

increase in salaries. It will be generally admitted that what has been said by the member for Collie is quite correct. We know that rents have advanced considerably and we know also that we have to look forward to further increases in that direction. If the cost of living continues to increase as it has done in the past few years, it will be impossible to build a home for a worker and let it to him at anything less than 25s. and even at that rental the accommodation which will be provided will be poor. It has been suggested that a member of Parliament can find an occupation in addition to that for which he is paid by the State, but as the member for Collie says, unless a man has a profession it is absolutely impossible for him to obtain any additional emolument outside. What employer will engage a member or Parliament, remembering the limited hours that a member of Parliament has at his disposal to devote to any other service? The greater part of his time is taken up in the fulfilment of the duties attaching to the position he occupies as a representative of the people, and it is absolutely necessary that, even when the House is not sitting, a member should attend to the duties of his constituency. I have found that out, too. While I have been practising my profession in Perth, I have found it necessary to visit my constituency at least once a week, in order to attend to parliamentary duties. It will thus be seen that there is no relaxation for a member of Parliament. Sundry matters crop up every day which cannot be neglected. The correspondence which has to be attended to is very often considerable. I have the reputation of being the third biggest correspondent in this House.

Mr. Lambert: You are the biggest talker.

Mr. PICKERING: I do not think that is quite true, but even if I am I claim that I sit in this House and attend to my duties conscientiously by listening to the debates and giving the closest attention to Bills which are placed before us, and I claim that I have a perfect right to express my views on any matter that comes before the Chamber. While I have that right I shall not hesitate to exercise it, unless, of course, I am ruled out of order. I regret that my position as a member of the Country party will not permit me to record my vote on the motion of the member for Collie as I should like to do. When I joined the Country party I signed the platform, one of the planks of which provides that the question of an increase in the salaries of members of Parliament must be determined by means of a referendum to the people. I do not hesitate to say, however, that it is quite impossible for a member of Parliament to represent his constituency adequately on the paltry salary which he receives to-day unless he possesses other sources of income.

On motion by the Minister for Works, debate adjourned.

House adjourned at 2.10 a.m. (Friday).

Legislative Council,

Friday, 28th November, 1919.

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

ASSENT TO BILLS.

Message from the Governor received and read notifying assent to the following Bills:

- 1, Merchant Shipping Act Application Act Amendment.
- 2, Land Tax and Income Tax.
- 3, Perth Mint Act Amendment.
- 4, Intoxicates Act Amendment.
- 5, Licensing Act Amendment Act Continuance.

STANDING ORDERS SUSPENSION.

Close of Session.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [4.35] I move—

That for the remainder of the session so much of the Standing Orders be suspended as is necessary to enable Bills to be introduced and passed through all stages at one sitting and messages from the Assembly to be taken into consideration forthwith.

It is customary to submit a motion of this kind in the closing days of the session, and as it is hoped that the session will be brought to a close next week it is necessary that the motion should be carried. I need hardly assure hon. members that, as in the past, it will be applied, not only in deference to the wishes of the majority, but also in deference to the wishes of any considerable minority. The carrying of the motion is quite necessary to avoid delay.

Hon. A. SANDERSON (Metropolitan-Suburban) [4.37]: I should like to take the opportunity to ask the leader of the House whether he can indicate to us his own wishes in regard to Friday sittings. We all appreciate the manner in which he tries to

meet the wishes of all sections of the House. It is important to many of us to know whether the Minister wishes to sit after tea on Fridays, because, if so, it will be necessary to alter certain arrangements made by hon. members.

THE MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East—in reply [4.38]: My wishes have no relation whatever to the time the House shall sit. It is a question entirely of the volume of business we can get through. If we are to close the session next week it will be necessary to dispose of a number of the smaller measures to-day. I certainly do not desire to ask hon. members to sit late to-night. My desire is merely to get through the business.

Question put and passed.

BILL—ROAD DISTRICTS.

Report of Committee adopted.

Read a third time and passed.

BILL—PUBLIC EDUCATION ACTS AMENDMENT.

Second Reading.

THE MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [4.40] in moving the second reading said: This is a Bill regarding which it is not necessary for me to say much, because the principal provision has already been approved by the Chamber. The chief object of the Bill is to provide for the compulsory education of blind, deaf, and mute children. In the session before last a Bill of a similar character, after very complete consideration by this Chamber, was passed and sent to another place, but unfortunately the end of the session prevented it being taken up in that place. Personally I regret very much the time that has elapsed without this Bill being on the statute-book. If any hon. member is uncertain as to the desirableness of compelling the education of blind, deaf, and mute children, I ask him merely to visit the institutions at which instruction is at present given to those children. I am sure that one visit to either institution would convince him that it is nothing less than a crime to allow any child so afflicted to grow up without the advantages those institutions can bestow. If we go to the institute for the blind we find the children taught to read, taught music, and taught many things that must tend to enable them to live, not only useful lives—they are taught occupations by which they can maintain themselves—but lives in which there is a certain amount of interest and pleasure. If this is so in regard to the institute for the blind, it is so to an even greater extent at the institution for the teaching of the deaf and mute. Only a few weeks ago I had the privilege of attending the annual dis-

tribution of prizes at that institution. It is really remarkable to see what teaching can do for those deaf and mute children, provided only that they go to the institution soon enough. That is really the great necessity for the Bill. It is pathetic to see what splendid progress is made by the children who go there young, and then to turn to some who have not been sent until they have reached 10, 11, or 12 years of age, and see how comparatively hopeless it is to do anything in their cases. It is scarcely too much to say that at that institution the dumb are made to speak. The work which the children do there shows that they have minds that are well worth cultivating. In some instances it would seem that Nature has endeavoured to compensate them for the loss they have sustained in one direction by making their lives particularly bright in other directions. When they are taken young their handwriting compares more than favourably with the handwriting of the normal child in the State schools of the same age. The spirit of helpfulness which is exhibited by these children towards each other is also a fine characteristic in them. I would throw out the suggestion to the committee that so admirably controls the Deaf and Dumb Institution at Cottesloe Beach that they should change its name. There are many people who do not like the idea of an institution. It becomes confused in their minds with an asylum. As a matter of fact whilst the Blind Institution at Maylands is an institution in which blind people of all ages work and earn their living, that does not at all apply to the Deaf and Dumb Institution at Cottesloe Beach, which is not an institution in that sense of the word at all. It is nothing more nor less than a school for teaching children. If the committee would call it the Western Australian School for Deaf and Dumb children it would remove a great deal of public prejudice against it, and people would send their children there as a matter of course. A lot of people have the idea that it is an institution in which deaf and dumb people are confined and live. It is nothing of the sort. There are no adult deaf and dumb people there at all. Many of the children, because of the teaching they have received there, have been able to go out and earn their living, and get on marvellously well considering their affliction. This Bill contains only two other provisions. Clause 3 provides as follows:—

Section two of the Public Education Amendment Act, 1907, is hereby amended by the insertion of the following paragraphs immediately after paragraph (c) thereof, that is to say,—(d) The parent of every child of not less than six nor more than nine years of age shall, if there is a Government or efficient school within six miles of such child's residence, and satisfactory means of conveyance is provided by the Minister so that the dis-

tance to be travelled by the child on foot does not exceed one mile, cause such child to attend such school on the days on which the school is open. The Minister shall be sole judge of the question whether the means of conveyance is satisfactory. (e) The parent of every child of not less than nine nor more than fourteen years of age shall, if there is a Government or efficient school within eight miles of such child's residence, and satisfactory means of conveyance is provided by the Minister so that the distance to be travelled by the child on foot does not exceed two miles, cause such child to attend such school on the days on which the school is open. The Minister shall be sole judge of the question whether the means of conveyance is satisfactory.

