

themselves clear as to what they desire. If there is anything needed to assist the industry let them lay it before us in definite terms and if it is a straight proposition we will do our best to assist them.

Progress reported.

House adjourned at 10.57 p.m.

Legislative Council,

Wednesday 3rd February, 1915.

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

QUESTION — ESPERANCE SETTLERS, INDEBTEDNESS TO GOVERNMENT.

Hon. Sir E. H. WITTENOOM asked the Colonial Secretary: 1, How much is the indebtedness to the Government of the settlers at Esperance for manures, seed, etc? 2, How much money is owing for rents, interest, etc.?

The COLONIAL SECRETARY replied: 1, Total indebtedness, £9,972 9s. 4d. 2, Interest, £502 17s. 10d. (included in above); rent, £2,771 19s. 9d.

QUESTION — GOVERNMENT ANALYST, VISIT TO ENGLAND.

Hon. A. G. JENKINS asked the Colonial Secretary: 1, Was Mr. Mann, the Government Analyst, granted leave of absence last year? 2, If so, on what terms? 3, Was the sum of £2,100 paid by the Scottish Whisky Exporters' Association for Mr. Mann's tour of investigation received by the Government or by Mr. Mann? 4, If by the Government, what amount thereof was expended; if by Mr. Mann, has he rendered any statement to the Government of the expenditure of same?

The COLONIAL SECRETARY replied: 1, Yes. 2, On the terms laid down in "The Public Service Act, 1904," for long service leave. 3, The money was paid to the Agent General. 4, The whole amount was allotted to the Government Analyst, who had to defray all the expenses of the investigation, including salaries and passage money for himself and assistant, travelling, laboratory, and all other expenses in Great Britain. No statement of expenditure has been rendered by the Government Analyst since his return, as the disposition of the amount was decided prior to his departure.

LEAVE OF ABSENCE.

On motion by Hon. D. G. GAWLER, leave of absence for 12 consecutive sittings granted to the Hon. J. Duffell on the ground of urgent private business.

MOTION—WONGAN HILLS-MULLEWA RAILWAY.

To hand over to Working Railways.

Hon. W. PATRICK (Central) [4.35]: I move—

That in the opinion of this House it is necessary in the interests of the settlers that the Wongan Hills-Mullewa Railway be immediately handed over to the Working Railways, or that not more than the ordinary rates chargeable by the Working Railways be charged by the construction department pending such handing over of the railway.

I have been compelled to move this motion in the interests of the settlers along the Wongan Hills-Mullewa railway, because, it appears to me, the Government do not really apprehend the seriousness of the position of the settlers in that district. Early last session my colleague, Hon. Mr. Carson, asked the leader of the House when the railway would be handed over to the Working Railways, and I believe he was then informed that it would be somewhere at the beginning of the year following. In order to get a definite reply from the leader of the House before Christmas I asked the same question. The reply was to the same effect; that is to say, the Colonial Secretary thought the railway would be handed over somewhere about the beginning of the year. When we met again this year I found that the railway was not opened, and many complaints were made to me by settlers as to the extortionate charges imposed by the construction department for freight, and I again put the question to the leader of the House. Once more I received an indefinite reply. Yesterday, I put another question to the Colonial Secretary as to whether he could definitely say when the railway would be handed over, or if not, whether the Government would be prepared to order the construction department to charge ordinary freights over the line. The answer he gave me was unsatisfactory. The leader of the House said he could not make any definite statement as to when the railway would be handed over, but that he thought it would be somewhere about the end of this month; but that in the meantime the Government declined just now to reduce the freight rates charged. That railway has been in the hands of the Public Works Department for more than two and a half years—in fact, it is going on for three years. We have no idea at the present time when it is going to be handed over. Meanwhile, the settlers are confronted with the difficulties of seeding time. They have very little money, indeed some of them have none at all, and they have to make arrangements for the supply of manure, seed wheat, fodder for their stock, and, of

course, for groceries and other necessities of life to keep them going until next harvest. In the meantime, the Government are not making any effort to hand over the railway, and the charges made by the construction department are of such a nature that it is simply impossible for the settlers to pay them. The result is that up to the present a considerable proportion of the traffic, which would otherwise have gone over the Government railway, has been sent over the Midland railway line—

Hon. Sir E. H. Wittenoom: It is a very deserving institution.

Hon. W. PATRICK: And notwithstanding the fact that the goods have had to be carted 30, 40, or 50 miles they have still been landed at a lower rate than that charged by the construction department. That seems to be an extraordinary policy on the part of the powers that be, because one would imagine that everything possible would be done to develop the little traffic that is available there. Instead, however, of that being done, every effort appears to have been made to prevent any revenue from being received from that new line of railway. Most hon. members know that the Wongan Hills-Mullewa railway is a new trunk line passing through one of the finest districts of the State. Unfortunately, there have been bad seasons in that district which have culminated in the disastrous season which is just over, and which has been equally disastrous to every portion of the State. To give the House some idea of the impossibility of settlers doing anything in the way of seeding under present conditions, even if they had the money, I would like to quote some of the rates which are being charged. Hon. members know that it is absolutely necessary to supply superphosphates with wheat sown in this State, for crops cannot be grown without fertiliser. The rate that is being charged on superphosphates from Perth to Wongan Hills, a distance of 132 miles, is 10s per ton. I am taking one of the most important centres along that line as a data point, namely, Morawa, which is 139 miles from Wongan Hills. As

I was saying, the freight on super-phosphates from Perth to Wongan Hills has been 10s. a ton, but from Wongan Hills to Morawa it is 15s. 3d. a ton; that is to say, a total charge of 25s. 3d. from Perth to Morawa, whereas if the line were handed over the cost would be 13s. for the whole distance, which is almost exactly one-half. The rate upon wheat is somewhere about the same. It costs 11s. from Perth to Wongan Hills and 15s. 3d. from Wongan Hills to Morawa, that is to say, it costs 26s. 3d. from Perth to Morawa, whereas the ordinary rate would be 16s. 6d. The rate on chaff—for you cannot do farming without feeding your horses, and for this you must have chaff—is 14s. a ton from Perth to Wongan Hills, and 20s. a ton from Wongan Hills to Morawa—a total of 34s.; whereas if the line right through was in the hands of the Railway Department the charge would be 20s. 7d. Hon. members know that there have been magnificent ruins on the Murchison. In fact, I believe since 1900 there has been nothing like the rainfall over that portion of the State, and I do not even know that there were any rains previous to that as good. Even at the present time the rains are continuing, and during the last 48 hours there have been enormous floods up there. We know that there is a scarcity of fat stock at the present time in Western Australia. Within probably six weeks or two months, before any fat stock can be brought down from the Kimberleys or the North-West, there will be fat stock on the Murchison, and if that line is not open by then—and judging from the promises of the Government in the past it is likely to remain unopened for some time—the stock will have to come down over the Midland railway line and not over the Government line. It costs £5 17s. 6d. for a four-wheeled truck from Wongan Hills to Morawa, and it costs £2 16s. 6d. per truck from Perth to Wongan Hills. If the line was opened the total cost would be £5 2s. 10d. In other words, the present rate is £3 11s. 2d. more than it would be if the line were handed over to the Working Railways. No man owning stock would be such a fool as to send it

along this railway while the Midland Railway Co. were prepared to carry at their existing rates. So far as the Murchison is concerned another big source of revenue should be timber, particularly for the mines, but this traffic is not available because the railway freights are prohibitive. A settler also requires vegetables and groceries. Let me point out that it costs 13s. 10d. to send 2 cwt. of vegetables over the new line, and it costs 3s. 6d. to send the same quantity from Perth to Wongan Hills. If the line was handed over the full cost would be 4s. 9d. In regard to groceries, it costs 13s. 10d. to send 2 cwt. over the new line, and it costs 6s. to send the same quantity from Perth to Wongan Hills. If the line was handed over the full cost would be 13s., whereas the present cost amounts to no less a sum than 19s. 10d. Settlers cannot be expected to live on jam, tea, sugar, and vegetables; they also require flour, and the cost of carrying flour is simply monstrous. The rate from Perth to Wongan Hills is 11s. per ton, and from Wongan Hills to Morawa it is 46s. 4d. In other words, it costs about £2 more to carry flour to Morawa than if the line were open. I have before me a settler's account dealing with purchases made in a retail way. The settlers up there, I may explain, buy only what they can see their way to pay for. This bill contains a few items such as 50lbs. of flour, 56lbs. of potatoes, 7lbs. of onions, one side of bacon, 6lbs. of rice, 7lbs. of oatmeal and one or two other small items, the total cost of which was £2 17s. 2d. The freight on this quantity amounted to no less than £1 1s. 1d. We see, therefore, that the settler on the Wongan Hills-Morawa line is handicapped to an extent that the public have no knowledge of at all. I really do not believe the members of the Government are aware of the existence of these very high charges, otherwise I am certain the gross wrong would be remedied immediately. With reference to the small account that I have quoted, I have a letter from the gentleman who sent the stuff up and who paid the freight. This gentleman writes—

The enclosed account will give an idea of what we have to put up with. The net weight of these rations was 1cwt. 1qr. 25lbs., the gross about 2cwt. as everything must be packed in cases, as all goods are just dumped out alongside the line. The value of these provisions in Perth retail was £2 17s. 2d. and the railage was £1 1s. 1d., being from Perth to Wongan Hills (132 miles) 7s. and to Bowgada (under 120 miles) 13s. 1d. It will take 360 bushels of seed wheat, about 10 tons of chaff and about 10 tons of super, to put our crop in this year. What chance have we if all has to be railed? If the opponents of this railway wish to have the chance of pointing out after next harvest how little wheat has been produced along this line, they should be in every way satisfied, because it is all new country and totally impossible to rail rations, let alone seed, super and horse feed, and implements, and we should be getting them along now for if there is a month's delay and an early season, we are done again.

