

# Legislative Council,

Tuesday, 2nd August, 1921.

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

## QUESTIONS (2)—INDUSTRIAL DISPUTES.

### Esplanade Hotel.

Hon. T. MOORE (for Hon. F. A. Baglin) asked the Minister for Education: 1, On whose authority were the police armed with guns and fixed bayonets on Sunday, 26th June, 1921, in front of the Esplanade Hotel, Perth? 2, Is the Minister aware that such authority is in conflict with Sections 114 and 119 of the Commonwealth Act? 3, What has been the expense incurred by the Government in providing police protection for the proprietor of the Esplanade Hotel? 4, Is it the intention of the Government to continue the practice of providing police protection for the employer when an industrial dispute occurs? 5, If so, will the Government be prepared to equally protect the employees against aggression and abuse?

The MINISTER FOR EDUCATION replied: 1, The police were not armed with fixed bayonets; they were present on the instructions of the Commissioner of Police. 2, No. 3, £43 for sustenance allowance. 4, The Government will do all in its power, at all times and under all circumstances, to protect the lives and property of His Majesty's subjects. 5, Answered by No. 4.

### Bread Supply.

Hon. T. MOORE (for Hon. A. H. Panton) asked the Minister for Education: 1, Is the Minister aware that the master bakers propose to strike? 2, If the strike takes place, will the Government supply the people through State bake-houses? 3, If so, will the Government furnish police protection in the event of a demonstration by the master bakers on strike?

The MINISTER FOR EDUCATION replied: 1, Yes. 2, There are no State bake-houses. 3, The Government will, as usual, enforce law and order in all circumstances.

## QUESTION—PUBLIC SERVICE PROMOTIONS.

Hon. R. G. ARDAGH (for Hon. E. H. Harris) asked the Minister for Education: —1, Is preference for promotion given to those officers and members in the public service who enlisted and left Australia with the A.I.F.? 2, Is preference for promotion given to those officers and members in the public service who enlisted, but were discharged (for reasons other than misconduct) over those who did not enlist? 3, If not, why not?

The MINISTER FOR EDUCATION replied:—1, Yes. 2, No. 3, Because their efficiency (which is the main factor in deciding promotion) would not have been impaired by their temporary absence from duty; and also because it would be unfair to many officers who were willing to enlist but refrained from doing so knowing that they would be rejected.

## QUESTION—TRIBUTING LEGISLATION.

Hon. R. G. ARDAGH asked the Minister for Education: In the event of the Royal Commission now inquiring into the working of the Tributing Act bringing in their report at an early date, will an amending Bill be introduced this session, and will reasonable time be allowed for the measure to be properly considered before the session closes?

The MINISTER FOR EDUCATION replied as follows: The question can only be answered when the recommendations and report of the Royal Commission are available.

## QUESTION—GRAIN ELEVATORS BILL.

Hon. A. LOVEKIN asked the Minister for Education: Will the Minister, before introducing the Grain Elevators Bill, lay on the Table of the House, (a) the last audited profit and loss account and balance-sheet of the Westralian Farmers' Limited; (b) the memorandum and articles of association of the Grain Growers' Co-operative Elevators, Limited?

The MINISTER FOR EDUCATION replied: The Government will endeavour to do this.

## ASSENT TO BILL.

Message from the Governor received and read, notifying assent to the Treasury Bills (Signatures) Bill.

## BILL—STATE CHILDREN ACT AMENDMENT.

Introduced by Hon. A. Lovekin and read a first time.

# FACTORIES AND SHOPS ACT AMENDMENT.

Hon. A. LOVEKIN (Metropolitan) [4.35]:  
I move—

For leave to introduce a Bill for an Act to amend the Factories and Shops Act, 1920.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [4.36]: I do not wish to oppose the motion, but I think it as well to inform Mr. Lovekin that a Bill to amend the Factories and Shops Act has been drafted and the Bill will be presented to the House very shortly.

Hon. A. LOVEKIN (Metropolitan) [4.37]: In view of the statement by the Leader of the House I will not proceed with the motion at the present stage, and the amendment which I propose can very well be inserted in another Bill, when it is brought forward by the Governor.

Motion by leave withdrawn.

## MOTION—STATE TRADING CONCERNS.

### Financial Statements.

Hon. A. LOVEKIN (Metropolitan) [4.38]:  
I move—

That there be laid upon the Table of the House the balance-sheets and profit and loss accounts of all State trading concerns and State enterprises to 30th June last, irrespective of whether the audits have been completed or not.

I wish to explain the reasons which prompt me to move in this direction.

