

**BILL—ELECTORAL DISTRICTS.***Order Discharged.*

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

The PREMIER (Hon. Frank Wilson—Sussex) [11.46]: I move—

*That the Order of the Day be discharged.*

Question put and passed; the order discharged.

*House adjourned at 11.47 p.m.*

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## Legislative Council,

*Thursday, 8th February, 1917.*

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Prior to the running of the trains the Department agreed with the Committee to allow them £5 for expenses. The Commissioner was advised some six months later that the total expenses were £35, and offered if it were shown that the allowance of £5 was not reasonable, to deal fairly with the committee in the matter. Since then nothing further has been heard, and no response to the offer.

**LEAVE OF ABSENCE.**

On motion by Hon. C. SOMMERS, leave of absence for six consecutive sittings granted to the Hon. A. G. Jenkins (Metropolitan) on the ground of ill-health.

**BILL—EARLY CLOSING ACT AMENDMENT.**

Introduced by the Colonial Secretary and read a first time.

**BILL—AGRICULTURAL LANDS PURCHASE ACT AMENDMENT.***Second Reading.*

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [4.35] in moving the second reading said: This is a short Bill which has become necessary on account of different circumstances which have arisen in regard to land settlement. The original Agricultural Lands Purchase Act of 1896 set out that the reason for its enactment was that it was desirable to encourage the cultivation of lands near the railways, and to settle people on such land. That has been the general purpose of the Agricultural Lands Purchase Act. The 1909 Act provides that land, when thrown open for selection, shall be dealt with under the provisions and conditions of Sections 55 or 56 of the Land Act of 1898. These sections deal, in the first instance, with conditional purchase land with residence, and in the second instance with conditional purchase leases without residence. They go on to state that the selling price of these repurchased estates shall be ascertained by adding to the price actually paid in cash or debentures for the land £5 per centum of such

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

**QUESTION—RAILWAY DEPARTMENT AND ALBANY FARMERS' DAY.**

Hon. C. MCKENZIE asked the Colonial Secretary: 1, What was the total revenue received by the Railway Department in connection with the Albany Farmers' Day last year? 2, What was the actual profit? 3, Is the Minister aware that the printing of tickets, advertising, etc., cost the local associations and Albany people £30, and that only £5 was allowed by the department to defray all expenses?

The COLONIAL SECRETARY replied: 1, £268 15s. 9d. 2, It is impossible to say, but as two trains were run there, very little profit, if any, could have been made. 3,

price and the cost of all improvements made upon it, and of survey and subdivision, and the total arrived at shall be the least aggregate price to be paid by the selector of such land. In regard to the land repurchased some years ago, no difficulty was experienced in disposing of them on these terms. The lands purchased more recently, at the time when the agricultural lands of the State were in high demand, and big prices were being given, are not so easy of disposal at the present time under the conditions laid down in the Act as it exists to-day. It has been found that these provisions act harshly towards individuals, and against the best interests of successful land settlement. Subclause 1 of Clause 2 of the Bill now before the House applies to land thrown open before the commencement of this Act and held under conditional purchase lease for a term commencing on and after the 1st day of January, 1909. That is to say, the Bill does not apply to any land taken up prior to the 1st January, 1909, or to any of the repurchased estates that were purchased before 1909. I have here a return giving the names of the properties which have been purchased under the Lands Purchase Act, the amount paid for each property, and the total, as well as a return taken from the annual report of the Under Secretary for Lands, which was laid on the Table of the House, giving the data upon which each of these properties was thrown open for selection. From this return it will be seen that Oakabella, Narra Tarra, Jingalup, Avondale, Bowes, Jelcobine, and Yandanooka, are the only repurchased estates that will come under the provisions of this Bill. The repurchased estates that were taken up before that time, and which have been satisfactorily disposed of will not be affected in any way by this legislation.

Hon. Sir E. H. Wittenoom: All the others were bought at a reasonable price.

The COLONIAL SECRETARY: Yes, before the great demand for land settlement set in, and some were bought just before this big demand for land. Little difficulty would have been experienced in disposing of them at even a greatly advanced price.

Hon. J. M. Drew: Does the Bowes estate come in?

The COLONIAL SECRETARY: Yes. Only those repurchased estates that I have read out will come under the provisions of the Bill. All of these were bought after the big rise in land values, with the result that it is not possible at the present time, though it might have been possible immediately after the estates were purchased, to satisfactorily settle them under the set terms of the Lands Purchase Act. With regard to the Avondale estate, the prices range from 96s. to 138s.; the Yandanooka ranges from 13s. to 102s.; the Bowes estate from 11s. to 80s.; the Oakabella estate from 3s. 9d. to 80s.; and the Narra Tarra from 9s. 6d. to 95s. These prices had, in certain cases, been found to be too high, and to constitute a weight and a burden too great for the selector to bear. It is not intended that the Bill should apply to all cases, but if it passes into law all these cases will be judged on their merits, and where cases of undoubted hardship have arisen effort will be made to relieve the position. It may be argued that the minimum price of 3s. 9d. set out in the Bill is too low. This provision is made because it is the same minimum as now obtaining in the amended Land Act of last year, and it is considered quite safe to say that so far as these repurchased lands are concerned they vary in quality as do our Crown lands. There is on these repurchased lands first class land, second class land, and third class land. The intention is to apply as nearly as can be applied to the settler upon the repurchased estates similar terms to those that it is intended should be applied under the Act we passed last year to the settler on Crown land.

Hon. C. F. Baxter: It is the only chance he has of making good.