The Act of 1907 making provision for compulsory attendance provides not only for the child who is within a certain distance of a school, but also for those who are within a stated distance of a railway who can be conveyed by train to school, but it makes no provision for conveyance by any other means. The object of the clause is to enable the department, for reasons both of economy and efficiency, to amalgamate schools in certain localities where such amalgamation can be suitably carried out. At present there are instances where three or four schools within a comparatively small radius, and at which there is a comparatively small number of children, each of which must have its own teacher, which could be so grouped together that three schools could well be turned into one and two teachers thus saved; and in other cases there are four such schools which could be so amalgamated as also to save two teachers. The saving effected must be greater than the cost incurred in driving the children to school. Where there is no such saving this would not be done. Furthermore, this amalgamation should result in a more efficient school. The most difficult schools we have to handle are those where one teacher has to take the whole of the classes from the infants to the top of the school. It is not intended to do this on a large scale or in opposition to the wishes of the parents, or to make children travel long distances. The distances are limited by the Bill itself. There are, however, quite a number of cases where it can be conveniently done, but it cannot be put into practice until we have some clause in the Education Act which will enable us to apply the conditions of compulsory attendance when means of transit are provided by road, in much the same way as we apply them when means of transit are provided by rail. The amendment is one with which I think hon. members will agree. It will undoubtedly make for greater efficiency in the school and for economy, and it will only be applied in those districts where, because of the road facilities, it is convenient to apply it. The only other provision in the Bill is in regard to the employment of school children at present under the Act of 1899

a person shall not after the commencement of this Act take into his employment during school hours, any child who by reason of his age is not exempt from school attendance. Every person who takes a child into his employment in contravention of the Act shall be liable on summary conviction before a court of summary jurisdiction to a penalty not exceeding 40s. A person who employs his child in any labour exercised by way of trade or for the purpose of gain is to be deemed for the purposes of this Act to take the child into his employment. The Minister may at his discretion give special exemption for children between the ages of 12 and 14, in case of poverty or sickness of the parents. This House last session and the Legislative Assembly in the present session passed an Act amending the State Children Act, and in that Act certain provision was made restricting the employment of children for profit in street trading, in amusements or in anything of that kind. Clause 5 of the present Bill will bring our legislation in regard to the employment of school children into line with the English legislation. The provision says that—

(1.) No person shall employ or engage any child, or cause, procure, suffer, or allow any child to be employed or engaged in work of any kind for the purpose of earning profit or reward for the child or any other person—(i) if the child is under twelve years of age; or

No school child under 12 years of age shall be employed for profit.

(ii) in the case of any other child who is below the maximum age of compulsory school attendance—

That is below 14 years of age. Children below 14 can be employed for profit.

(a) before the close of school hours on any school-day; or

They cannot work children in the early morning and then send them to school afterwards.

(b) before six o'clock in the morning of any other day; or (c) after eight o'clock in the evening of any day.

They must not be employed before school. They must not be employed before six in the morning on other than school days, and they must not be employed after eight o'clock in the evening on any day. I do not think it can be contended that these restrictions are unreasonable. It is futile to send children to school if they are going to be made to do a day's work before they go, and eight o'clock at night ought to be the latest hour at which any school child is employed for profit. This clause extends to a parent who employs his own children in any labour, derived by way of trade, or for the purpose of gain. It also contains the following provision—

This section extends to a parent who employs his own child in any labour exercised by way of trade or for the purpose of gain.

That is an entirely reasonable provision. If the medical officer reports that a child be-

tween the age of 12 and 14 is being employed and is of such a delicate state of health that it should not be employed, the Minister has power to prohibit such employment. Penalties are provided for the contravention of this provision. The clause in regard to the employment of school children is in exact conformity with the present English legislation. I move—

That the Bill be now read a second time.

On motion by Hon. J. Duffell debate adjourned

BILL—TREASURY BONDS DEFICIENCY.

Second Reading.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [4.55] in moving the second reading said: This Bill is similar to Bills of the same title which have been introduced and passed in this House on several occasions. The Bill provides for the funding of the deficit for the year 1918 and 1919 or £612,014 by the issue of Treasury bonds or inscribed stock not exceeding a total of £680,000. The reason why the total set down in the Bill is greater than the actual amount of the deficit is that some amount, which cannot be exactly ascertained for the moment, will be required to cover the flotation, cost of issue, and other expenses. The Bill, however, provides for the transference of the deficit of £612,014 from the consolidated revenue fund to the debit of a deficiency account in the Treasury books. The proceeds of the bond or stock issued shall be applied in the reduction of the said deficiency account. Any surplus, the balance of the proceeds of bonds, or stocks issued under the Acts mentioned in the schedule of the Bill, will be applied to the liquidation of any debit balance on the deficiency account of previous financial years. It further provides for the consolidation of existing Acts (which provide for the funding of the deficiencies of previous years) with this Act, and the authority to raise money under such Act is applied to cover all the previous years' deficiencies. Clause 2, Subclauses (a), (b), and (c) is a repetition of the provisions of the previous Acts for funding the annual deficit. As hon. members know the Commonwealth Government have been advancing money to the State out of surplus funds from time to time. These advances have been made over a period of 18 months, and only when a loan has been raised by the Commonwealth has the State been required to hand over its State securities. A bond was issued to the Commonwealth Government for £1,239,500 covering advances made for the whole of one and part of two financial years. On the issue of these bonds it was necessary to quote the authority of two Acts. In some cases the advances were made before the Acts had been passed by Parliament, and the bond for £1,239,500 was in excess of the authority

in the case quoted by about £40, with the result that the Auditor General questioned the issue of the bond. The consolidation of the whole of the Acts for the funding of the deficit will overcome any such difficulty in the future. I do not think there is any other provision in the Bill which differs from those which have been passed for the same purpose in previous years. I move—

That the Bill be now read a second time.

Hon. J. J. HOLMES (North [4.58]: I do not propose to offer any objection to the Bill, because no good result will accrue if I do so. Nor do I desire to address the House on the subject of the financial position of the State. When the Supply Bill was before the House a few days ago I raised half a dozen what I thought were important points as to where our finances were drifting. Subsequently I was asked by one or two hon. members what good it would do otherwise than to occupy the time of the House. I raised my protest then, and I do not wish to waste the time of the House any further by repeating the facts and figures as they appear to me and going once more over the whole position. In consequence I do not offer any further objection to the Bill.

Hon. J. W. KIRWAN (South) [5]: I would like to ask the leader of the House whether there is a prospect of more Bills of this nature coming before us in the future. It seems to me to be almost an annual thing now. We had a Treasury Bonds Deficiency Act in 1916, another in 1918, and then we had a second one in 1918, and it seems to me that this sort of thing will become a recognised institution in the State. Year after year the deficit goes on, and no one seems to have any proposal for its reduction. Instead of the deficit decreasing it goes on increasing. Look at the record for this year. Each month of this year has shown a considerable deficit. One month it was £163,000, in the next month it was £136,000, in September £53,000, and last month it was £111,000, and the total deficit for the State has now reached the enormous sum of £3,883,000. With a Bill like this before us again, we should get some indication from the Government that they realise the seriousness of the position, that they are doing something to stop this constantly recurring appeal to us to fund the deficit. Where is it going to stop? In to-day's paper it was published that the loss on the railways for this year would amount to £640,000. That, combined with the enormous deficit already accumulated for the four months of this year, indicates that the estimated deficit for the twelve months will be considerably exceeded. No one seems to care. One or two voices are raised here, and one or two are raised in another place, pleading that the Government should do something, but they are voices crying in the wilderness. Mr. Holmes.

Mr. Sanderson, and a few others raise protests, but nothing is done and the position is growing worse every year. What is going to happen? If any one looks at the figures it will not be possible to come to any other conclusion than that we shall be faced with an appalling financial disaster if this continues.

Hon. J. J. Holmes: It will lead to unification.

Hon. J. W. KIRWAN: There are worse things than unification, and perhaps we will presently have to go cap in hand to the much abused Federal Government and ask them to help us out of our difficulty. That is the only prospect I can see—we shall simply have to go on our knees to the Federal Government and say "We are in such a helpless position owing to what has happened in the way of our expenditure," and the Commonwealth Government, being stronger financially will, perhaps, assist us. In the meantime no proposals have been made to bring about an alteration of the position. The words that are spoken here may be fruitless of results; still I feel it my duty to utter them, and to say that in my opinion it is a most appalling thing that the Government should go on in this way regardless of the financial position and without any sense of their monetary responsibilities.

