

Legislative Council,

Thursday, 7th August, 1913.

	PAGE
Paper presented	392
Leave of absence	392
Address-in-reply, seventh day, conclusion	392
Adjournment, special	415

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

PAPER PRESENTED.

By the Colonial Secretary : Department of Mines—Return of exemptions granted during the year 1st July, 1912, to 30th June, 1913.

LEAVE OF ABSENCE.

On motion by Hon. Sir E. H. WITTENOOM, leave of absence for 12 consecutive sittings of the House granted to the Hon. R. W. Pennefather on the ground of ill-health.

ADDRESS-IN-REPLY.

Seventh Day.—Conclusion.

Debate resumed from the previous day.

Hon. T. H. WILDING (East): In the course of my remarks if I should say anything against the policy of the Government I hope they will realise I do not say it with any ill-feeling towards them, as I realise that they have done a certain amount of good through the way in which they have taken in hand the extension of education throughout the country. This has been of great benefit in the outlying centres where they have started schools, and given the children an opportunity to receive education. There is still work in this direction for the Government to do. I heard only this week of instances in the eastern agricultural areas where there are places with 20 children who have no opportunity of going to school. I hope the Government will continue this work that they are doing. The Government have also assisted the Federal Government in

carrying out the defence scheme which was introduced by the late Federal Ministry. In the Governor's Speech it was claimed that land settlement in the State is proceeding satisfactorily. I cannot see that this is the case in view of the great falling off that has taken place during the last two years. It has come down from 1,727,000 acres in 1910 to 891,513 in 1912, and the amount for the first six months of this year is 271,000 acres. This has already been pointed out, and I just refer to it again. It is stated in the Speech that the land policy is continuing, and yet we find these facts before us. Throughout the agricultural areas there are large amounts of land already surveyed; it is admitted by the Government that they have a million acres already surveyed and suitable for selection, yet we find that people are not allowed to go on this land. This is a great mistake. We are building the Wongan Hills-Mullewa railway and along this line, I understand, there is a good deal of land already surveyed which people are endeavouring to obtain but cannot. It is stated that settlers from South Australia who are used to farming in the dry areas have been after some of it without success. If that is so, how is this line going to be made a paying proposition? I cannot see that the land policy of the Government at the present time is a good one or is going on satisfactorily. In connection with water supply, doubtless the present Government have done a great deal of good. They have sent out boring parties into the dry areas with success. They have obtained very many fine supplies by boring. This work, like everything else the Government undertake, is done by day labour, which involves the loss of a good deal of time. Something may go wrong with the boring plant and for a week at a time the men are doing nothing. If the work were only let by contract and the men stood to lose something there would not be all this delay, because we know that where men do not stand to lose anything they do not bustle round but are prepared to go along very quietly if they are receiving wages all the time. We are told in the Governor's

Speech that the goldfields water scheme is being extended to additional agricultural areas with success. No doubt it has been a success in most of the districts where extension has taken place; but, and I am speaking of the more eastern portion of the agricultural areas, the men receiving the water are not in a position to pay for it, and when pay day comes along I do not think the Government are going to receive the amount of money they hoped for, in fact I do not think they will receive anything. The Government knew perfectly well the men were not in a position to pay for these extensions, having just gone on to the land, and that it would be quite impossible for them to pay the exorbitant rates the Government were asking, therefore the cost has to come back on the few, and those few will be made to pay. The scheme put forward and already explained before this Chamber is one by which the capital, interest, and sinking fund are to be paid back in ten years. Surely where we are endeavouring to settle the lands of the State and keep the people on them this taxation should not be. It is well known to any thinking person that it is impossible to pay it, therefore we should not endeavour to impose any such taxation upon the settlers. I claim that this is a national work and should be borne by the State just as much as it was necessary that the State should bear the cost of taking water to Kalgoorlie. Mining is one of our primary industries and so is agriculture. The whole State is paying for that water to be taken to the goldfields, and if it is necessary to provide water so that settlers should remain on the land, it is just as much a national work as it is in connection with the mines. There was a conference at Tammin, and at that conference I think the settlers of the district made it very clear to the Minister for Works that it was quite impossible for them to pay more than 2s. 6d. per thousand gallons for water. We read in the papers of Ministers going about the country saying that they are doing a great deal for the people on the land. They tell us that they are doing all they possibly can and are not asking too much for it, but I think that when the Minister for Works was up there

among the settlers he did not have a very rosy time; I think they made him understand, if he will admit it, that they were not able to pay the rates asked of them. To what use could you put water at 6s. per thousand gallons, unless it is for drinking purposes? To my mind there is nothing you can do with the water at that price. Not only do they pay 6s. for the water, but they have to pay 6s. for any excess. Now, it is fresh in the minds of hon. members how the Bill passed through this Chamber. It arrived here at 11 or 12 o'clock at night, after the Chamber had been sitting ten or twelve hours. It passed through all its stages, but was amended in this Chamber and returned to another place. It was then sent back to us with a request that the amendments should not be pressed. However, we insisted. Then the Minister for Works came along and sat beside the Colonial Secretary, and after the debate had gone on for some time the Colonial Secretary rose and said that if we would allow the measure to pass through without amendment he would give an assurance that during the next session—which is now the last—they would bring down a comprehensive measure in connection with the water supply scheme. As soon as that announcement was made Mr. Moss rose and said that in view of that assurance that we should have a comprehensive measure in the following session, which would be before the Bill then under discussion would come into force, and seeing that we would then have plenty of time to deal with it thoroughly, there was no reason why we should any longer insist upon the amendments. Although some of the members still objected, and took the question to a division, yet others who had previously opposed the measure turned round and voted for it in consequence of the Colonial Secretary's promise. Now, during last session I asked the Colonial Secretary was it the intention of the Government to bring forward the comprehensive measure promised. The Colonial Secretary took two days in which to consider the matter, and then replied that it was not the intention of the Government to do so. Therefore I say that measure got through under false pretences. Had it

not been for the assurance given by the Colonial Secretary the Bill would never have passed this House. After the House had been sitting for some twelve hours members were very tired and were not taking that keen interest in the question which they would otherwise have done, and therefore they did not realise the injustice underlying the Bill. I say it is the worst thought-out measure and the most unjust ever placed on the statute-book of the State. Under it we are penalising a section of the community in a most unjust way. If a country town 20 or 30 miles away from the pipe line requires water and secures an extension of the pipe, all the people in between the town and the pipe line are penalised, whether they use the water or not, simply because the town wants the water. We are told in the Governor's Speech that great activity has been maintained in railway building throughout the State. I cannot agree with that. Although there is a certain amount of activity there is not nearly sufficient for the requirements of the State. We badly need railways in agricultural districts everywhere, and it is very discouraging to the people who have gone on the land to learn from His Excellency's Speech that there is no hope whatever of securing a railway; after having gone on the land, given up other prospects and spent all their money in developing their holdings, they find they are landed there without a railway, and with no hope of getting one. The few agricultural railways that are being constructed are being carried out on the day labour system, and everyone knows that the men will not work for the Government as they would work for a private employer. Take the building of the Wongan Hills-Mullewa railway. The Government, I am told, have been pleased to say to the men, "As soon as you have laid three-quarters of a mile, that completes your day's work." This information I have from a very reliable source, and it is told to me that at 2 o'clock the men are back in camp, having completed their day's work. That is not as it should be for men getting the very highest wages. If they can complete a day's work and be back in Wongan at 2 o'clock, from a point

15 or 16 miles away, it goes to show that they are not working as they should. We find there is one agricultural railway in the Governor's Speech a Bill for which the Government propose to bring down, namely, the line from Esperance to Norseman, which is to run through a country not yet proved. The Minister for Works has recently been travelling through the Eastern districts, and in the course of his journeys he passed through the Dale River district. In his report of that district he declares his surprise, after seeing the quality of the land and learning the possibilities of the district, that a railway was not built through that district before a line was built through Avon Valley. Compare the Avon Valley with the Esperance country. Which should have a railway first, West Dale or the Esperance-Norseman district? It is admitted by the Minister for Works that they have a fine lot of country in the Dale River district. The men in that district have spent a great deal of money, as a result of which a lot of development has taken place; yet they have no railway, and it is proposed in the Speech to build a railway from Esperance to Norseman before the railway to the Dale River district is to be thought of. Then there are the Bolgart extension and the railway to Emu Hill. The men in those two districts have spent all that they had in expectations of a railway, and to-day they learn that there is no hope of seeing their expectations realised. So, too, in the Mount Marshall district, where one man has spent over £7,000 on his property, and there is an aggregate of 23,000 acres under crop, with every prospect this year of 100,000 bags of wheat to come from this district. Yet the men there are 40 miles from the nearest railway. How then, is it possible for them to continue without economic means of communication with their market? If the money spent on the State trading concerns had been spent in building these railways enumerated, we would have been in a very different position to-day from that in which we find ourselves.

Hon. B. C. O'Brien: But the money has not been wasted, surely?

Hon. T. H. WILDING: I claim that a lot of it has been wasted.

Hon. M. L. Moss: Mr. O'Brien would be very sorry to have his own money in some of these ventures.