The PRESIDENT: The hon. member cannot proceed to debate the question. If he desires to do so, the motion cannot be considered as formal business and it cannot be discussed now. I cannot permit the hon. member to enter into his reasons at the present stage.

The MINISTER FOR EDUCATION: In view of the latter portion of the motion I cannot treat the motion as formal.

The PRESIDENT: Then this motion will stand adjourned until the conclusion of the debate on the Address-in-reply. If I had known the motion was not to be treated as formal, I would not have accepted it at the present stage. In the circumstances if the Leader of the House desires to move an adjournment of the debate he can do so.

The MINISTER FOR EDUCATION: I may be in a position to do as Mr. Lovekin suggests but I cannot do so at the present stage.

On motion by Minister for Education debate adjourned.

## ADDRESS-IN-REPLY.

Second Day.

Debate resumed from 28th July.

Hon. J. NICHOLSON (Metropolitan) [4.41]: One naturally reverts back on an occasion such as this to what has taken place in previous sessions. We see to-day in the Speech delivered by His Excellency the same doleful tale regarding our finances recounted just as was the case about a year ago. In the Speech which His Excellency was pleased to deliver on the 5th August, 1920, the hope was expressed that the annual revenue and expenditure would be brought into closer accord. What do we find? In place of the revenue and expenditure being brought more closely into accord, we find that there is greatly increased revenue and a greatly increased expenditure. There are no doubt causes existing which may explain the extra expenditure. We know for example that there have been increases in wages and increases accounted for by the extra cost of supplies and various other causes. There is this outstanding feature, however, that whereas the deficit on 30th June, 1920, stood at £668,000 we find that the deficit for the financial year ended 30th June, 1921, was £686,726, an increase of nearly £20,000 in the deficit during that period. It is true that there was a surplus shown in the transactions for June last amounting to £218,802, and I am sure this gave rise to the hope that there would be a repetition of that surplus in future months. To our amazement, however, we find, in looking at the daily Press, that the July returns show a deficit of £177,250. These are very startling figures and reveal very clearly that, in place of an effort being made, as we had hoped, for these two items of revenue and expenditure being brought into closer accord, they seem to be growing wider apart. I was struck with the reference in His Excellency's Speech to the sinking fund. This reference I think is calculated to delude the general public. We all recognise in business circles what a sinking fund should be, and from what it should be paid. It should undoubtedly be paid out of revenue. In fact, in the very Speech, reference is made to that. The contribution from revenue to the sinking fund for the year amounted to £320,203, and an item for interest was added, bringing the total to £792,738, making the grand total of the accumulated sinking fund £7,641,563. Reading these figures as they appear in cold print, one would almost be inclined to conclude that the Government were patting themselves on the back when they state that they have succeeded in contributing this large sum towards sinking fund. It is a very wise thing to have a sinking fund, but has this sinking fund been contributed out of revenue? I submit that it has not, but that it has been contributed really out of capital, and that it helps very largely to make up this great deficit. As a matter of fact we ought to be able to pay our ordinary debts

and, in addition, to have a sufficient surplus out of revenue to contribute towards this sinking fund, without having to increase the deficit. I would like to draw the attention of members to the item by which the sinking fund has been added to this year. The amount is stated there as £320,203. Members will see that the deficit on the year's transactions was £686,726, so that actually less than one half of the amount of the deficit is represented by the sinking fund contribution for the year. Whilst we have a total deficit of £4,773,431, our sinking fund stands at £7,641,563. If we continue at this rate having a deficit double the amount of our actual contribution to the sinking fund, we will very shortly have our sinking fund and deficit running a neck and neck race to see which will be the larger. This is exactly what the position will be from a financial point of view. If we go on having a deficit of £686,000 a year, we shall find that it will actually exceed the sinking fund, and that it will in effect have been contributed out of what amounts to capital and not out of revenue. This, to my mind, demonstrates that, instead of the Government trying to realise that pious hope which was expressed in the Speech delivered a year ago, the hope of bringing the revenue and expenditure into closer accord, these items are drifting wider and wider apart and the position is becoming more serious day by day. As the mover of the motion for the adoption of the Address-in-reply remarked, the main question at the present time is undoubtedly that of the financial position of the State. It is, unfortunately, the main question with many Governments, but it is clearly essential that we must endeavour to stop this drift and cease to drift to leeward like a hopeless derelict, as we are doing at the present time. Now the questions arise: What are the main causes which contribute to this drift to leeward, and how can we help to bring our expenditure down? One item was mentioned by Mr. Willmott, namely the State trading concerns, as one of the causes contributing largely to the deficit. I agree with him, but I also venture to give another reason, and that is, that the Government have been pursuing a wrong policy in connection with our railways and in its association with our land settlement scheme. Taking first the State trading concerns, it is difficult for one to arrive at the actual position to date owing to the absence of accounts. As a matter of fact we have never been able to do so. The latest report which I find amongst my papers is for the financial year 1918-19.