It is quite unnecessary to labour a question of this kind. The whole thing is so self-evident. The charges are simply extortionate. Possibly the leader of the House will tell us that similar charges have been made in the past. But that is no argument. We have the real facts before us that in many cases the freight on small parcels is a great deal more than the actual cost of the articles. It will be no excuse whatever to say that such charges have been made in the past, and it will be of no use for the Government to tell us that they are the friends of the farmers. According to these rates the average farmer who is in a position to pay cash for his goods in Perth is charged from 50 to 100 per cent. for railage more than he would have to pay if the Working Railways had taken over the line. The line has been in the hands of the Construction Department for approaching three years and it is the duty of the Government now to immediately hand it over to the Working Railways. If it is

not completed, and if the Railway Department refuse to take it over because it has not been properly constructed, then it is the duty of the Government to reduce the freights which are at present being imposed. I submit the motion for the consideration of members.

Hon. H. P. COLEBATCH (East) [4.54]: I have much pleasure in seconding the motion. I think the hon. member might have gone further and, instead of advocating this course of action simply in the interests of the settlers, he might have said it was imperative that it should be taken in the interests of the State generally. It would appear that the aim of the Government is to establish a record in the way of railway construction, and I can foresee that in years to come, when the argument is raised as to the question of day labour versus contract, this Wongan Hills-Mullewa railway will be quoted as a horrible example of what happens under the day labour system. The length of this railway is a trifle short of 198 miles. Every one knows well that when a contractor undertakes to construct a railway his aim is to get it constructed as quickly as possible, for he knows that his only chance of making a fair profit is to do the work quickly. This applies as much to Government work as to work done under contract. I say without fear of contradiction that it is impossible to fiddle along with railway construction without the State being involved in considerably more expenditure than should be the case. I have not seen the figures giving the cost of construction, but this is a sample of the way in which railways are constructed in Western Australia under the present day labour system. One can easily understand how we have been spending so much loan money and getting so little in return. The construction of this particular railway was started at both ends and the settlers were encouraged to hope that the line would be completed quickly, as only about 100 miles had to be built each way. A contractor thinks that he is doing well if, when constructing a rail-

way, he is building it at the rate of one mile a day. At that rate the Wongan Hills-Mullewa line would have taken about three months to build, that is, working from both ends. But we do not expect that from the Government, although we might expect construction at the rate of say a mile in two days. That would have given six months in which to complete the undertaking. The line was commenced at the Mullewa end in June 1912, two years and eight months ago. At the Wongan Hills end the work was commenced in October 1912, two years and four months ago. Thus the line which a contractor, working quickly, would have built in three months, and which even the Government might have been expected to complete in six months, has taken two years and six months to construct, and even now it is not completed. It is obvious that the cost of constructing this railway is more than it should have been, and that a good deal of money, which should be earning interest is also lying idle, because this line is also intended to serve as a trunk line and carry through traffic to the Murchison.

Hon. A. Sanderson: How can it be handed over if it is not finished?

Hon. H. P. COLEBATCH: It should have been finished before this and we are entitled to know why it has not been finished. Six months ago it was reported that the line was practically completed and the impression amongst settlers and others is now that the actual completion of the line is being deliberately delayed. That is the impression which exists to-day. It has become a public scandal to think that after $2\frac{1}{2}$ years of construction the settlers along the line should still be compelled to pay exorbitant rates by the department, and that the State should be deprived of the traffic which should be carried over the line. The Midland Railway Company, of course, are getting all the advantage, but I do not think that is a good proposition, either from the point of view of the settlers or of the State. The cost of construction, I repeat, must have been

enormous. You cannot dilly-dally with 190 miles of railway and take $2\frac{1}{2}$ years over its construction without incurring enormous expenditure. I guarantee that any contractor, if he had taken all that time over the building of such a railway, would have been ruined. It is said that the Works Department charges 50 per cent. more than the Working Railways. That is the theory, but, like a good many others, it does not work out. It would work out from the point of view of the Works Department, if it were not that their freights are so high, that they are driving away customers. I had the opportunity the other day of seeing an invoice for a parcel of 24lbs., consisting of rubber hose. That parcel had to go to a place called Wubin, 194 miles from Perth. Over the distance to Wongan, 132 miles, the Working Railways charged 1s. and if they had taken the parcel the whole way their charge would have been 1s. 3d. The Works Department, however, charged 8s. 6d. for carrying the parcel over its 62 miles—8s. 6d. for a service for which the Working Railways would have charged 3d. The total freight, instead of being 1s. 3d. was 9s. 6d. That is 8s. 6d. for a threepenny service. Mr. Patrick quoted a number of figures, and I have worked out various charges in the same way. Take chaff, for 160 miles over the Working Railways the freight is 14s. 2d., but if it has to be carried for 80 miles over the Working Railways and 80 miles over railway in the hands of the construction department the charges are 12s. 9d. and 16s. 2d. respectively, or a total of £1 8s. 11d. which is just double the Working Railways' charge for the full distance. Fertilizer in the same way costs 9s. 7d. over 160 miles, but for 80 miles over the Working Railways and 80 miles over the Wongan line the charges are 7s. 3d. and 12s. 9d. respectively, or a total of £1. again more than double the amount. Groceries per hundredweight for the full distance of 160 miles is 3s., but the charge for 80 miles over the Working Railways is 2s., and for a similar distance over the Wongan line 9s. 2d., or

11s. 2d. in all; in other words, instead of costing 3s. for 160 miles the freight is 11s. 2d., nearly four times the proper charge. I saw an invoice for a parcel of vegetables which cost 8s. in Perth. The freight on the Working Railways was 2s., but the actual freight amounted to no less than 10s. 6d. Another invoice for a half-case of oranges which if carried a distance of 194 miles over the Working Railways, would have cost 10d., showed an actual charge of 4s.

Hon. Sir E. H. WITTENOOM: The Government ought to be making money with such charges as those.

Hon. H. P. COLEBATCH: They are not. The charges are so exorbitant that the people are not sending their stuff over the lines. Many of them send it along the Midland line to the nearest siding and then take it overland to their holdings, and actually save money in the process. In the case of live stock the cost is just double. Sir Edward WITTENOOM referred by interjection to the fact that the Midland Railway is getting this traffic. Members will recollect that some 13 or 14 months ago the Chairman of the Midland Railway Company took it upon himself to denounce the Western Australian Government for having the effrontery to provide for the wants of settlers by building this line.

Hon. W. KINGSMILL: Who is the Chairman?

Hon. H. P. COLEBATCH:: I forget for the moment. The Midland Co. held its annual meeting in London on the 17th December and the Chairman again made reference to this project in the following terms:—

In regard to the Wongan Hills-Mullewa railway—to which reference has been made in previous reports—I do not think that I can add much to what I have already said on previous occasions in regard to this undertaking. It was to have been ready for traffic this year (1914) but owing to delays caused by various reasons it is not likely—according to the advice we have received—to be in operation before the early part of 1915.

Apparently the Midland Co. were far better informed of the probabilities in regard to the completion of this railway than were the members of this House. Even the members for the district did not know as much about it before the Christmas holidays as the directors of the Midland Co. in London knew. It is not for me to say where they obtained their information, but they were evidently well informed, and they are the only people who are getting any benefit out of the project. The same set of circumstances to an even more striking degree applies to another railway which has been set up in competition with the Midland Railway Co., and that is the Bolgart extension. That railway has been under construction for many months, but the men do a little work in one place and then are shifted on elsewhere, and I believe that not more than two miles of the line has been constructed up to the present. From the time the men began this work until now the whole of the 30 miles should have been completed, but the money of the State is being frittered away by such delay, and the only people who are reaping any benefit from the delay are the Midland Railway Co. From the point of view of the settlers it must be obvious that those on the Wongan-Mullewa line will soon have to be making preparations for the planting of next season's crops. If they are not informed whether they will be able to get their seed wheat and fertilizer carried at the ordinary rates, what is the use of them setting to work at all? It will be impossible to pay the freights which are at present being charged. I can see no earthly excuse for the continued delay. Mr. Sanderson asked how could the railway be handed over if it had not been completed? To that I reply that as a mere matter of justice if after two and a half years of work the construction of the railway is not complete, is it fair that the Government should continue to prejudice the settler by such delay? It is monstrously unfair. The railway should have been completed long ago. There is an impression pre-

vailing not only among the settlers but in the public mind that the completion of the line has been deliberately delayed. If these settlers are to be given a chance to get in their crops this year, they must have an assurance that they will be able to get their requirements carried at the charges levied by the Working Railways.