Hon. T. H. WILDING: I am pleased to notice that the Minister for Works has realised at last that men will not work for the Government as they will for a private contractor. He says he is satisfied now that the Government do not always get value for their money, so I hope the Government, instead of trying to carry out these works by day labour will in future let them by contract. If this were done the works would be carried out far more expeditiously, and this in itself would hearten and encourage the men on the land awaiting these railways. In the Esperance district farming has been carried on for the past ten years, and as far as I can gather the average of wheat down there is four bushels to the acre. Mr. Kirwan said the other day that the low average was owing to the crude methods of cultivation. But four years ago at Mereridin, under the very same means of cultivation—that is to say, simply scratching it in with a cultivator—26 bushels of wheat per acre was cut over a 150-acre field. Has anything to approach this been done in the Esperance district? Seeing that they have been farming there for the last ten years it should have been done at some time or other on some paddock or another; but no, the average is still as low as four bushels. I do not think the construction of that line is at all advisable, and I hope the House will treat the measure when it comes forward as it did on the last occasion, and that the Bill will not pass this Chamber. When we have so much good country needing railways very much worse than does Esperance, railways that are much better justified than would be the Esperance line. railways promised for the last five or six years, how can we think of constructing the Esperance line? There are hundreds of people in better known districts who have gone on the land and spent all their money under promise of a railway. and now they are unable to continue successfully without such means of communication. I notice that the Rights in Water and Irrigation Bill is to be re-introduced.

I am perfectly sure that a majority of the members of this House, if not the whole of them, are desirous of seeing an equitable measure passed through to enable irrigation to be carried out. Those who have had anything to do with irrigation know what it means to a country such as ours. But I do hope that the measure will not be of the confiscatory nature of the last one. If we have an equitable measure brought along providing for compensation to be paid when it is found necessary to resume land, I am sure such a measure will pass this Chamber. I notice also that the Land and Income Tax Act is to be amended. I am pleased that the Government should have realised that it is necessary to amend this measure. At the present time we have seven direct taxes on the land.

Hon. M. L. Moss: Under the new measure they will be increased.

Hon. T. H. WILDING: Oh, no, the Government do not intend to increase the tax. They realise that it is necessary to decrease it, because it is impossible for men to continue on the land if they are to have increased taxation imposed upon them. I think the Government are desirous of doing some good, and I take it they are going to effect a benefit in this direction, because we cannot go on increasing taxation without taxing the people off the land. If we are to continue to take so much out of the pockets of those endeavouring to develop the land it will bring about further stagnation, and create a situation of affairs worse than the present.

Hon. M. L. Moss: I hope you are a good prophet.

Hon. T. H. WILDING: It is a pity, I think, that the Government ever had anything to do with the trading concerns, because they admit the loss of £20,000 over the steamers, and although I am led to believe that the Colonial Secretary will tell us that they have made a profit of £800 in connection with the butchers' shops, yet it is hard to realise this, when we come to think of the big losses they have made. Many bullocks have died on their hands, and we who attend sales at Fremantle know that they have been buy-

ing sheep in the market at 8d. and 9d. a pound, and I understand their mutton is being supplied to the public at 6d. It is hard to realise how they can make a profit in the face of these facts.

Hon. C. Sommers: It must be the quantity they sell.

Hon. T. H. WILDING: Yes, perhaps so, like the old lady who said she lost on everything she sold, and that it was only the volume of business that enabled her to carry on. When we look back at what the large wholesale butchers who were running retail shops in nearly every centre of the State have done, what do we find? They simply gave these businesses to their employees and allowed them to put their own price on the equipment necessary to carry on the business. When we find firms like Forrest, Emanuel, and Holmes Brothers doing this sort of thing, it shows there is not much money in retail butchering. I fear that a mistake has been made in the manner in which the accounts have been kept in connection with the State butcher's shop. All we have been told, however, is that there has been a profit of £800.

Hon. Sir E. H. Wittenoom: They say they have made that profit.

Hon. T. H. WILDING: Yes, but those in the business cannot understand how it is possible to do so. I am satisfied that if a man looking after his own business cannot make retail butchering a paying proposition, no manager of a Government shop can do so. Where in Western Australia is the man who has ever made any money out of retail butchering? Can hon. members mention any? I do not know of a single one. I am sorry there is nothing in the Governor's Speech in reference to immigration; for this is most necessary in the best interests of the State. It is not long since a boat arrived with 1,400 immigrants and a week later I wrote asking for a man and I was informed that all of them had gone. That goes to show that there is a demand for labour notwithstanding that there are a certain number of men out of work. These 1,400 people were all absorbed within a week. If the country is to progress and go ahead we must have immigra-

tion, and I would advise the Government to leave trading concerns alone and give attention to the primary industries of the State, to foster and help forward the mining, pastoral, agricultural, timber and fruit industries. It is from these industries that our wealth will come, and the Government should foster them instead of dabbling in little things like butchering and running timber mills, brickworks and all the rest of it. The industries I mentioned are the great things that count in this State; from them our wealth will come and these are the things to be fostered instead of dabbling in trading concerns and establishing secondary industries. It would be very much better for the Government to leave these trading concerns and secondary industries alone and to devote attention to doing all they can in connection with the primary industries which will bring wealth to the State. The Government need to further open up our harbours, to erect freezing works at Wyndham, to build more railways and to build them expeditiously, and to give the people in the country courage. By carrying out a programme of this description they will impart that courage to the people; they will induce them to continue the good work they have been doing in the past and they will encourage the investor to again come back to Western Australia. Why is it that big companies like the British Trust and Loan Company have withdrawn their investments from Australia? Simply because there are better investments elsewhere.

Hon. B. C. O'Brien: And there are markets elsewhere.

Hon. T. H. WILDING: Of course there are, but there should be a good market in a great country like Australia. It is simply because there are better investments elsewhere. And why are there better investments elsewhere? It is on account of the legislation which is being put on the statute-books throughout the Commonwealth; that is the reason. If we had good government there would not be better scope for investment anywhere than in Australia. We have a great country and we want the money of the investors to develop it. I do hope that the

Government will not continue in the way they are going at the present time by devoting attention to these trading concerns and dabbling in things which they should not touch. They should, and I hope they will look after the best interests of the country and not those of one section of the community only.

The COLONIAL SECRETARY (Hon. J. M. Drew): I am very pleased indeed with the tone adopted by hon. members in this House in the discussion on the Address-in-reply; and in saying so, I am doing no more than expressing my sincere and honest feelings. There have been few bitter speeches, there has been little display of political bias and there have been few reproachful observations—certainly none that might not be readily pardoned. On the other hand there has been useful and purposeful criticism and a keen and justifiable desire to obtain information in connection with certain matters that perhaps require some elucidation. There is no doubt that if the House continues in the same frame of mind throughout the session, measures submitted to them for their judgment will receive more calm, more careful, and more deliberate consideration than would be possible under other circumstances. In connection with the motion for the adjournment of the House which was moved yesterday by the Hon. Mr. Moss, I desire to make a further explanation and a correction on behalf of the Chief Electoral Officer. Mr. Stenberg wishes to make a correction in his minute which was read to hon. members yesterday. The examination of the ballot papers took place on the 30th May and not on the 5th June as was previously stated. Mr. Stenberg has written a letter to the Attorney General in connection with the matter, which I perhaps had better read. Mr. Stenberg says—

Referring to my minute of yesterday's date on the above subject I beg to state that since writing that minute I have had time to make further inquiries into the circumstances surrounding the case, and as a result beg to submit the following corrections of

my statement made yesterday: An examination of the time book kept in the department discloses the fact that Mr. Smith was despatched to Fremantle to assist the returning officer on the 31st May, and therefore the date upon which I was notified by the Hon. the Minister that the return was required was no doubt the 30th May, or thereabouts and not the 5th June as previously stated, the latter being the date upon which the return showing the result of the examination was submitted by me to the Minister. The reason of the delay in submitting the return was intervening holidays. Mr. Smith informs me that after thinking the matter over, and so far as he can remember, the returning officer, Mr. Dowley, was at one time, during the progress of the examination, called out of the room on business, and although he, therefore, was present most of the time. Mr. Smith states that he may not have been present the whole of the time.

Hon. M. L. Moss: That supports what the hon. Mr. Lynn said yesterday.

The COLONIAL SECRETARY: Notice of motion was given for the appointment of a select committee to conduct an investigation into this matter. I have no objection to the appointment of a select committee, but I sincerely trust if such a committee is appointed that the scope of its investigations will not be limited in connection with electoral matters. This is not an innovation; it is not a new occurrence; we have been following very illustrious precedents.

Hon. M. L. Moss: Very bad precedents.

The COLONIAL SECRETARY: Precedents established by the previous Government.

Hon. M. L. Moss: Well, they are very bad precedents if it is so.

The COLONIAL SECRETARY: If it is a good thing to have a select committee in connection with this matter, if electoral purity is concerned, if the secrecy of the ballot has been threatened with violation, if we can show similar occurrences have taken place in the past,

the select committee should extend the scope of its investigations and bring to book everybody who has been guilty of similar conduct.

Hon. M. L. Moss : Hear, hear.

Hon. W. Patrick : That is quite right.

The COLONIAL SECRETARY : I am glad to hear the hon. member say so. I hope he will assist to carry an amendment to the effect that if there is to be an inquiry it should be unlimited in its scope.

Hon. M. L. Moss : Hear, hear.

The COLONIAL SECRETARY : There was an election of a member for the Legislative Assembly held at Albany on the 17th September, 1909. Some days afterwards, at the request of the Attorney General of the day who was inquisitive, just as our Attorney General was inquisitive to discover a correct analysis of the election, the Chief Electoral Officer was supplied by the returning officer with an analysis of the voting. This is the minute of the Under Secretary for Law to Mr. Stenberg—

Hon. W. Patrick : How many days was that after the polling ?