The COLONIAL SECRETARY: I think it is. Several representations have been made from settlers on these lands and through members of Parliament as well, and I think that the Bill will be readily accepted. I do not think that any good purpose would be served by my reading through the returns which I have mentioned. There is no hurry to proceed with the debate for a day or two, and if it is desired this information can lie on the Table of the House,

so that hon. members can avail themselves of it in a more convenient form than if they were obliged to search through the official reports to obtain it. I move—

*That the Bill be now read a second time.*

Hon. J. M. DREW (Central) [4.43]: I intend to support the second reading of the Bill, and congratulate the Government upon its introduction. Last session their predecessors introduced a measure giving relief to selectors who have purchased land from the Crown since 1909. This, of course, is a more radical move. It means a reduction in the price of land which the Crown had to buy. The State may sacrifice a large amount of money through the operations of this Bill, but if it loses directly I am certain that it will gain indirectly to an incalculable extent. In the land boom these properties were purchased at high figures by the different Governments which were in power from time to time, the object being, of course, to encourage the settlement of the land. We all had exaggerated ideas as to the value of our wheat-growing lands at that time, but I trust that we have profited by the experience gained as the result of the operations of the Agricultural Lands Purchase Act. In my opinion the value of agricultural land is limited. It is governed by four considerations, firstly the quality of the soil, secondly the suitability of the rainfall, thirdly the distance from a railway, and fourthly the cost of transit to the nearest port. Town blocks increase immensely in value at times, due, of course, to the surrounding prosperity, but it is not so with agricultural land. Agricultural land can be sold and yet it may be found unprofitable for wheat growing. That is the position with much of the land which has been acquired in recent years under the Lands Purchase Act in Western Australia, and I am certain that unless a measure of this character, containing the principles which appear in the Bill is passed, much of that land which has been taken up since 1909 will be abandoned, and the land which has not already been sold will remain in the hands of the Government. Owing to the high price paid for various estates in recent years—and I am not blaming any particular Government—some of the purchasers

have had to find rent to the extent of £200 a year or more. It is impossible for them to carry on under those conditions; they cannot do it. The Scaddan Government purchased an estate at a very high figure.

Hon. C. F. Baxter: To which estate are you referring?

Hon. J. M. DREW: Yandanooka. The Bowes estate was also purchased at a high figure, and so were Narra Tarra and Avondale. I know very many of the selectors in my district on these repurchased estates, and I can say from my own experience that fully 90 per cent. would make good if they were given the relief which the Bill proposes to grant them. They do not ask for a reduction of the price. They approached me and other members of Parliament and pointed out that they did not want a reduction of the price, but if the Government would grant them, say, five years' exemption from the payment of rent, and extend the terms, they would be prepared to go on, because they had so much confidence in the land and in themselves. I am satisfied, after giving the matter a great deal of consideration, that they would be only postponing their difficulties and that they would never win through but for the Bill before the House, which will assist them to succeed. I have much pleasure in supporting the second reading.

Hon. E. M. CLARKE (South-West) [4.50]: I have much pleasure in supporting the measure. Many of the estates were purchased at a low figure. The first, I think, was Coondle estate, and at the time that property was acquired what was in the minds of the Lands Purchase Board was that it would be sold in accordance with the spirit and intention of the Lands Purchase Act. I think it was to be sold at a price that would cover the cost of survey with 10 per cent. added. The first block which was sold from it contained very poor land, but the price was put up to such a ridiculous extent that it was found necessary afterwards to reduce it. The same thing occurred in connection with the Grass Valley estate, and then to give an extreme case, I might mention the Stirling Estate in the South-West. This estate comprised 10,000 acres, and it was purchased at £1 per acre. Some

40 miles of roads were surveyed through the estate, and after that was done some of the land was disposed of at £10 per acre. Of course the price of much of that land had to be reduced. I say emphatically the prices asked for the various repurchased lands are ridiculous, considering what they were acquired for. That kind of thing has retarded settlement more than anything else, and I am perfectly sure when the Lands Purchase Board were inspecting those areas they never thought for one moment that the Government would place such a ridiculously high value on them. In one instance in regard to an estate close to York—I cannot remember the name of it for the moment—various blocks were put up to auction contrary to the provisions of the Act. On this estate there were little homesteads with a few posts and improvements that were of no value, and yet the prices were run up to as much as £13 an acre. It was then found that the Government had no power to sell the property by auction. All these things should have been seen to long ago. Obviously those people who took up and paid for areas from the repurchased estates some time ago will feel jealous at the more recent purchasers getting reductions which were denied to them. The spirit and intention of the Act was that large estates should be repurchased and cut up and sold in such a way that people would be able to make a living out of them.

Hon. Sir E. H. WITTENOOM (North) [4.54]: In supporting the second reading of the Bill I cannot but express regret that there should be the necessity for reducing the price of these lands. I happened to be one of those who had some experience of the repurchase of estates, because I was a member of the Government in 1896 when several estates were taken over. One of these was referred to by the previous speaker. The object in acquiring these properties was that we might take over unimproved estates, and also purchase estates from people who themselves were unable to improve them. The object, of course, was to prevent them from remaining unimproved for years, and the Act empowered the Government to spend money to acquire them in the public interest, but we find that, instead of taking over es-