Hon. A. SANDERSON (Metropolitan-Suburban) [5.5]: I am going to have a little cry in the wilderness about this matter, and I am going to indicate to members how I think we may do something to shoulder our responsibilities. It is easy to declaim against the Government day after day, but we share with the Government the responsibility—every individual one of us here. The returns which have been presented to us by the Statistical Department show us how we stand in regard to this matter, and if hon. members will look at them they will see what the exact position is. I am going to ignore the inscribed stock reference here, because we are not working on that at all now, we are working on treasury bonds and debentures. It is very significant that the issue of inscribed stock since 1915 is about one million pounds, whereas treasury bonds and bills have increased from two million pounds in 1915 to £7,150,000 and debentures from £364,000 to £2,476,000, or call it roughly two and a half millions. That is pretty clear how we are going, and I would submit a proposal—I am not making an appeal to Ministers; I am making it to members. I ignore the two gentlemen who represent the Government in this House. I take no notice whatever of them. I will show how we might overcome the difficulty, or at any rate make a start in that direction. I have here an extract from the Life and Correspondence of

a very interesting career in Australia and England, and that public career was taken up very largely with public finance in Victoria in the fifties, the period of great difficulty, and he also sat in the Cabinet in the House of Commons with Mr. Gladstone. His method of dealing with finance therefore has some claim to be considered. This is a statement drawn up by Childers. It appears on page 127, chap. 5, and the volumes are upstairs in our library—

In 1861 on the motion of Mr. Gladstone a standing committee of the House of Commons on public accounts was appointed. All accounts of the expenditure of public money were to be submitted to this committee and this tribunal was created inside the House so as to enable the House to understand the financial position.

I am not going to interfere so far as another branch of the legislature is concerned with their rights and privileges, but I say that we private members of this Chamber can ignore altogether the Ministers in this House who represent the Government, and we can form a committee and decide amongst ourselves that any financial measure shall not go through this House until it has been referred to us. That will enable us to exercise some control over public finance for which, whether we like it or not, we are made responsible. I am going to take another two minutes to explain why I take little or no notice of the representatives of the Government in this House. I have just looked up what the Honorary Minister said about the wheat agreement. I am not charging him with deliberately deceiving the House. That would be absurd, and I am not making a personal attack upon him. I can only assume that circumstances outside this Chamber are too strong for them, and that they want a little stiffening from us. What happened in connection with the wheat agreement? This occurred in 1918 and it will be found on page 1775 of "Hansard" of the 19th December, 1918. This is what Mr. Baxter said in reply to Mr. Miles—

The PRESIDENT: Has this any bearing on the Bill?

Hon. A. SANDERSON: It has this bearing, that it is impossible to accept an assurance from Ministers that certain things would be done in connection with financial matters. It will only take a few minutes, and it is simply an illustration. Of course, if there is the slightest objection I can put it in another way. Hon. members can themselves refer to that page of "Hansard" that I have quoted and they will see what the Honorary Minister said to Mr. Miles and how incapable he found himself of carrying out the promise he made to us on that day. I am not going to press the matter any further in view of your remark, Sir, but it is a most interesting passage which shows that apparently outside pressure prevents Ministers in this House from dealing with these matters as they should be dealt with. I can picture to myself Mr. Drew, formerly Colonial Secretary, sitting where the pre-

The Minister for Education: Who?

Hon. A. SANDERSON: Mr. Childers, and if the hon. member does not know who he was, it is not my fault. Mr. Childers had

sent leader of the House is sitting, and this Bill coming up for consideration and a very masterly exposure of the present position of affairs coming from the hon. member who is now leader of the House. It is all very well to say it is no use protesting. It is our bounden duty to enter an emphatic protest against this Bill and this method of finance at the present time. We have seen the announcement to-day with regard to the labour party, and it seems to me there cannot now be any reason to suppose that the labour party are not backing the winning horse. They are going straight out for unification. They are going to take away all our sovereign rights, and a Bill of this nature would never be permitted to be introduced into provincial councils. This is the last opportunity we shall have of making a protest against this method of finance which is bringing the country to disaster. Another Bill will show how something more than disaster comes into the situation in connection with the Coolgardie water scheme. I shall have great—I will not say pleasure, but satisfaction, in making this protest, although I am well aware that we have to pass the Bill without amendment. In the position we occupy here as representatives of a substantial proportion of the country, it is our bounden duty to make an emphatic protest against a Bill of this nature.

Hon. Sir E. H. WITTENOOM (North) [5.15]: I feel I ought to apologise to the House for speaking because it is almost impossible to find any different language to express the protest I ought to offer in my position here against these constantly recurring deficits. It seems to me they come forward with sickening regularity and, immediately they are produced, they are funded. This method of funding appears to be so convenient that the Government will not take any trouble to prevent deficits occurring.

Hon. J. A. Greig: They feel like Micawber when the deficits are funded.

Hon. Sir E. H. WITTENOOM: Whether this method of funding the deficits prevents any idea of economy I cannot say, but I certainly do not think it would tend to encourage economy. If any private institution were run on the lines of the Government of this State, it would very soon come to grief. I cannot help imagining that if economy in administration were resorted to, and the incidence of taxation were to some extent changed, we ought to be able to make both ends meet. Of course, when I suggest economy of administration I shall be told at once to look at the award given to the railway employees, which increases the cost of operation by about £200,000 a year. It seems an extraordinary award to be given to an organisation which is not paying, but there it is. It is an expense which will have to be incurred. We are told there will be another deficit next year to be funded and, in spite of this and without any regard for economy, we find the leader of the House bringing

down a fresh Bill to incur further expense in connection with education.

The Minister for Education: We will reduce expenditure under that.

Hon. Sir E. H. WITTENOOM: I cannot go into the question now, but I shall do so later on. It seems to me, however, that the Bill will increase the cost of education. If it does not, well and good, but at a stage like this, to add to the already prodigal expenditure for education is thoroughly unjustifiable, no matter what the reasons might be. I wish now to put on record my protest against these annually recurring deficits and this method of funding them, and I suggest to the Government that, by some means of economy in administration and perhaps by a revision of the methods of taxation, ends might be brought together. If we were dealing with a private business or a business of individuals, ends would be sought which would put matters on a very different footing.

Hon. A. LOVEKIN (Metropolitan) [5.18]: The constantly recurring deficits are the effect of causes. We have had a war; we have had our trade hampered and our railway and other revenue depleted through causes over which we really had no control. Another cause is that our people have been paying taxes from which the State has not received the benefit. Members should look at the report by Mr. Owen which was laid on the Table this afternoon. Mr. Owen points out that the monetary loss to Western Australia on account of Federation has been £8,055,000. In addition to that, there is a big loss on the capitation grant in respect of people employed in the Eastern States to manufacture goods for our consumption. This is very far reaching because the families of those people together with those with whom they trade involve a large number of people. If we add the loss represented by that to the monetary loss of £8,055,000, and deduct from it an amount, say £5,000,000, which would more than cover any share we have had in war expenditure, we get a figure approaching five millions of money which the people of this State have paid in excess of the people of the other States. For that excessive contribution we have received absolutely no return. We were told by Mr. Kirwan and others who advised us that Federation would be a good thing for us, that we should go into Federation on terms of absolute equality with the other States, but Mr. Owen's report shows with perfect clearness that, if the last agreement of 25s. per head return was a fair thing for the Eastern States based upon their contributions to the revenue, the Western Australian parity was no less than 36s. Since the capitation agreement was entered into with the Commonwealth, we have lost certainly 11s. per head of the population per year which is an unfair charge upon us, and we have lost the capitation grants represented by the people manufacturing in other States the goods we are consuming. Even our own

Federal members are constantly in Victoria and New South Wales at the end of December when the returns are made up and those States take the capitation grants for them and their families. Mr. Kirwan said the time is coming when we must go cap in hand to the Federal authorities. We do not need to go cap in hand at all. We should go to the Federal authorities with some degree of boldness and tell them that we have been paying so much in excess of the Eastern States and, supporting our case with facts and figures, claim that we are entitled to have this money refunded.

Hon. A. Sanderson: They have not got it.

Hon. A. LOVEKIN: Then they must find it because they have had at least five millions of money from us during the last 10 years in excess of the money they have had from the same number of people of the Eastern States.

Hon. J. Nicholson: We could claim it as a set-off.