Hon C. SOMMERS: (Metropolitan) [5.5]: I support very strongly the remarks of the two previous speakers. I have some knowledge of this line because I have a property fairly close to it, and I know the difficulties under which a number of the settlers are labouring. Every day during the last fortnight I have met farmers from the district who have been very much upset and full of inquiries as to whether any information could be gleaned regarding the date of the opening of the line for ordinary traffic. These poor fellows are trying to arrange for supplies of chaff, manure, seed wheat, stores, wire, wire-netting and so on, and as it is impossible for them to pay the enormously heavy rates at present being charged, they are in a quandary to know what to do. The Government in many cases are assisting the settlers, but what is the use of assisting them with one hand and taking it away, as the Irishman said, with the other two hands. The rates being charged at present are outrageous. My property is situated 12 miles from Wongan Hills, and six miles from the nearest siding, and it pays me better to cart my supplies the whole of the 12 miles than pay the excess on the six miles of line controlled by the Works Department. The other day I had occasion to send up some chaff, and the charge for freight was 14s. a ton to Wongan Hills, but for the remaining six miles over the new line the charge was 3s. 9d. The rate works out at about 1½d. per mile from Perth to Wongan Hills, and 3s. 9d. per ton for the remaining six miles. It is impossible for settlers to pay such heavy rates. The line is almost complete, but the Government appear to have a desire to wait until the names are painted on the sidings and the keys are fitted to

the blocks before handing over the line to the Working Railways. The settlers want the use of the line whether it is finished or not. It is only a book-keeping matter after all and those responsible should charge only the ordinary rates and permit settlers to set about their business. In a few weeks' time settlers will require to start seeding operations, and if we have a good season, the State will suffer loss because of the decreased traffic consequent on the diminished area which will be sown through this delay on the part of the Government. Owing to the good season which the Murchison district is now experiencing, a large quantity of store stock is being sent there. If the Mullewa line were opened, this stock would be carried on that railway, but as a matter of fact train load after train load may be seen going up the Midland line, and the Midland Railway Company are getting all the benefit. If the Mullewa line is not pushed on with the fat stock which will be available in a few months' time will be carried down the Midland line. I was very much struck with the report of the remarks of the Chairman of the Midland Railway Company at the annual meeting referred to by Mr. Colebatch. That gentleman congratulated himself and the company on the fact of the delay in connection with the construction of this line because they are reaping the benefit from the absurd manner in which the Government are conducting their business. It was understood that the line would be opened in December of last year. The ex Minister for Works made a promise that if the line was not completed then he would see that the ordinary rates were charged. I asked him last night if he remembered the promise, and he replied that he was not sure; but that is certainly the impression which was conveyed to the settlers. Anyhow it is fair, in the interests of the settlers and of the State, that some relief should be given. I went to the Railway Department less than a fortnight ago and asked an officer in the transport branch—"Can you tell me the date when the line will be opened for

traffic"? The reply was—"On the 25th January." I asked "Will it be quite safe to order anything to go on after that date," and I was assured that it would be safe. I ordered 30 or 40 tons of produce to be sent up, and to my horror I find that the line is not yet opened for traffic, and consequently I will have to pay the excess rates. I need not pay the excess rates unless I choose, because after having received that assurance I interviewed the Traffic Manager and told him that if his officers gave an assurance that they would carry goods at the ordinary rates after a certain date, they would have to do so or I would want to know the reason why. The Traffic Manager agreed with me and said that the officer who gave the assurance would have to pay the excess out of his own pocket. Of course I could not agree to that being done and consequently I will have to pay the penal rate. There are many settlers who have been anxiously awaiting the completion of this line. They have little money and some of them have none at all but have been borrowing from the Government and from friends, and if the Government insist upon them paying these rates it means that any benefit they might derive from their crops will be more than swamped by the excess rate. I hope the Government will see fit, notwithstanding that the line may not be complete, to instruct those having the conduct of the traffic to give these settlers every advantage which they would be enjoying if the line had already been transferred to the Working Railways. It is only fair in view of the great delay which has occurred and the injustice which the settlers have suffered. I hope that before the House rises the Minister will give us this assurance. It is only a reasonable request, and it is one which in common fairness to the people ought to be readily granted.

Hon. H. CARSON (Central) [5.12] : This motion should certainly receive the support of members of this House and the Government should readily consent to give effect to it, especially when they realise what heavy charges are being im-

posed by the construction department for the carriage of goods over this line. As far back as April the greater portion of the line was completed and the settlers were desirous of having a portion of it thrown open for traffic. The northern half was ballasted before May last. Members will recollect how great was the delay before the construction of this line was started and the many appeals settlers had to make to the Government before the work was begun. They have had to wait for two and a-half years for this railway and still it is not completed. Settlers have been in this district a great number of years and have had to cart their supplies from the Midland line across to their holdings, a necessity which must have depleted their resources very much. Mr. Sommers referred to a deputation which waited on Mr. Johnson when Minister for Works. That deputation waited on him at Perenjori, prior to the general election, and the then Minister for Works gave an assurance that without any doubt the railway would be ready to be handed over early in December, in plenty of time to enable them to get their harvesting machinery and to take their wheat away. Later there was an assurance that the line would be opened in January, and it is not open to-day. I hope the Government will consider the situation, because the matter is a very serious one. The request is not outrageous but is reasonable and necessary and the Government will not be inconvenienced in any way by giving effect to it.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [5.14] : The Government do not consider it advisable to make any further alterations in these freight rates until the railway is handed over to the Working Railways. Owing to the dislocation caused by the provision of a regular service, the cost of running trains under the construction branch of the Works Department is higher than under the Working Railways. Moreover that branch has to pay the Railway Department for the use of rolling stock which might not be kept employed for more than one-half of its time, whereas

if the line was under the Railway Department the rolling stock would be utilised the whole of the time, if not on the Wongan Hills line on other railway lines in the State. The work of construction has been pushed ahead at a proper speed, and I do not think a charge of delay can be justly laid if we take into consideration the construction of railways by previous Governments. This line is 200 miles in extent, and I have good recollection that a previous Government had under construction a line of 28 miles from Geraldton to the Upper Chapman, and it took them a year to construct that railway. In 1913 a clamour for the dropping of rates was made, and the Government considered the question and lowered the charges considerably. Grain and fertilisers were reduced from 4d. per ton per mile to working railway rates, plus 30 per cent. There were also appreciable reductions made for the carriage of stock. The Works Department are making no profit on the carriage of goods, in fact, there is a serious loss. From the 1st July to the 31st January the expenditure was £6,397, and the revenue £3,797, being a deficiency of £2,600 in seven months. Unfortunately the line was not handed over in the last month. The Works Department were prepared to hand the line over, but the working railways insisted on certain sidings and sheds being constructed, also the installation of the telephone, which involved a further expenditure of £4,000. That work is being pushed ahead with rapidity and will be completed, I am given to understand, by the end of the month. Additional reduction of freights at present would increase the loss to the construction branch, and it is unfair to force the branch into such a position. The information placed before the House I will be pleased to submit to the Government.

Question put and passed.

On motion by Hon. W. Patrick, resolved that a Message be sent to the Legislative Assembly, asking their concurrence in the resolution.

BILLS (4)—THIRD READING.

1, Yillimining-Kondinin Railway Extension.

2, Pinjarra-Dwarda Railway Extension.

3, Katanning-Nyabing Railway Extension.

4, Boyanup-Busselton Railway Extension.

BILL—NAVAL AND MILITARY ABSENTEES' RELIEF.

Message received from the Assembly notifying that the amendment made by the Council had been agreed to.

BILL—SUPPLY (No. 2), £488,270.

Second Reading.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [5.18]: I move—

That the Bill be now read a second time.

This Bill provides supplies up to about the middle of the month. Before that time the Estimates will be down, and necessary authority for further supplies will be submitted to the House for approval.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—CONTROL OF TRADE IN WAR TIME AMENDMENT.

Second Reading.

Debate resumed from the 27th January.

The COLONIAL SECRETARY: Mr. Colebatch and Mr. Cullen have nothing but words of reproach for members of the Commission. They see no good in them, and have based their sweeping denunciation of the members of the Commission on a few incidents which occurred in connection with transactions in wheat. Suppose an error judgment had been committed by one or more members of the Commission there is no justification for the unqualified condemnation

uttered against these gentlemen, and certainly no reason for depriving them of the powers which are necessary for the successful administration of the Act passed by this House some months ago.

Hon. Sir E. H. Wittenoom: Is that Act required at present?

The COLONIAL SECRETARY: It may be required. The members of the Royal Commission have had extremely difficult duties to perform. Those duties have called for the exercise of tact, foresight, and a high degree of intelligence; and I submit that it is a powerful tribute to the success with which the Commissioners have performed their duties that only a couple of instances can be adduced in which it is alleged that the Commission has not given satisfaction either by its attitude or by its action. The hon. members I refer to have spoken as if the control of the price of wheat were the only reason for the Royal Commission's existence. It must be recognised, however, that the Commissioner's functions cover a very much wider sphere. The Commissioners control the prices of all foodstuffs within the State, and I maintain that they have succeeded in their task as far as is possible. When they were appointed, groceries and kerosene were rising in price at a rate positively alarming. That is a proposition which no one can dispute. The Commission has acted as a check, and thereby has saved many thousands of pounds to the vast majority of the people of the State. In grappling with the wheat question, the Commissioners were faced with a problem of unexampled difficulty. Complications arose in respect of the new season's wheat. While to fix the price of old wheat was easy, the appearance of the new wheat, which had cost per acre widely varying sums to produce, created a position of intensified complexity; and it would be surprising indeed had no trouble arisen in connection with these transactions. There is no doubt whatever that the Commission has fully justified its appointment. My statement is borne out by utterances of prominent business men. I will quote one, the

President of the Perth Chamber of Commerce, who said—

The appointment of a Commission such as this is absolutely necessary. The present Commission has justified its appointment, and I am satisfied that it would do nothing to injure present trading conditions.

Representatives of business houses engaged in various branches of trade have expressed themselves in similar terms.

Hon. J. F. Cullen: How came that testimonial to be secured?

The COLONIAL SECRETARY: This testimonial appeared in the *West Australian*.

Hon. J. F. Cullen: How did it come about? In what connection?

The COLONIAL SECRETARY: The President of the Perth Chamber of Commerce made that statement in commenting upon the work of the Royal Commission. I understand that gentleman was interviewed by the *West Australian*, and that during the course of the interview he made these statements.

Hon. J. F. Cullen: I think, not.

The COLONIAL SECRETARY: Further, the representatives of various branches of trade in this State, when giving evidence before the Commission, have paid similar tributes to that body. I cannot, of course, produce even so much as extracts from those statements; because the statements are confidential.

Hon. J. F. Cullen: That is to say, these testimonials were confidentially secured.