tates which were unimproved, and acquiring properties from people who, through impecuniosity were unable to do anything with them, nearly all the estates mentioned by the leader of the House belonged to men of means, estates which should never have been taken over. How was that arranged? Those men rushed in and took up as much good land as they could under special occupation leases. There were special conditions to be observed, and these had to be carried out before the fee simple could be obtained, but those people evaded the conditions, and the Government, instead of enforcing those conditions, stepped in and bought the properties at high figures. I will give two instances of purchases by two Governments. Take the case of the Liberal Government which secured an estate from Mr. Butcher, a wealthy man. This was an improved estate in the hands of a man who was capable of developing it to the highest degree. Yet we actually find that the Government paid him £5 an acre for it. It was never the intention of the Act that purchases of that kind should be made. Then let us take the action of another Government which acquired the Yandanooka estate, a property which was owned by three of the richest men in Western Australia. In that case, too, the Government, instead of compelling those people to develop it as they should have done stepped in and acquired it. It might be consistently said that as I was in the House at that time, why did I not object to the purchase? It was because the Government stated, and I think Mr. Drew will bear me out, that the Yandanooka estate was to be taken over as there was such a big demand for it to be cut up for the people in that part of the State. It is splendid land, we all know, yet we find that hardly an acre has been cut up and that it is still in the hands of the Government. I am not blaming anyone now, but I am issuing this as a warning for the future, and if money is to be spent on the repurchasing of estates, let the intention of the Act be properly carried out, and let the repurchased properties be those which either are unimproved and can be compulsorily taken over, or else are lands belonging to impecunious people.

Hon. J. W. Kirwan: Are you sure that land will not go up in price again?

Hon. Sir E. H. WITTENOOM: I do not think it will. The tremendous taxes will not help to increase the value, and neither will the present cost of labour. All these matters are against the man who is on the land, and are affecting him considerably. Under the existing conditions those who are on the land are doing as well as can be expected, and for the reasons which I have stated, I do not see how the value of land is going to increase for some time to come. I very much question whether land can be sold at all at the present time. Let hon. members inquire at the Agricultural Bank, where there is plenty available for purchase. I have not spoken in any hostile way, but having been associated with the Lands Purchase Act a long time ago, and knowing the intentions when it was introduced, I could not help making these few remarks.

Hon. A. SANDERSON (Metropolitan-Suburban) [4.58]: I hope the leader of the House, when he replies, will inform members how far we are to discuss these questions seriously. Here are half a dozen Bills of prime importance in ordinary circumstances, and yet we know what is going on outside this Chamber.

The Colonial Secretary: I am not asking you to carry the second reading to-day; you are welcome to adjourn the debate.

Hon. A. SANDERSON: Are we to take these matters seriously; are we to conduct the business of the House seriously and discuss this Bill as it ought to be discussed?

The Colonial Secretary: That must depend on individual members.

Hon. A. SANDERSON: It should depend on what is going on elsewhere. We had a good illustration yesterday when hon. members were prepared to discuss the Treasury Bonds Deficiency Bill, but which they found was placed at the bottom of the Notice Paper—removed to the lowest place, and now here is before us a Bill demanding the fullest consideration.

Hon. C. F. Baxter: Is it not getting it?

Hon. A. SANDERSON: How can it get it? How can we give consideration to these matters when we know what is going on elsewhere?

Hon. C. F. Baxter: We are not concerned with what is going on elsewhere.

Hon. A. SANDERSON: Mark that, Sir! It is a most interesting constitutional dictum. I want the leader of the House, when replying, to tell us how far we are to treat seriously these questions, when we know what is going on elsewhere. Hon. members are entitled to a definite statement.

Hon. H. CARSON (Central) [5.2]: The Bill will affect the repurchased estates in the Victoria district more particularly than the others. When I represented Geraldton in another place I was largely instrumental in inducing the Government to repurchase those properties, believing that it was in the interests, not only of Geraldton, but of the State at large that those areas should be more closely settled. Those three estates comprise 107,000 acres, all of which is within 30 miles of Geraldton. I was very glad when the Government complied with my request. It may be that the prices paid were high, yet the owners of those properties regarded it as merely a fair return on their capital outlay. Personally, I think the prices were far too high for profitable wheat growing. Not only was 5 per cent. added to the cost, but there was a charge for survey fees, and in addition the settlers had to pay for roads and reserves. The total area taken out of those three estates for roads and reserves aggregates 7,000 acres, which the selectors have had to pay for. Also in many cases the improvements, for which the settler was charged, were not convenient to him. The introduction of the Bill shows that the Government realise the necessity for giving relief. The late Government promised it in a certain direction, but what the settlers desired was a five years' exemption. I hope the Government will not only grant the exemption, but will make liberal reductions in the prices also. When in Committee, I intend to move a new clause giving exemption similar to that in the Land Act Amendment Bill of last session. The State will not lose by these concessions, for the settlement of these estates will constitute a very fine asset. Originally there were on the three estates in the Victoria district only three families; at present there are nearly 200 families. It has been pointed out that the estates purchased prior to 1909 were satisfactorily settled without loss. The

reason why difficulty has occurred in respect of estates more recently purchased is that just after the settlers got on their holdings they were faced with two or three years of little or no return. I myself during those two years lost close on £1,000 through farming operations, which serves to suggest the sufferings of many who possibly could not afford any loss at all. My proposed new clause, if carried, will put heart into those men. The prescribed reduction will not give them any very material help, for it is unlikely that the Government will be prepared to agree to any concession sufficiently large to affect that purpose. The clause I propose to move reads as follows—

In respect of any land held under this Act, the Minister may defer payment of rent for any period up to five years and may extend the term of lease accordingly.

At a recent deputation to the Minister for Lands we were told that the exemption would be of no material benefit to the selectors, that a reduction in price would suit them better. Here is a minute addressed by the Under Secretary to the Minister for Lands—

It appears also on going into the matter more fully that there is no necessity for disturbing existing conditions or prices in the larger number of the estates and that really the trouble is confined to the Bowes and Oakabella estates, and perhaps Narra Tarra, though the Bowes is the only one where the arrears of payment run into four figures. (Denmark is not a repurchased estate within the meaning of the Act.) Therefore, I think it would be better to give up the idea of a general revision of prices or extension of terms of leases and bring in a Bill providing for the reduction of prices below the minimum fixed by the Principal Act in any particular estate where it is necessary. The estates as a whole show a considerable margin of profit, over £30,000.

