

who agreed to enter into the Federal compact had been told at the time we joined that within nine years the Federal Government would so construe the Constitution Act as to say that the Federal Government could take all the revenue from customs and excise, the idea would have been ridiculed. At the time we entered Federation the whole financial position was taken on trust. Personally, I always like to deal with people with whom I enter into an agreement on hard business lines, in black and white, and then one knows where one is. The understanding should have been put down more clearly, and if it had been we would not be in our present financial position. Mention is made in the Speech of the question of agricultural railways. Although it seems to be almost impossible to open up country unless we have those railways, the question to be decided now is whether or not, considering the existing state of affairs, it is wise to go very much further, and whether it would not be better to wait awhile and see how the agricultural industry develops. It will be said that the industry cannot progress without railways, but it seems to me we have to study the finances and see before we go any further how we shall come out. A business man always looks to see how his business will pan out in the end and where he is likely to be landed. Reference has been made to the sinking fund, and it has been suggested that we should not continue to pay that. I disagree with that absolutely. It is a matter for us to boast of that we in this State have a sinking fund in connection with our loans, whereas it does not exist in the other States.

Hon. C. A. Piessé: On a point of order. I was the only member who referred to the sinking fund, but I did not say that the fund should no longer be contributed to.

The PRESIDENT: That is not a point of order, it is an explanation.

Hon. C. A. Piessé: The hon. member created the impression that I repudiated the sinking fund principle. I did not do that, but was only saying what a tax it was on the people, and making sug-

gestions as to what course the Government might see fit to adopt.

Hon. E. M. CLARKE: I am sorry if I have in any way reflected on any member. I sometimes get warm on a question like this, and especially as I, a business man, feel that this sinking fund is one thing upon which we can really congratulate ourselves. It is a capital scheme that the sinking fund should be established, but at the same time if the Government think it advisable to pay only a portion of it, well and good. We must remember, however, that when the money was borrowed it was obtained under certain conditions, one being, so far as I understand, that there should be a sinking fund of so much, which in a given time would liquidate the debt. I do not desire to reflect on any member, and perhaps I was wrong in referring to the question. However, if there has been any misunderstanding I am sorry for it. I always like to transact business in such a way that there cannot be a dispute. I again say that the Government are to be congratulated for placing the financial position of the State so clearly before the House, and for giving us the keynote that things are not so good as they would like them to be.

Hon. T. H. WILDING (East): Being one of those settlers on the land, and having heard the remarks of members, I can inform them that this has not been a good year in connection with agriculture. Unfortunately our yield of hay will not perhaps be quite so good as it was last year, perhaps not more than two-thirds will be reaped, but I think the wheat yield will be equal to that of last season. All our crops last year were well grown, but owing to the frosts we found on going to reap that the results were not so good as we had hoped. This year, although the crops are not so well grown, they are well headed and full of wheat. When the machines go over the ground I am sure we will find we have much better crops than many anticipate. This year has been an exceptionally bad one for us in the Eastern districts for feed: there is no doubt that some of us will have to feed our stock this season.

It is satisfactory to know, however, that this very seldom happens. Lately I travelled through the South-Western districts as far as Pinjarra, and on looking at the land I was rejoiced to see that in that part of the State splendid feed can be produced, even when we in the Eastern districts have a bad year. The possibilities of the South-Western district are very great indeed, as anyone who visits the country must realise. When the timber is off the ground and grass which has either been planted or is natural comes up, magnificent feed is provided, and there is no doubt about the great future for the district. I desire to congratulate the Government for having endeavoured to find deposits of manure, and to congratulate the country upon the fact that those efforts have been successful. I understand that the deposits are very good indeed and that the fertiliser is equal to the guano. If that is so and the supply is in large quantities, the results will be magnificent. Those of us who are on the land fully realise what a cheap fertiliser means in the production of cereals and in connection with the pastoral industry. Being on the land and having used fertilisers in connection with the growth of grasses as well as of cereals, I know what the land will produce when so treated. If we can get a cheap fertiliser all our sand plains will be turned into wheat fields. With the assistance of fertilisers in the past we have obtained eight or ten bushels from the sand plains, and with a fertiliser at 30s. a ton equal in quality to guano, revolutions in cereal growing in the Eastern districts will follow. No doubt the Government will convey the fertilisers to the various centres as cheaply as possible, for they must realise that every ton of fertiliser they take into the cereal districts will mean that three, five, six, or eight tons of wheat will subsequently be returned over the railways. That being so, it would be a good policy on the part of the Government to carry the phosphates at a purely nominal charge. Reference has been made to the Agricultural Bank. We all know what the bank has done in the past in connection with the development of agricul-