Hon. A. Lovekin: That is of no value to-day.

Hon. J. NICHOLSON: It is of very little value to-day, but it is somewhat illuminating, and I hope members will bear with me for a few minutes while I bring to their notice two or three outstanding facts in connection with the State trading concerns as

revealed in the accounts presented. I turn first to the Boya quarry and take the balance sheet for the period ended 30th June, 1911. There we find a very large sum of money invested in what is a comparatively small concern. One can see the place from the railway train and could consider it only a very small affair. From the accounts we find that fixed plant and machinery, there is a value of £3,141 10s. 1d.; buildings, after allowing for depreciation, £475 4s. 6d.; loose plant and appliances, after allowing for depreciation, £195 1s. 6d. An outstanding feature in connection with this trading concern is that there are sundry debtors to the amount of £1,203 16s. 2d. Stores on hand are valued at £979 17s. 1d.; the stock of stone at £2,052s. 3d., and stationery at £10 15s. 1d. After deducting depreciation, the total value of the assets for the year ended the 30th June, 1919, was £3,041. On the liability side of the balance sheet we find that to General Loan Fund the Boya quarry is indebted to the extent of £5,046 19s., so that instead of having all that money in hard sovereigns, as we should have, particularly in view of the present state of the Treasury, it is represented by a lot of plant and a stock of stone which it is very doubtful will ever realise anything like the money represented. I doubt very much whether the value could be realised to-morrow.

Hon. R. J. Lynn: We have stone instead of bread.

Hon. J. NICHOLSON: That is the position of the Boya quarry. One might go a little further. According to the profit and loss account, the quarry succeeded in making a loss of £2,702 6s. 7d. I turn now to the State Brickworks. I was more than interested when I saw exactly the position of these accounts. Here we have fixed plant and machinery, buildings, loose plant, miscellaneous assets, sundry debtors, stock on hand and a list of profits and losses which I am going to read, bringing the total value of assets, after allowing for depreciation, to roughly £20,528. On the liability side we find that from General Loan Fund there was a sum of £27,385 14s. 8d., in addition a capital expenditure from revenue of £1,774 4s., making a total of £29,159 18s. 8d. The profit and loss account gives a very fine summary of the history of these brickworks. The loss for the year 1914-15 was £298 18s. 10d.; for 1915-16, £712 3s. 9d.; for 1916-17, £1,537 0s. 5d.; for 1917-18, £2,702 6s. 7d.; and for 1918-19, £1,435 2s. 5d. The total loss during those years was £6,685 12s. I suppose this trading concern is still continuing its happy course, but we have no later balance-sheets. Mr. Lovekin has asked for the later balance-sheets; I would have been a very good thing if we had had them before us for our information. They would have been very illuminating indeed. We have, however, a further example of what State trading concerns are in the shape of the State Implement Works. Here there appears to have been some writing

down of capital, because on one side there is shown a reduction of capital suspense account, £119,592 10s. 6d. I do not know exactly how much has been written down. I have not followed the accounts sufficiently closely to ascertain. The capital account shows on the liability side £52,954 6s. 2d., Colonial Treasurer Consolidated Revenue account £105,901 6s. 6d., a total of £158,855. The assets are also shown, and I will leave members to look more closely into the items relating to the State Implement Works. There we have instances of losses having been incurred. Without going into the previous years—I do not wish to weary members by so doing—the State Implement Works show a loss for the year 1918-19 of £4,338 16s. 9d. I think that anyone who went down to those works and said that we would recover, on a sale, the amount originally put in, and the amount of the losses the State has sustained, would find himself very far out. There is another State trading concern shown in these accounts which is responsible for absorbing a very large amount of money too, and which no doubt has helped, along with other State trading concerns, to contribute very largely to our State debt; I refer to the State Sawmills. The accounts in connection with this enterprise show a certain small profit, but not a profit at all commensurate with the capital involved. For example, according to the balance-sheet dated the 30th June, 1919, there is loan capital to the extent of £229,675. A reserve has been created for depreciation of assets. From Consolidated Revenue there is an item of £87,925. Against that there are various assets set out in the statement. Buildings, machinery, plant, etc., purchased from Loan Funds are shown as an item equal to the amount originally advanced out of Loan Funds, namely £229,675. Nothing is shown there for depreciation. Buildings, machinery, plant, etc., stand at an amount of £35,656. Of stocks in hand there is a total of £119,135. Sundry debtors are shown at £45,836, less a reserve of £500 for bad and doubtful debts. Now, when one comes to look at the immense amount of money used in a concern of this description, and when one realises that this concern, and all the other State trading concerns, notwithstanding the capital originally voted to them, constantly find it necessary to ask for more money, one is inevitably forced to the conclusion—especially in view of the fact that these enterprises are not earning that profit which one would like to see them earn, and further, in view of the fact that these concerns are really a direct menace to the industrial progress of Western Australia—one is forced to the conclusion I say, that it is time a halt was called by the Government. One must realise that it is essential something should be done at once to dispose of these concerns and let the Government get out of trading. If once the Government got out of State trading, I think that possibly the effect would be to