The COLONIAL SECRETARY : A few days after the election, but it was certainly after the official count.

Hon. M. L. Moss : How many candidates were there in that election ?

The COLONIAL SECRETARY : I will give the hon. member the whole of the particulars in connection with the election as supplied by the returning officer some days after the official count. The Under Secretary for Law wrote—

I beg to draw the hon. the Minister's attention to the results of the poll at the recent Albany district election, on Friday 17th ultimo, when Mr. W. Price was returned a member of the House of Assembly on a minority vote.

Of course Mr. Price was a Labour candidate and he was elected as Mr. Stenberg shows by these returns, on a minority vote. The minute continues—

The total formal votes cast were 1,587, the absolute majority figure, therefore, being 794. Mr. Price was declared elected on 745 votes, being 49 votes less than the absolute majority figure. As

will be seen from the analysis of the voting shown in the table below, 47½ per cent. of the votes cast showed two preferences, and 3½ per cent. showed three preferences. This election furnishes another example of the apparent necessity for making the preferential voting compulsory.

Hon. M. L. Moss : That occurred when it was optional.

The COLONIAL SECRETARY : That does not matter; the same principle is at stake. It is of no use the hon. member contending in that direction. The ground of complaint yesterday was that some days after the official count had taken place, the returning officer secured a re-examination of the ballot papers.

Hon. M. L. Moss : All that could have been done in the first place.

The COLONIAL SECRETARY : I have the whole of the analyses here, but I do not think it necessary to read them. Now I come to something stronger. First I will read Mr. Nanson's minute in connection with the matter. These returns were placed before Mr. Nanson, and were noted by him thus—"This report should, I think, go on the file dealing with amendments to the Electoral Act, so as to be readily available for reference"; just the same as was done with the information we secured.

Hon. H. P. Colebatch : Was there a re-examination of the papers in that case ?

Hon. M. L. Moss : Does it say so, because I have not followed that in your reading of the particulars ?

The COLONIAL SECRETARY : I have a stronger case. A metropolitan-suburban election was held on the 23rd March, 1912. On the 5th April, again at the request of the Attorney General, the Chief Electoral Registrar wrote to Mr. Charles Lee Steere, returning officer, and he was supplied with the result of the analysis for the Metropolitan-Suburban election. On the 5th April, the Chief Electoral Registrar wrote the following letter to Charles Lee Steere, returning officer:—

I shall be glad if you will let me have the information *re* voting at the late

Metropolitan-Suburban election as set out on the attached form.

At this time the ballot papers were not sealed. It was very convenient indeed for the returning officer to deliver these papers to the proper place. All he had to do was to walk from one room to another. The re-examination, it appears, took place and the analysis was supplied to the Chief Electoral Officer. That is on all fours with the case that has occurred during our Administration. I do hope that if hon. members want a complete investigation they will see that not only the present Administration is included but all previous administrations.

Hon. M. L. Moss: Certainly.

The COLONIAL SECRETARY: Hon. members will see from my remarks that we have been following a precedent. It might have been an ill-advised one, but I do not think so.

Hon. M. L. Moss: It is illegal.

The COLONIAL SECRETARY: There should be some provision in the Act to enable this information to be supplied in a manner that would not be open to objection. It is very valuable information, but so far as I can discover the violation of the secrecy of the ballot is in no way at stake.

Hon. M. L. Moss: Oh yes it is. Let us have a full inquiry about it and stop it for the future.

The COLONIAL SECRETARY: More than one hon. member has referred to the deficit and in the majority of instances they have exhibited intense alarm. It should not be forgotten that a previous Government built up a large deficit and at the end of June 1909, it was £1,000 more than the deficit to-day, and I believe subsequently it was considerably increased. The previous Government were not faced with the same difficulties as we have had to encounter. I repeat, and it cannot be repeated too often, that the dry season has been largely responsible for the present condition of the finances in Western Australia.

Hon. V. Hamersley: But you have had a record revenue.

The COLONIAL SECRETARY: The sum of £50,000 was lost by the railways

through having to haul water, and £70,277 was on the 30th June last owing in land rents. Two months previously that amount was £135,000, but in that interval the farmers paid off a considerable amount.

Hon. V. Hamersley: But you have not written off that amount.

The COLONIAL SECRETARY: No, we regard it as a substantial asset. In connection with a commercial business good book debts are always regarded as an asset and just as solid cash. If there are bad debts they are written off. We ask the House to take these matters into consideration when they are passing a decision on the financial competency of the Government.

Hon. R. D. McKenzie: But you are losing money on all your trading concerns.

The COLONIAL SECRETARY: I will come to those later on. There is an amount of £10,540 outstanding for rural water rates. We can claim credit, therefore, for these land rents and water rates which are outstanding. If there had been a normal season there would have been very little outstanding. On no other occasion during the State's history has there ever been granted such a wholesale extension of time in which to pay the rents. It has never been done before on so large a scale. There have in the past been individual cases which have come before Ministers but here whole districts have been exempted from the payment of rents and in some cases for as long as two years. In the past when land rents became due and were not paid, the blocks were automatically forfeited, and the holdings could only be reinstated by Executive Council Minute. In the circumstances I contend and the Government contends that they should be fully credited with the amount outstanding for rents and for water supply rates. A non-party House should certainly take that view of the situation, and despite the attitude of several hon. members, I refuse to believe that they do not take these matters to which I have referred into account, and give the Government credit for the amounts which I have mentioned, and the absence of which from

the financial returns has had such a serious effect on the balance-sheet.

Hon. H. P. Colebatch: You obtained all the revenue you expected.

The COLONIAL SECRETARY: That is no argument. The fact remains the revenue to which I have referred is out and would have come in if the season had been normal. Are members going to refuse to give us credit for these outstanding amounts? Would they ask us to call them up? Certainly not. We could call up the money to-morrow and if we did not get it we could forfeit the blocks. Would that be a wise course to pursue? Of course not. I think we have done the best thing possible and all we ask this House, and another place and the country, is to give us credit for what has been done. The Government had a remedy for the reduction of the deficit when they introduced last session their Land Tax Bill. It was, however, ignominiously rejected by this House. "Why do you not reduce the deficit," hon. members ask. That was one of our planks for doing so and it was strictly in accordance with our policy.

Hon. C. Sommers: It was only increasing taxation.

The COLONIAL SECRETARY: I have already stated that the deficit under a previous administration was in excess of ours. In June, 1909, it was £312,631, and now it is interesting to learn how certain members of this Chamber regarded the financial position at that time. They took varied views of the matter. Mr. Sommers called upon the Government to make a serious attempt to adjust the finances. That was quite proper in the circumstances. They had no excuse such as we have put forward. Mr. Kingsmill said that he felt no alarm whatever because things would right themselves, and the resources of the country were never better. Mr. McLarty did not look upon the overdraft as a serious matter and he added that the Government need not take it seriously to heart and that it would be in the interest of the State to let the deficit remain for four or five years. When speaking the other night however, Mr. McLarty said he was almost frightened at the way the State was drifting. Mr. Patrick was most

generous in 1909. He said that no Government could be blamed for the deficit. It was due to the loss of income through the Customs. He does not fossick around now for reasons. He cannot find one solitary excuse for the Government. Mr. Clarke in 1909 said that the State was drifting under the existing administration, but he congratulated the Government on what they had done under those circumstances. No other member spoke on the finances at that time. The situation was complacently accepted and now that we have done likewise, but under justifiable circumstances, we are denounced, I will not say strongly, but at any rate we have been severely criticised.

Hon. H. P. Colebatch: The previous Government lost £4 per head and you increased your revenue by £3 per head.

The COLONIAL SECRETARY: Mr. Moss in the course of his remarks on the Address-in-reply stated that the railways were not paying so well as formerly. That is quite true. Mr. Moss attributed this fact to the increase in wages. That is partially but not wholly correct. We did increase the wages, but that was simply a long delayed act of justice. The increase of wages is not solely responsible for the present position of the railways. There is to be considered the higher price which is being paid for coal and there are also the heavy losses on the agricultural lines to be taken into account, and those losses are increasing. Under such circumstances how can we expect anything else but a loss on the general administration? It is unreasonable to expect that the agricultural lines will pay from the start. No one anticipates that. In course of time they will all pay well. For the year ended 30th June, 1912, there was a loss of £34,000 on the agricultural lines. I have not the figures for the present year—they will be available on the 15th of this month, but I believe the position will be very much the same as that of last year. This loss, however can be justified. Mr. Moss criticised the State Steamship service and said that after having gone fully into the matter he found that there was a loss of £36,000 for the year, or £100 a day. If I know anything about the matter I can

characterise that as a wild and reckless statement.

Hon. M. L. Moss: It is not.

The COLONIAL SECRETARY: Mr. Moss based his assertion on the Treasury returns but these were no guide at all. Any accountant in order to discover whether a business was being carried on at a profit or a loss, would not simply examine his bank book to discover what had been paid in and what had been withdrawn; he would ascertain what the credit balance was.

Hon. M. L. Moss: Why did you not do as I asked and put the profit and loss account on the Table of the House?

The COLONIAL SECRETARY: The balance sheet has to be submitted to the Auditor General so that it may be seen whether the entries have been properly made and whether everything was debited that should be debited. If I brought an unaudited balance sheet here, hon. members would be the first to turn round and say, what is the use of placing such a document before us—a document which is not audited. Has any public company ever issued a balance sheet for public or even private perusal before having had it certified by its auditors? Mr. Moss may not be aware, but it is a fact, that the whole of the depreciation in connection with the steamships has been paid into a Trust Account.