The COLONIAL SECRETARY: They were confidentially secured; yes. All evidence given before the Commission is confidential. The Commission has not made very much noise, but it has been working diligently during the whole of the time since its appointment. Instead of proclaiming maximum prices and maximum selling rates, the Commissioners have arranged prices amicably with the merchants. The Commissioners' object in adopting that course was to prevent any dislocation which might arise, and would arise, through the proclamation of maximum prices from the housestops. After close and continuous consultation

with merchants and others, the Commissioners have, thanks to their exercise of diplomatic methods, practically controlled the various branches of trade. They have succeeded in keeping down to a reasonable figure groceries, soft goods, oils, explosives, and mining supplies, hardware, footwear, and, generally, all the necessities of life. They have made no boast of what they have done, but they have been doing it all the same. It is probably because the Commissioners do not appear in the limelight, that their good work has not been adequately appreciated. The fact that the leading firms in the various trades, after consulting with the Commission, have fallen in with the proposals put before them by that body, has had far reaching results. It has been the means of preventing the small trader who might desire to take advantage of the abnormal conditions prevailing, from increasing prices. Owing to the work of the Commission, the small trader has had no justification for doing so. The merchants having met the wishes of the Commission, the small storekeeper has fallen in line every time; and thus, by this means, the prices of the necessities of life have been maintained at reasonable figures. It must be borne in mind, however, that in some lines there have inevitably been increases in the actual landed cost—increases due to war insurance, rising freights, higher duties, and higher manufacturer's cost. Some increases of this nature have been inevitable, and must be accepted; and, accordingly, those increases have been allowed by the Commission. Where the fact of such increases existing has been proved to the satisfaction of the Commission, no objection whatever has been offered to corresponding increases of prices. Applications have come by correspondence from the principal country centres, soliciting information from the Commission; and in some instances the Commissioners have visited such localities. In every case matters have been arranged satisfactorily and amicably, and there has been no friction whatever. Indeed, the only friction that has

ever occurred under the administration of the principal Act has been in connection with the couple of transactions in wheat; and it is about time that members of this House ceased to comment upon those two transactions, which have already been referred to close on a dozen times in this Chamber. Members appear to have no other ground on which to base their arguments against this Bill except such ground as may be afforded by those two instances. No good purpose can possibly be served by the defeat of this Bill, which would mean a most serious blow to the efficacy of the Commission. The defects of the existing Act will be known; they may not have been known previously; but they will be known now, and the influence of the Commission will be destroyed. This Bill seeks to do merely what has been done and is being done in England. The English Board of Trade has power to fix maximum prices, and anyone selling above the maximum commits an offence. Possibly, the Commission may never exercise the powers proposed to be given by this Bill. Up to the present time it has exercised none of the powers contained in the principal Act, has never even attempted to exercise those powers; and yet the fact of its possessing those powers has had wonderful results. Only in the two instances to which such frequent reference has been made, in connection with the wheat question, have the Commissioners attempted to exercise their powers; but, all the same, the fact that the power is there, they tell me, gives them a tremendous influence. Once it becomes known that a defect exists in the original Act, the Commissioners, in their own opinion and in mine, will have no control whatever over the prices of foodstuffs. No sound reason has been advanced for withholding from the Commissioners the powers contained in this measure. It may be a long time before the war is over; it is possible that we are only on the fringe of the trouble; and hon. members must not be led away by the thought that this Bill will be totally unnecessary because no occasion has arisen up

to the present time for putting into force the powers of the parent Act. That Act has had simply a moral effect; and, if the amending Bill is passed, this legislation will continue to have such an effect. There has not been a complaint from any business man as regards the administration of the principal Act. I have seen no complaint in the public Press, and no complaint has been made to the Government. Those facts, I think, go to prove that this legislation has been administered by the Commissioners with tact and discretion. I sincerely trust that the House will not defeat the Bill.

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

Ayes	..	..	15
Noes	..	..	8
Majority for	..	..	7

AYES.

Hon. C. F. Baxter	Hon. R. D. McKenzie
Hon. H. Carson	Hon. H. Millington
Hon. J. Corneil	Hon. W. Patrick
Hon. J. E. Dodd	Hon. A. Sanderson
Hon. J. M. Drew	Hon. G. M. Sewell
Hon. V. Hamersley	Hon. C. Sommers
Hon. A. G. Jenkins	Hon. C. McKenzie
Hon. J. W. Kirwan	(Teller).

NOES.

Hon. H. P. Colebatch	Hon. E. McLarty
Hon. J. F. Cullen	Hon. Sir E. H. Wittenoom
Hon. D. G. Gawler	Hon. R. J. Lynn
Hon. J. J. Holmes	(Teller).
Hon. W. Kingsmill	

Question thus passed.

Bill read a second time.

In Committee.

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

Clause 1—agreed to.

Clause 2—Extension of Section 4:

Hon. H. P. COLEBATCH: Will the Colonial Secretary give us some explanation as to how it is intended the clause shall work? In a good many cases the commodities are first bought wholesale and afterwards sold retail. If the maximum price is fixed and there is a shortage in the commodities, the original seller will demand the maximum. He is entitled to it, and the condition of the market

will assist him in getting it. But the man who buys large quantities wholesale and proceeds to retail them at an enhanced price will be liable to a penalty of £100.

The COLONIAL SECRETARY: It can only be done by continuous consultations with business people. That is what the Commission are doing to-day and every day. I am sure they will come to an amicable understanding in regard to this matter, although I do not know how.

Hon. H. P. COLEBATCH: I am not prepared to vote for a clause which I feel it is impossible to carry out. If the Minister says he does not know how it is to be carried out, how can members be expected to vote for it? The only price the Commission can fix is the maximum, and there is a heavy penalty for any who sell above that price. It is going to hang up trade and commerce altogether. Under the existing Act the Commission may be able to arrive at an amicable understanding with people, but under the Bill they are to be tied down to do one specific thing.

The COLONIAL SECRETARY: No; they have a variety of things to do. There is the locality to be considered, there will be different prices for different parts of the State, and different prices for different qualities and quantities. The Commission will be able to fix the maximum for any part of the State, and may vary any prices previously fixed. Every possible power is given to assist them in their work.

Hon. J. F. CULLEN: They are to have the authority, but all the wisdom in the world and all the world's money behind them to spend on an army of inspectors would not give them the power to carry out the clause. Have hon. members tried to imagine how the clause can be carried out? There are three commissioners, but if they are going to seriously attempt to carry out the clause there will be an army of inspectors, to say nothing of deputy commissioners, for they will be required to cover the whole of the State. It is simple to fix the maximum here in Perth for the first sales of goods, but those who buy the goods and sell them in the country must have a different price, and the

storekeepers in the country must have still another price which will render them a profit; and the commissioners are to go into every little centre wherever there is a store and say what the maximum shall be there, and what it shall be for varying qualities and quantities. The Minister has told us that the Board of Trade do these things in England. It is a monstrous misrepresentation.

The Colonial Secretary: They have exactly these powers.

Hon. J. F. CULLEN: They have never attempted to exercise them. For a kind of bluffing influence of restraint the Commission have all the power they want, but to attempt to carry out the details of this clause is to attempt the impossible. And the risk about it is this: The Commission, in shame for their first ridiculous outbreak of activity, have kept as quiet as possible, but if they are emboldened by the Bill to attempt to do things there will be such confusion as the State has never known. The Commission will be an absolute infernal nuisance, and will require an army of assistants to help them in their mischievous work. I hope the Committee will not pass the clause.

Hon. A. SANDERSON: I hardly think that is fair criticism of the clause, because surely it will be recognised that if this is to be put into force, we shall come within the pale of martial law.

Hon. J. F. Cullen: It is worse than martial law.

Hon. A. SANDERSON: I do not agree with that. It is a step towards martial law, but it will only be put into force in time of war. If it is put into force we shall be practically in a state of siege.

Hon. J. F. Cullen: The Minister says they are going to put it into force.

The Colonial Secretary: I said nothing of the kind. I said it would not be used except necessary.

Hon. J. F. CULLEN: I understood the Minister to say that the Bill was necessary because the parent Act, being defective, could not be put into force.

The COLONIAL SECRETARY: I said the present Bill was defective and that unless we remedied those defects it would have no influence. The very fact

of this measure being on the statute-book will have a moral effect on those who would be likely to unduly increase prices.

Hon. A. SANDERSON: That is a fair explanation. I take it the members of the Commission are at present busy considering what they will do if certain circumstances arise. They will have the Bill to work on, and if they have to put this into force things will be desperate indeed. The object of the Bill is to conserve the interests of the people in time of war. I am not afraid to trust the Government with the power sought in the Bill.

Hon. J. J. HOLMES: The clause will tie the hands of the Commission altogether. It is easy to fix different prices for different articles in different centres, but the Commission will be empowered, and inferentially required, to fix the maximum prices according to the differences in quality and the quantity sold. They will fix the maximum price retail, and if that price is too low the result will be that the retailer will not be prepared to sell without a profit, consequently there will be no distribution. The price to be fixed must be either the wholesale or the retail price. This Bill to my mind simply ties the hands of the Commissioners, because it renders them powerless.

Hon. J. CORNELL: The principal Act gave power to the Commissioners to fix maximum prices for the necessities of life. The only commonsense reading of the section must be to construe it to mean the maximum price at which any commodity may be bought. That power has been placed in their hands, and the moral effect has been proved. In this Bill it is proposed merely to further define the powers of the Commission in this connection. It is only commonsense that if you give the power to fix prices you should also give power to differentiate. The word "different" appears in the clause before "price."

Hon. J. J. Holmes: But it refers also to the quantities sold.

Hon. J. CORNELL: As a business man, the hon. member knows that goods can be sold at a less price when they are sold in large quantities. Paragraph (c) empowers the Commission to vary any

price previously fixed, but so as to apply only to future transactions. That is a power the Commission should have. But under paragraph (d) the Commission in fixing any price must do so relatively to such standards of measurement, weight, capacity or otherwise as the Governor on the recommendation of the Commissioner may think proper. There is an easy method—I am not a business man, and have never run a business in my life—

Hon. J. F. Cullen: That is why it is easy.