Hon. A. LOVEKIN: Yes, and we are justly entitled to it. The Chamber of Commerce went into this matter some time ago and a copy of the report presented to the Chamber was handed to Mr. Watt and Senator Millen during their visit to this State. Mr. Watt admitted to me when I was in Melbourne a few weeks ago that there was no doubt Western Australia had been penalised, and he added that when we came to make another agreement, he would use his influence to see that we got a better deal than we had had in the past. I am sorry that when the last agreement was entered into, it was not negotiated in our behalf on anything like business lines. The representatives who acted for us went to the conference without any data, without any figures and without having made any prior investigation, and simply swallowed the £250,000 offered as a special grant diminishing by £10,000 per year, as a set-off against the extra contributions which were admittedly paid by this State. If the gentlemen who represented Western Australia at that time had known the facts and had thoroughly prepared their case, we should have got something like £400,000 a year constant instead of £250,000 diminishing by £10,000 a year. Mr. Owen's report shows that clearly. We want to get rid of this deficit and put our finances in order in a practical way. If we are to do that, one of the things necessary is to see that in March or April next when the new agreement is made, we get a fair return for what the people of this State are paying. If we had received that fair return all along, we would not have been faced with the four millions deficit which we have to-day unless we had been more extravagant, and I do not think we could have been more extravagant than we have been. To suggest that we can make economies and so reduce this annual deficit, I think is utterly absurd. If we take out of our accounts the trading concerns and put against their earnings the cost of running them, we shall see that the actual cost of administration of the public service for this

State is very small indeed. The real trouble is that we have a huge territory to manage which entails more expense on us than the other States have to meet. South Australia, a State nearly the size of Western Australia, had all its heavy expenditure in the north cut away by the transfer of the Northern Territory to the Commonwealth. Yet we are left with the heavy expenditure in our north and we not only receive no compensation whatever for it, but are compelled to pay in excess of other States to the Commonwealth revenue.

Hon. J. W. Kirwan: Are we to go on piling up a bigger deficit?

The PRESIDENT: I would ask hon. members to confine themselves as much as possible to the object of the Bill, which is for an Act to authorise the issue of Treasury bonds or inscribed stock to provide for the deficiency of the Consolidated Revenue Fund.

Hon. A. LOVEKIN: Mr. Kirwan complained of the deficit and I wanted to show that there are causes for it and means by which it might be stopped. The Bill is merely designed to enable the Government to finance the deficit, and there can be no objection to that.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—Enst—in reply) [5.27]: In moving the second reading of the Bill, I confined my remarks entirely to its purpose to fund the deficit which occurred during the financial year ended 30th June, 1919. I took a very careful note of the remarks of Mr. Holmes a week or two ago, and I intend, so far as I am able, to give the information he desires when the Appropriation Bill is presented. That will be the proper time. Mr. Kirwan complained that a Bill for this purpose is brought down every year. That is a fact for which this Chamber is responsible. If members recollect, the first Bill introduced provided not only for the funding of the deficit for that particular year but for the funding of the deficits for all future years and, if the Council had passed it in that way, we could have funded the deficit each year without bothering the Council at all about it. I think the House acted very wisely in insisting that the Bill should be brought down each year and, therefore, a Bill of this description will be presented just so long as we have deficits. It is right that a Bill of this kind should be presented to the Council if there is a deficit. In the past it has not been customary to do this.

Hon. Sir E. H. Wittenoom: How long are the deficits to continue?

The MINISTER FOR EDUCATION: I am not a prophet, and therefore cannot say.

Hon. J. J. Holmes: Until we double our population.

The MINISTER FOR EDUCATION: Probably that is so. Mr. Sanderson has put forward some proposal, the basis of which I understand is that Ministers shall be ignored and, in the circumstances, I am sure the hon. member will not consider me discourteous if

I refrain from discussing it, Mr Lovekin, in his remarks, went right to the root of the whole subject. I do not intend to say anything further except that the report presented by Mr. Owen confirms in every detail every statement I made in a speech delivered on this question in this House a couple of years ago. I can assure members that, from the time I started to collect the material for that statement until to-day, the thing has been constantly before me in some form or other. I have never neglected any opportunity of endeavouring to get together in some form the whole of the evidence which would show not only to the people of this State but to the people of the whole of Australia the extent to which Western Australia has suffered, not purely because of its relation to the Commonwealth, but because of its unfair relationship to the Commonwealth as compared with other States.

Hon. J. W. Kirwan: But that does not justify the State Government in going on increasing their expenditure year after year.

Hon. A. Sanderson: Hear, hear!

The MINISTER FOR EDUCATION: That is hardly a matter we are discussing at the present time. I do not know that there are any other remarks of hon. members to which it is necessary that I should reply.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Read a third time, and passed.

BILL—CARNARVON ELECTRIC LIGHT AND POWER.

Received from the Assembly, and read a first time.

BILL — COOLGARDIE GOLDFIELDS WATER SUPPLY LOAN ACT AMENDMENT.

Second Reading.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [5.36] in moving the second reading said: Hon. members who heard or perused the Premier's Budget speech, delivered some few weeks ago, will remember that in the course of it he made some passing reference to the subject of this Bill, and intimated his intention of bringing the measure before Parliament. There is only one point involved in the Bill, and that is as regards amendment of the rate of sinking fund paid in respect of the moneys borrowed for the construction of the Coolgardie water scheme. The original Act, passed in 1896, provided for the raising of a sum of 2½

millions sterling for the purpose of constructing the scheme. The money was, fortunately, raised at a very low rate of interest—three per cent.; but provision was made for a three per cent. sinking fund. Up to that time, and for many years afterwards, it had been the practice for all loans raised by the State to carry a sinking fund of one per cent. Loans of recent date, as hon. members are aware, carry a sinking fund of only one-half per cent. There is no doubt that the reason why the State undertook to pay so large a rate of sinking fund as three per cent. in respect of the Coolgardie water scheme loan was that the subscribers to the loan should feel that their position was secured by a fund being established for the redemption of the loan within the period in which it was safe to say the work would prove most useful and remunerative. It was not contemplated, of course, that our goldfields would peter out in 20 years, although goldfields are always regarded as speculative in point of length of life. But it was felt that the renewals in connection with the work would be heavy; and altogether the scheme was looked upon as a tremendous undertaking for a handful of people, as undoubtedly it was. The date of maturity of the loan is January, 1927; and I have no doubt that when this three per cent. sinking fund was provided, the calculation was that by 1927 the sinking fund would provide for the redemption of the loan. The three per cent. sinking fund is equal to an annual contribution of £75,000. That contribution has for the most part come out of the general revenue during the whole period of the Coolgardie water scheme's existence. Without going into details, let me say that the scheme has paid its cost of working and a great deal in the way of maintenance and renewals, has paid interest, and has also from time to time made small contributions towards the sinking fund. For the most part, however, the sinking fund of £75,000 per annum has been a charge on the general revenue of the State.

Hon. J. J. Holmes: That is a gift to the goldfields from the general public.

The MINISTER FOR EDUCATION: I do not know that. There are other sections of the community, besides the goldfields, that have greatly benefited from the scheme. The agricultural areas from Northam eastwards could scarcely have been developed without the Coolgardie water scheme; and north and south the scheme runs through the agricultural districts. I think it has been a great benefit to the entire State. To say that the sinking fund contribution represents a gift to the goldfields people is hardly fair, for this reason, that if we had imposed upon the users of the water a charge that would have paid not only the working expenses and maintenance and interest, but also the whole of the three per cent. sinking fund, it would have been an entirely reasonable proposi-

tion to say that when the loan had matured and the sinking fund had, as a matter of fact, repaid it, the goldfields consumers should get their water at a cost covering merely working expenses and maintenance. That, of course, is not what we propose. The scheme is a national undertaking, and the people are paying the sinking fund, but no present whatever is being made to the goldfields people. I think the hon. member will see the point. The scheme when paid for will remain the property of the people, and the users will continue to pay interest. The proposal in this Bill is to reduce the annual contribution to the sinking fund from £75,000 to £10,000. That will mean that during the next eight years the charge against revenue on behalf of the Coolgardie water scheme will be reduced by £65,000 per annum, the total amount of the reduction spread over the eight years being £520,000. Hon. members will ask what is the justification for making such a reduction. The justification is that the annual provision of £10,000, plus the amount of the sinking fund at this date together with the interest on the investments of the sinking fund, will be more than sufficient to pay off the whole of the loan on the date of its maturity. I have no doubt that when the rate of sinking fund was fixed at three per cent., it was thought that the invested sinking fund would earn interest at the rate of about three per cent. Had that been the case, the amount that would have accrued when the loan matured in 1927 would have been a few thousand pounds in excess of the amount actually required. But, as a matter of fact, the invested sinking fund in connection with the Coolgardie water scheme, instead of earning interest at the rate of three per cent., has earned interest at the rate of nearly $3\frac{1}{2}$ per cent.—3½ per cent., to be accurate. On the 31st March last the sinking fund stood at £1,893,480. That is the amount accumulated at the end of March last to pay off in 1927 this indebtedness of £2,500,000. The money is invested chiefly in our own State stocks, and is earning on an average 3½ per cent. interest. In order to bring the total up to two and a half millions by the time the loan falls due, in 1927, it would be necessary to provide each year a sum of £5,300. That is all we should need to provide, instead of the £75,000 that we are called upon to provide under the present arrangement of a sinking fund of three per cent.