Hon. W. Kingsmill: At what rate?

The COLONIAL SECRETARY: The hon. member will have the full information in due course.

Hon. M. L. Moss. You can tell us surely.

The COLONIAL SECRETARY: If we were to place a balance sheet of such a description as has been referred to on the Table of the House it would create discussion and every member in opposition would want to be an auditor.

Hon. M. L. Moss: You are replying to me in generalities.

The COLONIAL SECRETARY: When the balance sheet is placed on the Table after it has passed through the hands of the Auditor General, I do not think any hon. member will say that it has not been carefully drawn up.

Hon. M. L. Moss: You know perfectly well that the Bill which was passed last

session prescribed exactly what should be done.

The COLONIAL SECRETARY: There is to be taken into consideration stores on hand, coal, accounts in the hands of agents, amounts owing by Government departments—all these things have to be credited to the steamship service. And I can assure Mr. Moss that there is at the present time a vast discrepancy between the Treasury returns and the books of the Steamship service. The hon. gentleman predicts a loss of £36,000. I think he will turn out a very poor prophet indeed.

Hon. M. L. Moss: Why not tell us now what it is? You have the information and you are talking in generalities.

The COLONIAL SECRETARY: I have told the hon. member I will give no information until I am in a position to say, that the information is correct. It is too much to expect the steamers to pay from the very inception of the service. At any rate, it is too much to ask them to pay interest and depreciation from the start. When the service commenced it was confronted with many great disadvantages. It had to encounter the hardy, vigorous, and well-established competition of the steamship companies. There is no denying that, and it was predicted by the hon. members of this House, and the Government thoroughly realised the situation. In addition to that, the service had to combat the interwoven interests connected with the shipping companies. Moreover, before the "Kwinana" commenced work half the cattle season was over, and before the "Western Australia" commenced nearly the whole of the cattle season had expired. Then the off season came on, and we had to hunt round for freights without much preparation. The system had been in force only about six months, and there was very little time in which to get things going properly; consequently we were confronted with many disadvantages during the first six months of the year. I do not see how hon. members could expect that the steamers would show a profit in such circumstances. I will tell them,

however, some of the advantages which the steamers have conferred on the people of Western Australia. Before the "Kwinana" was put on the trade, the freight for cattle was £4 per head from Wyndham, and the price of bullocks weighing 650lbs. was £3 5s. at that port.

Hon. M. L. Moss: I know of a charter for £2 10s. per head.

The COLONIAL SECRETARY: I know of a charter for £2 7s. 6d., but the charter was a monopoly. We had to bring down cattle from the aborigines station. This particular firm which had the charter offered £3 5s. per head, which we refused to take. We said we would send the cattle down to Fremantle ourselves, and we asked for freight, and the freight quoted was £4 per head. That was a few months prior to the time we decided to go into the steamship business.

Hon. W. Kingsmill: What was the general rate?

The COLONIAL SECRETARY: The general rate was £3, but it went up to £4. That was the sum that was quoted to us at that time. The advent of the Government steamers, however, put the price of Kimberley cattle up to £4 per head for 650lbs. bullocks. Besides that, we have reduced the freight from £4 to £2 10s. per head, or if the hon. member prefers, from £3. I contend that the freight was as it was quoted to us when we were endeavouring to get our cattle down. We have brought down or shall bring down, during the present season 8,320 cattle, of which 5,220 were for private individuals, and 3,100 for ourselves. If we take the former freight as £3 per head that means that we have put £2,610 into the pockets of the producers, and the Government have saved £1,550. If we take £4 as the former freight, and I say it was the freight when we commenced operations, the producers of the Kimberley district have gained £7,830, and the Government £4,650, or a total saving to the producers and the Government of £12,480. The steamers consequently have done a good thing for the producer, but what about the consumers? We have brought down the price of meat, and the patronage of the one meat stall which

was in operation for 12 months was abundant proof of that. If the stall had not received the support of the public it would have been closed long ago, but we have recently opened two more stalls, and do hon. members think that if the first stall was not doing well we would have opened others? Last year the stall did do well, and I will show the effect it had upon the price of meat. Last year the best steak was distributed by private butchers at 1s. 2d. per pound, as I proved by invoices which I laid on the Table last session. This year it is distributed by private butchers at 10d., and we are selling it at the Government stalls at 9d. per pound. Ordinary steak last year was distributed by private butchers for 9d. per pound, and this year it is distributed by them at 8d. per pound, and it is being sold at the Government stall at 6d. per pound. In the one case we brought down the meat 5d. per pound, and in the other case 3d. per pound, or an average of 4d. per pound.

Hon. W. Kingsmill: What do you allow for distribution?

The COLONIAL SECRETARY: We do not take distribution into account, and it is not necessary to do so. If people want cheap meat they know where to go for it. The cost of distribution is a half-penny per pound, and the risk attached to bad debts 1d. per pound. It is safe to say that we have reduced the price of meat 3d. all round.

Hon. V. Hamersley: What about the 120 head of cattle taken off the boat at Wyndham?

The COLONIAL SECRETARY: They were taken off the boat because they were suspected of suffering from pleuro, but they were afterwards found to be quite free of that disease. Mr. McLarty stated that the Government meat stall must have been carried on at a loss when bullocks were selling at £23 per head. They were carried on at a loss at that period and for about four weeks the loss was about £30 per week, but the profit prior to that, and since, has been more than sufficient to cover all possible losses and leave something substantial besides. The retail meat stall was opened at the City Markets last August.

Since then there have been over 126,000 customers, and over half a million pounds of meat has been distributed. Two other shops have since been opened, as I have already mentioned, one at Fremantle and the other at Subiaco, and it is proposed to establish a third at Midland Junction shortly. The number of carcasses dealt with weekly at Perth, Fremantle, and Subiaco is as follows:—Bullocks—Perth, 14 to 17; Fremantle, 8 to 10; Subiaco, 6 to 8. Sheep—Perth, 100 to 150; Fremantle, 50 to 60; and Subiaco, 50.

Hon. M. L. Moss: How many clerks do you employ making out those returns?

The COLONIAL SECRETARY: A good service has been rendered to the public by the establishment of these shops, because we have been able to standardise the price of meat. The price of meat at this Government stall is the same right through the year, except in the case of mutton. A few months ago the price of mutton increased 1d. per pound owing to the price of sheep.

Hon. M. L. Moss: Just fancy a Minister of the Crown worrying himself about the price of sheep!

The COLONIAL SECRETARY: Mr. Moss and others severely criticised the Government for establishing these stalls, and I am here to justify our actions. The hon. member may not like my remarks, but I intend to proceed with them just the same. Mr. McLarty stated we were selling poor meat. It is just the same class of meat as all the others are selling, and if the Government meat is bad the rest of the meat sold in the community is bad; but the public should be pretty fair judges, and when members see from the returns I have read that we have had no less than 126,000 sales during the year, they must come to the conclusion that either the housewives of Perth are poor judges or that Mr. McLarty is a better judge.

Hon. W. Kingsmill: The meat is all the same. You get it from the same people.

The COLONIAL SECRETARY: We have no desire to secure a monopoly in the meat business, and so long as the butcher selling for cash sells at the same price as the Government stalls he will

receive all our sympathy and encouragement. Mr. McLarty referred to the fact that someone lost on a shipment of cattle. This party sent cattle down by the Government boats, and they were sold at a low figure. Well that is one of the fortunes of war, and surely to goodness hon. members do not expect us to spoon feed those people who ship by our State steamers.

Hon. W. Kingsmill: Who are your best customers?

The COLONIAL SECRETARY: I will tell the House who our biggest customers are not. The Government had some difficulty in the early stages in arranging for regular shipments of meat for their own retail stalls, but they have made a contract with the Bovril Company by which they can secure regular supplies of cattle from the North-West. Mr. Moss stated that the only customers of the steamers were the big men. I know of only two large holders in the Kimberley district, namely, Connor, Doherty & Durack and Copley Brothers. Since the establishment of the State Steamship Company we have carried 1,126 head of cattle for Connor, Doherty & Durack, and 45 head for Copley Brothers. We have been bringing down stock for all and sundry without exception, but we have taken every precaution to see that no one has a monopoly. That is only right and just. Why should we exclude any firm or company if we can supply them with accommodation? Mr. Moss said the "Kwinana" was late in starting the cattle season, and that the price of bullocks went up to £23 per head. There is no doubt that the "Kwinana" was late in starting the season, and the delay was regrettable but unavoidable, but what is the deduction to be drawn from the observation of the hon. member? He says that because the "Kwinana" did not start until late in the season the price of cattle went up to £23 per head. The deduction we can draw from that assertion is that, if the "Kwinana" had not started at all, the price of bullocks would still be £23 per head.

Hon. W. Kingsmill: No, there would be other steamers on.