Hon. J. CORNELL: But I believe it is generally known that when a price is fixed on a wholesale basis the retail price is arrived at by adding railage, insurance, and a certain percentage. When the Commission deal with wheat it will fix a wholesale maximum price at which wheat may be sold in the particular districts with which they are dealing.

Hon. J. J. Holmes: What about the retail price?

Hon. J. CORNELL: The wholesale price having been fixed, the retail price will be found by adding freight, transport charges, and so forth. In any case it is illogical for us to argue here what will be the actual working of this provision. All we should satisfy ourselves upon is whether the Commission has at present sufficient power. I say that it has not.

Hon. W. PATRICK: I move an amendment—

That after the word "maximum" in paragraph (a) the words "wholesale and retail" be inserted.

The COLONIAL SECRETARY: That is quite unnecessary. That is all the clause means now, for paragraph (b) provides that the Commission shall have power to fix any price. Up to date there has been no interference by the Commission, in so far as retail prices are concerned. The Commissioners have been in conference with the merchants, and there has been no trouble whatever; and I believe that good feeling will continue. But there should be some legislative power behind it. There has been no need at all for the Commission to interfere in regard to retail prices.

Hon. J. J. HOLMES: I agree that if we must have a Commission we must give them power to act; but looking at the question from a business point of view I see the possibility of all sorts of complications. Trouble will arise when the Commissioners come into conflict with the trading public. The Minister tells us that there has not yet been any need for the Commission to interfere with retail prices. When that need does arise I can see considerable trouble. The Bill gives power to the Commission to declare different maximum prices; but there could be only different prices when there is difference in quality. Take sugar in Perth. If the wholesale price be fixed at 2d. a pound and, as a consequence it does not pay the retailer to sell, he will not sell, and there will be no distribution.

Amendment by leave withdrawn.

Clause put and passed.

Clauses 3, 4—agreed to.

Sitting suspended from 6.15 to 7.30 p.m.

New clause:

Hon. H. P. COLEBATCH: I move—

That the following be added to stand as Clause 5:—Section 3 of the principal Act is amended by adding the words, "And shall not continue in force after the 30th day of September, 1915."

Section 3 of the principal Act, 1914, reads as follows:—

This Act shall have operation only during such period as the Governor may from time to time by proclamation declare when a state of war exists between the United Kingdom and some other power.

Under our Standing Order 174 it is provided that—

The precise duration of any Bill, the provisions of which are intended to be temporary, shall be inserted in a distinct clause at the end thereof.

That Standing Order was apparently ignored in the passing of this Bill. One of the objects of the amendment is to bring the Bill into conformity with our Standing Orders. I have a much stronger reason for proposing it

than that. If it is found necessary later on to re-enact the measure this could easily be done, and we shall have had some opportunity of gaining a little experience as to how the Act operates. I do not feel prepared to entrust to the Commission the right of fixing the price of the products of our next harvest. I do not see that any harm could be done by this. We shall be bringing the Act into conformity with the Grain and Foodstuff Bill. If the necessity exists for the re-enactment, it could be done. The whole thing is simply an oversight.

Hon. J. CORNELL: I oppose the new clause. I think the clause as it stands in the parent Act was placed there by members of this House with a fair knowledge of what they were doing. If hon. members will turn up the last issue of *Hansard* they will find that no oversight occurred and that the hon. Mr. Colebatch, drew attention to the very clause which now stands as Clause 3. We are not warranted in availing ourselves of the Standing Orders at this juncture. The parent Act was introduced, not as a result of the drought, but almost at the inception of the outbreak of the present hostilities, and the war only was the reason given for the introduction of the Bill. There is another contingency to be taken into consideration. I assume that the war will be finished before this precise date. If it is finished before this date, the Act would remain in force. If there was any necessity for this, why was it not done in the parent Act?

Hon. Sir E. H. WITTENOOM: We were in such a hurry.

Hon. J. CORNELL: I am pleased to hear the admission of the hon. Sir E. H. Wittenoom, that he has done something in a hurry; but hurry is no excuse. To do this will be a reflection on our intelligence, because if it is right to do it now it was right it should have been done when the parent Act was brought in. This is merely a quibble.

Hon. H. P. COLEBATCH: In reference to the remarks of the hon. Mr. Cornell, I would like to say that I did not draw attention to the matter as he states. Anyone looking up *Hansard* will find that

I did not do this. If I had drawn attention to it, you Sir, would have insisted on doing what you have insisted on doing in regard to other Bills, on seeing that our Standing Orders were observed. No hon. member drew attention to this particular matter; it was an oversight and one which the House should remedy.

Hon. J. F. CULLEN: Does the Minister intend to accept the amendment?

The COLONIAL SECRETARY: I do not intend to accept the new clause. I see no necessity for it. The Act was brought into operation by proclamation, and it will cease per medium of proclamation. The only object of the moving of this new clause is to insist that the Bill should be re-enacted. When the time arrives that this Bill will be no longer necessary, the Government will bring it to a close by means of proclamation.

Hon. J. F. CULLEN: I could give the Minister reasons which I think will alter his views. First of all, why does he not provide in the Bill a remedy for the blunder occurring in the parent Act? He has left it to the hon. Mr. Colebatch to do this by his amendment. If the amendment is not carried, the parent Bill will still read that the Act will cease at an indeterminate date.

The Colonial Secretary: On the declaration of peace.

Hon. J. F. CULLEN: That is against our Standing Orders, and it would have been sufficient for the clause being ruled out of order. The Government have not provided for rectifying one of the main difficulties of the present Act. There is a stronger reason why the Committee should insist on the amendment. I want to state what the plain facts about the Foodstuffs Commission are. Already this Commission has had the effect of diminishing the seed for next season. The moment that action was taken by that Commission in the York district, numbers of farmers said "We are not going to bother about clearing any more land or enlarging our sowing operations for next season. If we are going to be at the mercy of a Commission of that sort, we will not sow." I know, as a matter of fact, that if this

Commission is left in power for an indefinite period, and if we do not fix in this Bill the termination of the Commission before the next harvest is dealt with, next season's wheat will be found to be very much less than it would otherwise have been. Farmers will not pay the high price for seed wheat and leave themselves at the mercy of a Commission of this description. This Commission have to be appealed to from the excellent Commission now operating under the Industries Assistance Bill. If we fix the time as at the 30th September we will let the farmers know that Parliament will be able to protect them with regard to next season's wheat. Otherwise they would be at the mercy of the Foodstuffs Commission in which hardly a farmer has an atom of confidence. I hope that the Committee will insist on passing the new clause, especially as Parliament can undo it when it meets in July next. Should the war still be proceeding and should any necessity exist for the Act to go on, Parliament will be able to extend the time.

New clause put and a division taken with the following result—

Ayes	..	..	..	16
Noes	..	..	..	4

Majority for .. 12

AYES.

Hon. C. F. Baxter	Hon. C. McKenzie
Hon. H. Carson	Hon. R. D. McKenzie
Hon. H. P. Colebatch	Hon. E. McLarty
Hon. J. F. Cullen	Hon. W. Patrick
Hon. D. G. Gawler	Hon. G. M. Sewell
Hon. V. Hamersley	Hon. C. Sommers
Hon. A. G. Jenkins	Hon. Sir E. H. Wittenoom
Hon. R. J. Lynn	Hon. J. J. Holmes

(Teller).

NOES.

Hon. J. E. Dodd	Hon. H. Millington
Hon. J. M. Drew	Hon. J. Cornell

(Teller).

New clause thus passed.

Title—agreed to.

Bill reported with an amendment.

BILL—GOVERNMENT ELECTRIC WORKS.

In Committee.

Hon. W. Kingsmill in the Chair; the Hon. J. E. Dodd (Honorary Minister) in charge of the Bill.

Clauses 1 to 4—agreed to.

Clause 5—Power to establish and maintain electric works:

Hon. R. J. LYNN: I move an amendment—

That in line 3, after "proclamation," the following words be added, "but subject to the consent of the local authority having control within such area."

The amendment will give a municipality the opportunity of being consulted before competition is entered into against a scheme that has cost the people perhaps a considerable sum of money. When Fremantle entered upon its scheme the Government had a small plant in operation. They were unable, however, to supply the requirements of the Harbour Trust and the railway station, with the result that a number 2 scheme, involving heavy expenditure, was placed before the people of the port and it was decided to carry it into effect. That has been in operation for six or seven years, and it has given satisfaction to all parties concerned. If the Government under this Bill can come into the municipality of Fremantle and enter into competition it will result in the people there having to shoulder a heavy liability. I hope the House will see that we are protected in view of the heavy expenditure which has been incurred.

Hon. J. E. DODD: Whilst I admit there is some force in the argument of the hon. member, I fail to see why the Government should be restricted in the sale of electric current wherever they may desire to dispose of it. What good can result to the people of Fremantle in keeping their own plant going if they can get current cheaper elsewhere? The Government will have power to supply their own works, whether in Fremantle or elsewhere, and I cannot see what good will follow the adoption of the hon. member's suggestion.

Hon. R. J. LYNN: I am not going to say that Fremantle will not purchase bulk current from the Government if it is profitable to do so, but the House will see that this is a sort of sword over our

heads, that if we fail to purchase the Government will say, "We will enter in to competition."

Hon. A. G. JENKINS: Whilst I sympathise with the hon. member, I think that the effect of the amendment will be disastrous. It will mean that many municipalities may hold up the Government and say, "Unless you come to our terms, and we will dictate such terms as may make the scheme unpayable, we will not allow you to come in." That is the position that may happen in any municipality to which the Government may desire to supply current.

