

AYRS.

Hon. F. A. Baglin
Hon. J. Cunningham
Hon. J. W. Hickey
Hon. A. Lovekin
Hon. T. Moore

Hon. J. Nicholson
Hon. A. H. Panton
Hon. A. Sanderson
(Teller.)

NOSS.

Hon. C. F. Baxter
Hon. H. P. Colebatch
Hon. J. Duffell
Hon. V. Hamersley
Hon. R. J. Lynn
Hon. G. W. Miles

Hon. J. Mills
Hon. E. Rose
Hon. H. Stewart
Hon. Sir E. H. Wittenoom
Hon. C. McKenzie
(Teller.)

Amendment thus negatived.

Hon. G. J. G. W. MILES: Clause 18 of the schedule provides for a bond. What form does this bond take? Does the company put up cash?

The HONORARY MINISTER: Yes.

Hon. G. J. G. W. MILES: In Clause 19 of the schedule, why is the liability decreased although the value of the wheat has increased and there has been an increase in the charges for handling the wheat?

The HONORARY MINISTER: The liability is carried by the agent, not the sub-agent. The reason for the reduction is on account of the increase in the prices and wages, and if the agent has to carry more liability we must pay him for it.

Hon. G. J. G. W. MILES: Can the Minister say whether anybody else was prepared to handle the wheat? Can he give us the date of the agreement with the Westralian Farmers, Ltd.? Apparently the Government have seen fit to carry on and have made the conditions easier for the firm, making their liabilities less and increasing the remuneration. The Committee is entitled to more information and we should increase this liability to the same rate as obtained last year. I move an amendment—

That in line 2 "one eighth of a penny" be struck out and "one farthing" inserted in lieu.

The CHAIRMAN: I do not think the hon. member can move the amendment. It is out of order.

Hon. G. J. G. W. MILES: It is not a tax on anyone; it is for the protection of the community in an agreement.

The CHAIRMAN: As it is an agreement, in the circumstances I will accept the amendment.

Amendment put and negatived.

Schedule as amended put and passed.

Schedules A, B, C—agreed to.

Bill reported with amendments.

House adjourned at 11.6 p.m.

Legislative Council.

Tuesday, 21st December, 1920.

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The PRESIDENT took the Chair at 3 p.m., and read prayers.

QUESTION—WESTRALIAN FARMERS, LIMITED.

Hon. A. SANDERSON (without notice) asked the Honorary Minister: Has he been able to obtain the report and balance sheet of the Westralian Farmers, Ltd.?

The HONORARY MINISTER replied: No, it has not yet come to hand.

SELECT COMMITTEE—OPTICIANS BILL.

Extension of Time.

On motion by Hon. J. Nicholson, time for bringing up the Select Committee's report extended until next day.

BILLS (2)—THIRD READING.

- 1, Workers' Compensation Act Amendment.
 - 2, Divorce Act Amendment.
- Returned to the Assembly with amendments.

BILL—WHEAT MARKETING.

Report of Committee.

The HONORARY MINISTER: I move—

That the report of the Committee be adopted.

Hon. G. J. G. W. MILES: The Honorary Minister should first furnish us with the information asked for yesterday, as to the date of the agreement. I will oppose the motion until we get that information, and I hope the House will support me.

The PRESIDENT: I suggest that any opposition should come at the third reading stage. I do this merely with the object of

saving time. I presume the Honorary Minister is going to move that the third reading be made an Order of the Day for to-morrow. The hon. member will then have a better opportunity for his purpose.

Hon. G. J. G. W. Miles: In those circumstances I will reserve my opposition until to-morrow.

The HONORARY MINISTER: I do not know of any information which the hon. member has requested. If he will let me know now, I will endeavour to have it for him to-morrow.

Question put and passed, the report adopted.

BILL—STAMP ACT AMENDMENT.

In Committee.

Resumed from the previous day. Hon. J. Ewing in the Chair; the Minister for Education in charge of the Bill.

Postponed (Clause 2—Amendment of Section 59:

The MINISTER FOR EDUCATION: This clause was postponed on the suggestion of Mr. Lovekin, who contended that the words "Transfer of Land Act, 1893, Bills of Sale Act, 1899, or any other Act" should be deleted. The Solicitor General, although of opinion that the clause as it stands would meet requirements, is quite agreeable that the provision should be made absolutely clear. I move an amendment—

That in line 2 on page 2 the words "Transfer of Land Act, 1893, Bills of Sale Act, 1899, or any other Act" be struck out and "any Act" inserted in lieu.

Amendment put and passed.

The MINISTER FOR EDUCATION: I move an amendment—

That the following be added at the end of the clause—"But subject in the case of a bill of sale to paragraph 4 of Section 66 of the Bills of Sale Act, 1899."

Hon. G. J. G. W. MILES: I should like a little more information. I have been informed that under the Bill, when a further advance is made against a document, it can be stamped by any registrar without being endorsed on the title, and that in consequence others are not able to trace the amount of the mortgage on the specific transaction.

The MINISTER FOR EDUCATION: The amendment we effected yesterday making the stamping of the security and also the duplicate compulsory, will meet the case. The objection raised by the Chamber of Commerce was to the first paragraph of Clause 2. That objection was overcome by striking out "or" and inserting "and," so that both the original and the duplicate should be stamped.

Hon. G. J. G. W. MILES: But where a person obtains a further advance on any title deeds, has it to be stamped and registered at the Titles Office?

Hon. J. NICHOLSON: I have had the advantage of discussing this matter with the Solicitor General to-day. Unless the security in the first instance is provided to cover further advances, the mere stamping of the document would not in itself make a further security for those further advances. In the case of bank securities, it usually happens that there is a clause providing that not only the principal sum shall be secured, but also all further advances. If a private party enters into a security of that nature with any other private individual, so long as provision is made to cover further advances, all that is necessary is to stamp up to the amount intended to be advanced. And if it is wished to cover any further advances, the parties would simply go to the stamp office and get the document stamped for the further amount. But the security itself must cover further advances.

Hon. G. J. G. W. Miles: Must it be registered in the Titles office?

Hon. J. NICHOLSON: The original is there, and the Solicitor General has arranged that any original which has to be stamped in that way shall be produced and stamped, and the duplicate stamped at the same time.

The MINISTER FOR EDUCATION: The Solicitor General is quite specific on the point. The representatives of the Chamber of Commerce saw the Attorney General and urged that the additional duty should be noted on the original instrument. The Solicitor General says that if the clause is amended by substituting "and" for "or" then the obligation will be to impress the additional stamp on the original instrument, which is the title, so that anyone searching will know exactly what the position is. The Chamber of Commerce contended that the word "or" would mean that the additional stamp would be placed on the duplicate and that the original would appear without it.

Amendment put and passed; the clause as amended agreed to.

New clauses:

Hon. J. NICHOLSON: In the absence of the Hon. A. Lovekin, I intend to move the new clause standing in his name, but by doing so I do not indicate that I favour it. I move—

That the following be inserted to stand as Clause 8:—"All copies of the Stamp Act, 1882, and its amendments hereafter printed by the Government Printer shall be printed under the supervision of the Clerk of the Parliaments as amended by the said Acts, and this Act, and all necessary references to the amending Acts and the rules by which the said alterations were made shall be made in the margin: Provided that the short title in any reprint shall be altered to the Stamp Act, 1882-1920, by which title the Stamp Act, 1882, and such amendments may be cited."

The MINISTER FOR EDUCATION: I brought this matter under the notice of the Solicitor General, who admits the desirability

of having all the information regarding the stamp duties contained within the four corners of one Act, but he states that the Act cannot be printed with its amendments under the supervision of the Clerk of Parliaments, unless the Act is so drawn as to enable this to be done. Since the Stamp Act was passed in 1882, nine amending Acts have been passed and it would be impossible to print the amending Act. This would have to be done after passing a consolidating Act. It is proposed, during the recess, to prepare a consolidating Act which will include all these amendments, together with certain improvements which it is thought should be made.

Hon. J. Duffell: Can this be applied to other Acts?

The MINISTER FOR EDUCATION: It has been applied to other Acts. The last one, I think, was the Land Act. The Health Act and the Early Closing Act were treated similarly. It is done wherever possible.

Hon. J. Duffell: I have called attention to several Acts which need to be dealt with in this way.

The MINISTER FOR EDUCATION: It is undoubtedly desirable to have the law relating to any one matter within the compass of one Act.

New clause put and negatived.

The MINISTER FOR EDUCATION: I move—

That the following be inserted to stand as Clause 8:—"The Colonial Treasurer may in his discretion exempt from ad valorem duty any deed of gift, conveyance, transfer, settlement or other instrument operating as a voluntary disposition of property for the purposes of public park, university, or other institution, or for any charitable, patriotic or other similar public purposes."

This matter was also discussed by Mr. Nicholson and the Solicitor General. It will be purely discretionary for the Colonial Treasurer to exempt from duty in such a case. Exemption is granted in some instances at the present time. In the case of the gift of £25,000 from the British Red Cross to the bush nursing scheme, an arrangement was made whereby the duty paid was very moderate.

New clause put and passed.

Bill reported with amendments and a message accordingly forwarded to the Assembly requesting them to make the amendments, leave being given to sit again on receipt of a message from the Assembly.

BILL—APPROPRIATION.

Second Reading.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [3.21] in moving the second reading said: This Bill has been prepared on the same lines as in previous years. The total amount on revenue account is £3,274,988, the balance of

£1,294,000 having been covered by the two Supply Bills passed in the early part of the session. The remaining balance of expenditure on revenue account is provided not by this Bill but by special Acts, such as the Loan Acts for the payment of interest. The total amount under the Trust Fund £172,834 is divided between the Sale of Government Property £139,962 and the Land Improvement Loan Fund £32,872. Of this total £65,000 was voted on the Supply Bills and the remainder is included in this Bill. The total of the General Loan Fund is £3,641,932, of which £750,000 was provided in the two Supply Bills and the remainder is covered in this appropriation. The "Advance to Treasurer" £400,000 is the same as for the previous year. Of this amount £300,000 was included in the Supply Bills which have already been passed and the remaining £100,000 is included in this appropriation. Schedules F, G and H of the Bill cover the amounts spent last year in excess of the estimates under the different funds. Schedule I is provided in the same manner as last year to authorise the scheme of expenditure for forestry under Section 41 of the Forests Act, 1918. The estimated expenditure for 1919-20 was £5,991,117, and the actual expenditure was £6,531,725, showing an underestimate of expenditure to the amount of £540,608. The estimated revenue for that period was £5,302,768, whilst the actual revenue was £5,863,500, showing an excess of revenue over the estimate of £560,732. The net position was £20,124 better than the estimate; that is to say the estimated deficit was not realised, the real deficit having been £20,124 less than was estimated. The differences between the estimated and the actual figures on Consolidated Revenue and Expenditure for last year were chiefly under these items: The excesses on revenue were taxation £154,197; territorial £34,290; business undertakings, chiefly railways, £223,330; trading concerns, £37,405; miscellaneous departmental collections, £108,660; Commonwealth, £2,851; making up the total of excesses on the revenue estimates of £560,733. The principal items of excess expenditure were on account of the influenza epidemic, £54,000; increased wages and salaries to the civil service, £35,000; to the police, £15,000; to the teachers, £24,000; and to other civil servants, £10,000; increased cost of stores and material, £14,000; cost of strikes, £34,000; leave to returned soldiers, £12,000; rabbit destruction, £8,000; special Acts, £20,000. Under the heading of business undertakings, increased wages and stores in the Railway Department accounted for £263,000; electricity supply, £3,000; tramways, £18,000; metropolitan water supply, £7,000; making up the total excess expenditure over the estimate of £517,000. For the current year the estimated revenue is £6,606,404, and the estimated expenditure is £7,006,111, leaving an anticipated deficit of £399,707. Since these Estimates were prepared certain increases have been awarded by the Arbitration Court and by the Public Service

Appeal Board which will considerably increase the expenditure. A portion of that expenditure has been passed on by the increased freights on the railways, and the other portion is to be met by the increased land and income tax, the Bill for which was recently before the House. The Treasurer estimates that the deficit will not exceed the £399,000 estimated in the Budget. In the circumstances it is inevitable that both the revenue and the expenditure should show large increases. When we get an award of the Arbitration Court which at one stroke gives an increase of nearly half a million expenditure, we have to get additional revenue to provide for it. The principal revenue increases are in business concerns, the railways forming the larger portion, £551,888; trading concerns, £9,063; departmental £205,783, largely due to increased taxation; land, £25,260; and other, £17,547. The estimated revenue for the financial year ended the 30th June, 1921, is made up chiefly of these items: From all forms of taxation, £805,000; territorial, £444,190; governmental, £851,156; return from the Commonwealth, £605,690; making a total of £2,706,036, apart from business undertakings and trading concerns. The revenue from business undertakings and trading concerns is £1,200,000 in excess of all other forms of revenue, and totals £3,900,368, making the grand total as provided in the Estimates of £6,606,404. The estimated expenditure for the current financial year includes the following items: Administrative, £662,977; domestic, £1,074,556; business undertakings, £2,831,749; special Acts, the chief of which is the payment for interest and sinking fund, £2,436,829; making up the total estimated expenditure of £7,006,111.

Hon. G. J. G. W. Miles: Does the expenditure on trading concerns include interest?

The MINISTER FOR EDUCATION: Yes, the trading concerns are charged with interest.

Hon. J. Duffell: And sinking fund?