Let me just give a few figures supplied by the Under Secretary in regard to the proposed exemption. He gives an illustration of an area of 1,495 acres, the purchase money being £2,911 12s. The total purchase money and interest for 20 years would be

£4,555 and for 30 years £5,514. The half-yearly instalments for 20 years would be £113 17s. 5d., and for 30 years £91 18s. The same block, with exemption from payments for the first five years, would mean that the total purchase money, including simple interest for the first five years would be £3,639 10s., repayable in 50 half-yearly instalments of £125 3s. 9d. The same block, with the holding reduced 5s. per acre, would have a capital value of £2,911 12s., less the 5s. per acre, or £376, the amended capital value being £2,535 12s. The total amount repayable, if paid in 20 years would be £3,942, and if paid in 30 years £4,800. According to these figures it would be of very considerable benefit to the selector if he had exemption for the first five years and also a reduction in price. I have pleasure in supporting the second reading.

On motion by Hon. V. Hamersley debate adjourned.

## BILL—FOOTWEAR REGULATION.

### *Second Reading.*

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [5.11] in moving the second reading said: Before touching upon the Bill I would like to assure Mr. Sanderson that I have no knowledge of anything that is going on anywhere else. I think hon. members came to the House this afternoon prepared to transact business, and I trust they will apply themselves to it seriously. The Bill, a short and simple measure, is introduced with the object of making uniform throughout the several States legislation dealing with the subject of material used in the manufacture of footwear. I am not prepared to say that there is any special urgency for the Bill, except that it is required by the Commonwealth in connection with the administration of the Commerce Act. In effect Clause 4 is the whole Bill, the others being merely machinery clauses. In 1910 the Commonwealth authorities discovered that importations of footwear purporting to be solid leather contained imitation leather and cardboard. The Commonwealth, by regulations issued under the Commerce Act, prohibited the practice, and asked the individual States

to co-operate by legislation interdicting the manufacture of such goods within the respective States. Inquiries made went to show that in respect of Western Australia only heavy boots are manufactured here, and in the manufacture of these it is not possible to use inferior materials. The Premiers' Conference held in 1912, again in 1914, and again in 1916, affirmed the desirability of uniform legislation in this regard. The Chief Inspector of Factories instituted inquiries in this State and these showed that whilst local manufacturers endorsed the desirability of uniform legislation, there was only one factory engaged in the manufacture of boots in which anything but leather was used. The Bill, which will bring us into line with the rest of Australia, provides that a statement of the material composing the soles shall be stamped on them. I move—

*That the Bill be now read a second time.*

Hon. A. SANDERSON (Metropolitan-Suburban) [5.14]: The remarks of the leader of the House in reply to what I said a few minutes ago were distinctly interesting. I would be the last to wish to take the conduct of affairs out of the hands of the Minister, but I think any member is entitled to make a suggestion which, of course, it is for the leader of the House to accept or reject. Whenever there has been a question between the leader of the House and hon. members I have supported the Minister, realising that he is entitled to conduct business in his own way and that it must be something pretty serious—although it has been done within my short Parliamentary life—to warrant taking it out of his hands. At the same time, it is obviously quite impossible we can give that attention and time to these Bills which they deserve, unless we give some recognition to what is going on outside this Chamber. Therefore, I can only reiterate my astonishment and regret that the leader of the House has seen fit to ignore what is known to some of us, at any rate. We are not conversant with the high mysteries of State, but we are endowed with a certain amount of common sense. I am aware some members might regard this Bill as unimportant. I regard it as one of the very highest importance from the point of

view of a matter which I have very much at heart, namely, the unification of Australia. Could anything be more ridiculous than that we should have in Australia seven Acts of Parliament dealing with the soleing of shoes? The Hon. J. W. Kirwan will be able to say more on that subject than I can. I had wished to deal exhaustively with one Bill which I regard as of the greatest importance, namely, the Treasury Bonds Deficiency Bill. I have prepared lengthy notes, and it takes a considerable time for a private member, unless one is fortunate enough to have a staff, to get together the necessary official information, figures, and statements. And I am free to confess I have not got all the information I require regarding the Treasury Bonds Deficiency Bill. I thought, from the order of business on the Notice Paper supplied to us the other day, that this Bill would come on first, and naturally I devoted my time and attention to the preparation of notes on that Bill.

The Colonial Secretary: It will come on next.

Hon. A. SANDERSON: It will come on next! And I have to exhaust myself and the House on the Footwear Regulation Bill at a time when, as a matter of fact, we know that it will not be of the slightest use, when, in newspaper parlance, which will be as readily understood by the Minister as it is by myself, "important events are transpiring elsewhere," and have as a matter of fact already transpired. It is not satisfactory to me, and I think not satisfactory to hon. members, because I shall be compelled with the greatest reluctance to transgress again at some length, unless the leader of the House signifies that he is prepared to allow the debate to be adjourned.

The Colonial Secretary: Adjourn it by all means; I have no objection.

Hon. A. SANDERSON: I suggest it is impossible for us to give these Bills that full discussion which they demand unless we treat them with seriousness, and how can we treat them seriously when we know it is a toss up, they may not come on at all. We had in the newspaper this morning a list of Bills to be dropped. Members may think there is little in this Footwear Regulation Bill, but I can assure them it is most ger-

main to the subject of unification. If hon. members understood what this Footwear Regulation Bill means, and I would endeavour to explain it if I had the time and opportunity, they would say, "This tomfoolery must stop; we are not going to have six Acts of Parliament in Australia dealing with shoe leather." I shall leave it to Mr. Kirwan to elaborate that. He is better versed in the subject and will be able to give chapter and verse. My hon. friend has had the honour of occupying a seat in the Federal House and he will be able to state the position off-hand at least more accurately than I can. He will be able to give those references which I wish to give, but which I shall be prevented from giving because of the way the business is being conducted, and he will be able to assist me.