Hon. H. P. COLEBATCH: Perhaps the case might be met by limiting the local authorities to those who have already received the consent of the Governor-in-Council and have established works to supply electric power. Although municipalities may, with the consent of their ratepayers borrow for a number of purposes, they cannot borrow to establish electrical works without the consent of the Governor-in-Council. When a municipality has committed its ratepayers in this way to a large expenditure, it would be unjust if the Government could step in and compete without their consent.

Hon. J. CORNELL: This clause will affect municipalities such as Boulder, Kalgoorlie, Coolgardie, Southern Cross, Subiaco, Fremantle and numerous others which have embarked on trading concerns of this description, but if it came to a question of Government competition it would be a matter solely for the ratepayers to decide. I support the clause.

Hon. J. F. CULLEN: If the Bill merely intended to transfer the powers of the Government relating to the 5-miles radius, there would be no trouble, but under cover of that transfer there are stray clauses to give greater powers to the Government to compete with local authorities, who, by Government and Parliamentary consent, have established works of their own. It would be a great pity if the Government competed with an industry which they themselves had helped to establish.

Hon. J. E. DODD: It is only a matter of the introduction of more modern works.

Hon. J. F. CULLEN: But the effect would be to kill smaller works by the power of the State.

Hon. J. E. DODD: Why keep obsolete works going when better ones are provided?

Hon. J. F. CULLEN: The people will not tolerate obsolete works if better ones are available. The Government should not attempt to kill something which the State as a whole has encouraged. The Minister says this is a right thing to do. That is a new doctrine. The amendment would impose an undue restraint but there should be some provision under which negotiations could take place and amicable settlements between the State and the local authorities could be arrived at. If the Bill had been purely a measure for the transfer of powers, it would have been much better. To enlarge the transfer by the inclusion of incidental clauses is dangerous.

Hon. D. G. GAWLER: Although under the Act of 1913 the Government cannot step in within the 5-miles radius and compete with a corporation, they can step in outside of that radius, and this Bill evidently intends that they shall do so. Therefore, the amendment would cure that defect and compel the Government to obtain the consent of the local authority. In regard to Mr. Colebatch's suggestion, it is questionable whether the local authorities indicated would not be given a monopoly, because if this measure becomes law no other local authority will be given the same privileges. Regarding Mr. Jenkins's suggestion that a local authority might, by an unreasonable attitude, prevent such provision being made, the ratepayers would prove a safeguard. If it is intended that the Government shall not compete with these bodies, the amendment is necessary; otherwise the Government will be able to compete with local authorities outside the 5-miles radius.

Hon. R. J. LYNN: The Minister made reference to modern and obsolete plants. At Fremantle we have one of the most

up to date plants in Australia, and though we cannot generate current so cheaply as the Government with a large output will be able to do, we can do it at a very low cost. After several conferences relating to the purchase of current in bulk from the Government, we decided that we in Fremantle could do better by maintaining our own plant. After an expenditure of £140,000 on the scheme, we have within the last month incurred an additional liability of £10,000. We have ordered extra machinery to cope with the increasing requirements of our plant, and consequently, if we are to be subjected to competition from the Government, it will be a serious matter. We should protect the interests of a municipal concern which was started some years ago and with which the people of Fremantle are well satisfied.

Hon. A. G. JENKINS: Perhaps a proviso which I propose to move later will meet the views of Mr. Colebatch. It is to the effect that the Commissioner shall not have the power to maintain, establish, and carry on electric works in any municipality where there are existing works that supply electricity, without having previously obtained the consent of such municipality. That proviso will maintain the rights which the municipalities claim at present. In the case of municipalities which have not established schemes of their own, the Government ought to have power to go in and carry on such work.

Hon. J. E. DODD: At the moment I am unable to say whether the amendment which has been moved and that which has just been suggested will be acceptable to the Government. I acknowledge that there is a certain amount of force in these amendments. I wish to point out, however, that municipalities which have entered largely upon electric works will, from interested motives, oppose the Government's coming in. The Conservative element in such municipalities will always be ready to block any reform whatsoever. In the case of Fremantle the Government have offered to supply current at a cheaper rate than the Fremantle Tramway Trust can supply it.

Why should the Fremantle people be deprived of cheaper current and be restricted to an expensive supply from an obsolete plant? However, I do not protest against the amendments which have been moved and suggested.

Hon. H. P. COLEBATCH: In reply to the Honorary Minister, I wish to say that in no circumstances can a municipality or a private individual compete with the Government, for the simple reason that the Government can go on losing money indefinitely, which neither a municipality nor a private individual can do. Accordingly, Government competition of this nature should be prevented, on account of its being unfair competition.

Hon. C. F. BAXTER: I support Mr. Lynn's amendment. It has been urged that ratepayers having a municipal electric scheme will be loyal and support their own concern; but my experience is that a very small monetary saving will suffice to render people disloyal in that respect. Mr. Jenkins' suggested amendment I cannot support, because it excludes municipalities having no electric lighting works at present from establishing works in the future. Just at present the Government have a great advantage in cheapness of production; but that advantage may not exist always. The Government should not be permitted to enter upon any municipality without the consent of the governing body of such municipality.

Hon. A. G. JENKINS: I desire to move, later, my suggested amendment. Accordingly, I am at present opposed to Mr. Lynn's amendment. Existing municipal plants should be protected.

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

Clause 6—agreed to.

Clause 7—Notice before breaking up streets in certain areas:

Hon. J. E. DODD: I have an amendment to move in this clause. In another place the Premier promised that a clause providing for notice should be inserted in the Bill. I move an amendment—

That the following paragraph be added:—Before the Commissioner proceeds to exercise any of the other

powers conferred by paragraphs (i.) to (vi.) of the last preceding section, a like notice shall be given by the Commissioner to the local authority, or the owner or occupier of the land or premises in respect of which such power is to be exercised.

Amendment passed, the clause as amended agreed to.

Clauses 8 to 12—agreed to.

Clause 13—By-laws:

Hon. D. G. GAWLER: I move an amendment—

That the following be added to stand as Subclause 2:—All by-laws so made—
(a) shall be published in the "Gazette":
(b) from the date of such publication, or from a later date fixed by the order making the same, shall be of the same effect as if they were contained in this Act: (a) shall be laid before both Houses of Parliament within fourteen days after such publication, if Parliament is in Session, and if not, then within fourteen days after the commencement of the next Session. Notwithstanding any publication thereof, no by-law shall continue to have any force or effect if the same is disapproved, either wholly or in part, by resolution of either House of Parliament within thirty days after such by-law has been laid before Parliament, if Parliament is so long in Session: Provided that if Parliament is not in Session for thirty days after such by-law has been laid before Parliament, then such by-law shall not continue to have any force or effect if disapproved by either House of Parliament within thirty days after the commencement of the next Session of Parliament.

Hon. members will recognise this as the old familiar clause which the Legislative Council has always asked shall be inserted in measures of this nature. If the clause is not inserted, then Section 11 of the Interpretation Act applies, and the effect of that section is that by-laws, to be disallowed, must be disapproved by both Houses of Parliament. If hon. members will look at the very important matters as to which, under Clause 13, the Commissioner may make by-laws, they will see the necessity for carrying an amendment

providing that by-laws may be disapproved by either House of Parliament.

Amendment passed; the clause as amended agreed to.

Clause 14—agreed to.

Clause 15—Plaintiff to actions for personal injuries to submit to examination:

Hon. J. CORNELL: Workers to be employed under the Bill come under the Workers' Compensation Act. If a workman be injured will he come under the Employers' Liability Act, or will he have the same rights as an ordinary individual at common law? It is an important point upon which I desire to be correctly informed. In the mining industry the only redress the worker has is under the Workers' Compensation Act, and the Employers' Liability Act, between which he has to choose. Will the same privilege be extended to employees under the Bill as are enjoyed by, say, any ordinary civilian who may be injured?

Hon. J. E. DODD: As far as I can see, there is nothing in the Bill which takes away the right of the worker, either under the Workers' Compensation Act, the Employers' Liability Act or at common law. The clause simply requires that he must submit himself to a medical examination.

Hon. J. CORNELL: The same rights should be accorded to the worker as are given to an ordinary civilian who, in passing along the street, might be injured by a falling wire. The civilian could sue for any amount up to £2,000, but, as I read it, the workman must elect to take action under the Workers' Compensation Act or under the Employers' Liability Act, in which case the maximum amount for which he could sue would be £600.

Hon. J. E. DODD: Three years' wages.

Hon. J. CORNELL: It is an anomaly which has been repeatedly pointed out in the House by Mr. Moss, who has frequently declared that the chances of a workman succeeding under the Employers' Liability Act are practically nil. I would like an assurance from the Minister that if on inquiry it be found that the clause does not provide the same rights for a workman as

for an ordinary civilian it will be amended in that direction on recommitment.

Hon. J. E. DODD: Clauses 15 and 16 are taken from the Railways Act. They apply, not only to the workman, but to any ordinary civilian who may suffer injury. For a workman to take action under common law is out of the question in these days, and under the Employers' Liability Act he has to prove negligence. I do not at present see anything in the point raised by the hon. member, but, in order to satisfy him, I will make the suggested inquiry.

Clause put and passed.

Clauses 16 to 20—agreed to.

The CHAIRMAN: This Bill is classed as a money Bill. Therefore I will report progress before putting the Title.

Bill reported and returned to the Assembly with a request that the suggested amendments be made; leave being given to sit again on receipt of a Message from the Assembly.

BILL—DIVIDEND DUTIES ACT AMENDMENT.