Hon. A. Lovekin: Was not that a three millions loan?

The MINISTER FOR EDUCATION: No, it was for £2,500,000.

Hon. J. W. Kirwan: Why was an amount provided more than was necessary?

The MINISTER FOR EDUCATION: It was assumed that the sinking fund could be invested directly, but it was thought that it might not always be possible to reinvest money at once in our own securities, and in any case the Government thought it better to provide more than sufficient. On this

basis, instead of providing the amount of £5,300, which is what appears to be absolutely necessary, the Government now propose to provide £10,000 per annum. If we continue providing £75,000 per annum, by 1927 when the loan becomes due, the fund specially earmarked for the repayment of the loan of £2,500,000 will amount to £3,089,447, or more than half a million more than is necessary. I think that the position is absolutely clear. We borrow a certain amount of money; we provide a sinking fund to redeem the loan at a certain period, and we find when we get fairly close up to the period when the loan matures that we shall have a good deal more money than we require, and we propose to reduce the sinking fund to an amount which will cover the indebtedness and leave a small surplus besides.

Hon. R. J. Lynn: Would that operate as in the case of the Treasury Bonds Deficiency Bill?

The MINISTER FOR EDUCATION: That is how it will operate. If we do not do this, it will mean that there will be an additional £75,000 on which we will pay 5½ per cent. to re-invest at 3½ per cent. It will be seen, therefore, that it is a sound financial proposition, and it is only fair to the State to carry out the proposition embodied in the Bill. The fact of the matter is that the Consolidated Revenue has been carrying the heavier part of this portion of the scheme right through. Probably in the early stages it was not possible to determine what would be required, but it is now known that the amount was unnecessarily heavy, and during the remaining years it is proposed that the amount will be what is required, with a small margin for safety.

Hon. A. SANDERSON (Metropolitan-Suburban) [5.53]: I hope that the House will reject this Bill. Here is an opportunity where we have everything to justify us in taking this course. This is an instance in which the committee which I advocated some time ago, would have put before us fairly the position in regard to the Coolgardie water scheme, which the leader of the House has not put before us fairly.

The PRESIDENT: The hon. member must not say that the Minister has not put the position fairly.

Hon. A. SANDERSON: I withdraw and apologise. I meant "fully"; that is the word I should have used. He may retort that I will not put it fully. I am going to put it in such a way that members will see that very important matters have been left out in the statement which we have just heard. If the first point hits the mark, the rest may go without any discussion. In the first place I say we shall not be permitted by the Colonial Office to take the action suggested in the Bill. I should think that the Government, on the principle of once bit twice shy, in this matter of the sinking fund, would have hesitated. We must assume, although it is difficult to do

so, that they have taken every precaution to satisfy themselves on this point. Members who were here nearly two years ago will readily understand to what I refer. It was then proposed to suspend the sinking fund that we should pay in London. Correspondence and cablegrams from the Agent General have already been placed before the House. They are important and probably within the recollection of members, so that I do not propose to read them now. The net result was that the proposal to suspend the sinking fund was withdrawn by the Government, who were compelled to do so by the Colonial Office, and rightly so, too. We must not forget that we are dealing with trustee money. Our securities were put on the trustee list in London nearly 20 years ago through the action of Mr. Chamberlain, and that fact should compel us legally and morally to act up to the highest standard of trustees. We are not living up to that standard in this Bill. We are attempting to undo what we attempted to do in 1896. Under the Colonial Stock Act of 1900 we attained a higher level than before in the city of London, and we were put on the trustee list. The Imperial Government made this arrangement under an Order in Council, page 2865, of the "Government Gazette," 1901, that we should not be permitted, and in fact we had specially bound ourselves not to do so, to reduce the value of those securities in any way without the express permission of the interested trustees or their representatives in London. The argument put forward in this matter is that, since this particular fund in connection with the Coolgardie water scheme, with a sinking fund of three per cent., is catching up to the 2½ million, therefore we should tamper with it. I say we cannot do so. I do not believe we can legally do this, and I most certainly believe the Colonial Office will intervene. I would like to go into this matter at great length, but as it is probably within members' recollection, and as it is a long and technical matter, I propose to leave it alone unless it is necessary to deal with it in Committee. If the argument I advance is sufficient, and to me it is so, one should not require any other argument in favour of the rejection of this Bill. There are other objections. I may not agree with the arrangement we made with the trustees and the British Government, but we should have our standard of the highest financial integrity. The whole basis of finance depends not so much upon a legal agreement but the spirit in which we handle it. We are in very serious financial difficulties at the present moment, a fact which no one will deny. We should face the position in the proper spirit. I do not think we would be carrying out that spirit in going behind the backs of the British trustees and tampering with the undertaking we have given, and the understanding upon which the whole fabric of our finance has been based. For a paltry

sum we are asked to make the provision contained in this Bill, and yet we have just passed a Bill dealing with the deficit for over half a million.

The Minister for Education. The sum concerned is £65,000 a year.

Hon. A. SANDERSON: For that amount we are going to be a party to this affair. I trust the House will reject the Bill. The leader of the House will probably inform us regarding the position of the London trustees or the representatives. I can only say that it seems to me, although I have not had an opportunity of looking closely into the matter, that this is a question upon which the House should take a stand. There is another point in connection with the sinking fund and the conditions upon which it works. I have looked up "Hansard" for the debate when the Bill was originally introduced in 1896, and I notice that it was the boast that this investment would appeal to the British investors. The Premier of the day said that the work was necessary, and that it would pay. Yet now—and of course it is no reflection upon the leader of the House that it should be so—we are told that it has been a charge upon the general revenue from the inception.

The Minister for Education: Only so far as the sinking fund is concerned.

Hon. A. SANDERSON: You cannot separate it; it was all part of this magnificent scheme brought forward in 1896. So far as the bondholder is concerned, we want to know the position he is in if he is not relying upon our fair name. He will naturally want to know the condition of the scheme. We have not got the papers here to-day. The impression of everyone must be that whatever surplus there is in the sinking fund, it will not be more than sufficient to put the Coolgardie water scheme in the high standard of efficiency it should be in, representing, as it does, three millions of money. The basis of my argument in favour of the rejection of the Bill is that if we do not set it aside it will be rejected by the Colonial Office. The Agent General cabled on the 16th January, 1918, as follows:—

Sinking fund. Crown agents decline approval. Being trustees they cannot do anything to reduce the stockholder's security. Colonial Office London strongly opposed. Have cabled Governor of Western Australia direct. Bill Suspension of Sinking Fund would violate Colonial Stock Act 1900. See your Order-in-Council, page 2865, "Government Gazette," 1901, also Act number 12 of 1900. Notwithstanding State's present financial position for reasons stated two cables recommend Government not proceed with Bill. Writing fully.

I do not think this is a mare's nest. It seems to me the Bill before us is, in its essen-

tials, what that Bill was in 1918, and I trust that on the second reading we shall reject the measure.

Hon. Sir E. H. WITTENOOM (North) [6.1]: The arguments put forward by Mr. Sanderson are, no doubt, well grounded, but I think the Bill could reasonably be passed and constituted an exception to the general rule. The sinking fund, which was a very excessive one of three per cent., has been so well managed that there is a large amount of money in hand, and it does seem superfluous that we should go on funding each year more money than is necessary, especially when it is at so high a rate of interest. The difference between this Bill and the Bill of 1918 is very great. The one was to stop the sinking fund contributions altogether, whereas this is a Bill to modify the sinking fund in connection with one particular loan against which we shall have sufficient money when it expires. It has nothing to do with the bond holder, how we arrange the money, beyond the fact that on the conditions of the undertaking we simply put up a three per cent. fund. So long as we can satisfy the bond holder that the money will be there when required, it is all that it has to do with him. I think we can look after our own interests by not putting more money than is necessary into that fund. As to the condition of the scheme that, too, has nothing to do with the bond holder. All that concerns him is that his sinking fund is provided. From the remarks of the Minister, provision is made that in 1927 the money will be forthcoming. In those circumstances, and after the explanation of the Minister, I think the House will be well advised in passing the Bill. I cannot in any way see why the authorities should take the extreme course taken in the case of the Bill of 1918; because in that case it was suggested to altogether cease contributions to the sinking fund, whereas this is only to suspend a certain portion of a specific sinking fund, while we are to continue to provide sufficient to meet the loan on maturity.