The Colonial Secretary: I must rise to a point of order. I take exception to the hon. member's remark that he is prevented from giving expression to his views. It is competent for the hon. member to move the adjournment, or to speak on the Bill. I take the strongest exception to his remarks.

Hon. A. SANDERSON: Let me withdraw that remark insofar as it may apply to my friend the leader of the House. I was speaking on the point that I desired Mr. Kirwan to assist me in placing clearly before members what is meant by this Footwear Regulation Bill. If members of Parliament, and the public generally, clearly understood the principles involved in this Footwear Regulation Bill, they would say, "We shall not have any more of this tomfoolery."

Hon. C. Sommers: Why not give us the information, then?

Hon. A. SANDERSON: That is exactly what I am trying to do. I am making a bald statement but I do not expect the hon. member to accept that.

Hon. W. Kingsmill: Not bald, but bare-foot.

Hon. A. SANDERSON: I have made the statement and I ask the hon. member if he is prepared to accept my view as the position of affairs.

Hon. C. Sommers: I accept it.

Hon. A. SANDERSON: The hon. member says he is prepared to accept the view

that if members of Parliament realised the importance of this Bill they would say "We will not have six Acts of Parliament to deal with shoe leather." If Mr. Kirwan is not in a position off-hand to support my statement. I will now give a promise that if this debate is adjourned I will furnish members with information which will establish the accuracy of the statement I have just made.

On motion by Hon. R. J. Lynn, debate adjourned.

## BILL—TREASURY BONDS DEFICIENCY.

### *Second Reading.*

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [5.25]: Before moving the second reading of this Bill I should like to explain to Mr. Sanderson that although I know nothing officially as to what is proceeding elsewhere, I have been told unofficially that notice has been given of a certain motion to be moved on some future date. It is customary, while motions of this character are being discussed in another place, that this House does not sit. But hon. members assembled here for the purpose of transacting business, and while it is not my intention to ask them to take any vote, it appealed to me that our best course was to continue with our sitting, and for me to place before hon. members those measures which I have to move, and thus give members a longer time for their consideration. If any inconvenience is caused, or any extra work is forced upon anybody as a result, it is upon myself. So far as the Treasury Bonds Deficiency Bill is concerned, it is important, and I propose to place the facts before members, and if they have a longer time for the consideration of the measure, I think they should thank me for not wasting their time this afternoon. I am sorry the hon. member should have taken exception to my action in placing this Bill lower on the Notice Paper yesterday. If members will turn to yesterday's Notice Paper, they will observe that I had no fewer than seven second readings to move, and although I have a considerable capacity for work, I need not be ashamed to confess that I had not time to complete the

whole of the notes on the seven Bills; and the one I had not time to complete was the Treasury Bonds Deficiency. Therefore, I placed it on the bottom of the list. As members are aware, the accumulated deficiency on Consolidated Revenue has reached huge proportions, so huge that it is regarded as impossible to remove it during the currency of any one or several financial years by any of the ordinary methods, such as increased revenue by means of taxation, or by reducing expenditure. The revenue and expenditure which, according to the last financial year, amounted to 5½ millions, cannot be adjusted in one year, or even in five years. It is impossible to overtake a debit balance of a million and a half in five years, even though that debit balance is the result of five years' excess expenditure. The Treasury Bonds Deficiency Bill provides for the funding of the present deficit and its liquidation in 30 years, and for funding on similar lines in any current year if there be a deficit, so that there will be no repetition of deficits being allowed to accumulate year after year.

Hon. J. J. Holmes: They are a benefit.

The COLONIAL SECRETARY: I do not think so. If the hon. member studies this Bill carefully I think he will agree with my view, that it is not a benefit. The clauses of this Bill practically prohibit the Treasurer from accumulating deficits without the authority of Parliament. When there is a deficit on Consolidated Revenue, the Treasurer advances money to meet the deficit out of the public accounts.

Hon. A. Sanderson: Does that mean out of loan?

The COLONIAL SECRETARY: The public accounts. Exactly what that means I will explain later. The result is that the deficit is made up by money intended for other purposes, and those other purposes have to starve as a consequence. The object of this Bill is that when a deficit occurs the fact shall be brought under the notice of Parliament so that Parliament shall say what shall be done. It will be observed from the schedule that in order to arrive at what is termed the total deficiency debt of Consolidated Revenue Fund at the 30th June, 1916, the total amount of deficiency shown by the Treasury accounts of £1,361,965 has been increased by £93,071 14s. 7d., bringing the

actual deficiency now to be dealt with in Part 1 of the Bill to £1,454,037 0s. 2d. The Bill provides for the issue of bonds up to £1,500,000, the difference between this and the amount previously stated being necessary to cover the expense and discount, in connection with the issue of bonds or stock. The additional items which make up the sum of £93,071 14s. 7d. do not represent any excess of expenditure over revenue since the 30th June, 1916. They consist of obligations incurred prior to the 30th June, 1916, moneys actually paid prior to the 30th June, 1916, and which should have been, but were not, brought to account and shown as expenditure on or before the 30th June, 1916. One large item in the amount is in regard to cattle purchased. The money had been paid for the cattle and the cattle had been sold, and the resulting proceeds were credited to revenue, but the amount actually paid for the cattle had not been debited to expenditure. Part 1 of the Bill provides for the liquidation of the accumulated deficit upon the 30th June, 1916, namely, £1,454,000. The procedure to be adopted, as laid down in the Bill is the following:— The amount of the deficiency will, on the Bill becoming law, be transferred from the Consolidated Revenue Fund to the debit of an account opened by the Treasurer, to be called a deficiency account. It is quite realised that this will not wipe out the deficit any more than Mr. Micawber's I.O.U.'s discharged his private debts. The general question as to how this deficit is to be met and future deficits avoided is one that very properly exercises the minds of people at the present juncture. It seems to me that, just as a doctor who wishes to intelligently treat the ailments of his patient tries in the first instance to discover the original cause of the complaint, so too, there may be some profit, if not only the Government and members of Parliament, but the public generally, apply themselves diligently to discover what is the reason for the present deficit and the probable increase in the immediate future, and why it is that it will be found so difficult to get rid of it. In this connection, I would refer hon. members to a statement recently published, or prepared, by the Public Service Commis-