Second Reading.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [8.40] in moving the second reading said: The object of the Bill is to provide that the companies carrying on business in Western Australia and not elsewhere, as well as companies carrying on operations in Western Australia and elsewhere, shall pay duty on their profits, so that all companies shall be placed on exactly the same basis, whether they distribute dividends or not. Under our existing law, companies carrying on business within the State, but not outside of Western Australia, escape taxation under the Dividend Duties Act. Neither are they called on to pay income tax. That is decidedly unfair, but it is the law. There is a number of companies in the State which are not declaring dividends, but which are making profits, and contributing nothing to the Treasury by way of taxation. It is a very simple matter for any five persons

to be registered as a company and so obtain all the advantages which accrue from limited liability. There is registered under the Companies Act a considerable number of companies the great bulk of whose shares is held by one or two individuals. That is sufficient to show that special benefits are derived from the registration of those companies, and it looks very much as though some of those concerns have been registered as companies for the purpose of evading the payment of income tax. The profits made by such companies, namely companies operating only in Western Australia, if they merely appear on the books of the companies, and are not distributed, pay no duty whatever. There are many trading companies in Western Australia which pay their profits back into their businesses. If they were firms they would have to pay income tax, but as they are companies they are exempt. Others create a reserve fund. But that does not mean that the money is lying idle. It is invested in some form. If they were firms, money set aside in that way would have to pay income tax. Mining companies are being placed on exactly the same basis as local companies. Companies operating here are, of course, not operating in London, although they may have a head office there, and consequently they are exempt from taxation. Companies other than mining companies carrying on business in Western Australia, and not elsewhere, declared profits last year to the amount of £547,276, or over half a million of money, but distributed only £281,706 in the form of dividends. On this latter amount they paid duty, but they paid no duty on the balance. The difference between £547,276 and £281,706 was allowed to accumulate, and no dividend duty was paid on it. Mining companies for last year declared their profits at £1,099,000, and declared dividends to the extent of £937,000, upon which latter amount they paid duty. The remainder of the profits was allowed to accumulate, or placed to reserve fund, and no duty was paid upon it. It appears, therefore, that local companies and mining compan-

ies last year distributed profits to the extent of £1,646,000, and paid out an amount of £1,281,800. The balance being either placed to a reserve fund or permitted to accumulate. During the twelve years of the operation of the Act mining companies have placed to reserve profits to the tune of 2½ millions. A total of £1,662,000 has been allowed to accumulate and £1,347,000 placed to reserve—something like 2½ millions, representing profits made in this State which have not contributed one single penny in the form of taxation. Under the Dividend Duties Act companies are called upon to send in annually to the Treasurer returns and balance sheets showing the amount of profit or loss made during the previous year. There are some companies which in recent years have made huge profits and in some cases almost the whole of the shares are held by a single person. In one instance a company is registered in considerably over 30,000 shares—I am not going to give the exact number of shares because I do not wish members to discover the identity of the company referred to—but considerably over 30,000 and all but 24 of these shares are held by one person. That company is making large profits and paying no tax; the profits are allowed to accumulate. The Government, discovering that there is a large number of cases of a similar kind, have come to the conclusion that it is not fair that these individuals should escape taxation. It is not fair to registered firms carrying on perhaps similar business side by side with companies of this sort who pay neither tax on profits nor are they obliged to contribute under the Dividend Duties Act. Many of these firms we are dealing with have to pay something like 1s. in the pound now because we have a graduated income tax on the statute-book. The Government provide in this Bill that any company carrying on business in Western Australia during the year 1914, or during any subsequent year, which distributes dividends out of profits made by the company during such year, and has already paid duty thereon, will be entitled to a credit for the amount of duty paid in the shape of dividend tax.

That is necessary and it is only fair. I am not claiming any great virtue for that provision.

Hon. Sir E. H. Wittenoom: It means merely that you would not make them pay twice.

The COLONIAL SECRETARY: Yes, but it should be provided in the Bill, otherwise they might be called upon to pay twice. It is also provided that any profits which have been allowed to accumulate in the past or been placed to a reserve fund, whenever they are distributed—

Hon. Sir E. H. Wittenoom: Why do you go back 14 years?

The COLONIAL SECRETARY: Shall be called upon to pay tax.

Hon. Sir E. H. Wittenoom: How far back?

The COLONIAL SECRETARY: During the past twelve years. If provision were not made in that direction a distribution of dividends could be arranged at any time and it would not be possible to collect the tax. There is, I understand, a similar provision in the Dividend Duties Act at the present time. Hon. members will find nothing in this measure except the simple principle that the Government may call upon companies to pay taxation, not only those doing business in Western Australia and outside, but also those doing business only in Western Australia.

Hon. Sir E. H. Wittenoom: Why do you go back as far as 1899?

The COLONIAL SECRETARY: We make no provision for those profits to come under this measure until they are distributed. Without this protection no person could be called upon to pay taxation, even though the funds had been accumulated for the past 10 years and distributed next week. For the information of the House I may say that I propose moving an amendment later on to Clause 5. I move—

That the Bill be now read a second time.

Hon. A. SANDERSON (Metropolitan-Suburban) [8.50]: I should like to ask the leader of the House if he will give us an assurance that it is not his inten-

tion to rush this Bill through Committee to-night.

The Colonial Secretary: I do not intend to.

Hon. A. SANDERSON: I asked that because I think it is desirable that one should have an opportunity of carefully dealing with this question of taxation. We have already on the Notice Paper a motion in the name of Mr. Cornell dealing with another aspect of this taxation question. Mr. McKenzie interjected, "Why not make the whole thing uniform"? and I agree. The question of taxation is exercising the minds of all sections of the community. It is a complex question and cannot be dealt with without reference to its Federal aspect. I would reiterate the interjection of my friend Mr. McKenzie. I thought at one time, on first seeing this Bill, that I would draw up a return on a clear basis showing the incidence of taxation so far as this State is concerned. It would have been very interesting if I had had time and opportunity to do it, but I would epitomise the whole matter in the interjection of my friend, "Why not make the whole thing uniform?"

The Colonial Secretary: The measure is necessary in view of the affairs of this State.

Hon. A. SANDERSON: The affairs of the State are undoubtedly very complex but I question whether even the leader of the House himself will suggest that they are more complex than those with which the Chancellor of the Exchequer in the Imperial Parliament has to deal. The difference is that there the whole question is dealt with on a uniform basis. In no country in the world is taxation more evenly distributed on the shoulders best able to bear it than it is under the Imperial Parliament. Here, however, owing to Imperial, Federal and State taxation, it is difficult always to say whether we are going to put the burden on the proper shoulders. In view of the assurance given by the Hon. Minister that he does not propose to rush this Bill and take it to the Committee stage this evening, I do not offer strenuous objection to the second reading. I

am regretting, however, that before we discuss this Bill on the second reading, or in Committee, we will not have an opportunity to deal with the motion submitted by Mr. Cornell, because that motion deals with another aspect at any rate of this question of taxation. Taxation is the question which is exercising the minds of every section of the community. Owing to Federal taxation and State taxation and the jugglery which appears to be permissible, and owing to the fact that the Government has not taken the line suggested by Mr. McKenzie in his interjection to make the whole thing uniform—I have not hesitated to express this opinion—the distribution of taxation in Western Australia is most unfair. The burden is heavy on the man with a wife and a large family. He has to bear a most unfair share of the taxation, not necessarily in Western Australia alone, but in the Commonwealth as well.

Hon. W. Patrick: We have no control over Federal taxation.

Hon. A. SANDERSON: No, but we should take into consideration the question of Federal taxation when we are dealing with questions such as this of State taxation, whether direct or indirect, which affects the individual taxpayer in Western Australia.

Hon. Sir E. H. Wittenoom: The family is not interfered with in the matter of dividends.

Hon. A. SANDERSON: The dividend duty is paid by the company, but an income tax is paid by the individual and so I am brought back to the conclusion that I started with—why not make them uniform?

Hon. D. G. Gawler: The individual has the right to deductions, but the company has not.

Hon. A. SANDERSON: I do not say there is any necessity to be unjust to the company any more than to the individual. At the same time the great point made by the leader of the House is that it is perfectly possible and, in fact, legal and permissible and justifiable on the part of the taxpayer not to pay any more than is necessary. Even the Treasurer will not object to

that doctrine. We have here in this country at the present time an income tax beginning at 4d. in the pound; not only that, but mark this difference with regard to taxation. The wife in this country has her independent estate of £200 and the husband has his independent estate of £200, plus deductions which they may make for the children under 16 years of age, and plus the deductions on the life insurance policies which the husband or the wife may be paying; so that we have an income of about £500 for which they may make no payment whatever under the income tax, whether it is earned—and this is an important point so far as Mr. Cornell is concerned—or unearned. And in addition to that, we have the perplexity of this Federal land tax. I do not intend to refer to it, except to say that a more unjust taxation—and I am not speaking with any personal feeling, for I do not pay it myself and I will take great care that I do not have to pay it—I have never heard of. Then we have this Federal taxation on the leases, which has become almost a constitutional question. It is a perplexing question which will have to be dealt with by the courts. Hon. members may say that we have no control over the Federal Parliament. That is perfectly true. But we are permitted to say that the person who is picked out by the Federal Government for this land tax, or for this leasehold taxation should not be picked out any further by the State Government running him up to a taxation of 1s. in the pound, because he has either formed himself into a company or he gets his dividends from a company. I am not attempting to follow out all these different ramifications. I am not attempting to discuss the proposal raised by Mr. Cornell, which probably we shall never reach. I am only pointing out that under present conditions, and the conditions under this Bill, the taxation in this country, whether it is direct or indirect, is at the present time in a condition of chaos. I do not know that this Bill, which we are now asked to read a second time, is going to put it on a sound footing.

Hon. Sir E. H. Wittenoom: We admit that the taxpayer is in a state of chaos.

Hon. A. SANDERSON: The unfortunate part of it is that he is not. That is one of the great difficulties and objections of the present position. I do not think he is in a state of chaos, because he is bleeding internally.

Hon. J. Cornell: He is under chloroform.

Hon. A. SANDERSON: He is not under chloroform, because there is some drug which deadens the possibility of moving. I think it is called curare.

The PRESIDENT: The hon. member had better get down to the Dividend Duties Act Amendment Bill.