The MINISTER FOR EDUCATION: No; they pay their interest and depreciation; they are supposed to pay that into the Treasury. The estimated increased revenue over last year's receipts is £742,000, made up as follows:—territorial, extra land revenue, £25,000, mining, £5,000, timber, £5,000, a total of £35,000. departmental, fees, interest, etc., £205,000, Commonwealth, £7,000, a total of £248,590; less decreased taxation due to probate duty on which a decrease is expected of £39,000, law courts £1,000, Mint £8,000, total £48,000; showing a net increase of £200,000, apart from the increase in business undertakings and trading concerns. From business undertakings, principally railways, an increased revenue is expected of £551,000. Under trading concerns it is expected that there will be a reduced revenue of about £9,000, which reduction will be largely due to the fact that it is not expected the same returns will be

received from the Wyndham freezing works as were received last year. The net increase from business undertakings and trading concerns is estimated to be £542,000. This, added to the £200,000, to general revenue, makes up an estimated increased revenue of £742,000. The timber revenue last year was £54,000, and the estimate for this year is £59,000, showing an increase of £5,000. It will be recollected that a year or two ago we passed the Forests Act, under which portion of the revenue derived therefrom did not go into Consolidated Revenue Account, but was transferred under special Acts for forestry purposes. The amount so transferred last year was £22,381, and the amount proposed to be transferred this year is practically the same. The increase in expenditure on business undertakings is estimated to be £245,000, whilst an increase is expected in the revenue of £551,000. Consequently, it is expected that there will be a net improvement in business undertakings, which do not include trading concerns, of £306,000. Railways are expected to show an increased expenditure of £180,000, against an increased revenue of £449,000, making the position £269,000 better for this present year than was the case last year. The other items are comparatively small.

Hon. Sir E. H. Wittenoom: What is the difference between trading concerns and business undertakings?

The MINISTER FOR EDUCATION: Business undertakings consist of principally railways, tramways, lighting, water supply (both for the metropolitan area and the gold-fields), abattoirs, State batteries, butter factories, tourist resorts, cattle stations, and a few other small items. Trading concerns take in all sorts of things that come under the Trading Concerns Act, such as State sawmills, Implement works, Wyndham freezing works, brick works, and a few other trading concerns. The ordinary revenue for last year under these headings was £2,505,000, and it is expected this year to be £2,706,000. Business undertakings last year gave a revenue of £3,181,000, and are expected this year to give a revenue of £3,733,000. Trading concerns last year gave a revenue of £175,000, and this year are expected to give a revenue of £166,000. The ordinary expenditure last year was £1,713,000, and this year it is expected to be £1,737,000, an increase of £24,000. On top of that will be further increases to the public servants and teachers as a result of the recent awards by the board. These are the principal increases that it is sought to cover by the increased income tax, the Bill for which was recently brought before the House. On business undertakings and trading concerns the expenditure last year was £2,586,000, and it is expected this year to be £2,831,000. The interest and sinking fund last year accounted for £2,232,000, and are expected this year to account for £2,436,000, an increase of £204,000 for the year. That makes up the total increase from

last year, when it was £6,531,000, to an estimated amount this year of £7,006,000. Last year the total shortage to revenue account (that is the deficit) was £668,000, and this year it is estimated to be £399,000. The money invested in business undertakings, of which railways are the chief, is £25,000,000, and that invested in trading concerns of which the principal are the sawmills, implement works, and the Wyndham freezing works, is £1,800,000, making a total invested in business undertakings and trading concerns of £26,800,000. Last year the net revenue from these business undertakings and trading concerns was £771,000; that is, the revenue after deducting expenditure without taking in interest and sinking fund. This year it is expected that the net revenue will be £1,068,619, that is, the revenue after deducting expenditure without interest. The interest charges on this total capital at 4½ per cent. amounts to £1,139,000, sinking fund £268,000, a total of £1,407,000. The shortage last year, that is, the amount by which the business undertakings and trading concerns failed to meet their interest and sinking fund obligations, was £635,000, practically the amount of the deficit.

Hon. G. J. G. W. Miles: It would be a good scheme to get rid of the trading concerns.

Hon. T. Moore: Especially when the railways are losing so much.

The MINISTER FOR EDUCATION: I do not know what trading concerns could be got rid of, except those that are making a profit. The loss of the amount I have quoted on business undertakings and trading concerns combined, through their failure to meet their interest and sinking fund obligations over and above the expenditure, comes under three heads, under the railways, implement works, and the Wyndham freezing works.

Hon. J. E. Dodd: How much loss was there on the implement works?

The MINISTER FOR EDUCATION: I have not the exact figures before me. but the loss was very much less this year than it was in previous years, when the works lost a good deal. The total shortage on account of business undertakings and trading concerns was, as I have stated, £635,000.

Hon. J. Ewing: Have they been separated?

Hon. Sir E. H. Wittenoom: Trading concerns accounted for £1,800,000.

The MINISTER FOR EDUCATION: That is the amount invested in them.

Hon. G. J. G. W. Miles: Where has the other £20,000,000 gone?

The MINISTER FOR EDUCATION: I had been reserving the detailed information to give it to hon. members when dealing with the Loan Bill. The total amount invested is £26,800,000.

Hon. G. J. G. W. Miles: What is the difference between that and our national debt?

The MINISTER FOR EDUCATION: The shortage last year was £635,000, which was

practically the deficit, and the estimated shortage for this year under business undertakings and trading concerns is £338,000, which again is practically the amount of the deficit that we expect to have at the end of the year. The principal reason for the all-round increase in expenditure is due to the increased price of commodities and to the rates of pay, chiefly to the rates of pay. If we compare the salaries obtaining at the beginning of last year and those obtaining now we find that on the railways these amount to an increase of £530,000, civil service £50,000, teachers £75,000, police £25,000, public works department £30,000, and water supply £10,000. Some of these increases are covered by the increased charges that have been passed on. For instance, they have been passed on to the railways, where the revenue is necessarily inflated, as well as the expenditure. The interest and sinking fund charges also account for an additional £195,000, as compared with last year. The estimated increase of expenditure over last year's estimates is £474,000, made up of interest and sinking fund £195,000, other special acts £9,000, domestic expenditure £1,462, and administrative £23,000, and business undertakings and trading concerns, principally railways, account for £245,000. Reference has been made to the deficit for the expired portion of the current year. The deficit for the first five months was £587,000, and for the same period of last year it was £572,000, an increase of £15,000. This large deficit was to a great extent due to the retrospective pay made during November to the railways, and also to there having been three pay periods in November of this year as compared with only two last year. These items in November last accounted for £184,000. The loan expenditure last year was £2,663,320, of which soldier settlement absorbed nearly £2,000,000 or £1,933,340. A sum of £118,000 was added to the capital of the Agricultural Bank, and the total Loan expenditure for all general purposes for the year was £611,000.

Hon. G. J. G. W. Miles: The lowest on record?

The MINISTER FOR EDUCATION: Oh, no. The general loan expenditure for the last three or four years has been very low. A little information I have here may be of interest to hon. members regarding the expenditure of loan money to which Mr. Miles has referred. The authorisations to date total £50,709,000, of which £47,602,000 has been raised, leaving a balance available of £3,000,000. That loan money costs us for interest £1,942,000 per annum, and for sinking fund £315,000, a total of £2,220,000 in round figures, per annum, for interest and sinking fund. Of this amount we have invested in railways, Agricultural Bank, soldier settlement scheme, harbours, and other business concerns earning interest, or reasonably expected to earn interest, £34,707,000. That is the amount invested in the concerns that are considered sound, and are either earning interest or should be doing so. Un-

der trading concerns there is £1,800,000 invested, giving a total of £36,507,000. Other moneys not earning interest, but which it is expected may recover and ultimately earn interest, amount to £3,529,000, which makes a total of £40,000,000, which it is considered will earn interest or to be so invested as to show reasonable hope of doing so. The capital invested on works not earning any interest is £6,785,000, included in which is the deficit. The whole of the deficit funded up to the present time is included in that amount. As a set off against this non-producing capital, we have the sinking fund, which, at the time the Treasurer delivered his Budget speech, amounted to £6,848,000. The total amount is now a little over seven millions, and then there is the value of the properties transferred to the Commonwealth, on which we receive interest, £800,000—making a total of £7,648,000 to set off the non-earning capital of £6,785,000. So that the position in that respect would be absolutely safe if it were not that the business undertakings and State trading concerns do not pay; that is to say, do not pay the cost of working and their interest charges. As I have previously pointed out with reference to sinking funds, Western Australia is practically the only Australian State which has a substantial sinking fund. The grand total of the sinking funds of Australian States to the end of June of last year was £10,999,000, of which Western Australia's proportion was upwards of six millions; leaving a little more than four millions for all the rest of the States. Since then the comparison—I have not the latest figures for the other States—has become still more in our favour, because we have increased our sinking fund by over one million pounds since that date, while the additions made in the other States have been very small indeed. The railways, of course, constitute the most difficult problem in the whole of our financial position. If our railways were paying the whole of their working expenses and interest, then our deficit would be small. The estimated earnings for the current financial year are £2,725,000, and the working expenses £2,189,000, leaving a surplus of approximately £535,000. This surplus has to meet an interest bill of £720,000. Of course the sinking fund on the capital cost of the railway system has to be paid by the State as well, although it has never been considered necessary to debit the Railway Department with sinking fund, because the department continue to maintain their asset and to keep the tracks in order out of their own funds. Consequently the value of the asset as a whole is always increasing, instead of decreasing. The sinking fund has, however, to be provided out of the Consolidated Revenue. Taking into account the interest bill of our railway system, there is an anticipated loss for the current year of £184,000, apart from the sinking fund which has to be paid. It is estimated that this year's working will show an improvement of £240,000 over last year's results. If that estimate can be realised, it will of course be

the chief factor in bringing down the deficit from last year's figure of £860,000 odd to something below £400,000. It would be altogether idle for me to anticipate criticism on any particular point of the expenditure covered by this Appropriation Bill. It has not been my custom to make such an attempt but merely to outline exactly to the House what the Bill is and the expenditure it covers, leaving it to hon. members to criticise and question. I shall endeavour to furnish any information desired, when replying on the second reading. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Ewing in the Chair, the Minister for Education in charge of the Bill.

Clauses 1 to 4—agreed to.

Schedules A, B, C, D, and E—agreed to.

Schedule F:

Hon. Sir E. H. WITTENOOM: The Education Department is included in this schedule. I desire now to draw attention to what I consider the extreme expenditure in connection with this department. I trust that in replying the Minister for Education will not on this occasion adopt the attitude that he has taken during like discussions in the past. On the Address-in-reply I referred to the Education Department, and stated that I considered the expenditure to be excessive and the departmental methods to be on wrong lines. I went into the subject in some detail. I said at the time that I anticipated the leader of the House would, in his reply, oppose what I had said to the effect that certain things had not been done in England and elsewhere. I regret that I was out of the Chamber when the hon. member replied, and I may add that I consider the tone then adopted by him regrettable. His reply was entirely one of sarcasm.

The Minister for Education: Not at all.

Hon. Sir E. H. WITTENOOM: Pardon me. It was a reply entirely of sarcasm and ridicule, showing rather an inclination to get back on me by little dramatic statements. I am sorry to say, too, that in his reply the Minister misrepresented me. He accused me of having "a brilliant idea." If I adopted his tone, I might say that I could not return the compliment, seeing that the Minister is associated with a Government which brings in month after month a deficit. The Minister then stated that "another idea of Sir Edward Wittenoom was to save £100,000 on the Education vote by cutting out the continuation classes, etc. If he swept away the whole of these he would save £50,000 a year, and for the remaining £50,000 he would have to cut deep into primary education." I did not propose to cut into primary education at all. I did say that I objected to the continuation classes. In fact, I object to secondary education being

undertaken by the State at all. Then the Minister made a statement which introduced class feeling. I am sorry for that, because in my mind there is no class feeling at all. Nobody supports higher education more strongly than I do, providing the education is fitted for the person who is to receive it. The Minister made a statement to the effect that "it was quite evident that Sir Edward Wittenoom belonged to the old school, who still considered education a moderately good thing for the rich, and an immoderately bad thing for the poor." Whatever the Minister may think, I consider, that is not the case. What I do consider is that we should educate everyone according to his or her needs. There is not a bit of use in trying to do what our Education Department at the present moment try to do, and that is to educate everybody up to the highest point, irrespective of whether the person is fitted for such education or not. Take the case of the younger sons of the aristocracy in England. They are educated up to the highest point at public schools and, not being heirs to a title and having no money, there is hardly any work they can take up. I have seen them come out here and prove absolutely useless, whereas a man educated as a tradesman or mechanic can earn good wages. We all require to be educated in the particular line in which we want to work. I will take two instances, if I may, from this House: one of them will be myself, and the other Dr. Saw. I was brought up with the idea of going on the land, and I left school before I was 16, with nothing more than a good elementary education—not so good an education as that given to-day in the elementary schools. I went on to the land with an education which fitted me for that pursuit. Dr. Saw, on the other hand, went from one school to another, and ended up at the university, as it was fitting he should do; and he has made a success of his profession. My education would have been of no use to Dr. Saw as a professional man, and if I had received his education I would never have done any good on the land. I argue that in the best interests of the people every child should be given the education that best suits him or her. We have in this country a huge area of land which requires utilisation, and we have large numbers of young people, and we have not too many secondary industries. Therefore our principal aim should be to put as many as possible of our young men on the land, and not to keep them too long in the towns. The idea of the Minister for Education and those associated with him is to have these continuation classes, which I personally think are most mischievous, because they induce young fellows, who have received a good education up to the age of 14 years, to remain in the towns until they are 17, by which time they have found the town life so attractive and become so accustomed to town associations, such as boating clubs, cricket clubs, and so forth, that they have no inclination whatever to go on the land. The

very unfortunate consequence is that we find these young fellows drifting into shops or offices or banks or something of that kind. The article which I produce here now, written by somebody—

Hon. J. Cunningham: Is it the article you read last year?

Hon. Sir E. H. WITTENOOM: Yes.

Hon. J. W. Hickey: From the "Sunday Times."

Hon. Sir E. H. WITTENOOM: The article says that the universities were educating young people and that it was the duty of the Government to find occupation for them, whereas, on the other hand, the carpenter or the blacksmith, or the tradesman, or the man on the land could make a good living, many of these tradesmen being able to earn a pound a day. If we thus educate young men who later are to make £3 or £4 per week in a store, after they have been working for some time, it would be far better to have them as good tradesmen at £1 per day.

Hon. A. Lovekin: Would the individual be a worse tradesman because he was better educated?