Hon. J. J. HOLMES (North) [6.5]: I should like the Minister, when replying, to satisfy me as to the attitude of the Colonial Office in connection with this matter. It is an interference with security, and I require to know how the Colonial Office and the bond holders view it. Assume that we do put this additional £65,000 per annum into the sinking fund, it will be there and available when we get a Government prepared to exercise economy. Personally, I think that if the £65,000 is cut out from the sinking fund, it will be frittered away, as our revenue is frittered away to-day. One advantage in putting it into the fund will be that we shall be tying up that additional amount per annum.

The Minister for Education: Borrowing it at 5½ per cent., and putting in into a fund at 3½ per cent.!

Hon. J. J. HOLMES: I will admit that that is so; but the point is that we undertook to do it when we raised the loan. I have never yet been a party to interfering with securities. No matter how much one may gain by it, I have never been able to bring myself to interfere with any security. The Minister has referred to the satisfactory financial position of the scheme. But is that not a monument to sound finance, and is not the present financial position of the State a disgrace to those who have been administering our finances? The one is the result of sound finance, the other the result of unsound finance. Under ordinary conditions one would suggest that as we have one good scheme creating a surplus and sinking fund—

The Minister for Education: The scheme is not creating a surplus. The ordinary taxpayer is doing that.

Hon. J. J. HOLMES: During the Minister's remarks I interjected, "Is this a gift to the goldfields?" The hon. member replied to the effect that the scheme had been of assistance in other directions, and had been of great assistance to the goldfields. No town can prosper without an adequate water supply. We have in this State numbers of instances of towns languishing for want of a water supply. Provided the bond holders do not object, I think it would be wise if we could grab this £65,000 a year and allocate it to the provision of water supplies in other parts of the State. I am in a quandary as to what to do in regard to the Bill. My perplexity may be solved when I hear from the Minister what the bond holders have to say on the subject.

Hon. H. MILLINGTON (North-East) [6.10]: The position of the Goldfields Water Scheme has often been debated. The Goldfields people have been accused of leaning on the remainder of the State and getting their water at less than cost. Even a man so well informed as Mr. Holmes was under the impression that the goldfields had been loafing on the rest of the State. The fact remains that on the statement presented by the Minister the engagement entered into was more than sufficient. The estimate appeared to be correct at the time, but it has now been shown that more than sufficient was paid into the sinking fund. This has often been contended in time past, and is now satisfactorily proved. As to the gift to the goldfields, even suppose that all the money paid into the sinking fund has been paid from revenue, presumably in 1927, even if the Bill is passed, the asset owned, not by the goldfields but by the State as a whole, will then be the property of the State. Therefore, instead of saying that the general community have contributed a sum of £2,500,000 to the goldfields we shall have to confess that the State has a clear asset of immense value. It will be the property of those who have found the money, namely the State, and not the goldfields people. As to the objection raised by Mr. Sanderson that we should continue

the agreement, on the statement of the Minister if we continue as at present it will mean, not only that we shall be meeting our liabilities, but that we shall be overpaying our liability by £69,700 per annum. As for the suggestion that it would be of advantage to continue to pay this into the sinking fund, I am convinced that no one knows better than Mr. Holmes that it would not be so. It would not be of any advantage to increase our sinking fund to any extent whatever, whereas we might with advantage increase the amount in the general fund. The hon. member knows perfectly well the source from which we are deriving the money, particularly after the statement made by the Minister, who said that on the present method of financing the sinking fund would have to come from loan fund, borrowed probably at six per cent. and put into a sinking fund earning 3½ per cent. On many occasions the goldfields people have been twitted with the suggestion that the water scheme was a burden on the rest of the State. I am pleased to know that the scheme has paid interest and sinking fund, general upkeep and renewals, and that in 1927 it will be a valuable asset as an offset against what has been paid out of the general revenue of the State. I am glad that this matter has been definitely set out at last so as to show exactly what has taken place, instead of our being continually confronted with the assertion that the Goldfields Water Scheme has been a burden on the State.

Hon. J. W. KIRWAN (South) [6.14]: I have the greatest regard for the views expressed by Mr. Sanderson and Mr. Holmes concerning the sinking fund and the danger of interfering with it in any way. I feel convinced that nothing is more likely to do further damage to the financial position of the State than anything which, in the slightest possible degree, would imply repudiation. However I think with Sir Edward Wittenoom that no such interpretation can be placed upon what is now being done by the Government. The position is that if the sinking fund of three per cent. on the amount of 2½ millions borrowed for the Coolgardie Water Scheme be continued, then by the time the loan matures in 1927, the total amount that will be available to meet the loan of 2½ millions will be over three millions. In view of that position and of the provision being made to ensure that the full amount of the loan shall be available when the loan matures, I fail to see how the security of the bond holder can be affected in any way.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. W. KIRWAN: Mr. Sanderson and Mr. Holmes have implied that the Bill savours of repudiation. No such interpretation can be placed upon the meaning of the Bill by any possible reading of what is intended, because it does not in any way affect the security of the bond holder. It is clear from what has been laid before hon. members by the leader of the House that at

the time the loan would mature the sinking fund would amount to more than half a million in addition to what was necessary. The excess would be that amount. It is, therefore, merely an arrangement that will relieve the finances of the State and in no way, either directly or indirectly, affect the security of the bond holder. I am sorry that these two hon. members should have referred to the matter even in that light, because if by any chance the remarks that were made in this House were, through the medium of "Hansard," to reach the London papers, some of which are not favourably disposed towards Western Australia, they might create a wrong impression, and one injurious to the credit of the State. I wish to refer to one other matter, that is the reference made by Mr. Sanderson to the amount of the contribution of £75,000 per annum to the sinking fund on the Goldfields Water Scheme being a gift from the State to the goldfields. As the leader of the House has pointed out, this is not the correct way of putting the matter. It does not put the position correctly, because the scheme paid working expenses, it also paid interest on the borrowed money, and also paid some contribution to the sinking fund. It simply did not pay the full contribution to the sinking fund, the enormously high sinking fund that it was loaded with. The late Lord Forrest continually pointed out that the scheme was never put properly before the public, so far as its finances were concerned, because owing to the very high sinking fund of three per cent. it represented the financial position of the scheme as much worse than it really was. I only wish that other projects that the State has embarked upon had done as much as the Coolgardie Water Scheme, both directly and indirectly, has done to justify itself. To quote one instance of where that scheme has been of direct saving to the State, I may point out that the cost of running the railways would be considerably greater than it has been were the scheme not constructed. The amount which would have to be paid for water, especially during the dry years, would add very materially indeed to the working costs of the railways. As the late Lord Forrest frequently pointed out, the amount that the railways paid for water to the Coolgardie Water Scheme was very small indeed in comparison with what they would have to expend had the scheme not been in existence. It is only right that this aspect of the question should be remembered in considering the financial position of this scheme. What will be the position of the scheme in 1927 when the loan matures? It will mean that the scheme will then be in operation, and it will still have a great many years of life ahead of it. There will then be very substantial assets represented in it for the State. It has shown, I think, that it was fully justified, no matter whether it is viewed from its present financial results, or from its direct or indirect advantage to the State. When one considers what has been done for vari-

ous parts of Western Australia, and rightly done, in the way of assisting the various industries of the State, it is extraordinary indeed—still more extraordinary when it is not just—that the reference should be made that this was a gift of £75,000 a year from the State generally to the goldfields. Such was not the case. It does not correctly represent the position. No matter where we look throughout the State we see very large expenditure, and I only wish I could say that the expenditure was as wise in those directions as it has been in regard to the Coolgardie Water Scheme.

THE MINISTER FOR EDUCATION (Hon. H. P. Colbatch—East—in reply) [7.38]: This Bill has so obviously commended itself to the business instincts of members of the House that it is not necessary to say much in reply. As pointed out on the second reading, practically the effect of paying the whole of the sinking fund is that we should borrow at something between 5 per cent. and 6 per cent. to raise an unnecessary £65,000 which we should then invest in a sinking fund which, according to the present interest, would return us 3½ per cent. It is possible that if we invested in the Coolgardie Water Scheme the bonds which, I believe, are selling at about £68—

Hon. A. Lovekin: £65!

THE MINISTER FOR EDUCATION: That is about what one would expect three per cent. bonds to be selling at. It is not suggested that there is any anxiety that the bond holders might not get their money back. If a bond holder could turn his bonds into cash at the rate of £65 to the bond, he could get more interest on his money than he could if he continued to hold his bond.

