SECRETARY: I think members are placing me in a difficult position. I have just agreed to adjourn one matter which was introduced last Thursday, and there has been ample time for members to consider it. There has been no session within my recollection which has been so prolonged as this one. Members have had long periods of idleness, and when the Government ask members to do some little work I think they should be agreeable. I cannot see that it is my fault or the fault of the Government that there is a thin House. Take the history of the session and the broken periods: I do not think I have asked anything in excess of what might reasonably be expected.

Hon. A. SANDERSON: I agree with the leader of the House. As far as I am concerned I am indifferent. Assuming for a moment that this clause is struck out, what I fear is that if the Colonial Secretary thinks later on, by a recommittal, he can get it put back he will do so, and he will be justified in doing so, if there is a catch division.

Hon. J. W. KIRWAN: I hope if a division takes place on this clause and if there is a small number of members participating in the division, whichever side want the matter brought up to-morrow by recommittal the Colonial Secretary ought to agree to it. I impress on members that this is of the greatest importance. It is the most important matter that has come before us this session. It involves the whole question of making provision for future deficits. If the clause is passed it will mean that in future all Treasurers will have their path made easy in the event of their spending more money than they receive. We should make for every Treasurer his path as thorny as possible when he spends more money than he receives. At the time of the Moore Government there was a deficit of over £300,000, and that Government succeeded in reducing the deficiency, practically abolishing it. If this clause had been in operation then we would to-day have had that deficiency and have been paying interest on the £300,000, instead of it being wiped off. Mr. Ewing went into that matter more deeply than I did, and stated that within a certain number of years, I think five, there were deficiencies built up that amounted in all—that is prior to the last Government coming into office—to about one million pounds. Each and all these deficiencies, by means of economy or additional taxation, were wiped off. By means of this clause, where there is a deficiency of more than £100,000, there is a method by which it can be got rid of, and a deficiency of £100,000 is a small one when we take into account the expenditure of four millions or five millions a year. The whole question of financial management in the future is dependent on our attitude on this clause, which affects the question whether or not we are going to have economy in the future, because there will

be no inducement for a Treasurer to go in for economy in the future if we pass the clause. This provision is mandatory that any deficit in excess of £100,000 shall be transferred to a deficiency account. The whole second part of the Bill is objectionable. We are almost encouraging deficits. Whilst it is quite right the deficit of the late Government should be funded, as deficits arise in the future the Government should come before Parliament with a Bill similar to this and ask Parliament that that deficit should be funded. In the schedule provision is made for a deficit of £1,450,000. But we are going to give Treasurers *carte blanche* as to deficits in the future. As each deficit arises a Bill ought to be brought before the House. The late Treasurer, Mr. Scaddan, when this matter was before the Assembly warmly congratulated the Government on the method of dealing with the deficit, so that it is not a party measure.

Hon. Sir E. H. WITTENOOM: I am quite in favour of the proposal to fund the deficit of a million and a half. Having said so much, I intend to support the amendment. The Bill is anticipating deficits and encouraging Treasurers to make them. There should be no such thing as a deficit. The Government should spend only the money authorised by Parliament. Circumstances justifying a deficit may sometimes arise. For instance, during recess there may be unforeseen expenditure hurriedly called for. The only other excuse for a deficit is when the estimates of revenue do not come up to anticipations. The present deficit of a million and a half is absolutely disgraceful. It has been consistently built up for four or five years with annual additions. I have heard the Treasurer responsible for it try to justify it on the score that it was in the pockets of the people! This money has been spent without authorisation, has actually been paid from other sources. When applications are made in London for a loan the schedule attached to the Loan Bill is sent out so that those who lend the money may know how it is to be spent. This money was borrowed to be spent in accordance with the Schedule of the Bill. And how was it spent? To meet the deficit in revenue! In other places men would be almost impeached for this. What it would be called in business

or private life I will leave hon. members to say. It would be criminal to permit any statutory arrangement by which every time a deficit reached £100,000 it could be funded. It would be putting a premium on deficits. I will support the funding of the million and a half, but no more.

Hon. V. HAMERSLEY: Since the second reading I have entirely altered my views in regard to the Bill. It now seems to me that under the Bill as soon as a Treasurer has a deficit of £100,000 it becomes necessary for him to report it to Parliament. Parliament will then give him the right to issue Treasury bonds. If we throw out Part II. of the Bill it will leave the Treasurer perfectly free to again get us into the deplorable condition in which we find ourselves. Under the Bill we shall be able to stop a Treasurer as soon as the deficit reaches £100,000. I will vote for the retention of Part II.