The COLONIAL SECRETARY: There are other steamers on now, and have been

all along, and yet the price of bullocks went up to £23, but when the "Kwinana" came on the scene, late though she regretably was, the price went down to £12 10s. No stronger justification for the establishment of this State Steamship Service can be supplied than that observation by Mr. Moss. With regard to the Commission appointed to inquire into the State steamships management, Mr. Moss said, "They are nearly all civil servants, you cannot expect them to give a fearless judgment." Those were the remarks of the hon. member, and I think they are an awful judgment on gentlemen of repute, honesty and conscientiousness. They could not be trusted to give a fearless judgment! You might as well say that police magistrates could not be trusted to give fearless judgment because they are appointed through the Public Service Commissioner by the Government. Mr. Cullen took the same stand. Did they take this same stand when the Public Works Committee Bill was under consideration? Both Mr. Cullen and Mr. Moss extolled the public servants then. They were men who could be trusted and were uninfluenced by any one in power. But because we appoint men connected with the civil service, Mr. Moss says you cannot trust them to give fearless judgment. Is that fair? To my mind it is not playing the game, even the political game. This inquiry was a purely departmental one. It was not in response to public feeling, nor to stem an agitation. It was instituted with a view to discover the true position. Certain statements were made in the public Press and I wanted to know, and the Government wanted to know if the statements were true or false, and we appointed men in whom we had every confidence. It was not a white-washing inquiry, but an inquiry to discover the true facts of the case. I may tell you the members of the Commission are not wanting in shipping experience. It was stated in the House last week that the Commission had no knowledge of shipping matters. Mr. Simpson before he joined the Government service had six years' experience in the shipping business. Mr. Nicholas is secretary of the West Aus-

tralian Shipping Company, Limited, and he has had a fair amount of experience in connection with shipping. There was considerable difficulty in obtaining un-biassed men who had a knowledge of shipping. The personnel of the Commission had to be held over for nearly a fortnight before we could obtain men who had the necessary qualifications, and who were also not open to prejudices. We could not appoint men connected with those in competition with us. We could not select officials connected with the Adelaide Steamship Company, for instance, or any other company because their appointment would be open to question if placed in such a position of responsibility, although they might discharge their duties conscientiously.

Hon. W. Kingsmill: But you appointed the man who appointed the manager.

The COLONIAL SECRETARY: It was difficult to obtain a Commission which in addition to possessing the necessary ability, possessed also the necessary experience. It was stated by one hon. member that Mr. Alcock, who is a member of the Commission, appointed Mr. Sudholz. He did nothing of the kind. I do not believe Mr. Alcock ever saw Mr. Sudholz until he was appointed. Mr. Sudholz was appointed by Cabinet, and he is not under the Public Service Act. To-day that is the exact position. He was selected by Cabinet. Even if Mr. Alcock did appoint Mr. Sudholz would there be anything objectionable to his taking the position of chairman of the Commission. Mr. Alcock is doing the same thing every day of the year. He appoints civil servants and afterwards there may be matters for investigation about these individuals, and Mr. Alcock is generally selected as chairman of the Commission or of the board of inquiry.

Hon. W. Kingsmill: When do you think they will report?

The COLONIAL SECRETARY: That is a matter that rests entirely with the Commission themselves. Mr. Colebatch stated that Mr. Sudholz was appointed at £380 a year and was afterwards raised to £600 a year. That is not correct. He was appointed at £480 a year as the position was advertised.

Hon. H. P. Colebatch: I only asked for information.

The COLONIAL SECRETARY: He was appointed in accordance with the terms of the advertisement. He was promised, in fact he was guaranteed that if after six months he gave satisfaction his salary would be increased to £600 a year, and it was increased on the 1st January to £600 a year.

Hon. H. P. Colebatch: Was he given a five years' agreement?

The COLONIAL SECRETARY: There was no formal agreement drawn up, but there was a letter of guarantee written to him to that effect. The Government before appointing Mr. Sudholz made a thorough investigation and came to the conclusion that no better man was available in Western Australia at least, for the position whose service could have been secured. Parliament will be given an early opportunity of finding out the true financial position in regard to the State Steamship Service. Under the Trading Concerns Act for which the present Government are responsible, books have been kept in accordance with the provisions of that Act, and I hope that shortly after members reassemble—we propose to adjourn, I may say, for a fortnight—and soon after that a balance sheet duly audited will be laid before members of the House. Mr. Moss was very anxious to know the cost of the fittings of the "Western Australia" erected in London. He stated they were erected in London and pulled down in Western Australia. The total cost involved in the alteration of fittings of the "Western Australia" was £20, but the Agent General, Sir Newton Moore, decided that a great number of the fittings should not be put in in London but in Western Australia where there would be men available who had a knowledge of the requirements of the North-West trade. Consequently a large proportion of the fittings were not put in in London, but in Fremantle after the vessel arrived. The cost of the alterations and additions in London was £8,766, and repairs to electric light installation £100, and the alterations and improvements to the "Western Australia" made in Fremantle amounted to £5,299, or a total of

£14,145. It has not been stated in this House, but it has been stated outside in certain public assemblies that the Government made a very bad bargain; that the "Western Australia" was only fit to be scrapped. That is a very severe reflection on the Agent General in whom this House, at any rate, has great confidence, and who was responsible for the purchase, to say that the "Western Australia" was only fit for the scrap heap. I do not believe anything of the sort myself. I am sure many of those who stated it said it merely for party purposes.

Hon. W. Kingsmill: You do not say it with any air of conviction though.

The COLONIAL SECRETARY: Of course I do not say it with any air of conviction. Mr. Cullen denounced the purchase of the Denmark railway and lands by the previous Government. I was the only one who opposed the purchase when it came forward and I did not get a solitary supporter except the Hon. Mr. McLarty; but the House was strongly in favour of the purchase. Mr. Clarke was of opinion that the dry areas were being spoon-fed. What else could be done under the circumstances. We are not responsible for the condition of affairs which have arisen. In the first place a vast extent of country should not have been settled at all. It is too dry for wheat farming, and the land was sold at too high a price. There are demands being made on every side for reclassification in this dry country, and in my opinion these people have right on their side and there should be a reclassification. Sir Edward Wittenoom's speech caused, in my mind, a large amount of surprise. He is a gentleman who has occupied high and responsible positions in the public life of the country, and his words have a very far-reaching effect. His speech was most dolorous. It was one round of unrelieved lamentation. According to Sir Edward the State is suffering from nine afflictions. 1. An enormous deficit. 2. Money was scarce and interest high. 3. There was a severe commercial depression. 4. The cost of living was high. 5. There was heavy taxation. 6. High municipal rates. 7. The

cost of sewerage connections and extensions. 8, General industrial depression. 9, Bad season. All of which he traced to the Labour party, even the bad season. As I have already shown the deficit is no more enormous than that built up by previous Administrations. Then we come to "money was scarce and interest high." There is scarcity of money all the world over. There is tightness everywhere. Only a few months ago I read that the Bank of England discount rate was 5 per cent., a rate which is higher than it has been since the Crimean war. The credit of Western Australia will compare favourably with that of any of the Eastern States. We were able to float a loan of two million pounds recently under very favourable conditions indeed. It is necessary that I should reply to Sir Edward Wittenoom's remarks, and I propose to furnish all the information I have at my command. With regard to the two million pounds loan which was issued at £98 10s. with interest at 4 per cent., New Zealand had just previously issued a three million pounds loan at 4 per cent at £98. New South Wales also placed three million pounds on the market at £98 at 4 per cent. Therefore, our loan was obtained at a discount of 10s. per cent. to our advantage compared with either New Zealand or New South Wales. Our loan netted £95 8s. 5d. per cent. The average net proceeds of the two Western Australian loans of one million pounds each raised in 1907 and 1908 were £93 11s. 11d. per cent. These loans were issued at £97. Therefore, after allowing for the difference of £1 10s. in the issue price our flotation netted 6s. 6d. per cent. more than those issues, and 10s. 7d. per cent. more than the loan of £1,342,000 in 1910. The cost of our loan will be 8d. per cent. per annum for the life of the loan less than New Zealand will have to pay for its money, but underwriting brokerage and all other charges on our loan were at exactly the same rates as paid by our predecessors, the difference in the net receipts being due to less accrued interest having been paid to the investors than in the case of the earlier loans quoted. A

loan was issued in December, 1912, of one million pounds. The rate of interest was 4 per cent. and the issued price £99. The loan netted £96 9s. 2d. per cent., £650,000 of the two million pounds loan was required to redeem 4 per cent. Treasury bills issued by our predecessors. With regard to the rate of interest the money raised by the one million pounds loan will cost the State £1 3s. 5d. per cent. and the two million pounds loan £1 7s. 4d. per cent. The New Zealand loan will cost £4 5s. 3d. The fact that this State was able to borrow money on the London market on more favourable terms than either New Zealand and New South Wales is apparently most satisfactory to the State. As I said before, money is scarce everywhere. Its scarcity has been intensified in Western Australia owing to the attitude adopted by the private banks. Three years ago these private banks were chasing people to take over-drafts, certainly chasing the farming community, to whom they would give over-drafts almost up to the value of their security. What have they been doing during the last 18 months? They have been calling up their over-drafts; not only here have they been calling them up but in the Eastern States as well. At two stages they have shown extra activity in calling up their over-drafts; one was before the last Legislative Council election and the other stage just before the Federal elections. At these times they were putting the knife into their clients with considerable vigour. Sir Edward Wittenoom says the Federal note issue is largely responsible for this condition of things. He says the amount involved to the private banks through the note issue is £750,000. When we come to consider the number of private banks in Western Australia, we cannot come to the conclusion that a mere matter of £750,000 would create financial paralysis in their midst. Yet that is the excuse given by Sir Edward Wittenoom for the stringency of the money market in Western Australia. He says there is severe commercial depression. I do not know where it is, if it exists. I have heard no one complaining about severe commercial depression. There are no outward

manifestations of it, but just the contrary. Look at the magnificent business places which have lately been erected in Perth. Foy & Gibson's has been extended considerably and then we have Boan Brothers and Millars'—even a business with which Sir Edward Wittenoom is connected—the A.M.P., D. & W. Murray's at the corner of Murray-street and Barrack-street, and on every hand we see indications of commercial activity. Hon. members need not take my word for it. I ask them to accept the word of the president of the Chamber of Manufactures, Mr. W. Padbury, whose speech at the annual dinner of the Chamber on the 5th July last is a complete answer to Sir Edward Wittenoom. In the course of his speech Mr. Padbury said—

The total number of workers employed in factories was 10,754 in 1911, as against 14,894 in 1912, an increase of 4,140, and the approximate capital invested equalled five millions sterling. They were pleased to have the Premier back, knowing what a great interest he took in the manufactures of the State. Much good knowledge he had achieved from his travels in the homeland and the other countries he had visited.