ture, and I do not think there is anything in the world to fear so long as the money is loaned judiciously and proper inspection exists. All in our district thoroughly realise what the bank has done for us. I hope that in the future the Government will be able to advance even more than they are doing now. No man in a cereal district should have less than 640 acres of land, and I personally favour one thousand acres. If the Government continue to lend money, as I hope they will do, they should lend it under certain conditions, so that a man would be forced to expend the money properly and in such a way that the best possible results would be obtained. I have had some experience in connection with the manner in which bank funds are spent. It is clear that some selectors do not know much about farming, or how to spend their money in a way to produce the best results, as in many cases improvements have been put on the land which are really of no use whatever. In one instance where I was asked to go and pass work done by selectors, I found that they had made in a creek, dams of such a kind that they would be washed away at the first flood, and that they had erected fences in a most costly manner and in anything but the best way for the proper cutting up of the property. If we are going to continue to lend the money there should be proper inspection, and selectors should be informed how money should be laid out, and there should be lines put down on which they must work; the land should as it were be farmed out for them. If the selector has say 600 acres the inspector should see that it is properly fenced, that 200 acres are put under crop, 200 in fallow and 200 used for grazing purposes. I am sure that if the money is lent on such principles as these the results will be most satisfactory. If this is done, should the land at any time revert to the Government, then they will have a property well worth the money expended on it. I am pleased to see that the Government intend to continue the policy of building agricultural railways, because people were induced to go on the land believing that these railways would be constructed. If the lines are not ex-

tended to the localities where these settlers are working hard to establish their places the properties cannot possibly be made successful. The settlers must have means for getting their produce to market, and this cannot be done without the iron horse. I feel sure that the Government will continue this policy, and if there is a stoppage the result will be that settlers will be driven off the land. This would be most undesirable. I hope that in the future the subsidies to roads boards will not be withdrawn, and more especially to those boards in the new districts where it is so necessary to build roads as feeders to the railways. In the past, instead of taxing the land it would have been much better to withdraw the subsidies to roads boards and municipalities, and if such had been done the Government would have saved a sum equal to that which they are now raising by the tax. If the people in the various centres had been given an opportunity of taxing themselves the money raised in such localities would have been spent there, and I am sorry the Government did not withdraw the subsidies and give this opportunity to the people. Now, however, we have the tax, and I hope, seeing such is the case, the subsidies will not be withdrawn from the roads boards. We are likely to become a large exporting State within a few years, for we shall produce a tremendous quantity of wheat, and, I am sure, a great number of lambs. It is necessary, however, that proper shipping facilities at the ports should be provided. The Government are endeavouring to do what they can, and I hope they will receive the encouragement they deserve. We want to do all we possibly can to bring about a large export trade, for if we export the large quantities of wheat and lambs which I know we can and will produce in the agricultural districts, we shall get in return gold which will enable us to further develop the industry. Recently one of our Northam farmers paid a visit to Victoria. About 15 years ago he came here from the Winnemera district and had not been back since. On his return to this State after the visit he told me much about the altered condition of affairs there. When he left the land was worth

20s. or 25s. per acre, there were no decent homes, no decent fences, and no decent conditions generally, but when he returned he could hardly realise the altered conditions which met him: there were smiling homesteads, there was prosperity all round, and the fencing and everything else was all one could desire. He asked how the altered conditions had come about, and the reply was "freezing works and creameries." He added that the difference was due more especially to the former. He was told that lambs which had previously been worth from 3s. to 5s. were now, owing to the freezing works, worth from 12s. to 15s., and that the land which was previously worth 25s. per acre was now valued at £8, £10 or £12 per acre. If freezing works and creameries have brought about such splendid conditions in that country surely we should not be afraid to endeavour to establish them here. We should do all we can to bring this about, and I hope that in the near future we shall have freezing works established in the best centres. I do not suggest that we should go ahead too quickly, but let us establish one or two and allow the business to gradually work itself up.

On motion by *Hon. E. McLarty* debate adjourned.

House adjourned at 6.21 p.m.

Legislative Assembly,

Tuesday, 17th November, 1908.

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

PAPERS PRESENTED.

By the Premier: 1. Harbour and Light Department—Annual Report for 1907-