Hon. A. SANDERSON: The hon. member is fully entitled to change his opinion. Still, that he should have turned completely round in so short a time almost shakes one's faith in the judgment and intelligence of the hon. member. What influences have been at work?

The CHAIRMAN: The hon. member will confine himself to the clause.

Hon. C. Sommers: Is the hon. member in order in reflecting on the intelligence of Mr. Hamersley?

The CHAIRMAN: The clause before the Committee is Clause 4.

Hon. A. SANDERSON: I did not reflect on the intelligence of the hon. member.

The CHAIRMAN: The hon. member is out of order in discussing other hon. members.

Hon. A. SANDERSON: How are we to decide this question? We have Sir Edward Wittenoom and Mr. Kirwan warning members how to vote on the question, and we now realise that one hon. member has completely changed his position. For what reason has he done this, what influences have been at work to alter the judgment of the hon. member?

The CHAIRMAN: The hon. member is distinctly out of order in the last sentence to which he gave utterance. I must ask him

to confine himself to the discussion of the clause, and not of the conduct of hon. members.

Hon. A. SANDERSON: I am attempting to influence votes on this question. It is the most important vote we are going to take, and one hon. member has changed his opinion on the clause. I appeal to him to reconsider the clause and get back to his first impression. The hon. member sits in my constituency, and I warn him that the public shall understand which way hon. members have voted on this clause.

Hon. V. HAMERSLEY: The hon. member is certainly one of my constituents, but I have a perfect right to change my opinion. He says he is here to influence votes. I may say that the very bitterness shown in all that the hon. member has said was in a very great measure the cause of my thinking a little more closely in respect of the clause. The bitterness expressed by the hon. member has had something to do with my change of opinion. He has given me doubt as to whether this matter should not be looked into more carefully. From reading Part II. more carefully than before, I certainly have come to that conclusion. The Treasurer will have to report to Parliament, and Treasury bonds will have to be put up without encroaching on moneys authorised for other works.

Hon. J. J. HOLMES: I support Mr. Sanderson's view that the clause should be struck out. This Chamber should not anticipate deficits. When we take upon ourselves the responsibility of funding a deficit of 1½ millions, which means a yearly charge of £100,000, we have done all we should do. The Government must be given to understand that for the future it is expected that the revenue should cover the expenditure. This clause shifts the responsibility from the Treasurer to Parliament. We are told these matters are to be reported to Parliament; but they are reported to the public every month in the newspapers. If the information is kept out of the newspapers, Treasurers will probably become more reckless.

Hon. H. MILLINGTON: I am opposed to this clause, and shall vote against it. In criticising the provision in a general way, we are justified in dealing with deficits and

in criticising the Government's method of handling the finances. By voting against the clause we shall be making a protest against the Government's manner of dealing with the finances. Instead of facing the position and raising additional revenue, the Government have done only one thing—to propose to cover up this deficit and to make provision for covering up future deficits. The representative of the Government here has stated that there is no hope of getting additional revenue, but that the Government intend to give additional services to the people. The previous Government, although they incurred the present deficit, did make an attempt to deal with the financial position; and if the present Government showed any similar desire one could support them. We should show the people that we are prepared to advocate the raising of additional revenue, and then the responsibility will rest solely on the Government. The Government are well aware that they have a falling revenue. As the Colonial Secretary has pointed out, the railways have made a loss of over £100,000 so far in this financial year. The remedy of the Government for this state of affairs is to give their political supporters reductions in railway freights. I shall protest against such methods on every possible occasion. The disposal of the deficit under this clause does not do any such thing as dispose of the deficit. The longer the drift continues the worse the financial position of the State will become. The present Government, who built up their reputation on condemning the financial management of the previous Government, have put up an Australian record in the way of piling up a deficit in a short space of time.

Clause put, and a division taken with the following result:—

Ayes	..	..	..	..	4
Noes	..	..	..	..	16
—					
Majority against	..	..	..	..	12
—					

AYES.

Hon. H. P. Colebatch	Hon. C. McKenzie
Hon. J. P. Cullen	(Teller.)
Hon. V. Hamersley	

NOMS.

Hon. C. F. Baxter	Hon. R. J. Lynn
Hon. H. Carson	Hon. G. W. Miles
Hon. J. Cunningham	Hon. H. Millington
Hon. J. M. Drew	Hon. E. Rose
Hon. J. Ewing	Hon. C. Sommers
Hon. J. A. Greig	Hon. Sir E. H. Wittenoom
Hon. J. W. Hickey	Hon. A. Sanderson
Hon. J. J. Holmes	(Teller.)
Hon. J. W. Kirwan	

Clause thus negatived.

The COLONIAL SECRETARY: The striking out of the clause will necessitate several amendments in the other parts of the Bill, and it would be well to report progress.