Hon. Sir E. H. WITTENOOM: Not if we could afford to give him the education. But if we give a young man such an education as I am referring to, he will naturally desire to take a higher position than he would otherwise be willing to accept. He will want some position which is in accordance with the education he has received. In a State like Western Australia we want to educate young people for every position that is available. I am not talking about the higher education, for, if a parent desires his son to go in for that type of education, he can, by the expenditure of £20 a year, have his children from 14 years upwards educated at any of the private secondary institutions in the metropolitan area. The Government, by giving free bursaries and scholarships, can encourage the children who show brilliancy at the State schools. Anyone who desires his son to go into one or other of the professions, can achieve his object at the private schools by the payment of £20 a year. If it were not for these continuation classes and the general trend of our educational system, we would not be confronted with this expenditure for modern schools, high schools and so on. In my opinion, we are spending too much on education. We do not educate the youth of the State along the right lines, and when the Minister for Education is answering me, I want him to give me some proof of the results accruing from this expenditure. We spend about half a million of money on our educational system. I want him to show me where the results have been apparent. Let members look at what goes on in the Eastern States. Let them take those who may be regarded as the successful people and ask themselves whether the most highly educated have proved to be the most successful. I do not know that we in Australia particularly want highly educated peo-

ple for the development of the country. When I was Minister for Education—I confess it was a long time ago—the vote for education was about £30,000 a year, and now it is nearly half a million. In Sydney when I went there first, there was an expenditure of about £800,000, and I do not think it has ever been more.

Hon. A. Lovekin: In Canada education is compulsory up to 18.

Hon. Sir E. H. WITTENOOM: Western Australia is a different type of place to Canada. What is the position in Sydney? It has the best name for larrikinism among the cities of Australia. There are no members giving evidence of the highest education in their legislature. For such a great expenditure Sydney is not so much advanced compared with Western Australia. I want it to be distinctly understood, that I in no way under-rate education, but we want to educate young people in accordance with the positions they may take up in after life and not educate them in a way that will make them thoroughly discontented. In these circumstances, my opinion is that the extent to which the education system of the State should go is the provision of first rate elementary schools, good technical schools, and agricultural colleges, good training schools for teachers and the provision of bursaries and scholarships. If these facilities are provided, the State Government will have done their duty. When we realise that half a million is spent annually by a community of 300,000 odd souls, it must be appreciated that we cannot afford it. We have not the money here, and such an expenditure is not justified by results. We are not teaching our young people in the right way and I enter my protest against the continuance of our present educational system.

The MINISTER FOR EDUCATION: As this discussion has arisen merely on an item, included in the Estimates, I will confine myself to replying to Sir Edward Wittenoom without discussing education generally. I regret very much that he should have taken exception to my remarks during the course of the Address-in-reply. I venture to suggest that had circumstances permitted Sir Edward Wittenoom to have been in his place on that occasion, he would not have placed such an interpretation on my remarks as he has indicated. I admit that the speech may have read worse than it sounded when spoken. I admit freely that I get impatient with people who attack the education vote, which, to my mind, is entirely inadequate at the present time. I repeat now what I said on that occasion, that if the hon. member desires to curtail the expenditure upon education by £100,000, he cannot do it by cutting out all these things to which he takes exception. If he cut out the whole lot of them, he would only account for about £50,000. As for the remainder, if he desired to save another £50,000, he would have to cut into our ordinary primary education of children between six and fourteen years of age. The hon. gen-

tleman and I disagree to this extent: He says that a child should be educated in accordance with its opportunities. I say that every child should be educated in accordance with its ability and capacity, no matter whose child it may be. That is one difference between us. I think an opportunity should be made for every child, if he has brains and intelligence, to take advantage of the opportunity.

Hon. Sir E. H. Wittenoom: He would make those for himself.

The MINISTER FOR EDUCATION: I would be glad if the hon. member would visit some of our country schools and make up his mind for himself, after an inspection of what is actually being done, as to whether or not we are training these children in the way that will be useful to them in after life. I would like him to go to Toodyay, where the reformed method of work has been in practice for some considerable time, and where we are building up a system for the country children. So it is at the schools at York and Northam, Geraldton, Bunbury and Albany. If he saw the work at these schools he could make up his own mind as to whether or not we are doing something for the children in those districts which will make them useful citizens in after life, and make them useful in the positions they may be expected to fill. I admit that the continuation classes are only a halting second-best. What we should have in Western Australia is something more on the lines recently adopted in England, where during the last year or two, compulsory continuation classes in the daytime have been established for all children who have to leave school and go to work at fourteen years of age. I do not altogether agree with that system, however, and would sooner see the adoption of the Canadian system, or a system approved in many other countries where the compulsory age has been extended to 18 years. If we allow children to go to work at 14 years of age, there should be continuation classes in the day time at which they may continue their education. I know many faults are to be found with the continuation classes as established now. Sir Edward Wittenoom is slightly in error when he speaks about the cost to the parent. There is practically no cost to the parents, because these continuation classes are held at night, and most of the students are at work in the daytime earning money and go to the continuation classes at night. I admit that it is not a good system, but if we went in for day continuation classes, it would mean a large expenditure in providing classrooms and teachers. Under our present system, the same building serves for both purposes. The hon. member knows that it has been decided that a Royal Commission shall be appointed to inquire into the educational system of this State. I anticipate that the Royal Commission will have something to say about the continuation classes. I am sure they will not approve of them as they are now. I do not think that they will make any suggestions for

effecting economies in the direction Sir Edward Wittenoom seems to think will be the case, but rather will recommend increased expenditure to make the classes more efficient. Sir Edward Wittenoom said that anyone for the expenditure of £20 per annum, could send his child to a good secondary school. I would ask the hon. gentleman and also the Committee to weigh what that statement means.

Hon. J. E. Dodd: The cost will be nearer £90 per annum.

THE MINISTER FOR EDUCATION: If a parent lives in the city, then the fee may be £20 per annum, if he can afford to keep his child. What happens in the country? Until four years ago, there was no secondary school in the country at all?

Hon. A. Lovekin: What about Kalgoorlie?

THE MINISTER FOR EDUCATION: The Perth modern school was established in 1911, the Kalgoorlie secondary school in 1914, two of the district high schools in 1916, and two in 1917. Prior to that, no child in the country could obtain secondary education unless the parents could spend not £20, but £100 a year. I know that is so, because I was working in the country and I had two children to be educated at the secondary schools at Perth. I know that it cost at least £100 per child. That is a heavy charge on people in the country with a moderate income. There are also disabilities which have to be taken into account regarding secondary education in such circumstances. The child has to leave the country and come to the city. I think Sir Edward Wittenoom will agree that the country child should get the advantage of such education in the country instead of coming to the city and becoming divorced from the attractions of country life. Sir Edward Wittenoom says that by a system of bursaries and scholarships, the bright children can be picked up and encouraged. That is a most erroneous idea. I have nothing to say against bursaries and scholarships. We give a good many and they have produced good results, but they are not the means by which the best results are to be achieved. It is not the child who can gain the scholarship who is the best child to be encouraged. In a great many cases the bright child who wins a bursary or scholarship is brilliant and abnormal, but it is not only the experience here but elsewhere, that the bright child is not the best in the long run. Such a child has to be secured between the ages of 13 and 14 and given the encouragement which leads him on to the higher education. That is not the child however, experience shows, who is the most profitable to educate along these lines, nor is that the type of child who shows the best results under this system. The steady, plodding child is capable of far greater development than the brilliant child in these earlier years. That is the opinion of educational authorities all over the world. The tendency is to get away from bursaries and scholarships and competitive examinations. So far as the country

schools are concerned, we take in children at the institutions at Northam, Geraldton, Bunbury, and Albany from the smaller country districts surrounding those centres. We do not take them in by examination, for better results are achieved through conferences between the inspectors and the teachers than would be achieved by way of competitive examinations. The last point was as to results. Sir Edward Wittenoom asked me to show where the results of this expenditure were to be seen. The results from what? We see to-day the results of the educational system of the past, under which system the children were taught up to the age of 14 years and then turned out. If we are desirous of getting results from the educational system of to-day, we will have to wait for 10 or 15 years. Take the secondary schools in the country districts; there is not one child who has come out from those schools. They have not completed their course at the present time. It is impossible to expect results yet. Those which we see to-day are the results of the old system. The hon. member referred to Sydney. Expenditure on education in New South Wales has been on a more generous scale than in this State, but it has been on the same principle, that of turning out children at 14 years of age. If there is anything bad about it, it is the result of the past, not the result of the movement of the last few years, that movement being to give opportunity for secondary education to a much larger number of children, and which movement will not be completed until the system is extended to every child.

Hon. Sir E. H. WITTENOOM: With regard to the expenditure of £20 a year, it has reference to the continuance classes and to boys being kept at the continuance classes until after they are 14 years of age. If you keep them in the town for three years after they are 14, they live with their parents—

The Minister for Education: They work in the day time.

Hon. Sir E. H. WITTENOOM: They do not always work in the day time. I know of many who stay at home all day. These boys live with their parents whether they are going to a high school or a continuance class, so that there is no expense except the day school fees.

The Minister for Education: Practically all the continuance scholars who attend at night are workers.

Hon. Sir E. H. WITTENOOM: With regard to the argument that we may carry on for a long time, I will prove that in many cases the best results have followed when boys have left their schools at the age of 14, and have gone away to follow the line of life which suited them. I also know of many who remained at school until a later period and who did not make good. The Minister stated that many employers realise the necessity for increased education, and urged the Government to extend the system beyond the teaching of trades and technical education. I want them to go in for technical and agricultural education. We are educating them

now for what they do not want. If money was saved in that direction it could be spent in extending elementary teaching all over the bush. I am not raising any objections; I am merely expressing the opinion that we are carrying the system too far.

Hon. J. E. DODD: Mr. Walker, when Minister for Education in the Labour Government, was as enthusiastic as the present Minister for Education in the direction of establishing secondary schools. He did establish several. I agree with Sir Edward Wittenoom when he says that we should endeavour to educate the children, or to give them a chance to be educated to go on the land. When speaking before the Child Welfare League 12 months ago, I went into this question and I expressed the opinion that we should establish schools of agriculture in the big cities, instead of in places where we are establishing them at the present time. We do not give the youth of our cities like Perth and Kalgoorlie a sufficient opportunity to study matters in connection with the land. With regard to the School of Mines, there is one at Kalgoorlie, but we should also establish a branch in Perth. It is interesting to know that a number of senior scholars last year engaged in a debate at the James-street school on the subject of which offered the most attraction, country or town life. Country won. That gives an idea of the direction of the tendency of our youth. What is there in Perth in the way of education for lads who desire to go on the land? We should provide more opportunities in Perth for educating our youths who want to go on the land. The Ugly Men's School has been successful in this direction. In spite of what Sir Edward Wittenoom said, I believe we need just as much technical education to work the land successfully as we do in connection with any other work.

Hon. Sir E. H. WITTENOOM: You get that on a farm.

Hon. J. E. DODD: Farming to-day is becoming more of a technical profession and it will become ever more so. It is all very well to say that we can give a youth the education that he needs on the farm, but he requires a little more than that. A number of Kalgoorlie boys are being sent to farms and I believe many of them have been successful. But they would be even more successful if there were further opportunities in the big towns for them to study.

Hon. A. LOVEKIN: I hold that, instead of limiting education, we should extend it as far as we can. It is impossible to judge the outcome of the Education Acts which have been in force in England and in Australia by just a few results spread over a limited period, nor can we form an accurate judgment by saying from what we see around us "This is the result of education." We must take education spread over a large area and over a fair amount of time. I remember when school board Acts were first introduced into England, and when education was made compulsory for the first time. From then

until now is a fair period to look back upon in judging the results of education. In the larger communities they argue this way: "If we can do all this by educating our youth up to the age of 14, we can do a little better by educating them beyond that age. In the province of Ontario the compulsory standard has been raised to 18. Their idea is that, having got certain magnificent results up to the 14-year standard, they can get even better results up to the 18-year standard. I would prefer to see our system of education extended.

The MINISTER FOR EDUCATION: I wish to correct a statement I made just now in reply to Sir Edward Wittenoom, when I said that prior to 1916 there was no opportunity for secondary education in the country at all. That was scarcely accurate, because a few years before that year the colleges at New Norcia were established, and undoubtedly, although denominational, they are excellent institutions which beneficially affect the educational standard in the country.

Hon. A. LOVEKIN: I should like to ask the Minister how it comes about that the salaries put down for the engineering department amount to £298, and for the architectural department £76 16s. Because it is common knowledge that the expenses of the engineering department are far in excess of £298. I presume the balance of the money is to come out of Loan Fund?

The MINISTER FOR EDUCATION: No. As I explained on the second reading, Schedules F, G, and H cover the amounts expended last year in excess of the Estimates under the different funds. This Schedule F consists merely of excesses, and in nearly every case the items are for advances in salaries given after last year's Estimates were passed, and which therefore had to be confirmed in these Estimates.

Hon. A. Lovekin: It is an excess Bill in another form.

The Minister for Education: It is always in this form.

Hon. Sir E. H. WITTENOOM: I take this opportunity of again placing on record my protest against the State running business undertakings and trading concerns. I do not consider it is for the Government to undertake these duties. First of all they come into competition with private enterprise, they cannot do the work so well, and probably they scare away conveniences that otherwise would be afforded. I have previously suggested that the Government should get rid of these trading concerns. Figures before us to-day show that the amount capitalised in trading concerns is £1,800,000.

Hon. J. Nicholson: It is more than that now.

Hon. Sir E. H. WITTENOOM: That does not include the business undertakings. If we were to get rid of these trading concerns we should have £1,800,000 for the development of the North-West, a portion of the country which requires to be well looked after.

Hon. T. Moore: Part of it is spent up there. The Wyndham meat works are up North.