On the subject of the population and possibilities of Western Australia the speaker remarked—

He was pleased to note that the population of Western Australia was slowly but surely growing, and that their land was being settled upon with desirables, specially selected to meet the needs of the State. Room there was for all, mechanics and farm labourers, men with brain, muscle and determination had a good future before them here, and brighter and better were their prospects in Western Australia than in any other land under the sun. Given a fair season, which they were all hoping and praying for, the present year should prove a red letter year in the history of Western Australia.

Then Mr. Padbury dealt with the wool exports and stated—

The quantity of wool, greasy and scoured, exported from the State for the ten months ending 30th April, 1913, was 67,238 bales, representing a cash

value of £705,671, and in 1911 they shipped wool to the value of £925,450, and in 1912, £1,035,666, an increase in 1912 over 1911 of £110,216, which must be considered very satisfactory, considering the partial drought they experienced in the pastoral districts.

Speaking of immigration the president of the Chamber of Manufactures said—

Such evidence of the Government's sincerity was manifested by the s.s. "Belgie" which arrived safely last Thursday with 1,441 of the finest type of immigrant ever landed in this State; and the country was enriched thereby.

Mr. Padbury went on to give the Government credit for what they had done in connection with the dairying industry and concluded by saying—

If their manufacturers were doing well, then the State as a whole would benefit. He found in looking into statistics under the trade done by the State that they were given credit for having for 1912 exported goods to the value of £8,941,008, or a value per head of the mean population of £29 13s. 4d.

Those are the words, not of a member of the Labour party but an opponent of the Labour party, although a man who is prepared to give credit where credit is due; and I think everybody will be prepared to accept Mr. Padbury as a fairly competent judge of whether there is, or is not, commercial depression in this State. Sir Edward Wittenoom alluded to the high cost of living but did not bring forward a solitary suggestion as to how that could be remedied. The high cost of living in Western Australia is owing largely to high rents, a condition of affairs probably mainly due to the continually increasing population. The Government have taken steps to reduce the cost of living in that direction. One of the first Bills we introduced after accepting office was a Bill to establish homes for workers; as a result of the operation of that measure something like £250,000 has been approved of for the erection of workers' dwellings, and already £160,000 has been expended. So that the Government, not only in con-

nection with the establishment of the meat stalls, but also by the provision of homes for the workers, have done all they possibly could to reduce the cost of living. Sir Edward Wittenoom complained of heavy taxes. The present Government have imposed no new taxation so far as I can call to mind. We did attempt to introduce a Land Tax Bill but it was thrown out last session, so I fail to see why the hon. gentleman should endeavour to saddle the blame on the present Government. The hon. member said there were high municipal rates. Surely he cannot lay that at the door of the Government. Sir Edward Wittenoom also stated that there was great industrial unrest in the community. That is the first I have heard about it. I do not think there is any industrial unrest in the community. There has been a keen desire to approach the Arbitration Court for the settlement of disputes; that, however, is not an indication of industrial trouble, but rather the manifestation of a desire for peace. There has not been a strike for goodness knows how long. Yet Sir Edward Wittenoom publishes to the world that there is great industrial unrest in Western Australia. In the bankruptcy statistics an unusually large number of farmers figure, but their failure can certainly not be attributed to the present Government. The position is much the same as when the previous Government were in power. In 1911 there were 75 bankruptcies, and in 1912 83. Of those, 12 were business people in 1911 and 13 were business people in 1912. There were 12 farmers in 1911 and 15 farmers in 1912, or 18 per cent. There has been, at any rate, no alarming increase in bankruptcies.

Hon. H. P. Colebatch: The bulk of them are in private meetings, of which you have no record.

The COLONIAL SECRETARY: Sir Edward Wittenoom also complained because I did not reply after the speech of the Hon. M. L. Moss. Hon. members know it has never been the custom in this House for the leader to reply at that stage, and if I had I would not have been able to reply to other hon. members

who have since spoken. Those others are quite as much entitled to a reply as Mr. Moss, or even Sir Edward Wittenoom. Mr. Moss referred to the decrease in excess of deposits over withdrawals in the Government Savings Bank. He said that the Federal Savings Bank was to be blamed. During the recent Federal elections it was contended that the Fisher Ministry were to blame; they were condemned from one end of the State to the other by the Liberal party; but now that the Cook Government are in power Mr. Moss says the Cook Government can do nothing. It has only just been discovered that the Governor of the bank has all the power, although the Act under which he was appointed has been in operation for months past. The Liberal party were going to abolish the Federal Savings Bank; they proclaimed it from 100 platforms, but, as a matter of fact, the only portion of their programme that the Federal Liberal party have brought into existence is the abolition of the kangaroo postage stamp. With reference to the powellising contract, the Hon. H. P. Colebatch wants certain information; he is entitled to get it and he will receive it from every point of view, although, so far as I am concerned, I am sorry the matter is not in the hands of the Minister responsible, as he could do far more justice to it than I can. Still, I will do my best in the matter. Why was the agreement not published? For the same reason as the agreement made by the Moore Government with the Powellising Company was not published. There was a distinct understanding between the Moore Government and the company that that agreement should be kept a strict secret, and a similar arrangement was made with the present Administration; the reason was that the company came to the conclusion that the Government of this State had specially low terms, and they did not want the details of the contract to get into circulation. In both instances there was a distinct understanding for secrecy and the reason for the secrecy was as I have described.

Sitting suspended from 6.15 to 7.30 p.m.

The COLONIAL SECRETARY : When the House adjourned for tea I had just explained that the reason why this agreement was not published was the same as the reason why the agreement with the Moore Government was not published some five years ago, namely, that the company did not wish that the specially low terms offered should get abroad. Now the agreement with the railways provided for the royalty of 6d. per 100 superficial feet. One of the conditions of that agreement was that the Railway Department had to erect a costly plant capable of treating $11\frac{1}{2}$ millions superficial feet of timber every year. That was provided for in the agreement with the Railway Department, which was signed by the Moore Government. At that time powellising had not been proved and consequently the Powellising Company had to offer particularly good terms to the Government, and they fixed the royalty at 6d. per 100 superficial feet. Since then the powellising has been proved, at any rate to the full satisfaction of the Government, and therefore the company occupies a much stronger position to-day than it occupied when the Railways agreement was fixed up. Now I said the Government got a specially low quote, and I think I can prove that this is so. Ninepence per 100 superficial feet is provided for under the existing agreement. The Commonwealth, by arrangement with the company is paying 1s. 3d. per 100 superficial feet; the New Zealand Government also have a contract with this company and are paying 2s. per 100 superficial feet. In New South Wales and Victoria several private companies and firms have agreements with the same Powellising Company, and they also pay a royalty of 2s. per 100 superficial feet. Mr. Colebatch asked, could we treat 10 million superficial feet a year. It is a very important question, and my reply is, yes, and considerably more if the contract with the Commonwealth Government is beyond question. There are 150 miles of railway construction annually, on the average. That is a very low estimate indeed. The construction

at the present time is at the rate of 250 miles a year, but we can put down the figure at an annual average of at least 150 miles. Then there is the maintenance of existing railways and the repairs to jetties, and consequently the Government requirement is at least 12 million superficial feet per annum. Then again the Minister for Works is receiving letters from firms, companies and individuals throughout the State asking for the supply of powellised timber. Then there is a big export trade possible, for we have inquiries from different parts of the world; and we could supply, within a fair space of time, no less than one million sleepers to the New South Wales Government. Therefore, to be on the safe side, we fixed the quantity at 10 million superficial feet per annum. If the Commonwealth Government take no sleepers at all we shall be able to treat at least 12 million superficial feet every year.

Hon. H. P. Colebatch : Is it then, the policy of the Government to substitute powellised karri entirely for jarrah ?

The COLONIAL SECRETARY : The Government are satisfied that for the purpose of sleepers, powellised karri is superior to jarrah. Tests have been made extending over five years, and as a result of these tests it has been proved that the powellised karri is superior to jarrah for sleepers.

Hon. H. P. Colebatch : How do they compare in price ?

The COLONIAL SECRETARY : I have not the figures available in connection with that matter. The hon. member did not touch on that question; but they compared so favourably in price that the Government are convinced that powellised karri is the best timber that can be used for railway construction in Western Australia. The matter has been fully investigated, with the Government prejudiced in the first instance, but subsequently fully convinced by their expert officers that for the purpose of sleepers, at any rate, powellised karri is superior: for this reason, that after a few years the dogs in the jarrah sleepers become loose and fresh holes have to be bored

That is not the case with the karri, for the longer the karri is down the firmer do the dogs become.