Progress reported.

BILL—SPECIAL LEASE (STIRLING ESTATE).

Assembly's Message.

The Assembly having disagreed to two amendments made by the Council, and amended one amendment, the reasons were now considered.

In Committee.

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

No. 2, Clause 7: After the figures "1898" in line 3, insert "confer the sole right and license":

The COLONIAL SECRETARY: This Bill was dealt with before the Christmas vacation and was amended in this Chamber and sent to another place in company with another Bill entitled the Lake Clifton Special Lease Bill. The latter measure had very similar objects and I think it was the desire of hon. members that the two Bills should be passed together in order that the interests of the public might be protected by having the two companies operating instead of one. However, it happened that the Lake Clifton Bill was dealt with in another place before Christmas and was passed into law, but this Bill was hung up. An amendment was made in this House by inserting the words "on conferring the sole right and license." I need not say anything further than that amendment was inserted in this House at the request of the concessionaires

and that the concessionaires are now quite prepared to accept its deletion. I move—

That the amendment be not insisted on.

Hon. R. J. LYNN: May I ask whether it is possible to refer the Bill at this stage to a select committee?

The CHAIRMAN: It is not.

Hon. R. J. LYNN: I am sorry because I have no special wish that the Bill should be laid aside, but in view of the ruling I propose to move that the Bill be laid aside. That will give the Government and the concessionaires some opportunity during the next three months of having another Bill prepared to present to Parliament. During the past few months a resolution was carried in this House to the effect that it is desirable that all Bills having for their object the granting of concessions should be brought before Parliament as private Bills. That resolution was carried shortly after the introduction of this measure, and I propose now to ask the House not to stultify itself by refusing to accept the resolution which hon. members carried. I do not think there is any special hurry in connection with this measure, and it is a measure where the bona fides of all concerned should be taken into consideration before a concession is given by Parliament. It is an easy matter to grant a concession, but after that concession has been granted it may become known that the concession is proving of great detriment. So it may happen in this instance in regard to our chief natural asset, the Swan River. Dredging and sluicing in the Swan River will cause a considerable amount of pollution. On the other side of the river we have Point Walter where a large sum of money has been spent in making a reserve for the enjoyment of the community, and if sluicing takes place some harm may result to that resort. Once the power is granted to the concession it will be almost impossible afterwards to revoke it, and I think that the House having passed the resolution I have read, this measure might well be considered by a Select Committee when reintroduced and the select committee could investigate whether the results that would follow dredging and sluicing would be harmful to the Swan River. In

Victoria where sluicing operations have been undertaken, considerable damage to the surrounding localities has followed. My sole desire is to make sure, before any concession is granted, that there will not be any pollution of the river. I move an amendment—

That all the words after "that" be struck out and "the Bill be laid aside" be inserted in lieu.

Hon. C. SOMMERS: When we sent the resolution carried by this House dealing with private Bills to another place, it was not intended that that resolution should refer to the Bill before us now. It is not quite fair to endeavour to apply that resolution to this particular Bill. Therefore, I hope the Bill will not be laid aside. We had two such Bills before the House and we passed them both. One had the good fortune to go through and the other has been hung up. I would be one of the last to force a Bill like this through the House if I thought it was going to do any damage to the Swan River. Mr. Lynn suggested that there will be sluicing. That is hardly fair. I come from a country where sluicing is carried on and that sluicing washes away silt and other matter. In these cases large masses of matter are forced down rivers and carried by the floods into the sea. We cannot do that here, but there is no question of sluicing at all, and no one knows that better than Mr. Lynn. What the concessionaires propose to do is to use a Priestman dredge. The material will be taken away in barges to either Burswood or Coffey Point and there dealt with. I understand that in the course of three years the expenditure on this industry will run into something like £70,000. There is a great urgency for the passing of this Bill and only recently the Commonwealth authorities asked the concessionaires to quote for a large quantity of cement which would be required at the naval base. Taking into account that we have already passed a similar measure to this, it seems hard on the promoters connected with this Bill that they should meet with the present opposition. The promoters are all well-known men in Perth, Messrs. Law, Vincent, and Timms. It seems unfair that

after the Bill has virtually passed both Houses there should be a chance of its being lost.

Hon. J. DUFFELL: I trust the Committee will not pass the amendment, seeing that there has been no opposition from the municipalities concerned, namely Perth, South Perth and Subiaco, while on the other hand we have had assurances that the operations of the company will not affect the foreshore.