Hon. Sir E. H. WITTENOOM: The Wyndham meat works ought never to have belonged to the Government. I have the best of reasons for saying that, because I was behind a company in England that offered to erect the works 20 years ago, conditionally on a few privileges being given in the way of light and harbour dues. Moreover, I believe Mr. Nevanas would have carried them out if left alone. If the Government had not taken on these trading concerns they would have had £1,800,000 with which to facilitate the development of the North-West, that is to say, if the money were not required elsewhere. In regard to steamers, I stated last year that we were justified in keeping them. I must again quote the Minister for Education, who said—

Sir Edward Wittenoom wanted the Government to dispose of all trading concerns except railways, North-West steamers, and the State Implement Works.

The CHAIRMAN: Is that from this session's "Hansard"?

Hon. Sir E. H. WITTENOOM: No, Sir. The Minister went on to say—

Sir Edward Wittenoom wanted to sell all the concerns showing a profit, and retain all those showing a loss, in order to square the finances.

I distinctly stated that there were three trading concerns which I do not see how we could dispose of. The one was the railways, it being the stable policy of the country that the railways should be State-owned. Another was the steamers, which I would retain because, if the Government were to get rid of them, there would be no means of ready communication with the North-West. The Government, by introducing State steamers, squeezed out private steamship companies, and it is now their duty to replace those services and give the outports ready communication. As for the State Implement Works, I would retain those because I understand they serve to keep out the imported article paying high Customs duties. It has been pointed out to me that if we did away with the State Implement Works there would be so much more machinery imported at excessive cost. I said that under those circumstances we would have to retain those three trading concerns, for the reasons given. But I say in all sincerity it is almost impossible for a Government to run business undertakings and trading concerns, especially large ones.

Hon. G. J. G. W. Miles: They were returned pledged to dispose of them.

Hon. Sir E. H. WITTENOOM: I had forgotten that, and did not want to think of it. I have no desire to embarrass the Government, but I must draw attention to this. I think the money spent on brick works and enterprises of the sort might be much better used in developing the State.

Hon. A. SANDERSON: I wish to ask if the Agent General's report is yet on the Table, and whether the Minister has given us any information about the London Agency?

The CHAIRMAN: We have passed that. The Minister gave us a great deal of information.

The MINISTER FOR EDUCATION: I have no objection to telling the hon. member, who has just come in, that these are all excesses, because of increased salaries granted during the year. If it was necessary to increase salaries within the State it was probably still more necessary to give increases in London.

Hon. H. Sanderson: Hear, hear!!

Schedule put and passed.

Schedules G, H, and I—agreed to.

Preamble:

Hon. J. E. DODD: Some ten years ago the late Mr. Cullen objected to the wording of the preamble of a Supply Bill. Only a little while ago I drew attention to the ridiculous wording of the preamble in the Coroners Bill. I now wish to draw attention to the wording of the preamble before us. It states here that "We, Your Majesty's humble servants, etc., cheerfully grant to Your Majesty." It seems to me this word "cheerfully" is absolutely false, seeing that we are granting it, not cheerfully, but mournfully, since we know that we are some £400,000 or £500,000 behind every year.

Hon. J. Cornell: What about inserting "reluctantly"?

Hon. J. E. DODD: A little further down the preamble runs—"We most humbly beseech your Majesty that it may be enacted." It is time we got away from such wording, seeing that we are going to enact it for ourselves, without beseeching anybody. Can we imagine Mr. Mitchell, the Premier, going to His Excellency the Governor and humbly beseeching that this might be enacted? It is about time we modernised some of the wording of our Acts. To put in these words "We have cheerfully granted Your Majesty," when we know we have not done anything of the kind, but are doing it mournfully; and to insert the words "We humbly beseech Your Majesty that this might be enacted" when, as a matter of fact, we intend to do it, no matter what anybody thinks—this, I say, is absurd. I will not move an amendment, but I do hope to see some improvement in these forms.

Hon. J. CORNELL: I am thoroughly in accord with the hon. member's views on this question, but I would remind him that, after all, under our Constitution it is the Assembly's pigeon, not ours.

Hon. A. SANDERSON: I do not think a protest of that nature, coming from an ex-Minister of the Crown and a distinguished member of this Chamber, should be allowed to pass unnoticed. I thought that years were

bringing to the hon. member, as they bring to some of us, mellowness rather than revolutionary thought. The hon. member must be aware that in the first place this preamble does no possible harm to anybody. In the circumstances in which we find ourselves, why not let it continue? From the aspect of positive good the preamble takes us back to the past, to the history of our forefathers. A most interesting constitutional and financial address could be given on this preamble. I am astonished at the attitude adopted, both inside and outside this Chamber. We are having an election and the point is—loyalty or disloyalty? We may fairly assume that the people of this country are loyal. It is amazing to me that comments of the nature of those to which I am replying should come, not from a Bolshevik, but from one of our most honoured leaders and an ex-Minister of the Crown, who should be better educated than hon. members generally as regards the meaning and origin of the preamble.

Hon. J. E. DODD: Despite the pedantic lecture from Mr. Sanderson, I am perfectly serious in the attitude I have adopted, not only as to this particular Bill but as to many other Bills. I do not take exception to the hon. member's remarks, seeing that he has thought fit to refer to the leaders of this country as being members of the lower orders of Britain who have emigrated, while, he says, members of the nobility of Great Britain come out here to guide our rulers. The words to which I have taken exception have no historical significance so far as we are concerned. We are not always going to be concerned with what happened a thousand years ago; otherwise we should never make any progress in legislation.

Preamble put and passed.

Title—agreed to.

Bill reported without amendment, and the report adopted.

BILL—LUNACY ACT AMENDMENT.

Second reading.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [4.53] in moving the second reading said: Before dealing with the provisions of the Bill, I desire to refer to the memorandum which appears on the front page. It has been customary in previous years—though the practice has been invariably followed only in one or two sessions—to attach a brief abstract or epitome to each Bill. The idea is a very good one, but there is a certain element of danger in it, namely, that the memorandum may not exactly convey the intention of the Bill. That danger is intensified by the possibility of amendments being made in another place and the memorandum not being altered accordingly. I have made it a practice to see whether that is the case in connection with

Bills that are accompanied by such a memorandum. In the memorandum to this Bill, there is an omission as regards sub-paragraph 3 of the first paragraph; that is to say, the memorandum has not been altered in accordance with an amendment made in the Bill elsewhere. The sub-paragraph in question states that among the principal objects of the Bill is—

To give attendants who have been fined any amount exceeding one pound or dismissed, a right of appeal to the board of visitors against the decision of the Inspector General.

In another place the words "any amount exceeding one pound" were struck out and the words "reduced in grade" were inserted instead. Therefore, the sub-paragraph in question should read, "To give attendants who have been fined, reduced in grade, or dismissed, a right of appeal to the board of visitors against the decision of the Inspector General." The memorandum is not, of course, a matter for the consideration of the House, but I draw attention to the omission lest hon. members should be misled by it. The House will probably be aware that a select committee of the Legislative Assembly sat last year, and made a very exhaustive inquiry into the administration of the Hospital for Insane at Claremont. One of the recommendations made by that select committee—I venture to think a most important recommendation—was that legislation should be introduced in the direction of appointing a board of commissioners who would have full control over all mental defectives in Western Australia. The principle of this Bill is to give effect to that recommendation of the select committee. At present we have a board of visitors who visit the Claremont institution at regular intervals, see all the patients, make very complete inquiries, and report to the Minister. The membership of the board comprises Dr. Birmingham, Mr. Darbyshire, the solicitor, and Mrs. Casson; and I have no hesitation in saying that for years past the board have done their work conscientiously and well.

Hon. J. Cornell. Do the members receive fees?

The MINISTER FOR EDUCATION: Yes, very small fees. The object of the Bill is to increase the board in number and also to increase very materially the functions and the powers of the board. The aim is that the work of the board shall improve the conditions as regards the release of patients. That is perhaps the most important point. I believe the select committee were of opinion that persons were detained in the Claremont institution who should not be detained. Without going into specific cases, the select committee put up a lengthy table showing the number and percentage of patients discharged from institutions of this kind in Western Australia and in other parts of the Commonwealth. The argument generally was directed to the suggestion that patients were

detained at Claremont who should not be detained there. Now the board will have power in regard to the discharge of patients. That is a power which the present board of visitors do not exercise.

Hon. J. E. Dodd: Will the proposed board exercise full powers?

The MINISTER FOR EDUCATION: I will explain exactly what powers it is proposed to grant to the new board. They will have power in regard to the discharge of patients. They will also have power to inquire into cases of attendants who have been fined, reduced in grade, or dismissed. The board constitute a board of appeal against the decisions of the Inspector General, and in all matters of that kind the decisions of the board are to be final. I have already mentioned the constitution of the present board—one doctor, one solicitor, and a lady. It is intended that the new board shall consist of five members, none of them being servants of the Government. One will be a legal practitioner as at present; two will be medical practitioners; and the other two will be neither legal practitioners nor medical practitioners, and one of those other two will be a woman. It is proposed that the members shall hold office for three years and shall be eligible for reappointment. One board may be appointed for two or more institutions. I have no doubt that, for the present, one board will be found quite sufficient for all the institutions of this nature that we have in Western Australia. The members of the board will receive such fees as may be prescribed by regulation, out of moneys appropriated by Parliament. The board may make regulations prescribing the procedure and method to be followed and observed in the transaction and performance of their business and functions. It will be the duty of the board to visit the institution at least once a month or oftener, as directed by the Minister. The present board make a quarterly examination; but in view of the extra duties that are to be imposed upon the board to be constituted under this Bill a quarterly examination would certainly not be sufficient, and therefore a monthly examination is provided. The board will be required to inspect and see every patient. Mr. Dodd has referred to the question of discharge of patients. Under this Bill a patient may be discharged upon the decision of a majority of the board providing that that majority includes at least one medical practitioner. That is to say, of the board of five, if the two medical practitioners were opposed to the release of a patient, while the legal practitioner and the two lay members of the board thought that the patient should be released, the opinion of the minority would prevail; that is to say, the opinion of the two medical practitioners. But if a majority of the board, such majority including one medical practitioner, thought that a patient should be released, the release would be brought about. Clause 12 of the Bill amends Section 107 of the principal Act by

providing that in appeals for release under that section a judge may, if he thinks fit, on the application of the person brought before him, order that the question whether such person is of unsound mind shall be determined by a jury, unless such a person has been declared of unsound mind under Part X. of this Bill, which provides for a jury. At present some cases of this kind are heard before a jury, and others before a judge alone. Clause 12 merely provides that the judge may, if he thinks it desirable, order that the hearing shall be before a jury. Clause 14 provides for the amendment of Section 181 of the principal Act. It is intended to increase the severity of the punishment for offences against female patients in order to bring the law into harmony with the provisions relating to offences against imbeciles and idiots under the existing Criminal Code Amendment Act of 1918. These are the principles of the Bill which undoubtedly mean a very drastic alteration in our present methods. At the present time the Inspector General of the Insane is solely responsible for the release of patients from the institution, with this exception, that patients may appeal to a Supreme Court judge and the judge of that court may decide the issue. This appeal gives the board, or a majority of the board, authority to decide that matter and also power to deal with matters of discipline where penalties are imposed under Clause 9. The Inspector General is given power to inflict punishment for all sorts of offences but those who have suffered the punishment are given a right to appeal to the board, whose decision shall be final. That makes an alteration in our present lunacy laws. It is one aspect that one talks about with a good deal of diffidence. This provision means lesser responsibility on the shoulders of one man and more on the shoulders of the board. It goes without saying that if the departure is to be successful, a good deal of discretion must be exercised in the selection of the board, because the board has powers which, if wrongly used, may lead to trouble in the future.

Hon. A. J. H. Saw: Have you any precedents for this proposal?

The MINISTER FOR EDUCATION: I have looked that matter up in an endeavour to ascertain whether there are any precedents. I find, however, that the systems in operation are so different. In England there is a board with supreme power. In the Eastern States some have boards with a greater or lesser power than under the system proposed. The system differs everywhere in the Eastern States and also in the old country as well. I do not know that there is any exact precedent for the provisions which are proposed in the Bill. I move—

That the Bill be now read a second time.

Hon. F. A. BAGLIN (West) [5.2]: I am opposed to the Bill. I have gone fairly thoroughly into it and it appears to me a hotch-potch sort of business. The Minister in mov-

ing the second reading mentioned that a select committee had been appointed some time ago to report on the general management and conduct of the Hospital for the Insane. As an outcome of the select committee's recommendation, the Bill has been brought forward. When the matter was discussed in another place, it was a most remarkable thing that without any exception, the whole of those who comprised the select committee opposed this very Bill and gave expression to their opinion that the Bill was not such as they anticipated the Government would bring forward. The Bill is not going to help us at all so far as the general conduct and administration of the Hospital for the Insane is concerned. While the Minister laid special stress on the fact that the board of visitors would have extensive powers and would practically take over the control of the institution, I ask hon. members to go carefully into the powers vested in the boards and show where the increased powers are to be found.

The Minister for Education: They have power to discharge patients.

Hon. F. A. BAGLIN: That is a new power, it is true.

The Minister for Education: They have power to hear appeals.

Hon. F. A. BAGLIN: I will come to that directly. The Bill proposes to establish a board of visitors but does not vest them with any increased powers. The only clause that can be quoted as giving them extended powers is possibly that regarding the right to release. Even there, however, it is provided that the majority of the board must include at least one medical man. When a patient desires to leave the institution he has to pass a medical examination by the superintendent and also by the Inspector General of the Insane. That is, two medical men. Having got past those two medical men, he has to go before a third medical man before he can secure his release.

The Minister for Education: That is not the case.

Hon. F. A. BAGLIN: If he gets past them, he has to go before a third medical man.

The Minister for Education: No, you are wrong.

Hon. F. A. BAGLIN: The Minister may explain why the board constituted of five persons should include two medical men.

Hon. H. Stewart: Why five? Would not three be enough?

Hon. F. A. BAGLIN: I am satisfied with that but notwithstanding the fact that there are five members provided, two of these are medical men.

Hon. H. Stewart: It means more cost and more fees.