Hon. W. Kingsmill: Well, you have made a very important statement.

The COLONIAL SECRETARY: Under the agreement made by the Moore-Wilson Government that Government agreed to treat 11¼ million superficial feet per annum. We have only agreed to treat 10 million; and as I said before, when the Moore-Wilson Government made that agreement, powellising had not been proved to be successful. Our position is that our agreement provides for 1¼ million superficial feet of timber per annum less than was provided by the agreement made by the Moore-Wilson Government. We have been asked why we accepted the tender for one million sleepers from the Powellising Company. It was for the reason that the tender was very much below the market price, and the Government saw that there was no possibility of anyone else being able to supply a million sleepers on the same terms as those offered by the Powellising Company; in fact, the terms were so low that the tenderers have not gone on with the supply. They were supposed to commence cutting in July, 1912, but they have not commenced cutting yet, much to the regret of the Government.

Hon. H. P. Colebatch: Can you not compel them to do so?

The COLONIAL SECRETARY: We are considering that aspect of the case now.

Hon. W. Kingsmill: Where were they going to cut?

The COLONIAL SECRETARY: They had the right to cut on 15,000 acres granted by the Government. The object in making that grant was to get the royalty down to 9d. We are in a better position than the Commonwealth Government by 6d.; better than New Zealand by 1s. 3d., and we are 1s. 3d. better than the company's clients in New South Wales and Victoria. The 15,000 acres have not been applied for yet, and we are waiting for the company to come along; but it is very evident from their action that we have got the better of them.

Hon. R. D. McKenzie: Is there any penalty for not going on with the contract?

The COLONIAL SECRETARY: We propose to adopt every possible precaution; but perhaps it is better that I should not comment on that matter at the present stage. The point has been taken that the contract goes on for five years after the termination of the patent rights. The Commonwealth contract is made up to 1924, whereas ours is to 1923. Possibly hon. members will reply, "Too long. Why did you make an agreement extending over five years after the expiry of the patent?" But I do not admit that this is the position. Did we make such an agreement? No. The contract can be terminated at three months' notice at any time after the expiration of the patent rights.

Hon. H. P. Colebatch: That is not in the agreement.

The COLONIAL SECRETARY: But it is so, nevertheless.

Hon. W. Kingsmill: Then the copy of the agreement is incorrect.

The COLONIAL SECRETARY: I have not seen the copy. Why has the Merredin-Coolgardie broad-gauge railway not been commenced? Let me explain. Last session it was represented to us by the Railway Department that if this line were not constructed, the Railway Department or the Government would have to put in costly loops. As the result of that advice we brought down the Bill. But upon further investigation we discovered that if they had extra rolling stock there would be no necessity at all for the immediate construction of this particular broad-gauge railway.

Hon. H. P. Colebatch: That was pointed out by a number of members at the time.

Hon. W. Kingsmill: Yes, it was made clear during the debate.

The COLONIAL SECRETARY: However, there was very little time just then to inquire into it. Subsequently in making investigations we found that additional engines and rolling stock would fill the bill, and so we ordered them, and

things have been going on satisfactorily since.

Hon. W. Kingsmill: During the construction of the Coolgardie Water Scheme that line carried a heavier traffic than it is required to carry now.

The COLONIAL SECRETARY: My friend, Mr. Patrick, in denouncing the deficit, made no allowance for the land rent owing to the Government, but adopted a most unique process of reasoning. He said the Treasurer's estimate of revenue was correct, that the Treasurer had anticipated that there would be a large amount of land rents postponed, and that because he had so anticipated, he should not be permitted to place deferred land rents as a set-off against the deficit. It is the funniest logic I have ever struck. The Treasurer's chief crime, according to Mr. Patrick, was an anticipated one. If he had anticipated incorrectly, then, according to the hon. gentleman's reasoning, he would have been allowed for the land rents, he could have claimed credit for them. Mr. Patrick also said that the Government assisted farmers with seed wheat, and then lodged *caveats* against the leases. He was shocked at the action of the Government. He was of opinion that the Minister should take no security at all. Well, I suppose he meant that the Minister for Lands and Agriculture should hand out wheat to Tom, Dick, and Harry, and secure the Government in no way whatever. That certainly may be philanthropy but it is not business, and I am surprised at a gentleman of Mr. Patrick's well-known business experience giving currency to such thoughts. The hon. member said the effect of lodging *caveats* had been to injure the settlers' credit with the Agricultural Bank. He brought forward not a tittle of evidence in justification of that assertion. It is unfounded, unwarranted and absolutely incorrect. On no occasion has the Agricultural Bank refused a loan on the ground that there was a *caveat* lodged against the holding, or a bill of sale over the property by the Agricultural Department. The fact that a selector had obtained seed wheat and fertilisers from the Agricultural Department and that in

consequence a *caveat* had been lodged against the lease weighed not in the slightest with the Agricultural Bank. He said that bills of sale had been registered for £20 and £30. That would be absolutely impossible under the Bills of Sale Act: no bill which is under £30 can be registered. Mr. Lynn stated that the June surplus was considerably helped by the Government annexing the accumulated Fremantle harbour improvement rate, and they were not entitled to be credited with that sum. This rate was imposed for the purpose of creating an amount to meet interest and sinking fund in connection with the Fremantle dock. A sum of £200,000 was spent on that dock, and it proved a failure, and there was nothing left for the Government to do but to lift the money. The amount was £34,000. The Government have to pay interest and sinking fund on £200,000, and those who succeed the present Administration will have to continue to pay that interest and sinking fund for 50 years. The amount payable in this connection is something like £9,000 a year. The present Government have already paid £15,000 of that sum, and under the circumstances when it had been proved that the dock was a failure, what else could it be expected that the Government would do but lift the £34,000 and pay it into revenue, especially in view of the fact that they had contributed £15,000 in interest and sinking fund.

Hon. R. D. McKenzie: That was collected for harbour improvements. The dock was not a harbour improvement.

The COLONIAL SECRETARY: It was for the purpose of meeting interest and sinking fund on the dock. We had to abolish that rate, and we introduced another rate in a different form. The rate became illegal once the dock proved a failure. The Hon. Mr. Piesse stated that the construction of railways is not being carried on as quickly now as it was under the previous Government. That is not a fact, and it is a great pity that members of this House do not investigate as to the truth or accuracy of their statements before uttering them. As a matter of fact, the railway construction in 1910-11 was 232 miles, and in 1911-12 256 miles were

constructed. The difference of 24 miles is not very much, but anyhow it is sufficient to disprove the statement of Mr. Piesse that the construction of railways has not been carried on as expeditiously as under the former Administration.

Hon. V. Hamersley: Do those figures include railways constructed by contract as well as by the department?

The COLONIAL SECRETARY: They include everything, the whole of the railway construction. The Hon. Mr. Gawler raised a point in connection with the Licensing Act, and a similar point was raised by Mr. Colebatch, I think. In the Irwin district there was a vote against any increase of licenses. There was also a vote against State management, but the contention of the Crown Law Department is that outside a radius of 15 miles from an existing license the local option poll cannot operate. It only operates within the 15 miles radius, and does not go beyond that boundary. I have the opinion of Mr. Sayer. I thought otherwise last session, and the Premier also thought otherwise. I first directed his attention to the fact that it seemed the Government had no right, according to Part IV. of the Act, to establish a State hotel unless there was a vote in favour of an increase of licenses in the Irwin district, and also a vote in favour of State management.

Hon. H. P. Colebatch: Did not the Crown Law authorities advise in that way last session?

The COLONIAL SECRETARY: No, not last session. There was some doubt about it. In reply to my letter, the Solicitor General writes—

The answer to the question "Do you vote that all new publicans' general licenses in the district shall be held by the State?" is clearly only effective when Resolution B (Increase) is carried. When "Increase" is negatived the question of State management of new hotels does not arise. But the local option resolutions, except resolution D (No License), which is not to be submitted to electors until after 1920, are not operative in any locality in which no licensed house is situated within a radius of 15 miles. In such a locality

licensed premises may, in the discretion of the Licensing Court, be granted, notwithstanding a "no license" resolution is carried and in force in the district generally. Any person, therefore, may apply for, and, in the discretion of the court, obtain, a license for premises in such a locality, and the license in respect of the hotel at Wongan Hills was, therefore, lawfully grafted under the power conferred upon the court by the proviso to Subsection (1) of Section 45.

The Hon. R. D. McKenzie endeavoured to show failure on the part of the Labour party to successfully administer the finances of the country. He went back to ancient history and that compels me to do likewise. He said that the Labour party in 1904-5 went to the bad to the tune of £129,885. This is an old fable, and it can easily be torn to pieces; it does not rest on a foundation of fact. The Labour Government of 1904-5 did not go to the bad to the tune of £129,885. There was a surplus on the 30th June, 1904, it is true, of £83,000, but in August, when the Labour Government took office, that surplus had been reduced to £13,000. The deficit to the end of June was £46,000; consequently the Daglish Government's deficit for the whole year was only £59,000.

Hon. R. D. McKenzie: When did they go out of office?

The COLONIAL SECRETARY: In August.

Hon. R. D. McKenzie: What was the deficiency then?