The COLONIAL SECRETARY: I trust the amendment will be rejected. Mr. Lynn in moving the amendment urged the Committee not to stultify itself. In my view the Committee will be stultifying itself if it agrees to the amendment. The Bill has already been carried through all stages, and each of the amendments yet to be considered either restricts the privileges of the concessionaires or provides additional safeguards. We cannot attach too much importance to the development of these industries. We have already passed one Bill similar to this in the nature of the concession given, and as a matter of justice this Bill also ought to be allowed to pass, for without it the other company will be getting an undue advantage.

Hon. R. J. LYNN: Has some other company the right to dredge the river for shell?

The Colonial Secretary: No, but they have a concession for the manufacture of cement.

Hon. R. J. LYNN: I am just as anxious as any other member to encourage the investment of money in the State. I am not anxious that the proposed concession should not be given, but I must be satisfied that it is not another of these concessions after the granting of which we wake up to discover that we have given away something which we would like to have back. No concession should be granted which is likely to result in the pollution of the river. No company has been formed to develop this concession, not a penny has been put up, and I do not believe that anything will be put up until after the declaration of peace. The lessee wants some concession by Act of Parliament in order that he can hawk it around for company promotion purposes. Even if the money was put up, once the concession is granted it will be too late to have it revoked. We should consider the effect it may have on

our river. If members are willing to grant this concession by Act of Parliament, which will enable H. J. Scott to raise funds in order to exploit the country to the detriment of our river, then I raise no objection. Before, however, we do anything by Act of Parliament which will prejudice our river, I hope we will refer the matter to a select committee, in order that evidence may be obtained from the works engineers or any other experts to find, if possible, the effect which these operations will have upon our river.

Hon. C. SOMMERS: We have not heard one protest from the surrounding municipalities in regard to this matter. Suddenly, after the matter has been before the House for some time, Mr. Lynn wakes up to the possibility of some harm being done. The sum of £1,000 has to be deposited before the concessionaire can get anything at all. I am surprised that the hon. member should place a concession of this class on all fours with the one mentioned in connection with the Kingia Grass Tree Bill. A deputation waited on me to-day consisting of one gentleman. This gentleman was under the impression that the shell was to be taken out of the Perth water and said it should not be done. When I said that it was to be taken from below the Narrows that did not make any difference and he said it would do a lot of harm. We have taken every safeguard we can think of in connection with the matter. This gentleman also said that the foreshore will be damaged by the sluicing, and he finally said that he had been informed in regard to this by two fishermen whose names he did not know.

Hon. J. A. GREIG: Mr. Lynn has evidently not studied the Bill or the effects that it will have. If the hon. gentleman will look at the matter from a common sense point of view, he will find that if this company treats 1,000 tons of stuff per day, and each cubic yard weighs a ton, it would represent a space of country of 10 yards square by 10 yards deep. I understand that would not affect the water for a distance of 50 yards around the operations. For Mr. Lynn to say that it would spoil Point Walter is absurd. We are only wasting time in going on further with the matter, because I believe that a majority of the members have

made up their minds to support a local industry of this description.

Hon. R. J. LYNN: I like the cool audacity of some people who are willing to offer gratuitous advice. I know more about the Perth river than Mr. Greig, and more than he does respecting the tidal conditions and the rise and fall in water. I always refrain from speaking on questions about which I know nothing. What I cannot grasp is, if Mr. Law and Mr. Vincent and Mr. Timms, and some of our Perth nobility, desire this lease, why is it cloaked under the name of H. J. Scott? I am always prepared to encourage anyone to invest money in our State, but if this is a bona fide investment why do these gentlemen who are waiting to put their names into the concern as shareholders place the whole thing under the name of H. J. Scott? I make a reasonable request for delay, to permit of investigation. If the Committee choose to let the Bill go through after my protest, I cannot help it.

Hon. J. CORNELL: I hope the Bill will be laid aside. Since my advent to this Chamber I have, in season and out of season, opposed concessions, and I am consistent if nothing else. The carrying of Mr. Lynn's amendment will preserve to those coming after us this State's most striking asset. The establishment of the cement industry—a nebulous project—is no ground for passing the Bill, which I trust will never come up for consideration again. The late Sir Winthrop Hackett, when an endeavour was made to bring about the surrender of portion of King's Park, said he would resist the proposal as long as he had breath in his body. Derogatory references have been made here to the appointment of select committees and royal commissions. If ever a subject justified close investigation by experts prior to the granting of a concession this is such a subject. Let us be sure, before we think of passing the Bill, that its advantages will immeasurably outweigh the consequent disadvantages. The granting of this concession would militate against our greatest national asset. The concessionaires have expended no money on the project; they are not the kind of men to throw away money on a mere chance.

Question put and a division taken with the following result:—

Ayes	6
Noes	12

Majority against	..	6
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AYES.