Hon. F. A. BAGLIN: If the board is to be comprised of five members, it should only be necessary to provide that at least one should be a medical practitioner. The cost of the institution, according to the Estimates is £84,000 for the present year. The control of the whole of that amount is left in

the hands of the Inspector General of the Insane to use and spend as he likes. It is solely a matter within his discretion.

Hon. H. Stewart: That is not much for one man.

Hon. F. A. BAGLIN: It is a lot. When we have a board of visitors provided, they should have some power to say how the money should be expended. That is one complaint I have against the Bill.

Hon. J. Duffell: There would be too much meddling with matters in such a proposal.

Hon. F. A. BAGLIN: I do not think so. We have already a board of visitors and the Minister says that they have done excellent work. Possibly the only reason they have not done more excellent work is because their powers have been limited. What is happening to-day so far as the Hospital for the Insane is concerned? I ask the leader of the House to explain what methods are being adopted at the institution to assist the patients to regain their sanity. We hear, and I believe it is true, that men are cast into the institution practically as into a dungeon. To all intents and purposes, no effort is made to help them to regain their sanity. They are kept there in straight jackets if need be and are detained like so many prisoners. What methods are being adopted by the present authorities and those responsible for the administration of the institution to secure an improvement in the conditions of these patients? How are they helped to regain their sanity? If we are desirous of having an up-to-date institution for our mentally afflicted, we should have someone appointed who can apply up-to-date methods.

Hon. Sir E. H. Wittenoom: Why are there so many patients there?

Hon. F. A. BAGLIN: I cannot say. It should be the duty of the medical men in charge to at least endeavour to assist these people to regain their mental faculties. So far as I am aware, there are no such methods in operation. The patients are cast into a dungeon and remain there until death affords them a happy release. The object of the Bill, according to my way of thinking, is to relieve the Minister of responsibility and endeavour to place the responsibilities of the administration of the institution in the hands of this unfortunate board. The result will be that if in the future there is any outcry, the Minister will be able to shrug his shoulders and say: "I am not responsible for this sort of thing. You had better see the board of visitors." If an inquiry should be held, under such circumstances no verdict could be urged against the Minister and the board would have to bear the whole of the blame. Another matter which I desire to deal with is the proposed new section which will stand as 187a. That is a new provision. I have an amendment to move to that clause when we are dealing with the Bill in Committee. For the present, however, I would like the leader of

the House to say why this new clause has been inserted at all. The powers which are given to the Inspector General, are already exercised by him. He has power to dismiss attendants for any of the offences mentioned and he is doing it under the existing regulation. Why should it be necessary to insert these powers in the Bill? At the present time, the attendant has a right of appeal if the amount of fine imposed upon him is more than £1. The provision as inserted in the Bill gives power to appeal against any fine or other punishment inflicted upon any attendant. The fact remains, however, that an appeal board is in existence at the present time.

Hon. H. Stewart: What board is that?

Hon. F. A. BAGLIN: That is the appeal board which comprises a nominee of the Government, a nominee of the Inspector General, and a person appointed by the employees at the Hospital for the Insane. That board deals with appeals and the right is given to the secretary of the union to appear before that body and assist the employees in presenting their appeals. I think that provision enabling the secretary of the union to appear before the board in support of appeals should be inserted in the Bill as well. If a nurse is dismissed and she desires to appeal, there is no one to assist her in putting her case forward. I consider there is no necessity for this clause and I want the Minister to explain why it was inserted in the Bill at all. If it is allowed to remain in, it should certainly be amended. Under Subclause 5 of the proposed new Section 187, it is provided that no person shall be deemed to have been permanently employed within the meaning of the section unless he has been continuously employed for at least one year immediately prior to the Inspector General having found the charge proven against him. I think that the period of 12 months is too long because we know of instances where attendants have been dismissed after they have been five years there; but even then they have not been permanent employees, in which case they would not have power to appeal.

Hon. J. Duffell: What about the position of nurses?

Hon. F. A. BAGLIN: I do not see any reference to nurses in the clause. It refers only to attendants. If the hon. member looks at the proposed new Section 187a he will see that it relates to attendants. The only persons to come under this provision will be the attendants and not the nurses. At the institution there are quite a number of employees, such as stewards, cooks, butchers and bakers, to whom this provision will not apply. It provides for the dismissal of an attendant for certain offences and the attendant will have the right of appeal, but no reference is made to the other employees. Another thing I want to include in the proposed new section is that no person shall be dismissed on the evidence of inmates. An hon. member of this Chamber laughed when

the possibility was suggested of an employee being dismissed on the evidence of inmates. I might inform that hon. member that this is quite a common occurrence; a number of employees have been dismissed from the hospital on the evidence of inmates. The hon. member said that if these people were fit to take evidence from, they should be fit to be dismissed.

Hon. A. J. H. Saw: Anyone who knew nothing about it might say so.

Hon. F. A. BAGLIN: It would be giving the Inspector General very wide powers if he could take the evidence of an inmate and, on that, fine or reduce an attendant. The attendant should be protected against anything of this description. I am disappointed with the Bill as a whole, but I shall not oppose the second reading as I hope to get the clauses to which I take exception amended in Committee.

The PRESIDENT: I ask hon. members to confine themselves as far as possible to discussing the principles rather than the clauses of the Bill.

Hon. J. CORNELL (South) [5.17]: I intend to vote against the second reading of the Bill and I declare myself opposed to it from the outset. I have gone through the Bill and all I can make of it is that it seeks to pass the responsibility from the recognised head, a competent man in many respects, to five other persons. The divided responsibility and no responsibility which characterises this Bill is something we should guard against. It should be the aim and object of every man and woman of the community in the possession of his or her faculties, though some might be kinky in certain directions, to see that the conditions surrounding the unfortunate inmates of this institution are such that their lot will be made easier and may tend to bring about such an improvement in their condition that they may eventually be released. Only one actual power is proposed to be conferred on the board, and this is a power I am not prepared to give to the board. An inmate who desires his or her release, after having been refused by the superintendent, may appeal to the board, and if one medical practitioner objects the appeal will not be allowed.

Hon. A. J. H. Saw: The reverse is the case.

Hon. J. CORNELL: If there is one who should be qualified to state whether an inmate was sufficiently sane to be released, it should be the superintendent, and not the medical practitioners or the laymen on the board. If I were elected to the board and had to adjudicate as to whether an inmate was mentally fit to be set at large, I think I would give up the job. I have no qualifications which would enable me to give an opinion. There are very few medical men in this State who are qualified to give a definite opinion on a question of insanity. While it might seem hard to have to vest our powers in the expert, this is a question

which only the expert can decide. If the proposal regarding the release of inmates is considered a virtue of the Bill, I shall vote against the Bill for that reason if for no other. The Minister should leave no stone unturned to see that the conditions of health and the general surroundings of the institution are considerably improved. In case the Bill does reach the Committee stage, I wish to enter my emphatic protest against the provisions of clauses relating to fines. I hope to be always opposed to the principle of fining employees. It savours too much of khaki, of active service, and of the orderly room, for there an employee who looked the wrong way when the inspection was on and failed to salute was brought up and fined 5s. or 10s. I had my little bit of soldiering and I escaped the orderly room, but I would often have liked to speak my mind regarding the orderly room. However, I had a reputation, not as a soldier, but as a politician. For offences against good order and discipline, I would impose one penalty, the noble order of the sack, with the right of appeal. The system of fining is a pernicious one as it leads to snotting and kowtowing. If the Bill reaches the Committee stage, I intend to move for the deletion of all references to the fining of employees and, I would give the Inspector General the alternative of reducing an employee in status, or dismissing him, subject to preserving the right of appeal. I shall oppose the second reading on the ground that the Bill will not improve the present conditions at the Hospital for the Insane, but will make them worse.

Hon. J. E. DODD (South) [5.25]: The Bill now before us impresses me as being one on which a layman can hardly express an opinion. It seems we are almost entirely in the hands of the experts with regard to the administration, but, however that might be, I think we should exercise the power of our reason and endeavour to make the Bill as good a measure as we can. The power of the Inspector General has certainly been very great and very wide. The Hospital for the Insane, as Mr. Baglin has pointed out, is practically a prison for 1,000 or 1,200 men and women. The Inspector General of that institution has far greater powers than has the governor of a gaol, for the simple reason that he is supposed to be an expert in dealing with this disease, and consequently he must have very wide powers indeed. He has the supreme power over the minds of 1,000 or 1,200 people and is entrusted with the expenditure of £80,000 or £90,000 a year. The Inspector General may have the best professional ability in the world and we may concede that he has, but in dealing with an institution of this kind he needs to have other attributes. A man in that position needs to be possessed of great tact and great experience in general administration. I dissociate myself entirely from any attacks made outside Parliament or in another place on the Inspector General of this institution. I have

experience of one or two cases which have been brought before me and in which my assistance has been sought to get patients released, and I must say that the result of my experience had led me to the conclusion that the Inspector General of the Insane does not exercise his power as tactfully as he might do. I have had some experience in connection with the case of a young lady sent by her mother to the Hospital for the Insane during Dr. Montgomery's time. She was sent there because Dr. Montgomery thought he could do her good. She remained there until the doctor died. Since then the family have been unable to get that girl out, although they have tried in every possible way. I am not saying that the Inspector General may not be absolutely right, but I am inclined to think that he might have exercised his power in this particular case a little more tactfully than he has done. I know that the family consists of four or five boys and girls who are all adults, and they are prepared to enter into a bond to see that this girl, if released, is properly and carefully looked after. Yet she has not been allowed out. I am inclined to think we should exercise great care before deciding in a Bill of this kind what powers we should give to the general administration. I am in accord with Mr. Cornell's remarks on the question of fines. Any system of fining is out of date. If it exists at the institution in question it should be wiped out. Subclause 9 of Clause 6 says that any person who is directly or indirectly interested in the institution shall not be eligible to become a member of the board. I am sure the leader of the House will agree with me that this clause has too wide an interpretation. I can understand any person interested in the institution not being allowed to sit on the board, but the clause has such a wide interpretation that it might debar many desirable persons from sitting on the board. With regard to the question of the board deciding on the release of persons, seeing that one medical practitioner must be on the board I do not think we shall be going very far in the direction desired. With reference to the point raised by Mr. Baglin, it seems an uncommon provision to make in a Bill. Surely this question of discharging attendants for negligence should be dealt with by regulation. It seems to me, at all events, that it is putting it in the wrong place to place it in the Bill. I support the second reading, and if anything can be done to make the measure more acceptable in Committee I shall be pleased to assist in doing so.

Hon. A. J. H. SAW (Metropolitan-Suburban) [5.32]: In venturing a few remarks on this Bill I do not wish to pose as having any special knowledge of the subject of lunacy. I do not in the least expect that any more attention should be paid to my remarks than would be given to those of any other hon. members. I have had, as other medical students have, a slight acquaintance with lunacy such as one acquires in hospitals, and

that has been to a slight extent supplemented during some years of general practice, but any special knowledge of the subject I at once disclaim. A point that appeals to me in the Bill is that neither the board of visitors nor the Inspector General will have a very happy time. I can imagine that if the board of visitors discharge the functions outlined it will have very onerous work to perform. It will be work requiring the greatest discretion and there will be a very good chance of coming into conflict with the Inspector General. I am sorry that before the select committee which reported on this question met we did not have some independent commissioner imported from either one of the other States or the old country to inquire into the condition of the Claremont Asylum for the Insane, and its kindred institutions. We have read all kinds of charges in the newspapers with reference to the management of that institution. I know nothing whatever of the management and very little of the Inspector General. Any remarks I may make, therefore, cannot be said to be biased by any personal friendship, although as a professional man I regret that any aspersions should be cast upon the Inspector General. One point of the various criticisms which have been levelled against him, which struck me forcibly, was the point as to the low rate of discharges that have appertained during the last five or six years at that institution. It seemed to me that there must be some valid explanation of this low rate of discharge. Whenever I have seen any reference to the management of the asylum I have invariably read such references closely, but have never seen any proper explanation emphasised for this fact. Accordingly a few days ago I went to the trouble of endeavouring to get at the real explanation. I think it is to be found in the fact of the establishment at the Perth Public Hospital of mental wards. When I was in general practice we doctors did not send cases there to remain under observation. We were frequently called in to see cases of lunacy. We examined such cases and another medical man examined them independently, and on these two certificates the patient went to the Claremont asylum. Fortunately, these cases were frequently only of temporary insanity. There was no other place to send them, and people were not in a position to attend the cases in their own homes. In some asylums, I believe, there is a constant flow of in and out, which are only in for a short time, owing to the fact that their insanity is only temporary. That condition has been completely altered here, owing to the establishment of these mental wards at the Perth hospital, and the Kalgoorlie hospital. I will quote a few figures in support of that fact. In 1910 only 67 cases were sent to Claremont asylum through the wards of the Perth Public Hospital. There were admitted direct to Claremont without going through the wards 145 cases. Last year 523 cases were

admitted for observation to the mental ward at the Perth Public Hospital, of which 366 were discharged without going to the Claremont asylum, leaving a balance of 152 cases that did go to Claremont. The result is that the asylum for several years past has not been receiving the lighter cases of insanity which quickly recover, but has become really a home for the more serious and chronic cases of insanity. I believe it is these circumstances which account for the reflection upon the management of the institution as to the low rate of discharges. Mr. Baglin has referred to the capability of the insane to give evidence. I am not a lawyer, but I believe any lawyer will admit that there is a large number of insane people who would be held by a judge to be capable of giving evidence, unless it bore directly on the delusion from which the person was suffering. When it comes to the particular point which Mr. Baglin has raised I am afraid I shall be unable to support him. The powers of the Inspector General have been considerably curtailed by this measure, and the responsibility will now rest to a large extent on the board of visitors. It is to be hoped that this board will be most carefully selected, and that no political or other influence will be allowed to weigh in their selection either by this or any other Government. If this is the case undoubtedly the whole fabric will fall to pieces, and we will have another Bill before us in a short time. Mr. Dodd has alluded to a case in which he says the Inspector General did not exercise, in his opinion, sufficient tact. I know nothing about the case. It is the first time I have heard of it. Is it from melancholia that the lady is suffering?