Hon. J. J. Holmes: Would it not be better to take up the bonds?

THE MINISTER FOR EDUCATION: That is what we do. The bulk of the sinking fund of the State is invested in our bonds. There would be a loss of anything from one per cent. to over two per cent. by continuing this unnecessary contribution. If any hon. member likes to work out what the loss of 2 per cent. would be on an amount of £65,000 for this year, and £130,000 for next year, and so on for eight years, he will find it will represent a large amount. The only point to which it is necessary to refer is the query raised by Mr. Holmes. So far as the suspension of the sinking fund generally is concerned, it is interesting to note that Western Australia is the only State in the Commonwealth which has not suspended its sinking fund. In regard to the attitude taken up by the people interested, namely, the bond holders and the authorities at Home all I have to say is that the matter is in process of negotiation at present through the Agent General. The Government, acting on the communication they have received, have every reason to believe that the arrangement will meet with their approval. If it does not do so it will not be carried out.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Read a third time and passed.

BILL—MUNICIPAL CORPORATIONS ACT AMENDMENT.

Second Reading.

Hon. A. H. PANTON (West) [7.43] in moving the second reading said: This Bill is brought forward with a view to bringing the Municipal Corporations Act of 1906 into uniformity with the Municipal Acts of other parts of the world. There are not many contentious matters contained in it, and I hope it will commend itself to hon. members. The first clause provides for the striking out of the disqualification of women, so that they may become eligible to occupy a seat, if elected by the ratepayers, on the various local councils. I do not think there will be anything to cavil at in that. The practice has been in vogue for some considerable time in England and New Zealand, where women have occupied positions on various local governing boards. Even in Western Australia we have such administrative bodies as hospital boards, and so on, upon which women have a seat, and where they seem to be doing very well. Consequently we propose to amend Section 38 of the original Act to enable women to become eligible to occupy seats on our municipal councils. Provision is also made in Clauses 3 and 4 that the non-payment of rates shall not be a disqualification for a person voting at an election. At the present time we find that there are hundreds of electors disqualified from voting merely because of the fact that rates have not been paid. In many cases through the fault of the landlord the rates have not been paid up to the end of October and the occupiers of premises are consequently unable to vote. That in my opinion is not right and it is hoped to amend the Act so that that will not happen in the future. It may be said that the occupier has the right to pay the rates and deduct those rates from the rent, but unfortunately the occupier through paying his rent weekly very seldom finds out that he is disfranchised until the rolls are actually printed. Consequently, it is too late for him to obtain his vote. Clause 5 provides for an increase in rates. When the Act of 1906 was passed the Government at that time paid to the local authorities a pound for pound subsidy on the rates received. As a matter of fact in the early stages the Government paid as much as 22s. 6d. for every pound collected. As hon. members are now aware the subsidy is practically abolished and the

position that the local authorities find themselves in is that they are unable to raise sufficient revenue for the repairing of their roads. This work is now carried out with loan money, and if the road is first constructed out of loan and then money has to be raised for the purpose of repairs, the work becomes an expensive item. It is proposed to give the local authorities the right to raise the rates by 1s. That is, instead of 1s. 6d. as at present, the rate will be 2s. 6d. In Clause 6 it is proposed to give the councils power with the approval of the Minister to strike out arrears of rates. This clause is taken from the Roads Act, and instead of keeping the rates in the rate book year after year when there is no possibility of collecting them, it will be possible with the consent of the Minister to write off the amounts. Many of these are cases of hardship. It may be found that a widow in her own little home is trying to rear a family and it is almost impossible for the local authorities to collect rates from her. As a matter of fact they never try to compel payment in cases of this description, but at the same time, the authorities have to keep the amounts on their books year in and year out, and the clause will give them permission to strike off these rates altogether. Clause 7 is one which I think should appeal to hon. members. The object of it is to prevent the subdivision of lots which have already been subdivided. At the present time a person may buy a block say 60ft. by 150ft. and lodge the title deeds at the Titles Office. Then he may subdivide that block again into two or three blocks. Cases have been brought under my notice where this kind of thing has been done, and I know of one block which was subdivided into three and where the entrance to one of the three subdivided blocks was from the right of way at the rear. That kind of thing can be done at present without the consent of the local authorities, and the Titles Office has no option but to accept the title if the block is transferred to someone else. Hon. members will agree that where we have large spaces such as in Western Australia we should endeavour to keep the blocks as open and as big as possible. In most of the suburbs now the blocks of land are being subdivided into quarter-acre allotments, and in a few instances a little smaller, but if we are going to allow them to be subdivided into even smaller blocks we shall have a repetition of the slum conditions which obtain in bigger cities. That is something we want to fight against in Western Australia. The provision in Clause 7 is that a subdivision cannot take place except with the consent of the local authorities. It is a reasonable request that the local authorities should be given the right to oppose any subdivision of small blocks. Clause 8 provides for preferential voting. We have preferential voting for both the Federal and State Parliaments at

the present time and members will agree that it is as well to have a uniform system of voting even in connection with municipal elections. Those provisions will only apply to the municipalities which are divided into wards. The reason for that is that the electoral officer is of the opinion that it would be difficult to count the preferential votes where there was more than one to be elected. Personally I am not in accord with that view. If it is right it will be interesting to see how the votes for the Senate are going to be counted. This, however, will only apply to those municipal councils which are divided into wards and where there is only one candidate to be elected. Clause 9 is for the purpose of amending Section 109 of the principal Act which provides—

Any elector—(a) Who intends to be absent from the municipal district on the day of election; or (b) resides more than five miles from a polling place; or (c) is prevented by illness or infirmity from attending a polling place, may at any time within one month previous to the date of any election apply to a returning officer, or to any resident magistrate, justice of the peace, or other person appointed by the Minister in that behalf, to vote under the provisions of this section.

The proposal in the clause is to delete the words "within one month" and to insert the words "after the nomination." Under the present system when there is an election for municipal honours we find that the candidates can retain the services of a justice of the peace a month ahead of the election and get in a considerable number of absentee votes. It is undesirable that a justice of the peace should hawk around absentee votes a month before the election. If the preferential system of voting is adopted that kind of thing will be abolished, because it will be practically impossible to get the candidates whose names will have to be marked on the ballot paper. If Clause 9 is passed, there will then only be seven days after the nomination in which to obtain absentee votes. Hon. members will agree that that is ample time in which to collect absentee votes. Personally, I see no reason why a full month should be given to hawk around those votes even prior to nominations coming in. Those are the provisions of the Bill. I commend the measure to the consideration of hon. members. It is a private one introduced by the member for North-East Fremantle (Mr. Angwin) in another place. Mr. Angwin has had many years of experience in municipal matters, and he has been good enough to ask me to take charge of the measure in this House. I move—

That the Bill be now read a second time.

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

BILL—SALE OF LIQUOR REGULATION ACT CONTINUANCE.

Second Reading.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [7.55]: The object of this Bill is merely to continue the 9 to 9 provisions for another year. There is no necessity to debate the matter. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

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

Read a third time and passed.

BILL—DIVORCE ACT AMENDMENT.

Assembly's Amendments.

Schedule of four amendments made by the Legislative Assembly now considered

In Committee.

Hon. J. F. Allen in the Chair; Hon. J. Nicholson in charge of the Bill.

No. 1. Clause 7—Strike out this clause:

Hon. J. NICHOLSON: I move—

That the amendment be agreed to.

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

No. 2. Clause 8—Strike out this clause:

Hon. J. NICHOLSON: I am reluctantly compelled to accept this amendment, though I should have liked to retain the clause. I move—

That the amendment be agreed to.

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

No. 3. Clause 9—Strike out this clause:

Hon. J. NICHOLSON: I move—

That the amendment be agreed to.

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

No. 4. Insert a new clause to stand as Clause 9 as follows:—Section one of the Act intituled "An Act to amend the procedure and powers of the Court for Divorce and Matrimonial Causes, No. 7, of 1871," is hereby amended by inserting after the word "payments," in sixth line of said section, the following words:—"or if such wife shall re-marry or if her circumstances shall in the opinion of the Court render the continuance of such payments or any part thereof no longer necessary for her maintenance or support."

Hon. J. NICHOLSON: Where a wife has had secured for her benefit certain payments, there is no power given to the court under the Act to set aside those payments in the event of her re-marrying. The second husband would thus get a sort of double-barrelled benefit. I move—

That the amendment be agreed to.