Hon. J. Cornell	Hon. R. J. Lynn
Hon. J. Cunningham	Hon. H. Millington
Hon. J. W. Kirwan	Hon. J. W. Hickey
	(Teller.)

NOES.

Hon. H. Carson	Hon. V. Hamersley
Hon. H. P. Colebatch	Hon. G. W. Milcs
Hon. J. M. Drew	Hon. E. Rose
Hon. J. Duffell	Hon. A. Sanderson
Hon. J. Ewing	Hon. C. Sommers
Hon. J. A. Greig	Hon. J. F. Cullen
	(Teller.)

Amendment thus negatived.

Question (that the amendment be not insisted on) put and passed.

No. 4.—First schedule, lines 19 and 20 of lease, omit the words "and cement":

The COLONIAL SECRETARY: The words "and cement" were in the schedule as originally presented to the House and they were struck out at the request of the concessionaire. The Legislative Assembly objects to them, and the concessionaire no longer desires that they shall remain. Therefore I move—

That the amendment be not insisted on.

Question put and passed; the Council's amendment not insisted on.

No. 7.—New clause, add to the proposed new clause the following words:—"and shall carry on all works and the dredging and prevention of pollution and obstruction of traffic of the Swan River to the satisfaction of the Minister, and shall submit plans of all buildings to be erected for the approval of the Minister; and shall supply lime from the special lease to be granted under this Act to the public so far as there is a demand for same in such quantities as the Minister may direct."

The COLONIAL SECRETARY: When the Bill was before this House in November the Legislative Council added the following new clause: "The said Henry James Scott and his transferees shall not hold or have any interest in any lease or license granted

in pursuance of the Special Lease (Lake Clifton) Act, 1916." That was accepted by the Assembly with the addition already quoted, which, if objectionable to anyone, would be objectionable to the concessionaire. I move—

That the amendment made by the Legislative Assembly to the amendment of the Legislative Council be agreed to.

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

Resolutions reported, and the report adopted.

BILL—ROADS ACT AMENDMENT.

Second Reading.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [12.5] in moving the second reading said: This very brief Bill has only one object in view. Under Part XI. of the Land Act, 1898, and under the Land Act Amendment Act, 1904, licensees and permits may issue to fell timber on Crown lands, State forests and timber reserves. There is marketable and ornamental timber on the unmade roads in the timber areas. Such roads are not within the meaning of Crown lands (waste lands of the Crown) but are vested in the roads boards. The object of the Bill is to enable the Minister to issue licenses and permits to cut timber on uncleared roads just as licenses are issued in respect of waste lands of the Crown. Under this Bill, so far as the boards think fit to clear the roads to a reasonable width for traffic, they can do so, and the timber felled in the process of such clearing may be disposed of by the boards. They may also fell and utilise timber for bridges, culverts and fences. But until the boards think fit to clear the roads for traffic it is proposed that the Forestry Department may issue license for the cutting and removal of timber on roads just as licenses are granted over the waste lands of the Crown. I believe that one or two instances have occurred in which the roads boards in the timber areas have issued licenses over uncleared roads for the cutting of timber for sale, with the result that a great deal of valuable and ornamental timber has been destroyed, and unless a stop is put to this, damage may be

done which cannot well be remedied. By this Bill the matter will be placed under the control of the Forestry Department and abuses of that kind will not be likely to arise again. I move—

That the Bill be now read a second time.

Hon. J. F. CULLEN (South-East) [12.10]: The Colonial Secretary should look a little more closely into the matter before the Bill comes on again. Here is the Crown interfering with the proper trustees of the roads, the municipal and roads board authorities. Has the Bill been brought before the Roads Boards' Association or has it originated in the minds of some officials in the Forestry Department? Is the question of the timber on these roads important enough to justify the Crown in interfering with the proper guardians of the roads? I do not think it is. I thought one reason for the Bill would have been that the Government desired to preserve the natural features of the roads, that the ornamental trees on the roads need not be destroyed until they came in the way of developing traffic. Apparently the best reason is merely that the Forestry Department may get a little timber. Again, I think the Bill need not be rushed through. If the Government have not consulted the proper guardians of the roads, they should do it before asking Parliament to agree to the Bill. I do not think Parliament should give the Forestry Department authority to interfere with roads under the control of their proper guardians, the local authorities. Unless we have further information, I do not think the Bill should be passed.

Hon. A. SANDERSON (Metropolitan-Suburban) [12.13]: I endorse the remarks made by Mr. Cullen. He has dealt with the road boards. I propose to deal with the person who has a concession or a defined right from a road board, such as I have at present. I have permission to deal with a certain portion of the road. I would like to know whether, under the Bill, the officials on the Forestry Department, who have proved very officious, can come along and stop me and the roads board from going on with our work. Certainly the matter should be referred to the Roads Board Association. Even if they approve we can

then consider the Bill on its merits with their recommendation.