stop the drift that is in progress at the present time. But if we continue as we are doing at present, then undoubtedly this deficit of ours, instead of getting less, is bound to increase. People are invited to come to this State and to invest their capital here. But what inducement is there to any man to come to a country where he finds the Government in open competition with industrial enterprise? A statement to that effect has often been made by other members, but it cannot be made too frequently; nor can it be impressed too distinctly on the Government that the maintenance and the continuance of the State trading concerns are a decided menace to the industrial progress of this country. A few weeks ago the Premier sent a warm message and a greeting to the Agent General, holding forth the opportunities that existed here for people to embark in industrial enterprises, and pointing out that large areas of land were available for settlement. For my part, I cannot conceive that such an invitation is likely to meet with a ready response so long as these State trading concerns are continued. I hope, therefore, that the Government will in their wisdom consider seriously the necessity for at once seeking to realise these State trading concerns, and for devoting attention to those matters which are primarily matters of the government of the country. I come now to the second point which presents itself to me as being another reason for the drift that is taking place. That is in connection with our railway system. I have said that the Government have been pursuing a wrong policy with the railways as regards land settlement. It must be recognised that the railways are dependent for success on the activity of our industries, both primary and secondary. I am sure it is a matter of regret to everybody that one of our main industries, namely, that of mining, is languishing. The very fact that this industry is in the parlous condition that characterises it at the present time, must seriously affect the revenue of the Railway Department. It is a fortunate circumstance, however, that in the districts lying between the goldfields and the metropolitan area a large portion of the land is now devoted to agriculture. There is a fair sprinkling of settlement along the Eastern Goldfields railway, and that fact undoubtedly helps to maintain the railway revenue. The wrong policy in connection with our railways, however, lies, to my mind, in the fact that we have too great a mileage for the number of people settled within the areas served by the existing railways. In this connection I refer to the last report of the Commissioner of Railways that I have on my file: I see another report from that officer has been laid on the Table of the House to-day. The report I have before me indicated that there was a total mileage of 3,906 miles being operated in Western Australia. Taking our population at roughly 330,000, this means that we have an average of only 84 people to each mile of railway—only that number of

people per mile scattered throughout the area of country served by the existing railway system. Now, there is no person in his sane senses would maintain that any railway system can possibly pay its way with only an average of 84 people to the mile of line. It is only courting disaster to continue to extend a railway system under such conditions. The volume of trade which is created by a scattered population such as we have with our railway system, is such as, in fact, only courts failure. We have numerous lines of railway which cannot possibly pay their way at present, and which never will be able to pay their way until closer settlement takes place along them.

Hon. F. A. Baglin: Why not tax the unimproved land?

Hon. J. NICHOLSON: I am not in agreement with the taxation on unimproved values of land, because I think that form of taxation would be a serious menace to the man who is settling on the land. Already we have many taxes, and to increase the burdens on the man starting—

Hon. F. A. Baglin: It would not be taxing him.

Hon. J. NICHOLSON: I do not see how we can avoid taxing him, because the incidence of taxation must be fair, and if we impose an unimproved land tax, then that tax must be distributed throughout the length and breadth of the State.

Hon. F. A. Baglin: What about the taxation of that man so far as his railway freights are concerned?

Hon. J. NICHOLSON: I do not understand.

Hon. F. A. Baglin: Railway freights are taxation.

Hon. J. NICHOLSON: Every man is seriously handicapped by any increase in railway rates; and I take it, also, that the movement in the way of seeking to meet the deficiency in railway revenue by increasing the railway rates is a wrong method. We have to seek a remedy in a totally different direction; we have to seek a remedy, not by increasing railway rates, but by increasing our population along the existing railway lines. If we get proper settlement along those existing lines, then we shall obtain increased traffic and increased tonnage, and will be able to afford to run our railways, instead of at the high rates now imposed, at more moderate rates than are possible to-day; and thus we shall give the maximum of advantage at the minimum of cost to every settler. We must have people to supply the traffic. The railways themselves, so to speak, feed on the people; they depend on the people for their revenue, just in the same way as the people depend on the railway system for a means of getting their goods and products sent to the markets, and so providing themselves with bread. I note that the Government contemplate making further extensions of the railway system. To my mind that is wrong, and I hope that

in this connection, just as in connection with the State trading concerns, the Government will pause and call a halt.