sioner, Mr. Jull, and I believe circulated amongst all members of Parliament. I adopt this statement as a basis for the contentions I put forward for two reasons. In the first place that statement has been reduced to tabular form, it has been circulated amongst hon. members, and is consequently readily available to them: in the second place, it contrasts two years separated by a period of over ten years, and therefore has no particular party aspect. First of all, I would like to refer to one element of the situation which has not been touched on by Mr. Jull, and that is an element which I am sure will be particularly interesting to Mr. Sanderson. In the first of the years to which the report of the Public Service Commissioner makes reference, namely, 1905-6, the revenue returned by the Commonwealth to this State was £872,992, whereas the estimated revenue from this source for the current year is only £595,963. Thus, whilst the contributions of the public to the Commonwealth revenue have materially increased, and the population of the State has grown, as Mr. Jull's figures show, by 28 per cent., there has been a reduction of no less than £277,029 in the revenue returned by the Commonwealth to the State, and that reduction is one of the very material causes of the present unfortunate financial position of the State. Members will realise that there is indeed an enormous reduction. If we went back a few years further, we would find that the reduction was still greater. I have taken these figures because they can be made to hang together with those which have been prepared by the Public Service Commissioner. Turning to Mr. Jull's statement, it will be seen that in a large number of cases there has been a decrease in the State expenditure, notwithstanding the increase in population, and that in other cases the increase in administrative expenditure has been lower than the percentage increase in population. These tables, if considered along with the contentions put forward by the Public Service Commissioner, point to the conclusion, from which I think no just-minded man can escape, that it is altogether futile and unjust to place upon the public service of Western Australia any large proportion of the blame for the pre-

sent deficit, or to suggest that this deficit can be wiped out by economy in regard to that public service. That economy is desirable, is possible, and is necessary I candidly admit, but I think it is also necessary to remember that very many of the public servants have gone without increments that they were entitled to expect, notwithstanding the very large expenditure, that a great many of them have given to the State services that would have been more generously recognised had they been in private employment, and that large bodies of the public servants have remained at the same salaries which they drew some years ago, notwithstanding the fact that wages in all other walks of life have gone up considerably, each general increase in wages being inevitably accompanied by a corresponding increase in the cost of living. I am not saying this for the purpose of suggesting that there is no need for economy. There is great need for economy, and there are great possibilities of economy, but I do think that the public sometimes lose sight of these larger facts and attribute to the public servants offences of which they are not guilty. I know it is suggested that it is a pampered service. There may be members of that service who do not do their duty or carry out their work, but I think that anyone who impartially studies the figures of the Public Service Commissioner must come to the conclusion that it is not in that way entirely, or even chiefly, that our deficiency has arisen.

Hon. J. W. Kirwan: Was Mr. Jull instructed to prepare that statement?

The COLONIAL SECRETARY: No. So far as I know he prepared it entirely off his own bat, and I believe did it in his capacity of Public Service Commissioner under the impression that he was entitled to protect the civil servants against any false impressions which might have been created in the mind of the public.

Hon. W. Kingsmill: He is not always ready to protect the civil servants.

The COLONIAL SECRETARY: He had no instructions to prepare it, but I believe his motive was that he considered he was under some sort of obligation to protect the civil servants against misapprehensions

in the mind of the public. If members will turn to the tables compiled by Mr. Jull they will find that as against an increase of 28 per cent. in population there has been an increase of 115 per cent. in the interest and sinking fund charges, and if they add that increase to the decreased revenue paid by the Commonwealth to the State they will have the whole position in a nutshell. Hon. members need not smile. In these two things we have practically the entire explanation for the unhappy state of the finances of Western Australia at the present time. It is a contention I have put forward month in and month out and year in and year out. This increased interest and sinking fund obligation would not be a serious matter if all the money borrowed had been expended on undertakings, which, in addition to providing working expenses, had also provided their interest and sinking fund charges. It is because they have not done so that we are in difficulties. In the year 1910-11 the receipts from those earning propositions, in which, for the most part, our loan money has been expended, were as follows, the particulars being taken from the *Monthly Statistical Abstract*, which is available to all hon. members—Railways £1,858,914, Water Supply and Sewerage £156,599, Harbours £133,692, Other £119,042, or a total of £2,268,207. The expenditure under the same headings for the same period amounted to £1,411,721, leaving a balance towards the payment of interest and sinking fund of £856,486. The interest and sinking fund bill for the year 1910-11, five years ago, was £1,046,236, so that after applying the surplus revenue from the undertakings I have mentioned to the liquidation of this liability, the taxpayer had to find the very modest sum of £189,750 towards the interest and sinking fund debt. For the year 1915-16 the revenue from these same State undertakings was—Railways £2,217,250, Water Supply and Sewerage £414,580, Harbours £136,798, Other £769,122, or a total of £3,537,750. The expenditure under the same headings for that period totalled £2,640,552, leaving a balance of £897,198, or an increase of less than £40,000 over the balance of the five years before. In the meantime the interest and sinking fund bill had gone up to £1,664,137, so that, after applying to this purpose the

surplus revenue from these undertakings the taxpayer had to find an additional £766,939. Here alone we have gone to the bad as compared with five years ago to the extent of £577,189 per annum, and if hon. members will add to that the decreased revenue from the Commonwealth, to which I have already referred, of upwards of a quarter of a million, I do not think they can fail to have a sound conception of the exact causes of our present financial position, the difficulty which must be experienced in applying a remedy, and in ascertaining exactly the cause of our position, which is undoubtedly the only proper and wise first step to take if we are seeking for a remedy.