On motion by Hon. J. Ewing debate adjourned.

BILL—PUBLIC SERVICE ACT AMENDMENT.

Second Reading.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [12.15] in moving the second reading said: This is a very short but very necessary Bill. Under Section 30 of the principal Act no one can be permanently appointed a magistrate unless he has passed an examination in law or is a legal practitioner. Temporary appointments can be made, but not permanent appointments. The object of the Bill is to enable any person who has served five years as acting magistrate or who has served five years as clerk of courts with three years as acting magistrate or who has served 10 years as clerk of courts or as mining registrar, to be appointed a magistrate, provided the Public Service Commissioner certifies that he is experienced and qualified for the position. The introduction of the Bill is due to the fact that there are in the service three or four magistrates who have served in an acting capacity for five or six years, one of them for a longer period. Under the Act it is impossible to confer upon them permanent appointments, and it is felt that an injustice is being done to them by the present position. It is generally conceded that those gentlemen are capable and efficient officers and have discharged their duties satisfactorily.

Hon. J. W. Kirwan: What is the nature of the examination under the existing Act?

The COLONIAL SECRETARY: I am not quite sure, but I do not think anyone has been examined. If the Bill is passed, anyone who has acted as magistrate for five years may be appointed magistrate on the certificate of the Public Service Commissioner. I move—

That the Bill be now read a second time.

Hon. J. EWING (South-West) [12.19]: I quite approve of the Bill, but I wish to point out certain things that have come under my notice recently. Some candidates

who desire to pass this examination studied hard for two or three years to qualify themselves, only to find in the end that no examination was to be held. I wish the Minister would see that the examination is held in order that those who desire to sit for it might be given a chance to qualify for the positions. It is a great injustice that these men should be told that by passing a certain examination they could qualify for a certain position, and that they should work for a couple of years night and day as ordinary laymen would have to work in order to get that position, and that they should then see year succeed year without this examination being held.

Hon. W. KINGSMILL (Metropolitan) [12.20]: I do not like the principle underlying the Bill, namely, the principle of lowering the standard for responsible technical positions. It is an extremely bad principle and I am sorry to find the Government adopting it. I have great reason to believe that what Mr. Ewing says is absolutely correct. It is an undoubted and gross injustice to those people who are studying for these examinations. I think, however, that the hon. member has somewhat exaggerated the stiffness of these examinations. In my opinion they are not as stiff as they should be. The positions to which these men would be appointed are responsible ones. I do not think it is wise that these examinations should be done away with, and it is a distinct injustice that they should be done away with when people have been preparing to set themselves out to adopt this profession as a career. I am sorry the Government have introduced the Bill even with the restrictions to which the Colonial Secretary has alluded. It was the subject of a good deal of congratulation on the part of the Government that they at last thought fit to render necessary certain qualifications for the positions to which these men had to be appointed. I am sorry that they have now receded from the admirable position they took up in the matter. I do not intend to oppose the second reading of the Bill, but if it goes to a division my predilections would be such as to cause me to vote against it. I do not, however, intend to divide the House, but merely to protest against the lowering of the standard of the

professional work which has to be undertaken in connection with the Service in this State.

Hon. C. SOMMERS (Metropolitan) [12.23]: I hope that if this Bill passes into law the powers that are contained in it will be used sparingly. In remote districts, perhaps professional men would not care to take up such positions, and the Government needing the services of a magistrate would have to avail themselves of the powers contained in this measure. In Victoria provision was made that clerks of courts who had served for 15 years had a chance of being appointed to the position of a magistrate. I remember that one gentleman who had acted as clerk of courts in that State for many years ultimately became one of the most prominent magistrates of the police court, and was indeed a great success. Mr. Ewing says that certain gentlemen have been studying for these examinations. I can hardly believe that this is so. It is surely understood that only legally qualified gentlemen can be appointed to these positions. If these gentlemen are studying surely they must be studying for the law and not merely for these positions of police magistrate.

Hon. J. Ewing: It is provided for; it is the law of the land. There are regulations dealing with it.

The PRESIDENT: I should like these conversations to cease.

Hon. C. SOMMERS: I was only seeking for information. I am going to vote for the Bill, but I hope the Government will use their powers sparingly.