Hon. T. Moore: Where are you going to put new settlers, then?

Hon. J. NICHOLSON: I am very glad that the hon. member has interposed that question. One would think that we had no lands cut up at all, that there were no lands available along the existing railway lines. Last session, when some discussion took place on the Nornalup Railway Bill, I had occasion to point out that there were vast areas of vacant Crown lands along a number of lines in the South-Western district.

Hon. T. Moore: Is that vacant Crown land there still?

Hon. J. NICHOLSON: It is there so far as I know: I am not aware that it has been settled.

Hon. T. Moore: You have not been to look at those Crown lands lately.

Hon. J. NICHOLSON: My contention is that if land is not being utilised, proper steps should be taken to see that people who will develop it are settled on it.

Hon. J. Cunningham: What steps?

Hon. J. NICHOLSON: Such as any wise man would take in those circumstances. Certain steps might be proper in one case which would be highly improper in another. Due consideration should be given to each of those interested in the lands, and each case considered on its merits. If that procedure were adopted, abundance of land would be available along existing lines. Since we have only a meagre population—an average of 84 persons per mile of railway—can anyone say that the land is being utilised as it should be? It may be said there are some large tracts of land which are not being used, but merely held by private owners. It would be much better for the Government to exercise the powers reposed in them to resume those lands and allocate the areas to needy settlers.

Hon. F. A. Baglin: Why not tax the land?

Hon. J. NICHOLSON: Taxation is a weapon very dangerous to use. In a recent report, Mr. Owen, Under Treasurer, called attention to that, and quoted a dictum of Judge Marshall, of America, who said, "The power to tax involves the power to destroy, and the power to destroy may defeat and render useless the power to create." I think it is very true.

Hon. F. A. Baglin: That does not apply to land values taxation.

Hon. J. NICHOLSON: It applies to every form of taxation. In the association in which Mr. Owen quoted that dictum, he was seeking to emphasise the serious consequences of the power of direct taxation exercised by the Federal Government throughout the States. There is no doubt that the greater the burden of taxation, the greater the handicaps on land settlement. This expedient of trying to meet a difficulty by simply asking "Why not tax so and so?" is to my mind wrong. The consequences that

would follow from increasing the burden of taxation would make themselves so manifest that, instead of doing good, they would result in infinite harm. We are all anxious to see the State progress, but certainly we are not going to foster the progress of the State by increasing the burden of taxation. There is a legitimate way of dealing with all these things. If any person owns unutilised tracts of country, it is competent for the Government to proceed in a legitimate way to resume those lands. If the Government have not the power in certain cases, they can negotiate, and I am sure they will find but little difficulty in negotiating purchases at satisfactory prices. I believe in acting in a legitimate way, and in a way which will help the future settlers of the State; not to make those settlers feel that they have a crushing burden of taxation imposed upon them. If there are along the railways large areas of land held unutilised by private owners, those tracts can be acquired and dealt with in a proper manner.

Hon. T. Moore: Under what conditions?

Hon. J. NICHOLSON: Under conditions favourable to settlers. It would be infinitely better even from an ordinary business point of view. At the present time many of our railways are being run at a considerable loss, due to the sparse population. That will continue so long as the population remains sparse. If, in place of resuming those large tracts of country held by private owners, we construct new railways, then instead of minimising the existing evil we shall be only increasing it. That is the point. What I want to bring out is, that the extension of our railways should go hand in hand with our land settlement scheme. The two should be brought very closely together. Before we extend our railway system from one point to another, what we ought to do is to see that we have the settlers ready to take up the blocks to be served by the extended railway, and not leave it to voluntary settlement, as at present. Take for example the proposed Normalup railway. Suppose the line be extended from the present terminus to Normalup, and thence to Denmark. What will be the position? For many years to come that line will be run at a dead loss.

Hon. F. E. S. Willmott: The timber along the line will pay for the railway.

Hon. J. NICHOLSON: The timber will only serve that purpose for a certain period. If we are to depend exclusively on timber to justify the building of the railway, the proposal is wrong and, I am sure, will end in disaster.

Hon. J. Ewing: It is beautiful land.