Hon. J. E. DODD: I don't know.

Hon. A. J. H. SAW: If it were a case of melancholia, which is a frequent form of insanity in girls, it would possibly be exceedingly dangerous to release her, even under the bond of the relatives. She might be homicidal or suicidal. Such cases very frequently are. Unless one is able to give chapter and verse and an expert opinion on the case, it is perhaps hard to criticise the Inspector General over one particular instance.

Hon. H. STEWART (South-East) [5.43]: This is one of the Bills we have received this session which seems to be removing the responsibility from individuals which they should be called upon to exercise. The tendency throughout seems to be to relieve the Government and Ministers and departmental heads, and those holding administrative offices, of all responsibility. If it were an outside enterprise it would be considered that such persons should be fully responsible for their acts. We have at least three boards provided for this session. Every one of these boards will mean an increase in the cost of the administration of the affairs of the country. I see no reason for appointing a board of five. Three members should be quite sufficient. Instead of having two medical practitioners on the board one should be

sufficient. Another member should be drawn from the general public. One of the three members of the board should be a lady. There are already lady medical practitioners, and it may not be long before there will be lady legal practitioners. The clause could be amended so that either the lay or legal member or the medical member could be a lady. If the sex was not specified it could be left open to appoint one or the other.

Hon. G. J. G. W. Miles: They would run the show altogether.

Hon. H. STEWART: I have said that one member of the board could be a lady. There are some peculiar paragraphs included in Clause 7. Not only does that clause provide that members of this board shall make regulations with regard to their duties, but it appears to me that they can also make regulations fixing their own fees. There is at present a board of visitors and the Bill provides for a board of visitors, though with extra powers. It seems almost as though the position could have been met so far as the proposed new board is concerned, by regulation, and increasing the powers of the existing board. With regard to the latter part of the Bill dealing with the curtailment of the powers of the Inspector General, it seems to me that this is essentially a technical matter. We are providing a board which cannot lay claim to expert knowledge. It will be a dangerous innovation to provide for their acting in the way in which the measure suggests.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East—in reply) [5.47]: I am quite aware that the Bill does not carry out in its entirety the ideas of the members of the select committee of another place, but it does represent the furthest the Government are prepared to go in this direction. If Mr. Baglin therefore can persuade hon. members of this House to so amend the Bill as to carry in their entirety the ideas of the members of the select committee, I can assure him the Bill will not pass into law. We are going a good way, at all events as far as we are prepared to go as a first step, and if the provision works satisfactorily then possibly the enlargement of the board's powers might be considered. But the Government are not prepared at the present time to make further drastic alteration in our lunacy laws by giving the board powers other than those outlined. The hon. member said that any patient who wished to be released would have to pass first the superintendent, then the Inspector General and then the board. The Bill does not take away from the Inspector General the power to discharge a patient, so that if a patient satisfies the Inspector General, that patient will be discharged. The board in that regard will really be an appeal board against the decision of the Inspector General not to discharge a patient, and then when the Inspector General has refused to discharge a patient, the board

may discharge that patient in spite of the Inspector General's opinion. At the present time, a patient can only be discharged on the order of the Inspector General or else on the order of a judge of the Supreme Court. If the Bill passes, he may be discharged on the order of the Inspector General and if he cannot get that he can appeal to the board and even then if the board will not discharge him he can go to the Supreme Court. This position might arise: The Superintendent might say that the patient was not fit to be discharged. The Inspector General might say the same thing. The patient would then go before the board and one of the medical practitioners on the board might also be of the same opinion. That patient can still obtain his release if he can get a majority of the board, including one medical man, to say that he is fit to be discharged.

Hon. H. Stewart: That seems dangerous.

The MINISTER FOR EDUCATION: Mr. Baglin also asked why two medical men should be on the board. This is a medical matter more than anything else. Reference has been made to the cost of the institution, and it was asked what the institution had done for the treatment of the patients. So far as I know everything possible is being done within the limitations of the institution. Undoubtedly those limitations are severe because of the overcrowded condition of the institution, and the difficulty of separating the patients as they should be separated.

Hon. J. Cornell: There should be more buildings.

The MINISTER FOR EDUCATION: That matter has been receiving the attention of the Government. The construction of additional buildings was recommended as far back as 10 years ago. During the period of the war it was impossible to do anything in this direction, but recently plans and specifications were drawn up. A site for the new buildings has been selected, and it is intended to start the work of erection at once. The new buildings when completed will cost not less than £300,000. Hon. members will therefore realise that this is a project not to be taken in hand lightly. It is intended to make provision for the more scientific and up-to-date treatment of the patients. Dr. Saw referred to the patients treated in the wards of the Perth hospital. Undoubtedly his conclusion is right. I should say that the small percentage of discharges was due, to some extent, to the reason assigned by him. Fifty per cent. would be due to the insufficiency of the accommodation and the impossibility of separating the patients. Under the new scheme the first thing to be done will be to build what is called a convalescent ward. A convalescent ward is usually regarded as a place people pass through on their way out. In this instance, it will be a place they will pass through on their way in, in the sincere hope that they will not need to go any further. The idea of the ward is that the patient will enter it and

thus be given a fighting chance to recover before he goes into the institution proper. The whole of the building proposal has been a matter of investigation by the Chief Architect, and the Inspector-General of Insane. These officers visited the leading hospitals for the insane in the Eastern States some little time back, and proposals put forward by them have been carefully considered by the Minister controlling the department. I do not attach any weight to the suggestion that the Bill relieves the Minister of responsibility. The duties the board take on now are not the duties the Minister would perform. The board will relieve the Inspector General of responsibility in one or two regards to which I have referred. Mr. Baglin and Mr. Dodd asked why the proposed new section 187a was included in the Bill, instead of the matter covered by it being provided for by regulation. The object is to set out those things in regard to which the board may have jurisdiction on appeal.

Hon. F. A. Baglin: Will this supersede the other regulation.

The MINISTER FOR EDUCATION: The right to make regulations will still obtain.

Hon. F. A. Baglin: What will be the position of a dismissed employee? Will he have the alternative of going to either?

The MINISTER FOR EDUCATION: There will not be two appeal bodies. I do not intend to discuss the details of the Bill except to refer to what Mr. Cornell said in regard to fines. If we delete that provision, there will be no alternative between condoning an offence and an absolute dismissal. There should be some punishment for an offence not sufficiently serious to justify dismissal. I agree with Dr. Saw that neither the board nor the Inspector General will have a happy time; in fact no one charged with administrative responsibilities in regard to an institution of this kind can expect to escape without worry and trouble. I do not know that any particular good would result from the suggestion of Mr. Stewart that there should be three members on the board, one of whom should be a lady medical practitioner. It might reasonably be argued that it is a good thing to have five members, and that two should be medical practitioners, one of whom should be a lady. Personally, I do not pretend to be anything like as keen on this Bill as the members of the select committee. But I do realise that the responsibility at present placed on one man is very heavy, and if we can get a thoroughly good board, that board should improve the administration of lunacy matters in the future.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Ewing in the Chair; the Minister for Education in charge of the Bill.

Clauses 1 to 6—agreed to.

Clause 7—Substitution of new section for Sections 94 and 95:

Hon. J. CORNELL: I move an amendment—

That in Subclause 2 the word "five" be struck out with a view to inserting "three."

The aggregate salaries which it is proposed to pay to a board of five may be adequate to ensure a board of three doing their work in a thorough manner. The only objection that can be raised to the amendment is on the side of the medical practitioners. At present if one medical practitioner says an inmate shall go out, that inmate goes out. Practically one man decides it. In view of this, we do not require two medical practitioners. I should still like to see a lady on the board, and there is nothing to prevent that lady being a doctor.

The MINISTER FOR EDUCATION: I cannot accept the amendment. If we are to entrust the board with these additional duties, we require a strong board. I do not think two medical practitioners too many on a board of that kind which, in very many cases, will review the work of the Inspector General.

Hon. A. J. H. SAW: If we have two medical men on the board in the case of an appeal it will ensure the case being thoroughly threshed out from a professional standpoint.

Hon. J. Cornell: Do you think they will differ?

Hon. A. J. H. SAW: They may, in which case the majority of the board will decide the question on the evidence. Again, I assume that the medical practitioners will be drawn from men in active practice. In those circumstances there will be occasions when not both of them can be present at the board meeting. As for the economy side, those people will have to be well paid if we require from them close attention to their duties.

Amendment put and negatived.

Hon. J. E. Dodd: I should like some information about Subclause 9.

The MINISTER FOR EDUCATION: The interest referred to in Subclause 9 means a financial interest. Not the whole of our institutions are Government institutions. There is at present one other institution registered as a hospital for the insane. This is merely a provision that no person interested in an institution of the kind shall be eligible to be a member of the board.

Hon. J. E. DODD. The provision seems to have a very wide significance. If it is really restricted to a financial interest, I can understand it. I remember that in Broken Hill at one time the mayor was disqualified from a seat on the hospital board because he had some interest in the supplying of commodities to the hospital. But this is of wider significance. A medical practitioner may be interested in some other Government institution.

The Minister for Education: No; it means only a financial interest.

Hon. J. E. DODD: Still, the provision is very wide.

Clause put and passed.

Clauses 8 to 18—agreed to.

Clause 19—Insertion of new section between Sections 187 and 188:

Hon. F. A. BAGLIN: I move an amendment—

That after "attendant," in line 2, "or employee" be inserted.

Amendment put and passed.

Hon. J. CORNELL: I move an amendment—

That after "dismissed," in line 16, "or suspend" be inserted.

Hon. F. A. Baglin: Subclause 2 covers that.

The MINISTER FOR EDUCATION: I oppose the amendment. Subclause 1 contemplates that the Inspector General shall have had something proved to his satisfaction, whereupon it is for him to take action. Suspending is not taking action in the sense intended. Subclause 2 provides that where the Inspector General has not yet investigated and proved what has been reported to him he suspends the man charged, which is the proper thing to do. The intention of the hon. member is to knock out the fine. I think it would be a great mistake to leave no alternative between dismissal and nothing at all.

Hon. J. Cornell: I will withdraw the amendment.

Amendment by leave withdrawn.

Hon. J. CORNELL: I move an amendment—

That all words after "attendant," in line 17, be struck out.

If it is proved to the satisfaction of the Inspector General that any attendant has done the things enumerated here, I am prepared to give the Inspector General power of dismissal, but no other power. Then the attendant may appeal. I think this will bring about a better understanding between the Inspector General and the attendants.

The MINISTER FOR EDUCATION: Before considering that amendment it will be necessary to insert the words "or employee" after "attendant" not only here but in three or four other places in the subclause. I do not know whether you, Sir, will accept that as consequential.

The CHAIRMAN: Yes, I will look to that.

Amendment put and negatived.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. A. H. PANTON: In the absence of Mr. Baglin, I move an amendment—

That the following proviso be added to Subsection 1 of proposed new Section 187a:—"Provided that no attendant

shall be dismissed or fined on evidence given by an inmate."

Mr. Baglin expressed his opinion on this matter during the second reading stage.

The MINISTER FOR EDUCATION: I hope the amendment will not be carried. It is contrary to the whole spirit of the clause. The matters referred to must be proved to the satisfaction of the Inspector General, who gets his information from wherever he thinks desirable, and attaches to it such weight as he thinks fit.

Hon. A. J. H. SAW: I hope the Committee will not agree to the amendment. There are degrees of credibility. Undoubtedly the evidence of a lunatic may be of value in certain directions. Assuredly it is of no value whatever in connection with any subject on which he has delusions. On other points, however, he may be perfectly worthy of credence. In many cases the only evidence which can be adduced will be that of the unfortunate lunatic. The Inspector General has knowledge of the state of mind of a patient, and from the nature of the case will be able to decide whether any credence should be attached or not to a lunatic's statements. Such a discretion would no doubt be dangerous to leave in the hands of a jury. I remember a man's life being ruined here as the result of a law case in which a lunatic gave evidence on a matter in connection with which he had delusions. I am sorry that Mr. Baglin is not in his place. "The nigger in the fence" here is that Mr. Baglin is more concerned for the privileges of the asylum attendants than for the well being of the patients.

Amendment put and negatived.

The MINISTER FOR EDUCATION: As Mr. Baglin has pointed out, at present the matter of dealing with attendants is governed by regulations. The subject is introduced into this Bill so that the powers of the board may be perfectly clear. There is no intention of depriving the attendants of any privileges they now have, such as being represented by their union secretary at an inquiry. I move an amendment—

That the following be added to Subsection 3 of proposed new Section 187a: "Provided that such attendant or employee shall have the right to be represented at such appeal by any person whom he may appoint."

Amendment put and passed.

Hon. A. H. PANTON: On behalf of Mr. Baglin I move an amendment—

That in Subsection 5 of proposed new Section 187a the words "one year" be struck out and "six months" inserted in lieu.

The object is to make an attendant's position permanent after six months' continuous employment, during which the authorities should have ample opportunity of judging of a probationer's fitness for permanent engagement. I strongly object to employees

being kept on the temporary staff, as is done in some of the Government departments, for years and years.

THE MINISTER FOR EDUCATION : When it is a question of wages or conditions in regard to attendants at the Hospital for Insane we are always told—and I think rightly told—that the position is one requiring a good deal of study, and one in which a person cannot attain proficiency without fairly long service—for which reasons higher rates of pay are claimed for these attendants than for similar employees in other institutions. Now, because it cuts the other way, we have a suggestion that six months makes a man so fully competent as to entitle him to all the privileges of a permanent attendant. The attendants cannot have it both ways. I hope the amendment will not be agreed to.

Amendment put and negatived.

Clause, as previously amended, agreed to.

Clauses 20 to 23—agreed to.

Bill reported with amendments, and a Message accordingly forwarded to the Assembly requesting them to make the necessary amendments; leave being given to sit again on return of a Message from the Assembly.

BILL—DIVIDEND DUTIES ACT AMENDMENT.