Hon. J. W. KIRWAN (South) [12.25]: I submit to the Government that this Bill is not the way in which to remedy the defects they seek to remedy. It is intended to permit of certain persons being appointed as resident magistrates. All persons who have served for five years as acting magistrates, for five years as clerks of courts and three years as acting magistrates, and as clerks of courts for 10 years and as mining registrar, provided that in every case the Public Service Commissioner certifies that their services and experience qualify them for the position, are to be eligible for appointment to these posts. Men

who have spent this number of years in the positions which are mentioned should be thoroughly competent to pass a reasonable examination, and if they are not competent to do so, they should not be appointed. Mr. Ewing and some other hon. members say that the examination is a very stiff one, and that it is extraordinarily difficult to pass it. If that be the case it could be rectified in the ordinary way by an alteration of the regulations. Under the Public Service Act I find that in section 31, regarding the examination of magistrates, it is stated that—

The Governor may make regulations prescribing the subjects for and the nature of the examination to be undertaken by persons who desire to be appointed magistrates.

Under that section it is competent for the Government to make such regulations that the examination may be of a reasonable character. I submit that the proper course to have adopted would have been to have altered these regulations so that men who have served for a number of years in the practical work, which is the stepping stone for the higher position of magistrate, would if they are competent to become magistrates have to pass an examination. Surely the man who is appointed to the position of resident magistrate and has to administer the law ought to be expected to pass some examination in the law of evidence and the practical work that he will be called upon to perform. The Public Service Act provides for regulations which permit of such an examination being held. The proper course would have been for the regulations to have been so framed that anyone who has passed through the experience of those persons mentioned in the Bill, if they are sufficiently intelligent to become resident magistrates, should pass some reasonable examination before being appointed to such positions. It would be in the best interests of the country that such an examination should be gone through by these persons.

On motion by Hon. J. M. Drew the debate adjourned.

BILL—ENEMY SUBJECTS EMPLOYMENT.

Second Reading.

Debate resumed from the 1st March.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [12.28]: I do not propose to say much in regard to the Bill except that I consider it my duty to oppose it. The Bill is a short one and has merely one object, namely to prohibit the employment by any person of any enemy subject within one calendar month of the commencement of the Act. I do not think that Mr. Cornell has furnished sufficient justification for the passing of the Bill. He made reference to the action of the Government in determining that no enemy subject should remain in the employment of the State. I think that the Government were fully justified in coming to that determination, but to say that an enemy subject who happened to be residing in Western Australia should not be allowed to live is a different proposition. If we say they are not to be employed it is tantamount to saying that they should not be allowed to live except on the charity of the State. It is a fact that enemy subjects who are in Western Australia to-day find it extremely difficult to obtain employment, with the result that some 50 or 60 families of enemy subjects are at the present time on the charities of the State. I certainly do not think hon. members would desire by the passing of this measure to cast another batch of enemy subjects upon the State's charity. I hope the Bill will not be passed.

Hon. J. CUNNINGHAM (North-East) [12.31]: I support the Bill. I have had some experience with regard to enemy subjects within the last few months, and I wish to bring to the attention of the House that the question is causing a considerable amount of trouble in, at all events, one part of the State—I refer to the Eastern goldfields. The men working in the mining industry consider that it is asking too much of them to continue to work with the subjects of countries at war with Great Britain and her Allies. There are numbers of people in Australia at the present time, and more particularly in Western Australia, who have relatives fighting with the Australians in the

interests not only of Australia but also of the British Empire, as well as in the interests of civilisation in its present form. It is really a hard matter for those men to work alongside people who are subjects of countries against which their relatives are fighting. I hold the view that it would be in the best interests of Western Australia and also in the best interests of the people of the whole Commonwealth if provision were made for disallowing any employer from continuing to employ enemy subjects during the currency of the war. Great efforts are at the present time being made to secure as many recruits as possible. We know that the question of recruiting is an urgent one. The continuance of the employment of enemy subjects in Western Australian industries is retarding the progress of recruiting. The subject is one to which I ask the House to give deep and earnest consideration. I am sure no member present would like to work alongside an enemy subject. Members have merely to place themselves in the position of some of our people to-day, not only in the mining industry but in other industries. Let hon. members ask themselves whether it is a fair thing to ask Australians, either by birth or adoption, to continue to work with men whose brothers or sons are fighting against the Australian workers' brothers or sons? It has been mentioned—I believe by Mr. Cornell in introducing the Bill—that the point had been raised that these enemy subjects on the goldfields do a certain class of work which other workers do not care to take on. If that is the case, the conditions of that particular class of work should be improved to such an extent as would make it easier to get the Australian or British workers to carry it out. In the mining industry conditions prevail under which Australian workmen do not care to work, and in fact refuse to work. That circumstance does not reflect great credit on the people conducting the mining industry of this State. If certain branches of mining work have to be carried out under unhealthy conditions, or if the work in those branches is so brutally heavy that Australian and British workmen will not take it on, those branches should be abolished unless the conditions can be made easier and less unat-