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

[The President resumed the Chair.]

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

BILL—INDUSTRIES ASSISTANCE ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

Hon. R. J. LYNN (West) [8.11]: This little measure is one of the most ingenious that has come under my notice since I have been in this Chamber. It is a Bill to amend, it is a Bill to continue, it is a Bill to validate, and it is a Bill to extend the moratorium under another name. I have not had sufficient time to go through the report of the Industries Assistance Board, which was recently tabled, but it contains matters of interest to members. Last session we inserted in the Bill, the 30th September as the date before which the report and balance sheet of the Industries Assistance Board should be tabled in Parliament. I think it was intended, too, that the balance sheet should be audited by an outsider, or by the Auditor General's department. We have this year the report of the members of the board and the balance sheet is signed by the chairman and members of the board. I should like to know if there is any report on the balance sheet by the Auditor General, and if so, I should like the Minister to lay it on the Table, so that we can ascertain what the Auditor General's opinion of this board is. There can be no exception taken to the extension of the Act, since it must be realised that it is necessary to enable the Industries Assistance Board to liquidate many of their liabilities and to continue with what they have begun until the Government close down the board's operation, which cannot be for for some time to come. Many of the provisions of the Bill, however, should not be allowed to pass without comment, or possibly without amendment. Referring to the Postponement of Debts Act, the board report as follows:—

This measure automatically ceases at the end of December next. Having been introduced as a war measure, the wisdom of continuing its operations is doubtful; but we wish to impress upon you the need of adopting a substitute—

This Bill is the substitute—

with the object of continuing to protect board settlers against outstanding creditors' claims. We have considered this matter from its many aspects, and desire to emphasise that in our opinion the best interests of all concerned—settler, board, and creditor—can best be met by a provision in the board's Act, making a charge in favour of the board, subject to prior encumbrances (if any) upon all live stock, machinery, fencing material, and movable buildings of the settler.

“Subject to prior encumbrances.” From a legal point of view I am unable to interpret those words, but from the board's report it is evident that the members desire some legislation creating a charge in favour of the board. That is evident from the clause upon which I have been commenting. The remaining clauses of the Bill are really intended to validate what has been done by the Industries Assistance Board without authority during recent years. That is why it is necessary that the Auditor General's report should be tabled, when members would have an opportunity of learning how much trading has been carried on by the board without the authority of Parliament. Last night the Honorary Minister told us that the board had arranged to take over £18,000 worth of debts from Harris, Scarfe, & Co., for £7,500, and £20,800 worth of debts from the International Harvester Co. for £8,700. In fact the board have taken over those debts, and this Bill is intended to validate their action. That is plain from the use of the words in the Bill “shall be deemed to have authority to purchase.” The question arises, on what basis do the board intend to charge the individual farmer for the liability taken over? Do they intend to debit him with 20s. in the pound and pass the rest to profit and loss account? If so, the reduction of one per cent. interest on advances recently granted to the farmer will soon be eaten up. Indeed, such action on the part of the board would be downright profiteering. The Minister has said that George Wills & Co. have offered the board £77,000 worth of debts for £22,500. George Wills & Co., in other words, are prepared to wipe off their book debts aggregating £55,000 in order to get the Government to accept the responsibility for the balance of £22,000. I am not aware that George Wills & Co. have so little business acumen as to be willing to make a loss of 66 per cent. on so large an amount as £77,000; and the question arises whether the transfer of those debts to the Industries Assistance Board will represent a reasonable asset in return for an expenditure of £22,500. The report of the members of the Industries Assistance Board discloses a remarkable difference between the treatment accorded to a Government department and that extended to private firms and companies trading here. Geo. Wills & Co. have to

transfer £77,000 worth of credits for a payment of £22,500, while the State Implementation Works are permitted to transfer to the board £37,000 worth of credits on the basis of 20s. in the pound. It will be interesting to learn what is the real value of that £37,000. If it is worth 20s. in the pound, then Geo. Wills & Co. are entitled to more than £22,500 and the transfer of debts from that firm to the board represents a very profitable transaction indeed for the Government. If a private firm or company sought to make such a profit, they would be treated as profiteers under the Prices Regulation Act when passed. The board's report takes a good deal of digesting. Let me point out that it is only the report of the members of the board, and that the balance sheet with which we have been supplied is signed only by the members of the board. We should have on the Table of this House the Auditor General's report on the board's operations. I do not know that the Auditor General's report would disclose anything special; but Parliament, when passing the Industries Assistance Continuation Act last session, did not intend that merely the report and balance sheet of members of the board should be laid on the Table. I suggest to the members of the Country party that they inquire of the Honorary Minister whether upon the transfer of the debts the Government propose to debit to each individual farmer the full amount of his debt as taken over, and, if so, what rate of interest they propose to charge. If the Government take over a £300 liability for £100, and debit the farmer with the full amount of £300, and charge him interest on that, they will be making a huge profit out of the transaction. Possibly they intend to place that profit to the credit of a profit and loss account in order to make provision for bad debts incurred since the inception of the Industries Assistance Board. There is another aspect of the matter. The Government's debtors should be placed in a position to liquidate their liabilities, plus interest, at the rate at which those liabilities are taken over by the Government. Last week we heard of the case of a returned soldier who borrowed a sum of £300 or £400 from the Repatriation Department and then went round various firms and liquidated his liabilities at the rate of 5s. in the pound, obtaining full discharges. If a farmer on the Industries Assistance Board has a good season and can liquidate his liabilities on the same basis as the Government took them over, will the Government allow him to do so? If not, will they continue to insist upon his paying 20s. in the pound plus interest for what they have taken over at 6s. in the pound. It will be very interesting to know how the board proposes to deal with these questions. Another point to be considered is that during recent months some of the farmers have held meetings of their creditors, with the result that they are freed from outside liabilities, because the Industries Assistance Board held all the securities and the merchants could

get nothing. Undoubtedly the present system of Government trading is pernicious. When the Industries Assistance Board was created there was no intention that it should be permitted to enter into all sorts of trading transactions. According to their report, the board are now trading in implements, super, and numerous other commodities. I willingly accept the statement that it was originally intended that the board should supply the farmer with super and certain stores. But it was not originally intended that their operations should include the purchase of machinery and the liquidating of debts in various directions. If that was so, why has this Bill been introduced to validate what the Industries Assistance Board have done? For this reason I am inclined to believe—though I speak without special knowledge on the point—that there must be some report from the Auditor General relative to this huge department. It would be wise on the part of members to obtain an adjournment of the consideration of this measure until we have the Auditor General's report placed before us and before giving the Government any additional power to validate or enter into further undertakings. The reference to the moratorium is a purely legal point and one that my honourable friend Mr. Nicholson might look into. With these few remarks, Mr. President, I propose to support the second reading of the Bill in order to give the Government the power they must have for the continuation of the Act, but I think that the Auditor General's report should be laid on the Table, so that members can have an opportunity of seeing what this official, as an outside expert without any influence being brought to bear on him, has to say upon this department generally, from a trading point of view.

On motion by Hon. J. Nicholson debate adjourned.

BILLS (2)—FIRST READING.

1, Northampton Mechanics' Institute.

2, Shipping and Pilotage Consolidation Ordinance Amendment.

Received from the Legislative Assembly and read a first time.

House adjourned at 8.34 p.m.

Legislative Assembly,

Friday, 28th November, 1919.

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

QUESTION—FEDERAL CONSTITUTION AMENDMENTS.

Mr. VERYARD (without notice) asked the Premier: Is he aware that the Governments of the Eastern States are declaring their attitude toward the Federal Government's proposals to amend the Constitution, and will he state if he intends to advise the electors of Western Australia to support or reject all or any such proposals at the forthcoming Federal elections?

Hon. P. Collier: Where have you been dozing lately?

The PREMIER replied: I should like to inform the hon. member that we have already advised the people of Western Australia to reject the proposals.

Hon. W. C. Angwin: See that you vote "No."

Hon. P. Collier: Yes, vote "No" and save the State.

QUESTION—GOVERNMENT EMPLOYEES, MINIMUM WAGE.

Hon. P. COLLIER asked the Premier:—J, In view of the Court of Arbitration having awarded a minimum wage of 11s. per day to railway employees, is it the intention of the Government to adopt this rate as a minimum to be paid to all Government servants? 2, If not, why not?

The PREMIER replied: Yes.

ASSENT TO BILLS.

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

1, Merchant Shipping Act Application Act Amendment.

2, Land Tax and Income Tax.