Message received from the Assembly notifying that it had made the amendment requested by the Council.

BILL—LAND TAX AND INCOME TAX.

Message received from the Assembly notifying that it declined to make the amendment requested by the Council.

BILL—INDUSTRIES ASSISTANCE ACT CONTINUANCE.

Message received from the Assembly notifying that it had made No. 1 of the amendments requested by the Council, but declined to make amendment No. 2.

BILL—GENERAL LOAN AND IN- SCRIBED STOCK ACT AMEND- MENT.

Second Reading.

THE MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [7.46] in moving the second reading said: This Bill is necessary in order to fix the maximum amount of interest to be paid for future loans. It does not necessarily follow that the specified rate will be paid. It merely provides that the maximum rate to be paid shall be 6½ per cent. It is well known that for some time past money has gradually become dearer. It may perhaps not be so dear when

it is necessary for Western Australia to go upon the market. It is not considered likely that it will be necessary to borrow any money during the present financial year, but it will be necessary to go on the money market some time next year. The rate fixed in the principal Act was 4 per cent. It was increased by an amendment in 1915 to 5 per cent., which was fixed as the maximum permanent interest. A further amendment was made fixing the rate at 6 per cent., but this was for a period and lapsed in September last. Consequently, the maximum rate which can be paid for any loan now is 5 per cent., and it is quite impossible to obtain money at that rate. The rate paid on the last loan was 5½ per cent. That was a loan for £1,500,000 raised at £98 in London, the rate being 5½ per cent. But after allowing discount that really meant that at maturity we would pay £6 1s. 8d. Our recent loans floated by the Commonwealth in London have been as follows: £1,100,000 at par, at 5¼ per cent. interest; £697,000 at £98, at 5½ per cent. interest; £1,114,000 at £98 10s., at 5½ per cent., and £1,239,500 at £99 10s., at 5¼ per cent. The amount raised by the State in London was £1,500,000 at £98, at 5¼ per cent., to which I have already referred. Recent flotations by the Eastern States have been as follows: New South Wales—On October 31 last year, £3,000,000 at £98, at 5½ per cent.; on February 6 last, £2,000,000 at £98 10s., at 5¼ per cent., and on June 21 last £2,500,000 at par, at 6½ per cent. There is also a loan on the local market at par for £3,000,000 at 5½ per cent. Victoria recently raised a local loan of £2,725,000 issued at par and bearing 5½ per cent. interest; while Queensland raised £3,000,000 in December last year at £98 10s., the interest being at 6 per cent. In addition, in July last the Commonwealth floated a loan of £25,000,000 at par, the interest being at the rate of 6 per cent. Power existed for the issue of Treasury bills at any rate of interest at the discretion of the Government, for two years after the war. The currency of Treasury bills is limited to five years, and the interest on those bills we have issued locally has been 5 per cent. It would be possible for us to issue a loan at 5 per cent., and offer a big discount. That is considered a very undesirable process, however, because it reduces the amount available for works and it is very much better to fix the rate at something like a legitimate rate of interest and provide for discount at not more than £1 or £2. I move—

That the Bill be now read a second time.

Hon. A. SANDERSON (Metropolitan-Suburban) [7.50]: I was hoping that some one better qualified than myself would rise to deal with this matter. If the leader of the House is exhausted with the work that he has to do—

The Minister for Education: I am not exhausted at all.

Hon. A. SANDERSON: Then I can only heartily congratulate the Minister on his physical vigour. The only reason I rise at this juncture is in order to protest against the Bill. I recognise first of all that I do not unfortunately command in this Chamber a majority on financial questions. All I can claim is to be permitted to express my views, and that is all I wish to do. I also recognise that the prime responsibility for the finances of the country rests with another place, and, therefore, if we were all agreed in this Chamber on the financial issue and it came to a serious conflict between this Chamber and another, this Chamber would have to give way; at least I think so. I am quite certain that if I were the Treasurer of this State, I would not tolerate any interference with my financial arrangements by this Chamber. That is how I would feel regarding the position. So I will not deal exhaustively with this measure. I simply note it, so to speak, as a continuance of the rate of progress we are making financially. How long Ministers think they can continue in this way, is past my comprehension. It is incredible that they can be satisfied with the present position of affairs. All I ask, and I think we have a right to demand it, is that the position shall be put fully and clearly before us. I maintain that money cannot be obtained so cheaply and can prove it up to the hilt if necessary. I have all the papers to prove my statement, but it would take time, as it is a matter of some intricacy. I will not exhaust the patience of members and exhaust myself by dealing with them. On this occasion the leader of the House, who is the very able spokesman of the Government in this Chamber, tells us that this State can raise money in London at $6\frac{1}{2}$ per cent. That information is quite contrary to all that the ordinary member can obtain on the subject. I combat the suggestion, and can prove it up to the hilt. I will content myself by saying that evidence is conclusive that Western Australia cannot raise money in London at $6\frac{1}{2}$ per cent. Let me make myself clear on the subject. I am not talking about discount. I am talking about what the ordinary man in the street understands by borrowing £100 at $6\frac{1}{2}$ per cent. interest, and that is that to get that amount he has to pay interest amounting to £6 10s. I contend it is impossible for the Treasurer of this State or any other Treasurer to borrow in London at that rate. It is true that we can load ourselves up with the £100. The interest we have to pay will be more than $6\frac{1}{2}$ per cent. I will not take the trouble to go into this matter in detail. One finds oneself blocked on every occasion by the Government. They dare not, apparently, publish to the world the full and clear statement of the financial position of this country so that the ordinary man in the street may understand it.

The Minister for Education: It is done frequently and repeatedly.

Hon. A. SANDERSON: Very well. We had better leave it at that. This money will cost us at least seven per cent. If there is one little item on which I would like information regarding the increase of interest on loan expenditure it is this: the Government will pay $6\frac{1}{2}$ per cent. under this measure, but how do the Government get that money into the pockets of the lender? That is a proposition that any elector cannot understand. He says, "I will get £100 and we will pay $6\frac{1}{2}$ per cent. interest for it." What I want to know is how do we set about paying that £6 10s. interest to the person in London from whom we borrow it?

Hon. G. J. G. W. Miles: We borrow it from the other fellow.

Hon. A. SANDERSON: That is the point. We all understand that. What do we pay for the money we require to pay this $6\frac{1}{2}$ per cent. interest? However, I cannot see that any good purpose can be served by a full and exhaustive discussion on the borrowing of this money. Unless we act and say we will not permit the Government to mortgage the country in this way with their reckless financing, and do it without discussion—I would be prepared to adopt that course—and if we had people who had the capacity to act, something might be done. I deny that the primary responsibility is in this Chamber. What is the use of loading up an overworked "Hansard" staff with the task of taking down a lot of figures. The Government know better than we do the direction in which we are drifting. So far as we are concerned I say we cannot act in this Chamber, except by way of this ridiculous protest. So far as the public are concerned they will very soon find out. Nemesis is following on the trail of this Government, and they will very soon have reason to regret the record they have put up during the past five years. Someone told me this afternoon that I had spoken in a didactic manner. That is the last thing I wish to do; I do not seek to teach people. I asked for information and I asked that the public of this State should know clearly the position of affairs. I defy the Minister to go not only to the man in the street, but to the classes the Government are supposed to represent, the business and mercantile classes of the community, and ask them if they understand or take the trouble to read the financial statements put forward.

The Minister for Education: If they do not read them they cannot expect to understand them.

Hon. A. SANDERSON: I do not wish to take up any further time. We have quite sufficient information to justify us from one point of view in rejecting this proposal. I advance this with some hesitation, that on this question of interest, our legal and constitutional powers are considerable, but I am not going to speak further to members, many of whom have had greater experience than I have had in these matters, and if they do not think this an opportune time to

vote a Bill of this kind out, I would not presume to try to convert them to my point of view.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Ewing in the Chair; the Minister for Education in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 18:

Hon. A. LOVEKIN: Did the Minister say that the Government have a right to issue a loan at any discount they please?

The MINISTER FOR EDUCATION: There is nothing to prevent it, and as a matter of fact in the old days when the limit was four per cent., loans were issued at a big discount rather than offer five per cent. Then it was considered that this was undesirable and the limit was raised to five per cent. in order that the discounts might be reduced.

Clause put and passed.

Title—agreed to.

Bill reported without amendment and the report adopted.

BILL—LOAN, £3,870,000.

Second Reading.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [8.4] in moving the second reading said: This Loan Bill is necessary in order that arrangements may be made for the future. The authorisation at present unexercised is ample for present purposes, but it is necessary to look ahead and to have some authorisation in hand. Unless this Bill is passed the position would be that the present authorisation would be exhausted perhaps early in the next financial year and there would be no authority to do anything further. It is necessary at times to place orders some distance in advance for works proposed to be carried out. In fact it would be impossible to carry on any continuous policy unless we had some loan authorisation in hand. As I mentioned when moving the second reading of the Appropriation Bill, the unexpended balance on the 30th June, 1920, on loan works authorised by Parliament was £2,806,206. The proposed loan expenditure, including loan suspense account, is £3,641,932. The amount provided by the Loan Bill is £3,859,600, plus an additional £10,000 for flotation expenses, making a total of £3,869,600. A very large percentage of the total amount of this loan expenditure is for soldier settlement, namely, £2,000,000; that is to say, considerably more than one half of the grand total is for soldier settlement. In view of the fact that more than half of the amount is for soldier settlement, it might be interesting to members to learn that up to the 30th November of this year,

the total number of soldiers settled on the land was 3,672. Of this number 1,598 were settled on wheat and sheep land, 159 on pastoral land, 372 on mixed farming in the South-West, 424 on dairying land, 358 on orchard land, 164 on intense culture, and 129 in the poultry and pig raising industry, etc. I think this is a very creditable record indeed considering the time which has elapsed since the return of our soldiers. In addition to the two million pounds for soldier settlement £180,000 is provided as capital for the Agricultural Bank. The balance of £1,690,000 is distributed as follows:—Departmental £75,000, railways £440,000, tramways £100,000, power station £80,000, harbours and rivers £180,000, water supply £260,000, development of gold-fields £50,000, development of agriculture £150,000, public buildings and roads £93,600, State undertakings £251,000, flotation expenses £10,400, making a total of £1,690,000 apart from the money provided for soldier settlement and Agricultural Bank capital.

Hon. J. Duffell: A very small amount is set aside for the metropolitan water supply.

The MINISTER FOR EDUCATION: More will be provided later on. If we consider the proportion and bear in mind the other portions of the State which require money for water supplies, the metropolitan area is getting its due share. That money will be sufficient to start the undertaking and to carry it on for a year. The grand total of the undertaking in connection with the metropolitan water supply will be $2\frac{1}{2}$ to three millions of money, but it is unnecessary to raise that money at present, and under the advice tendered by the engineer from Melbourne, it is not contemplated that the work will be completed for several years, probably for 10 years. Under the system suggested by the Melbourne engineer, advantage in the way of increased water supply will be obtained from the first year's expenditure, and the second year's expenditure will bring further advantage. The amount provided for this year is adequate for the purpose.

Hon. Sir E. H. Wittenoom: How much of the item of £130,000 will go to Wyndham.

The PRESIDENT: I must ask hon. members to remember that they are not in Committee.

Hon. Sir E. H. Wittenoom: I am only asking for information.

The PRESIDENT: But the Minister is making a second reading speech.

The MINISTER FOR EDUCATION: I would be only too glad to supply the information desired, but if every member asked for information at this stage we should never get through the business.

The PRESIDENT: It is out of order to do so.

The MINISTER FOR EDUCATION: The total authorisation to the 30th June, 1920, was £50,709,173. In addition to the general loan authorisation, deficiency bonds authorised this session total £590,000. The indebted-

edness on the 30th June 1920 was £46,822,000, less a sinking fund of £6,848,000, making a total net indebtedness of £39,973,000. I have already explained in connection with another Bill that the loan placed on the London market last year for $1\frac{1}{2}$ millions was the first occasion since 1914 on which we approached the London market, and the loan was subscribed three times over. A question has been raised as to the possibility of raising money on the London market at the present time at $6\frac{1}{2}$ per cent. A variety of circumstances have conspired to make it impossible for any State to borrow money on the London market at the present time. We have no intention of and no necessity for so doing, but only a few months ago the State was offered two millions of money on the London market which we could have borrowed if we had wanted it.

Hon. A. Sanderson: At what price?

The MINISTER FOR EDUCATION: Either $6\frac{1}{4}$ or $6\frac{1}{2}$ per cent.; certainly not more than $6\frac{1}{2}$ per cent. We do not contemplate having to approach the London market until after the end of the present financial year, and as members are fully aware, the circumstances vary so considerably that in six months' time we might be able to borrow the money on even more advantageous terms. The last loan was subscribed three times over and a little while ago before the present situation arose, we were offered a couple of millions if we had wanted it.

Hon. G. J. G. W. Miles: Is the total authorisation now 50 millions?

The MINISTER FOR EDUCATION: That is the total authorised to date.

Hon. G. J. G. W. Miles: And only 46 million has been raised.