Hon. J. NICHOLSON: The land, I believe, is all that could be desired. I am not against land settlement; I am with all who wish to see the land of the State occupied. Here undoubtedly, as one writer has said, we have vast open spaces, a manless land, which would satisfy the landless man. What we need is population. But the

population must be so distributed along the railway system that it will serve to make the railways pay instead of resulting in serious loss. In our railway system we have some 18 million pounds invested. Suppose the railways were owned as a private concern, would the owners seek to extend the system through a country which would not pay the expenses of running the railway? The two departments must go hand in hand. If we construct these proposed lines, they are bound to result in loss for a considerable time. We have to see in what way we can settle more closely those lands already served by existing railways. If that is done, the result will be that, instead of going on with the extension of the railways and thus adding to the burdens of the Railway Department, we will concentrate our efforts on getting a greater population along the existing lines, so as to make the railways a revenue producing concern, and at the same time provide cheaper freights than is possible under existing circumstances. The farmer is rightly crying out for cheaper freights, but we can never get cheaper freights while the present system continues.

Hon. F. A. Baglin: What is the way out?

Hon. J. NICHOLSON: It is for the two departments to work hand in hand.

Hon. J. W. Hickey: They are doing so.

Hon. J. NICHOLSON: They may be, but they have done nothing; they have to do something. We want something done by the Government. We want the Government to settle those lands served by existing railways, to cause those lands to be put to use so as to increase the railway traffic and relieve the existing burden. Reference was made in the Speech to the need for increasing our population. We are starving for people here. In two years only 3,400 immigrants have arrived in this State, an average of 1,700 for each year. We recognise the exigencies of the war and the fact that no doubt the Government have been striving to do what they can to increase the number of immigrants, and no doubt they will continue to strive in that direction. We are, however, in a different position here to such countries as Canada and the United States of America, from a geographical point of view. We have a longer distance to traverse, and it is a more expensive fare for immigrants to come here from the United Kingdom. All these things operate against us, but the inducements we can hold out are no doubt being fully manifested by the Agent General and those under him to the utmost advantage to Western Australia. We have to consider that we have land here that can be used and occupied for 12 months in the year, instead of being held up through frosts and heavy winters as is the case in Canada, and we can readily see that this must be a very great inducement to many immigrants to come here. No doubt, whatever can be done in this direction will be done. When, however, we look at the fact that only 1,700 immigrants per annum have

been coming here during the last two years, and compare that number with the 8,000 odd per annum, which was the average prior to the war, we must see that we do need very many more people to fill up our empty spaces. If our land settlement board could keep closely in touch with the Agent General and the Railway Department, they would be able to estimate how many immigrants we could take each year to settle upon the land. It should be decided in advance how many persons can be put on land that is already served by the railway system. By this means our vacant lands can be filled with population, and our railways made remunerative and run at a profit. The number of immigrants who have arrived here during the last two years is a mere bagatelle; they would not be seen in some of our large areas and we would not know that they had arrived because they would occupy comparatively so little space in the country. In the Manjimup district there was a large area of country cut up. I made some reference to it last session. There are many of these blocks which are still unoccupied.

Hon. J. Ewing: And still uncleared.

Hon. J. NICHOLSON: Yes, and many of the blocks have been deserted.

Hon. H. Stewart: Are they served by a railway?

Hon. J. NICHOLSON: Yes.

Hon. H. Stewart: I suppose the work was too hard for the people?

Hon. J. NICHOLSON: There are vacant places that we are not utilising in the way that we should do.

Hon. H. Stewart: Why are the blocks not taken up?

Hon. J. NICHOLSON: I have not inquired, but probably the Leader of the House will be able to tell us later on. In connection with the method which has been adopted in the past, that is of scattering a sparse population over a wide area, one can find an illustration of that in our lands in and around the city of Perth. Let anyone take some of the maps which have been published showing the lands cut up in such suburbs as Victoria Park, Queen's Park, and other districts. Those localities could in my opinion accommodate one million people, and yet they have remained unoccupied for many years. Many of these lands have been cut up for the last 20 years or more, and are still vacant and improved. There has been the same absence of reproductive expenditure going on there in many instances in connection with the construction of roads as there has been in connection with the construction of railways elsewhere. The roads have been constructed to serve a few rate-payers who have been in the district for a great many years. The rates derived from these scattered and empty blocks do not return that revenue to the road boards or municipal authorities which would be returned if the population were properly distributed.

Hon. F. A. Baglin: Who is receiving the unearned increment?

Hon. J. NICHOLSON: I have nothing to do with that.

The PRESIDENT: The hon. gentleman must not conduct a conversation.