The COLONIAL SECRETARY: Certainly it was not what the hon. gentleman stated. In 1905-6 the deficit of the State stood at £119,000. When the Rason Government was in power in 1906-7 it was £208,000, and in 1907-8, £211,000, still going up in a more rapid proportion than when the Daglish Government were in power, and all this with increased taxation which the previous Government did not enjoy.

Hon. R. D. McKenzie: What about the amount received from the Commonwealth during that period?

The COLONIAL SECRETARY: The hon. member also expressed the opinion

that large businesses should be controlled by men of business experience. I am sick and tired of hearing this trotted out in this House, on the public platform, and elsewhere. It is quite sufficient to provoke retaliation. I do not propose to indulge in anything personal, but if I wished to be personal I could hit very hard under the circumstances. I can recall the whole of the Premier's and Ministers from the time Western Australia was granted responsible Government, and how many men of business experience and business training have occupied either the posts of Premier or Minister? I think hon. members can count them on the fingers of one hand. Yet we hear hon. members in this House stating what are required for the Administration of this country are men with business experience.

Hon. R. D. McKenzie: I did not say business experience; I said experience.

The COLONIAL SECRETARY: What we require, in my opinion, are men with an abundance of common sense and men of integrity. The expert officers of the department are sufficiently capable, I think, to carry out any policy the Government decide upon.

Hon. W. Kingsmill: Who decide upon, the expert officers?

The COLONIAL SECRETARY: The hon. Mr. Patrick stated that the June surplus does not show the exact financial position as there was a heavy deficit in July and he went on further and made a sort of suggestion that the finances had been faked. That is the conclusion I drew from the hon. gentleman's observations. The hon. member never made any such suggestion on previous occasions, and this is not the first time there has been a very heavy deficit in July after a fat surplus in June.

Hon. W. Kingsmill: It nearly always happens.

The COLONIAL SECRETARY: I will give some particulars in regard to the financial operations in former years. In June, 1907, there was a surplus of £33,358, and in July the deficit was £47,758. After that there is nothing but a deficit in July. In 1909 there was a

surplus of £73,313 in June, and a deficit of £56,944 in July. In 1910 there was a surplus of £131,778 in June, and then came a big deficit in July of £40,924. In 1911 the surplus in June was £61,164, and was followed up by a deficit of £59,397 in July. That has been the state of affairs from time immemorial, and the reason is that June covers really more than a month. In other words, the books usually close on the 25th of the month, but when June comes they are kept open until the 12th July, and all the revenue available is collected.

Hon. H. P. Colebatch: Till the 10th, is it not?

The COLONIAL SECRETARY: No, the 12th. That is the reason why there is generally a deficit during the month of July.

Hon. W. Kingsmill: That is a bad day.

The COLONIAL SECRETARY: From the remarks of the hon. Mr. Patrick one might conclude that the members of the Government had put their heads together in order to produce a gigantic surplus in the month of June, and that they had been bowled out when the 31st July came. Then the hon. member referred to the workers' homes and said the Government had not carried out their principle of leasehold. He wanted to know whether they had carried that principle into operation. The hon. gentleman is not here, but I will give some figures for his information. The number of applications received during the past twelve months to the end of last week, totalled 1,099 for £385,824; approvals numbered 677 for £242,165, approved applications in progress totalled 224 for £81,770. With regard to applications under Part III, the total number received was 150, and the number approved 65, for a total of £30,620. The total approvals under Part IV, represent £242,165, and the total under Part III, £30,620. In every important centre in Western Australia we have secured land, and we are throwing it open for the building of workers' homes on the leasehold principle. We are doing this at Fremantle, Cottesloe Beach, Subiaco, Victoria Park, Midland Junction, Ger-

aldton, Northam, Merredin, Beverley, Narrogin, Wagin, Albany, and Meckering, and in, I think, the majority of cases, blocks have already been selected under the leasehold principle and the buildings are in course of construction.

Hon. R. D. McKenzie: Why not on the goldfields?

The COLONIAL SECRETARY: On the goldfields I believe the principle is also in operation. In reply to a question asked yesterday I gave some information.

Hon. R. D. McKenzie: Yes, £300.

The COLONIAL SECRETARY: I understand there are few applications from the goldfields because there is little demand for dwellings there.

Hon. R. D. McKenzie: Little chance of getting it.

The COLONIAL SECRETARY: The hon. Mr. Sommers stated that the men employed on the Wongan Hills-Mullewa railway are working miles from their base. The reply is that on this and other railways men are employed miles from a base. On this railway and on other railways as the earthworks proceed, men are employed always ahead of other works; and provisions and supplies have to be carried by our teams as required. Carting has always to be done from the point to which the engine is able to haul on to the extreme end of the line where the men engaged in earthworks are employed. I am giving departmental information in connection with the point raised by the hon. member. Water and other requisites have to be carted. In some cases on this line, owing to the dry weather, water had to be carted some little distance. This has been unavoidable. It is a difficulty which is met with more or less in the construction of every railway line. Material and rails are transported from the Midland railway on the backs of camels. For the Mullewa section, the bridge and culvert timber and other material have been transported across from the Midland railway in wagons drawn by camels, instead of taking it down the line from Mullewa and then carting it from the end of the permanent way to the earthworks. No rails have been taken across by camel as suggested by Mr. Sommers.

Hon. V. Hamersley: There are hundreds of miles of earthworks there and no engine. Sleepers and rails are lying idle.

The COLONIAL SECRETARY: When speaking on the Esperance railway Mr. Colebatch was responsible for the promulgation of what looked like a new political doctrine and he crystallised it in the one cogent word "concentration." In reality it seemed to me that it was an old enemy in a new guise. I fancy we have seen it before. Concentration to my mind is synonymous for centralisation.

Hon. H. P. Colebatch: From Geraldton to Albany?

The COLONIAL SECRETARY: What is needed to make the State prosper in my opinion is not concentration but expansion. We do not want to restrict our efforts in the creation of wealth to certain already favoured localities, but we want the widespread development of our industries without regard to narrow parochial considerations and with one great aim in view, the benefit of the State as a whole. If concentration means the coddling of those who get in early at the expense of those who have not got in yet, but who are waiting to get in, it will receive my strongest opposition, whether I am a Minister or a private member. We are bringing immigrants here from England; we brought over 7,000 last year, and we are bringing them here on the distinct representation that we want to fill our vacant spaces. Do we want to put them into glorified concentration camps? I do not think so. I hope not. If the House sympathises with Mr. Colebatch's policy with reference to the Esperance railway it should declare its intentions forthwith. It should go further and state that it is unable to give attention or do justice to the outlying portions of the State, and it should ask the Federal Government to take over portions of our territory. I do not propose to-night to discuss the Esperance railway. A Bill will be introduced at an early stage for the construction of that line, and I hope it will receive the deep and earnest consideration of members.

When the time comes I will endeavour to show that the building of that line is not only justifiable, but in the best interests of Western Australia, I again thank hon. members for the fairness which has characterised their criticism. I appreciate the manner in which they have discussed the Address-in-reply without displaying, as far as I have been able to see, the slightest party bias. I hope that that good feeling will continue to the end of the session, and that though we may differ on many questions, nothing will occur to disturb the good feeling which has existed between us all.

Question put and passed; the Address adopted.

ADJOURNMENT—SPECIAL.

The COLONIAL SECRETARY (Hon. J. M. Drew) moved—

That the House at its rising adjourn until Tuesday 26th August.

Question passed.

House adjourned at 8.5 p.m.

Legislative Assembly,

Thursday, 7th August, 1913.

	PAOR
Questions: Railway workman's train, Boulder ..	416
Railway construction, Bolgart extension ..	416
Address-in-reply, seventh day, conclusion.	415

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

QUESTION—RAILWAY WORKMAN'S TRAIN, BOULDER.

Mr. MUNSIE asked the Minister for Railways: 1, Has he received an estimate of the cost of running a workman's train to Boulder Block? 2, By whom was the estimate prepared? 3, What was the amount of the estimate?

The MINISTER FOR RAILWAYS replied: 1, Yes. 2, The Commissioner of Railways. 3, To run a passenger service from Kalgoorlie to the mines would necessitate the laying down of an additional line and making alterations to certain of the mine sidings, which is estimated to cost £4,079. It is estimated that six trains per day would be required; this would mean an approximate expenditure of £50 per week, exclusive of interest on cost of alterations first mentioned. If 200 persons travelled daily (which is a most liberal estimate), at an average fare of 1s. 6d. per week, the revenue would be £15 per week.

QUESTION—RAILWAY CONSTRUCTION, BOLGART EXTENSION.

Mr. MOORE asked the Minister for Works: 1, Does he intend to continue the Bolgart Railway so as to bring the Ducklin mining settlers within reach of railway conveniences? 2, Does he realise that this settlement, and a large one at that, is more than 18 miles from any railway? 3, The surveyors being now on the spot, does he intend to order the continuance of the survey?

The MINISTER FOR WORKS replied: 1, 2, and 3, Further extension of the Bolgart line will be considered when the present authorised extension is under construction.

ADDRESS-IN-REPLY.

Seventh Day—Conclusion.

Debate resumed from the previous day.

Mr. E. B. JOHNSTON (Williams-Narrogin): One cannot but regret the tone the hon. members for Sussex (Hon. Frank Wilson), and Northam (Hon. J. Mitchell) attempted to impart to this debate in their remarks, and I think one can congratulate the other 48 members of this House on having refused to follow on similar lines. For my part, I appreciate the action of those members of the Opposition who said they did not endorse the innuendoes and insinuations which the members for Northam and