Hon. A. SANDERSON: It would be a very pertinent question to deal with, but I will resume my remarks on the Bill. The hon. member is not chloroformed at all. He realises perfectly that he is being bled very severely. As I have said here, and said elsewhere, it is very often the poorer section of the community in this country that is paying the greatest amount of taxation proportionately. The hon. member laughs. I will refer to Mr. McLarty personally if I am permitted to do so. He has told us repeatedly, in fact he gave us the exact figures, unless my memory is at fault, of the amount of taxation that he pays because he will insist on owning these broad acres freehold so that he can walk about and say "This is my mine."

Hon. E. McLarty: He is taxed too much.

Hon. A. SANDERSON: He is taxed too much; I admit that. If my friend Mr. McLarty would be content with a mortgage instead of a freehold he would not pay a penny. Therefore, I am quite content to admit that the burden is thrown unfairly on the shoulders of Mr. McLarty. I hope he will not think that I have trespassed too much on any personal factor in this case, because he has made it a subject of complaint. I would prefer to deal with it on the higher level of public matters, and not refer to personal matters at all. He invited that rejoinder himself.

Hon. J. W. Kirwan: He seems to enjoy the extra taxation if one can judge from his demeanour.

Hon. A. SANDERSON: If we are to deal with taxation as a jest, in a way that would be understood from the interjection of Mr. Kirwan, I am content to let the whole thing go. It would not be too much to say that we have really got to that stage on this question of taxation in Western Australia when it is a jest and just a chance as to how we shall be taxed. I am trying to bring the question of taxation back to a sound level, and I say that as far as any change in the measure is concerned I am prepared, in Committee, to deal with this matter, and to let the Bill go through the second reading. I think as we shall not have an opportunity, probably, or a chance of dealing with Mr. Cornell's motion, this is a fitting opportunity to explain as briefly as I can my views with regard to taxation in this country. I am quite prepared to assist the Government in every direction in placing taxation fairly on the shoulders of those able to bear it, whether or not it is on those of my hon. friend who sits in front of me, whom I consider is unfairly taxed.

Hon. E. McLarty: That is right.

Hon. A. SANDERSON: I have his support at any rate. I am quite convinced that the support I have from him is nothing to the support I have from the hundreds and thousands of people outside who are convinced in their own minds that they are unfairly taxed, whether it is by the State or by the Federal Government.

Hon. J. F. CULLEN (South-East) [9.10]: There are several matters which can be dealt with in Committee; but there are two or three matters of principle in the Bill which I would like to bring before the House. I think the whole House will agree with me that all profits should bear their fair share of the burden.

Hon. J. Cornell: We differ as to what is a fair share.

Hon. J. F. CULLEN: The course which was urged on the Government in another place was, I think, a wise one, and the opportunity should be taken to do away with the dividend duties and place the taxation of all profits under an income tax. There is no difficulty about that. It is as simple as any process of taxation can be. There would have been the advantage of uniformity, and there would have been no leakage whatever. When the corresponding Bill to this was brought in a couple of sessions ago, it was much more objectionable than the Bill as it comes up from the Legislative Assembly now. It was then proposed to tax all reserves, even though they might have been accumulating for 20 years before the dividend duty was thought of in this State. I am glad that the Government yielded to argument as to the preposterous nature of going behind the date of the dividend duty legislation, and that they have agreed to date it from the year 1899. But there were other objectionable features. There was a vital flaw which remains in the Bill still, and which the Colonial Secretary has given notice to cure. That is to say, this Bill, when it came to pluck its bird would find that the bird had disappeared, that it had gone into capital, or been eaten up in lean years, and there would have been no reserve at all. The Colonial Secretary has given notice of an amendment which will cure that trouble. The matters of principle that I want to refer to are these: first, the Bill is bad because of its long retrospective nature. It is quite true that all profits should bear their burden. But the law up till to-day has exempted certain profits, and why should the Legislature now go back 12 years and say "There was a mistake in our policy. We will cure that mistake"?

Hon. Sir E. H. Wittenoom: Fifteen years.

Hon. J. F. CULLEN: By going back 15 years we will cure that mistake which was made 15 years ago." It is bad legislation. In Committee I think that period must certainly be lessened. Then the Bill is bad because of the indeterminate nature of its cure. The Bill says that

whenever those old reserves come to be distributed—it may be 20 years hence, or 40 years hence—the dividend duty shall be collected upon them. This is a very queer kind of legislation. I know that the Minister will explain that the reasons for going so far forward are these, that the Government think it fair only to levy duty as the money comes to be distributed, instead of levying it in one lump on reserves, as they are to-day. But none the less, it is bad legislation that says what shall be done at an unfixed date, which, in the case of most companies, may be 20, 30, or 40 years hence. On that account the Bill is bad. But there is a curious flaw that the Government have not noticed. The Bill says it was wrong not to tax those profits that were reserved in the years which have gone past. But the Bill does not provide for curing that in years to come. Why does not the Bill provide that from the passing of the measure dividend duties shall be collected on the whole of the annual profits whether distributed or not? It does not say so, although it was evidently in the minds of the Government when they framed the Bill that from to-day all profits declared should pay duty.

Hon. A. Sanderson: You do not approve of that?

Hon. J. F. CULLEN: I certainly do. The Bill allows the old condition of things to go on. It allows a company at the end of the year to say "We have made a profit of £100,000; we have distributed £50,000, and we are placing £50,000 to reserve, and that £50,000 going into reserve will not pay duty until it is distributed." The Government never meant that. It will be necessary to amend the Bill in that direction. The Minister declares that there has been a flaw in the Dividend Duties Act, and he is allowing that flaw to remain. Why does he not make the Bill provide that after to-day the annual declaration of profits shall be the amount on which duty shall be paid.

Hon. J. W. Kirwan: Would it not be unfair to impose a duty on profits that were never distributed?

Hon. J. F. CULLEN: If it is put into capital to make up for loss then the Minister will come down on it, or it may be for depreciation. In whatever way money is used duty will be paid. The Bill declares the Dividend Duties Act to be defective in that it does not provide for the collection of duty on all profits. The Bill says it ought to have so provided. Why not provide it now? I offer three points of advice to the Government. First to make the taxation by way of income tax uniform, by having one income tax applying to all profits, whether by companies, firms, or individuals. Secondly, do not be so greedy as to go back 15 years. Be content to go back two or three years, or even one year. There is no breach of the law by the companies. They have obeyed the law up to to-day. It is not right for Parliament to say "We ought to have had a different law 15 years ago, and we will go back 15 years and enforce the law that we are making to-day." That is bad legislation. My third suggestion is this. There is an ambiguity in reference to the assurance companies. It will be necessary to clear away all ambiguities and make it plain that life assurance companies do not come under the Bill. I need not argue that because I do not think it is the Government's intention that there shall be an ambiguous clause which may apply to life assurance companies.

The Colonial Secretary: What clause is that?

Hon. J. F. CULLEN: It is the clause which refers to Section 8 of the original Act. That section only refers to insurance companies in parentheses. The reference in this Bill is ambiguous, because it refers to the companies mentioned in Section 8, evidently meaning the companies in parentheses. This matter, however, can be dealt with in Committee. I agree with the Government that all profits should pay a fair share of duty, but we have no right to go back to cure what we think was a defect of 15 years ago. We ought to make the Bill effective that from now on each annual declaration of profits shall be the amount that shall pay dividend duty.

On motion by Hon. Sir E. H. Wittenoom debate adjourned.

BILL—MUNICIPAL CORPORATIONS ACT AMENDMENT.

Second Reading.

Order of the Day read for resumption of debate on second reading.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—BLACKBOY AND ZAMIA PALM LICENSE.

Second Reading.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [9.25] in moving the second reading said: This Bill authorises the Minister for Lands to enter into an agreement with Mr. Henry Rowley in the terms of the draft agreement set out in the schedule, for the purpose of enabling that gentleman to exploit waste lands of the Crown for the purpose of removing blackboy and zamia palm with a view to the extraction of certain commercial products from those plants. Mr. Rowley will have no exclusive right, and the Government may issue similar licenses to other persons or companies to operate on the same areas for the same purposes. Further, the agreement stipulates that any land in respect of which the proposed license is granted may, notwithstanding the license to Mr. Rowley, be set apart as a reserve or may be leased as a pastoral area or granted as a timber leasehold or a saw-mill permit area, or leased under any other condition set forth in the Land Act. The agreement makes it obligatory on the part of Mr. Rowley, within twelve months from the date of the completion of the agreement, to expend a sum of not less than £1,000 in providing plant and machinery for the treatment of the pro-

ducts, and that within the next twelve months he shall similarly expend a further sum of £5,000. He is also called upon to pay the State a royalty of 6d. per ton on all blackboy and zamia palm removed from Crown lands, subject, however, to a refund to him in respect of water contained in green blackboys, or such percentage of the royalty as the Minister for Lands may determine. Safeguards are provided to ensure that statements, verified by statutory declarations, shall be made from time to time by the licensee, as to the quantities of blackboys and zamia palms removed under the license; and if the royalty is in arrear, or if any breach of the agreement is committed, the license may be cancelled. In the event of any dispute a settlement is to be effected by reference to arbitration in accordance with the provisions of the Arbitration Act, 1895. Those are the principal points of the Bill. Mr. Rowley has certain patent rights for the extraction of commercial products, and if he be successful it will mean the establishment of a new industry.

Hon. J. F. Cullen: Is the sixpence on the gross weight of the blackboy or on the extracts?

The COLONIAL SECRETARY: On the gross weight of the blackboy, but if it is a green blackboy, an allowance is made for the water contained in it.

Hon. J. F. Cullen: That ought to be made clear.

The COLONIAL SECRETARY: I move—

That the Bill be now read a second time.

On motion by Hon. W. Kingsmill debate adjourned.

House adjourned at 9.31 p.m.