Hon. J. J. Holmes: It will take something more than a no-confidence motion to straighten it out.

The COLONIAL SECRETARY: I do not know about that. There are two other features of the return issued by Mr. Jull. Firstly, the return shows that, as against an increase in population of 28 per cent., there has been an increase of 118 per cent. in the Education vote. These figures are completely accurate, but standing alone they are liable to prove very misleading. The expenditure of the Education Department depends not on the number of the people in the State, but on the number of children receiving tuition. Ten years ago our population was more largely composed of adult males than is the case at the present time. We had then enrolled in the primary schools 27,978 children, and at the end of last year we had an enrolment of 45,725, showing an increase of some 66 per cent. In addition to this, the State in the meantime had embarked upon educational projects outside of primary education, and in 1905 the number of pupils in other than primary schools was only 865, whereas at the end of last year it was 6,988, an increase of over 700 per cent. The following figures will put the position more clearly. In 1905 we had in the primary schools 27,978 children, and in 1916 we had 45,725. In the evening classes in 1905 we had 344 pupils, and in 1916 2,612. In the secondary schools in 1905 we had no students at all, but in 1916 we had 493. In the technical schools we had 460 scholars in 1905, and in 1916 we had 3,759. At the Training College in

1905 we had 61 students, and in 1916 we had 124. These figures represent a total increase over the 28,843 pupils in 1905 of roughly 24,000, the total for 1916 being 52,713, which shows that the Public Service Commissioner's figures, whilst they are correct, need to be understood lest they should prove to be misleading. I do not think it is the desire of hon. members, or of the public, that an attempt should be made to adjust the deficit by cutting down educational facilities. I would direct hon. members' attention particularly to the splendid growth in the number of students of technical education, and would inform them that so far as the current year is concerned this number will be greatly increased if the Government are able to find the money and provide the necessary accommodation and teaching facilities. The fact that young people are eagerly seeking advanced education through our secondary schools, our continuation classes, and our technical schools more particularly, is to my mind one of the most encouraging signs of the times; and I think this should be encouraged. I feel, too, that it is in accordance with public sentiment that the Government should encourage advanced education within reasonable limits of expenditure. There is only one other point in Mr. Jull's interesting and valuable return to which I intend to refer; and that is the increase of 108 per cent. in the Medical, Lunacy, Charities, and Health Departments. Here again we have to consider the scattered nature of our population; and, whilst I believe that many economies can be effected in those departments without impairing their efficiency, I do not think it is the wish of the public that charitable relief should be withheld in deserving cases, or that the health of the public generally, or facilities for medical attention in outlying portions of the State, should be regarded from the point of view of saving a few hundred pounds here or there. I consider that our metropolitan hospitals should be more nearly self-supporting than they are. They should be regarded as institutions in which the indigent can obtain treatment free of cost but where other people ought to pay. I have directed the attention of hon. members to these matters largely in the hope of showing that this State as a business concern is

vastly over-capitalised. That, I take it, is absolutely the position; and, whilst in the removal of the deficit it will be the duty of the Government to introduce administrative economy and to impose such taxation as can be imposed without embarrassing our industries, I do not see how the position can be materially improved except by a large increase in population and in wealth production. There is no other remedy within my knowledge for a business so over-capitalised as ours at the present time. There is no question that a public debt of £110 per capita for every man, woman, and child in the State is too grievous a burden for any community to bear; and, since we cannot get rid of the debt—nobody would dare to suggest repudiation, or even refraining from the payment of interest—we must get more people and spread the indebtedness over more heads.

Hon. J. W. Kirwan: But why unnecessarily increase expenditure?

The COLONIAL SECRETARY: The Bill provides for the borrowing of a sum not exceeding £1,500,000 by the issue of Treasury bonds or inscribed stock, and the money as received is to be applied in reduction of the deficit. The power to borrow this money must be exercised within the next three years. The Treasurer has, therefore, to act promptly, and not procrastinate. As the bonds or stock are issued, the money thus obtained has to be placed to the credit of the deficiency account. As soon, therefore, as the bonds and stock are issued, the funds received from their sale will be available for the purposes of the funds from which the sum represented by the accumulated deficit has been improperly taken. As I said before, the deficit represents money which has been taken out of the public account, and that money found its way into the public account for specific purposes. The using of it in settlement of the deficit, therefore, means that it is taken away from those specific purposes for which Parliament approved of its being obtained. With money at the present price, it will, of course, not be wise to think of issuing inscribed stock. Accordingly, the first issues will probably consist of Treasury bonds bearing a short currency. As these bonds

mature, they will be redeemed, or replaced by fresh bonds or inscribed stock of longer currency, according to the state of the money market. Provision is made for a sinking fund for the repayment of the Treasury bonds and inscribed stock issued from time to time, so that the full sum borrowed shall be repaid with interest in 30 years. The half-yearly interest and sinking fund payments will form a charge on the Consolidated Revenue. It is estimated that they will represent an average charge of £100,000 per annum for 30 years. This £100,000 will, of course, be required to get rid of the present accumulated deficit, and is altogether apart from the difficulty which presents itself of bringing current expenditure within the limits of current revenue. Further, the annual payment of £100,000 will, of course, have to be obtained by fresh taxation. Should money become cheaper, the average interest and sinking fund charges combined will be less than £100,000 per annum. Consequently, the State may not have to bear that burden for the whole period of 30 years. If a precedent were needed for the funding of a deficit in the Consolidated Revenue Fund, we have one in New South Wales. In 1890 the New South Wales Parliament authorised the issue of £1,907,100 worth of Treasury bills to repay an ascertained accumulated deficiency in Consolidated Revenue, and again further sums in 1891, 1895, and 1902; making altogether 4½ millions borrowed for the purpose named.