Hon. J. NICHOLSON: I desire to illustrate that this is the wrong principle. Some people have cut up their estates, and expect the road boards or municipal authorities to make roads to these isolated places. The expenditure has not been put to the best advantage, and the best returns have not been obtained. That is where the mischief arises. Because of this many of the road boards and municipal authorities are unable to carry on that developmental work which they should carry on, and would carry on were the population more centralised than it is to-day. It is better to develop on a proper system than to throw open scattered areas in this way and construct scattered roads, as has been done in the past. With regard to the question of isolated railways, I have been struck by the remarks contained in the report of the Commissioner for railways under date 30th June, 1920. The Commissioner deals with the difficulty arising in connection with some of these isolated railways. They are, he says, so far from the base of operations that he has not been able to give them that supervision which he would otherwise have done. The railways he refers to are the Hopetoun-Ravensthorpe and the Port Hedland-Marble Bar lines. The report says:—

Hopetoun-Ravensthorpe Railway—Working expenses £3,927 11s. 2d., interest £4,991 3s. 1d., total £8,918 14s. 3d., earnings £1,382 8s. 1d., loss £7,536 6s. 2d.; Port Hedland-Marble Bar Railway—Working expenses £12,279 6s., interest £13,916 13s. 8d., total £26,195 19s. 8d., earnings £10,211 19s. 5d., loss £15,984 0s. 3d.

These figures are startling. It causes one grave concern to think that we should be running part of the railway system at such a loss as this. Would any private individual conduct a railway system in this manner?

Hon. R. J. Lynn: You could not get a man to conduct it.

Hon. J. W. Hickey: The Commissioner should cut some of his losses down here.

Hon. J. NICHOLSON: We must find some means of stopping the leakages, and here is a way of doing it.

Hon. F. A. Baglin: Sell them up.

Hon. J. NICHOLSON: It would be better to have these railways run as private enterprises, and the State would then not have to pay the piper.

Hon. Sir Edward Wittenoom: All the railways down here do not pay.

Hon. J. NICHOLSON: I admit that. The Commissioner has not in his report given a list of these railways, but reports are available to show which are making losses.

Hon. Sir Edward Wittenoom: Include some of the others. Do not single out just one or two.

Hon. J. NICHOLSON: It is just as well to show where these losses are. The report of the Commissioner continues—

It will thus be seen that these two railways involve a financial burden on the system generally without any compensating advantage as, unlike the agricultural spur lines, they do not serve as feeders to the main lines. Being so far removed from head-quarters it is difficult to exercise efficient supervision over the operation of these railways, and as they are not connected with the rest of the system the operating costs are necessarily out of all proportion to the business handled. In view of the foregoing, I consider it would be of advantage to dispose of both these lines, either by sale or lease, to some suitable party, who might have some hope, based on personal interests, of bringing such prosperity to these districts as would give the lines a chance of being successfully operated. Provision for the leasing of railways is contained in Section 57 of the "Government Railways Act, 1904," but, in the event of sale, a special Act would be required. The course indicated involves a question of government, and has been submitted for consideration. I regret I have had no opportunity of personally inspecting these two lines, but hope to be able to do so at some future date.

I do not think that inspection will greatly improve matters.

Hon. F. A. Baglin: He might find a buyer, too.

Hon. C. F. Baxter: He is a bit of a humorist.

Hon. J. NICHOLSON: There is not much humour about all these losses.

Hon. C. F. Baxter: There is humour in expecting private enterprise to take them on.

Hon. J. NICHOLSON: Possibly people who had mining interests in the district might be prepared to operate these lines to their own advantage.

Hon. H. Stewart: Let them on tribute.

Hon. J. NICHOLSON: They might be let on some sort of arrangement. These figures at all events show where some of the money is going. If we go on making losses we will soon find that not only will these railways come to an end, but probably the State will reach such a condition that many of our other railways will also be greatly embarrassed. It is better for us to wisely consider the whole position and decide what can be done to stop the present increase in the deficit, and, as stated in last year's Speech, bring our revenue and expenditure more into accord. Despite all these facts to which I have referred, it is somewhat cheering to find the statement in the Speech that the credit of the State is good. I do not know whether that is a little bit of humour, as one member interjected. It might probably have been a little dry humour such as a Scotchman would enjoy. However, we should feel thankful that the position is a healthy one. I am quite serious on the subject of

settlement. I am not speaking against the extension of our railways; what I say is that we should extend the system if we have the population with which to fill the empty spaces. There is a paragraph in the Speech which reads, "You will be further asked to grant temporary supplies, and at an early date the Estimates of Revenue and Expenditure, together with the details of the Government's financial policy for the current year, will be submitted to you." A statement of a similar nature appeared in the Speech of a year ago, and I think it also appeared in previous years, but we usually find that the Estimates are brought down at the eleventh or twelfth hour, after all the money has been spent, and this too in spite of the protests uttered against such a late presentation of the Estimates. On this occasion, if the Estimates do not come forward within a reasonable period, I will take care that some method is employed to see that in the future they are brought down at an earlier date and before the money is spent. I shall oppose the granting of Supply for a period of three or four months, and will do my best to limit the period to so many weeks.