tractive. As regards trouble arising from the effect which this measure would have on any particular industry by taking workers out of the industry, the same hardship is caused to employers by asking men to enlist. Approximately 4,300 men, I believe, have enlisted from the Eastern Goldfields. That means a decrease in trained mine workers of 4,300 men. What is the proposal to exclude 150 or 200 enemy subjects from the mining industry in comparison with the withdrawal of the 4,300 men who have already quitted the industry? A mere nothing. We are asking, and rightly asking, men to continue to enlist for the purpose of defending this country. Is it a fair proposition to allow men who are really enemy subjects—irrespective of what some of them may say at the present time, and they tell some queer stories for the purpose of remaining in employment—to continue at work in the industries of Western Australia and thereby retard recruiting? I feel that that statement can be borne out by members of this House who have taken an active part in asking men to enlist. I do not propose at this hour to pursue the subject at length, but I think the House should carry the Bill. The law of the country should be that no foreigner be allowed to work with the Australian workman, whether in brain work or manual work, because to-day that is the means, as it has been in the past, of causing considerable unrest. I know that within the last three weeks trouble occurred in mines on the Eastern Goldfields; men have stood at the mouth of the shaft refusing to go underground until they were satisfied that certain men employed on the mines were not enemy subjects. That position exists to-day, and this Bill, if passed, will be the means of disallowing the continued employment of the men to whom I refer. They will not be thrown on the charity of the State. If they so desire they can, by approaching the Commonwealth Defence authorities, be interned. Provision for that has already been made.

The Colonial Secretary: The Defence Department will not intern these men.

Hon. J. CUNNINGHAM: I have had it pointed out to me that all these people need do, if they cannot obtain employment, is to approach the Federal authorities and ask

for what is known as voluntary internment. No man is allowed to starve in Australia, and it is not the policy, as I understand it, of the Federal Government, to allow an enemy subject to starve anywhere in Australia. I trust the Bill will be carried.

On motion by Hon. G. J. G. W. Miles debate adjourned.

House adjourned at 12.40 a.m. (Thursday).

Legislative Assembly,

Wednesday, 14th March, 1917.

	PAGE
Obituary: Mr. M. E. Jull	2387
Paper presented	2387
Questions: Sewerage connections	2387
Fremantle Harbour, removal of obstructions	2388
Water Supplies, fencing in	2388
Orchard Registration Tax	2388
Royal Commissions on tour	2388
Bills: Racing Restriction, 3a.	2387
Land Act Amendment, 2a.	2388

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

OBITUARY—Mr. M. E. JULL.

The PREMIER (Hon. Frank Wilson—Sussex) [4.35]: Before we proceed with the business of the House I desire to inform hon. members that I propose to move that the House at its rising do adjourn until 5 p.m. to-morrow afternoon. Hon. members will have heard in the City this morning that since we met yesterday afternoon, the State has lost one of its most valued servants in the person of Mr. M. E. Jull, the Public Service Commissioner. Mr. Jull, I greatly regret to say, passed away at an early hour this morning. The State has lost a citizen who was always upright and conscientious in the discharge of his duties

and one who always took an active part in anything which was for the benefit or the advancement of those with whom he came into contact. I am making this intimation, so that hon. members if they desire, may have the opportunity of paying a last tribute of respect to the memory of the deceased gentleman. The funeral will leave the Perth railway station at 2.30 p.m. to-morrow and members who wish to attend may proceed by train at that hour. It will then be possible for them to attend the funeral and return by the 3.55 p.m. train from Karrakatta which will enable them to reach the House in time to meet and proceed with business at 5 p.m. instead of 4.30. I move—

That the House at its rising do adjourn until 5 p.m. to-morrow.

Hon. J. SCADDAN (Brownhill-Ivanhoe) [4.38]: I desire to second the motion and to say that on behalf of the Opposition, and particularly ex-Ministers, we appreciate the action adopted by the Premier in giving us an opportunity of paying a last tribute to the memory of a much respected public servant, one who applied practically the whole of his life to the State, and we, with the Premier, join in expressing our sincere regret at his death.

Question put and passed.

PAPER PRESENTED.

By the Minister for Works: By-laws adopted by the Fremantle and Southern Cross Municipal Councils.

BILL—RACING RESTRICTION.

Read a third time and transmitted to the Legislative Council.

QUESTION—SEWERAGE CONNECTIONS.

Hon. W. C. ANGWIN asked the Minister for Water supply: 1, What percentage is charged on goods supplied for house connections to sewers above cost price of goods? 2, What percentage is charged for office administration on cost of work? 3, What percentage is charged for supervision on cost of work? 4, What is the total