Hon. A. Sanderson: New South Wales is a curious example to follow.

The COLONIAL SECRETARY: It is not an example that is readily followed. It is an example which circumstances have forced upon us. I hope this State will never have a deficit of 4½ millions, because that amount to Western Australia would be a far more serious matter than to New South Wales. Indeed, the present deficit is as serious for Western Australia as a deficiency of 4½ millions for New South Wales. Unfortunately, the present Administration have had to carry out the commitments of their predecessors. I am not conscious of any expenditure incurred by the present Administration, at all events on their own initiative, which would amount to any sum worth naming in

comparison with the deficit to which this Bill relates.

Hon. J. W. Kirwan: That misrepresents the situation.

The COLONIAL SECRETARY: In Part II. of the Bill authority is sought to enable any deficit which may arise during the current financial year or during any future year to be dealt with in the same manner as has been described in regard to the ascertained accumulated deficit on the 30th June, 1916. Having in mind the remark of Mr. Kirwan, I want to make it clear that this Bill does not provide for funding any future deficit. It provides for the bringing of future deficits before Parliament, so that Parliament may say what shall be done with them. Clause 4 of the Bill gives the Colonial Treasurer the power—which he has not possessed in the past, although such power has been exercised—temporarily to use any moneys under his control, such as trust moneys and loan moneys, to meet expenditure under the Consolidated Revenue fund.

Hon. J. W. Kirwan: It makes easy the path of an extravagant Treasurer.

The COLONIAL SECRETARY: I do not think so. In my opinion, the clause makes his path more difficult. The authority is strongly hedged round by binding conditions. Under present conditions a deficit of 1½ millions has grown up without any protest from Parliament. If, from that point of view, this Bill does no good, it can certainly do no harm. But the contention of the present Government is that no harm can result if deficits, as they occur, will have to be brought before Parliament. I believe that if this provision had been in force during the past five years we would have had a different financial tale to tell. The authority, as I say, is strongly hedged round by various conditions. The first condition is that the permission to use temporarily any trust or other moneys is to be used only to meet expenditure on items which have already been approved by Parliament and are included in an Appropriation or Supply Act already passed. That is an important point which has not been always observed in the past, but will have to be observed if this Bill is enacted. In other words, moneys available in one pocket may be used temporarily to defray the needs, already authorised by Par-

liament, of another pocket, but cannot be applied legally to any projects not previously sanctioned by Parliament. The next safeguard is the condition that as soon as possible after the 30th June in every year, should the amount so applied amount to £100,000, the deficiency thus created shall, with the approval of Parliament, be funded and liquidated in the manner already outlined as regards the deficit on the 30th June, 1916; but the bonds or stock must in this case be issued within two years of that 30th June to which the deficit relates. The same procedure has to be followed as soon as any smaller unfunded deficits carried over from year to year amount to, or exceed in the aggregate, £100,000.

Hon. W. Kingsmill: Does the measure provide any penalties?

The COLONIAL SECRETARY: I am afraid it is not possible to provide penalties against Treasurers or Governments. Part III. of the Bill contains machinery provisions, to some of which reference has already been made. The last clause, it will be seen, enables any surplus of Consolidated Revenue in any year to be applied in the redemption of any bonds or stock issued under the authority of this Bill. At the suggestion of the leader of the Opposition, the Premier has asked me to move an amendment in this last clause, making it compulsory that when the surplus in any year exceeds the sum of £50,000 it shall be applied to this purpose. I am glad the ex-Treasurer and present leader of the Opposition is so sanguine as to deem it desirable to make provision for possible surpluses exceeding £50,000. The Bill is largely one for consideration in Committee. My endeavour this afternoon has been merely to place a general outline of the position before hon. members. I move—

*That the Bill be now read a second time.*

On motion by Hon. A. Sanderson debate adjourned.

#### • ADJOURNMENT—SPECIAL.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [5.57]: I am very loth to ask hon. members to waste their time in any way, but yet I do not wish to delay the business of the country unduly. I think I shall perhaps be making a fair compromise

between these two motives, by asking hon. members to meet again on next Tuesday week, when I trust they will find that the calling together of the House will not be useless. I move—

*That the House at its rising adjourn until Tuesday, 20th February.*

Question put and passed.

*House adjourned at 5.58 p.m.*

## Legislative Assembly,

*Thursday, 8th February, 1917.*

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

### NOTICE OF MOTION—WANT OF CONFIDENCE.

Hon. J. SCADDAN (Brownhill-Ivanhoe) [4.33]: I give notice that at the next sitting of the House I shall move, "That the Government do not possess the confidence of the country, because of their action in introducing during the time of war purely party measures to the exclusion of more urgent and important legislation affecting our national welfare, their incapacity in the handling of the public finances, their general lack of initiative and ability in the administration of the affairs of the State, and their abandonment of the principles of responsible government."

The PREMIER (Hon. Frank Wilson—Sussex) [4.34]: In view of the notice of motion just given by the leader of the Opposition, adopting the usual procedure I move—

*That the House do now adjourn.*

Question put and passed.

*House adjourned at 4.35 p.m.*