Regarding the question of mining, every hon. member must regret to see the condition in which the industry is at the present time, and the Government will carry out their intention of amending the taxation legislation in the direction in which they suggest in the Governor's Speech, great help will be rendered to the industry. In addition, I hope the Government will take other steps in the way of assisting to remove other burdens from the industry, burdens imposed by the Federal Government. There we have another instance of what taxation can do. I am sorry Mr. Baglin is out of the Chamber, because I would quote in example of what taxation, ruthlessly imposed, is capable of doing. It has nearly wiped out the mining industry. No one will undertake mining under existing conditions. When one looks at the provisions of both the Federal and the State Acts, one can appreciate the uselessness of anyone embarking in the mining industry. As to the wheat pool, we have a position existing here which is a reflection to some extent of that pool—I refer to the bakers refusing to bake bread because of the price of flour which has been determined by the Prices Regulation Commission, a price which the bakers consider excessive. The question of the wheat pool is a curious one, and I will give it the fullest consideration. I have at all times been desirous of giving proper aid to those industries which deserve assistance, but we have to bear in mind that if one section of the community, whether engaged in farming, manufacture or trade, is supported and given guarantees, that happens at the expense of all the other sections of the community, and it might react unfairly. What is given to one should be given to the other. How can the Government give guarantees against losses, let us say in the case of a manufacturer, or a merchant? Take

for example the pastoralist. Take the man in the far North who runs cattle. How is he to be guaranteed against loss of stock? Probably in some cases he cannot get his stock brought down. The question is one which requires serious consideration. I am sure that those who are interested in the pool will also consider the claims of others as well as their own.

I note with gratification that the Government intend to augment the metropolitan water supply. It is high time that something was done in that direction. I had hoped that something would have been accomplished before this, but now we have missed the present season. I am pleased to see reference made in the Speech to the forests laboratory, and to the Council of Industrial Development. Anyone who has had the opportunity of visiting the recent exhibition in connection with our forest products, must have been impressed by the earnestness of the Conservator in displaying in such a manner the State's possibilities. The demonstration was certainly an eye-opener to many. The point of course, which requires to be determined is, to what extent some of the ideas can be carried out with profitable results. If we can export enterprises in connection with many of our products, and manufacture articles at a price which will enable us to export, then by all means the Government should give the fullest aid in such directions. The practical view, however, is important and will need to be thoroughly inquired into. I think, therefore, the full encouragement should be given. I still conclude my remarks by a reference to the paragraph on the concluding page of the Speech which alluded to the amalgamation of the Federal and State Taxation Departments. When the measure for the amalgamation of those Departments came before last year I expressed some doubt as to whether it was wise for the State to enter into this agreement. I still have very grave doubts as to the wisdom of the passing of that Act. I regret to note that it is contemplated to make even further amalgamations and I trust that the Government will wait for a time in order to see the result of the one which has just been entered upon. I look upon the amalgamation of the Taxation Departments as the first step towards unification, and if further amalgamations take place the position will be made worse. One wants to make very sure of his ground. If we had studied more closely the report of Mr. Owen issued in November, 1919, the measure passed last year to authorise the amalgamation would not have been agreed to so readily. I urge hon. members to closely peruse that report so that they may be prepared, if any further amalgamation proposals are submitted. I do not agree, of course, with everything contained in the Speech, but notwithstanding any adverse criticism I may have indulged in, I assure the Minister that it has been offered with the intention of trying to suggest some method whereby we may reduce the deficit. If any suggestions I

have made result in any other member being prompted to make suggestions in addition, to assist the Government of the day, then I will be pleased to think that I shall at least have been of some little service to the State.

On motion by Hon. Sir Edward Wittcnoom debate adjourned.

*House adjourned at 6 p.m.*

## Legislative Assembly.

*Tuesday, 2nd August, 1921.*

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

### SWEARING IN OF MEMBER.

Mr. Willecock (Geraldton) took and subscribed the oath and signed the roll.

### ASSENT TO BILL.

Message from the Governor received and read notifying assent to the Treasury Bills (Signatures) Bill.

### QUESTIONS (6)—RAILWAY MATTERS.

*Season and yearly tickets.*

Mr. PICKERING asked the Minister for Railways: 1, Is it a fact that the "all lines" and "sectional" season tickets are