The MINISTER FOR EDUCATION: It has all been exhausted with the exception of £2,806,000. There is an overdraft in London of £600,000 to be met from this loan. This was granted by the bank to meet sinking fund contributions advanced at $4\frac{1}{2}$ per cent. The expenditure on loan account for the five months to the 30th November, 1920, was £951,997, and of that total £713,000 was for soldier settlement, the balance being £238,000. That was all the loan money spent during the five months. The loan expenditure apart from soldier settlement has been on a very restricted scale for some years past. As compared with the previous Loan Bills there is a big reduction in the amount allowed for discount and flotation expenses under this measure. The reason is that as the bulk of this loan is for soldier settlement purposes and is raised through the Commonwealth, it is advanced by the Commonwealth at par, and there are no discounts. Liberal provision for discount was made in the last Loan Bill and that was not exhausted, because a large proportion of the total loan was for soldier settlement on which there was no discount. Consequently some balance is available, and the £10,000 provided for discounts is all that will be required in connection with this Bill. For the purpose of comparison it

may be interesting to note that in 1911-12 the loan expenditure was £2,309,000; in 1912-13, £3,409,000; in 1913-14, £2,913,000; in 1914-15, £2,521,000, and 1915-16, £1,584,000, making a total for the five years of £12,738,000. For the four years since then, 1916-17 the amount was £855,000; 1917-18, £1,054,000; in 1918-19 £1,049,000, and in 1919-20 £2,663,000, a total for the four years of £5,600,000 as against £12,738,000 for the previous five years. Of this £5,222,417 the sum of £2,216,000 was for soldier settlement. For the past four years apart from soldier settlement the total loan expenditure has been £3,405,000. For the last four years the loan expenditure has been at the rate of £850,000 per annum as compared with an average of about $2\frac{1}{4}$ millions for the preceding five years. That is a factor which should be borne in mind in considering such matters as the deficit, when the Government are paying their outgoings out of consolidated revenue as against spending a great deal of money on loan account. Mr. Sanderson, when he talks in the way he did just now, might remember that apart from soldier settlement our loan expenditure for the past four years has been at the rate of only £850,000 a year as compared with about $2\frac{1}{4}$ millions per annum for the preceding five years. I do not see how it is possible to develop a country like this without considerable loan expenditure. The amounts covered by the schedule are set out in detail. There are, for instance, such items as departmental £75,000, additions and improvements to opened railways £75,000, Busselton-Margaret River railway £10,000, Esperance-Northwards railway £20,000, Perth-Fremantle, Cottesloe deviation £50,000, rails and fastenings generally £175,000, rolling stock £50,000, water supply for new lines £10,000, Wyalltehem-Mt. Marshall railway £50,000, electric power station £80,000, tramways, Perth electric £100,000. I do not think metropolitan members have any cause to complain about any of these items.

Hon. A. Lovekin: They are paying.

The MINISTER FOR EDUCATION: Yes, and so will similar undertakings in the country pay. It is not only a question of whether they will pay or not. It is a question of the borrowing powers of the Government not being unlimited. When we cannot get all the money we want we must do a fair thing by the different portions of the State and not spend all the money in one spot.

Hon. J. W. Hickey: Metropolitan members have no cause for complaint.

The MINISTER FOR EDUCATION: No. Other items in the schedule are—additions and improvements to jetties, etc. £10,000, Ashburton jetty £50,000, Bunbury Harbour £10,000, Busselton jetty extension £30,000, Fremantle Harbour Works £40,000, Geraldton Harbour works £20,000, improvements to harbours and rivers £20,000, goldfields water supply £100,000, metropolitan water supply £55,000 (in addition to unexpended balance on previous authorisations of £184,000 which

is held available for metropolitan water supply, in addition to the £55,000 provided in this Bill), water supply generally for towns £50,000, water supply for agricultural districts £25,000, development of mining £40,000. State batteries £10,000, abattoirs, cold storage, etc. £130,000, agricultural immigration £20,000, Agricultural Bank capital £180,000. Then there are the big items for the settlement for soldiers amounting to two million pounds. Other items are roads and bridges £40,000, public buildings £50,000, purchase of house for residence for the Agent General in London £3,600 (this represents the purchase of a long lease), Agricultural Implementation Works £50,000, Boya quarries £5,000, State sawmills £50,000, Wyndham Freezing Works £100,000. There are several other small items provided in this Bill. In addition there is an unexpended balance to the 30th June, 1920, of £55,000 in regard to Wyndham. The matter of the residence of the Agent General, £3,600, covers the purchase of a 60 years lease of the official residence in London.

Hon. G. J. G. W. Miles: For how long have you been supplying a residence to the Agent General?

The MINISTER FOR EDUCATION: Previously, the Agent General was given an allowance but this has been stopped, and instead of that a residence has been provided. It was almost impossible for him to obtain a residence. Any hon. member who has been to London recently will know how acute the housing problem there is. It was practically the only way of providing the Agent General with any accommodation. In order to guarantee the Government against any loss an undertaking has been given by the present Agent General, Sir James Connolly, that if so desired he will purchase the property from the Government at cost price. The salary of the Agent General was fixed by the Act of 1895. Although the cost of living has materially increased since then no increase in salary or cost of living allowance has been made. The entertainment allowance was paid for some time but it has been stopped, and is not now being paid to the Agent General. If there are any other items hon. members would like to hear information upon, I will endeavour to supply them at a later stage. I move—

That the Bill be now read a second time.

Hon. G. J. G. W. Miles (North) [8.22]: While I have no intention of opposing the second reading of the Bill, I intend in Committee to move an amendment to the schedule. My intention is to test the feeling of the Committee and see whether we can get the Government to carry out the policy which they were elected to do, that is in relation to State trading concerns. They were returned by the electors three years ago to oppose State trading concerns, but they have gone on and extended the operations of these concerns. In the schedule I notice an item £251,000. I intend to move that this item

be struck out, and that the total amount on the schedule be reduced by that sum. It is time we recorded our protest against the way the Government are running the country, and entering into concerns which they pledged themselves to the electors not to carry out. With regard to the item "State steamships £10,000," I am sorry to see that on the Estimates at all. It was announced that we were to get three ships for the North-West. Personally, I would rather see the Government go out of the business and allow private enterprise to cater for the public along the coast. If it had not been for the privately owned ships trading along this coast, the people of the North-West would be starving. The sooner the Government get out of the business the better it will be for the residents in that part of the country. I have no objection to the other items on the schedule. I only regret that the amount for the development of the goldfields is not greater by one half than is set down here. It should be increased at least to £80,000.

The Minister for Education: There is an unexpended balance of £39,000.

Hon. G. J. G. W. Miles: That should have been expended last year. If the Government had been doing their duty, and instead of the Minister for Mines going to Hobart to play bowls he also had attended to his business of the development of the country, the State would have been in a better position than it is to-day. If the goldfields, including the eastern, the Murchison, and northern fields are developed it will be better for the city and other portions of the State. I hope in future the amount put on the Estimates for the development of the goldfields will be spent. There is any amount of room for expenditure in this direction.

Hon. J. EWING (South-West) [8.25]: I have no intention of opposing the Bill. I realise it is absolutely necessary in the interests of the State that loan money should be available for development purposes. There are one or two items to which I desire to draw attention in order that I may perhaps get an answer to several questions which I have brought before the Chamber during the session. An opportunity has not been afforded me of a general discussion on what I consider to be an important matter. I do think that an opportunity might have been afforded me of ascertaining the feeling of the House on one particular subject which I brought forward.

The Minister for Education: I put the motion on the top of the Notice Paper two or three times, but could not get anyone to speak to it.

Hon. J. EWING: Perhaps it was an unfortunate accident that the subject was not debated further. I am hopeful that the Minister will be able to make some announcement on behalf of the Government as to how they view the matter I have brought before the House. I am pleased to see they intend to develop the South-West and to build the

Busselton-Margaret River railway. This expenditure of loan money will be of great advantage to the State. I notice one item in the schedule, namely, the electric power house, East Perth, £80,000. The Minister has not said on what this money is to be expended, and what the policy of the Government in connection with any one particular item on the Estimates really is. Unless we read "Hansard" and see what has been done in another place and go to a great deal of trouble, we cannot see how these huge sums of money are to be expended. This sum of £80,000 immediately appeals to me. I have advocated that this expenditure should to a great extent stop. The policy of the Government should be outlined as to what they intend to do in the future. I have no intention of reiterating what I have already said on this subject, but I hope hon. members have thought over my remarks. Is it the policy of the Government to establish enormous works here without considering the best interests of the country? The best interests of the country can only be safeguarded in the way I have outlined in this Chamber. This sum of £80,000 may be for machinery already ordered to keep the necessary work going here. I want an explanation as to how this money will be expended. Another point I wish to refer to is the Bunbury Harbour works. An enormous amount of talk has taken place with regard to the development of the South-West. There is no doubt that this part of the State is rapidly growing. The Minister has given us figures to-night which supply evidence of this fact. He has said that there are 572 settlers established in the South-West in connection with one particular industry. There are orchardists, dairy farmers and ordinary farmers there. All these people are going to open up the South-West and make it more necessary to provide harbour accommodation. The policy of the Minister for Works has been to assist Bunbury as far as possible. He and his officers are dilatory in coming to a conclusion as to the best policy for developing this harbour at Bunbury. We look to that harbour, as others do to Geraldton and Busselton, to be developed in a proper manner so that the hinterland in the district may also be opened up. Bunbury is the only harbour of any importance in that particular part of the State, and yet we have an item of only £10,000 on the Estimates for it. This amount is of no value at all. The jetty has been extended, but there is less water alongside it than previously.

The Minister for Education: There is a sum of £67,000 unexpended under the previous authorisation.

Hon. J. EWING: I am glad to have brought forth that information. Even that together with the £10,000 I have mentioned will be totally inadequate for the harbour which is supposed to be the outlet for an important part of this State. The policy of the harbour has not been put before the pub-

lic. The Minister for Works will not tell us what his intentions are. The jetty can only be used for coal and timber. As far as the export of wheat is concerned, it is necessary for silos to be erected and all sorts of other things, for that product and others can never be handled there with the present accommodation. An announcement should be made of the policy to be carried out in connection with the inner harbour at Bunbury. Land should be reclaimed and steps should be taken so that adequate provision might be made to meet the requirements of the south-western districts as development increases. The leader of the House might give us some information on this matter. At the same time I feel that it is hardly fair that we should expect the Minister to be au fait with everything that is going on. I have always said that the Minister for Education is the hardest worked of any in the Cabinet, and it is surprising to find that he possesses such a store of knowledge on every subject. If in connection with the Bunbury harbour he has any information at his disposal, the House will be glad if he will disclose it. An important matter was mentioned in this Chamber yesterday, that of the water supply for the metropolitan area. Mr. Duffell again referred to it by interjection to-day and that interjection was to the point. The amount of money which appears in the schedule of the Bill is absurdly small when we remember the magnitude of the undertaking. Ever since I have been a public man the water supply for the metropolitan district has been a burning question. We have always been getting water from bores when it should have been coming from the hills. There seems to be no one competent to take this matter in hand. It has always appealed to me that the supply at Mundaring could be utilised to a greater extent than is the case to-day.

The Minister for Education: There was a report submitted only the other day on the metropolitan water supply.

Hon. J. EWING. At any rate the position is exactly the same to-day as it was years ago. Perth is not the only place which is in need of an adequate water supply for its population. In the town of Collic the people were nearly poisoned the other day through the town water supply. There was a bore there and water was pumped from it, but it was noticed that it was gradually disappearing. The position became so acute that water was taken from the old Proprietary mine, and when the people began to use it it was discovered just in time that serious consequences might have followed if its use had been continued. The Minister for Works is aware of the position but nothing whatever has been done. If something is not speedily done there will be a water famine in the district. Somebody is to blame for that state of affairs; I am not prepared to say who is. But the position is to-day as it was 12 months ago. This is merely an illustration and I have no doubt it could be supplemented by

other hon. members. With regard to soldier settlement, I congratulate the Government on the splendid work they have carried out. Some of the soldier settlers are not making good, and a great deal more money will have to be spent than has been provided in the past. We are finding two millions this year; a similar amount was provided last year, but I am inclined to think we shall need five or ten millions of money before we can satisfactorily settle these people on the land. The subject of State trading has been referred to by Sir Edward Wittenoom and Mr. Miles. I do not intend to say much on the subject, but it is my duty to enter an emphatic protest against the conduct of State trading which I have always regarded as being absolutely unfair. We are told in another Bill which is already before the House that a capital of £1,800,000 has been invested in the trading concerns and that a further sum of £251,000 is to be provided, making a total of over two millions. That, at 5 per cent., represents an annual expenditure of £100,000. Hon. members will thus see that it is a serious thing. Mr. Panton may regard this as a joke.

Hon. A. H. Panton: I think it is.

Hon. J. EWING: Not one of these trading concerns is reproductive.

Hon. A. H. Panton: Nonsense.

The Minister for Education: The State sawmills.

Hon. J. EWING: At any rate the fact remains that the payment of £100,000 in interest on the capital expended on the State trading concerns is a serious matter, and so long as I am able to do so I shall always enter a protest against it. The present Government came into power to dispose of the State enterprises and they have had an opportunity to do so. Instead of doing so, however, they have augmented the trading concerns, as evidenced by the purchase of the timber lands of the South-West timber hewers.

Hon. G. J. G. W. Miles: They mismanaged those that they had.

Hon. J. EWING: The principle is wrong, and the Government are not doing their duty to the State in continuing them. On every platform throughout the length and breadth of the State it was declared that the Government were going to dispose of the State enterprises at the first opportunity. I cannot help finding fault with the Government in this direction. I do not know that any of these concerns are paying; the sawmills may be paying, but certainly the Wyndham Meat Works are not. I do not know how much capital has been expended in that concern. We learn now that £155,000 more is to be spent at Wyndham when we know that the works can never be made to pay. Moreover, they are not doing any good at all to the State. If it were possible to allow those people who first initiated the scheme to carry it on, it would be wise to do so. The State is always better off by the expenditure of private capital. Of course I cannot speak

authoritatively about the works because I have not been there, but I am satisfied that an enormous sum of money has been spent at Wyndham which should have been saved to the State. I would not be doing my duty if I did not bring the matter under the notice of Parliament. The Government have done well so far as land settlement is concerned but they have adopted a policy of absolute contradiction by the expenditure of such a big sum of money at Wyndham and continuing to control the State trading concerns. The time has arrived when expenditure of money in this direction should stop. I am aware that there are hon. members who do not agree with me, but the policy we are adopting is that of going against the people whose desire it is to spend their capital in Western Australia in order to develop our territory. We are spending money on works which are not paying, but which, were they in the hands of private individuals, would undoubtedly show different results.

Hon. A. SANDERSON (Metropolitan-Suburban) [8.40]: For the information of members who were not here in 1914, I can tell them what the attitude of the leader of the House was on the trading concerns at that time. This is what he said—

So far as the general principles of State trading are concerned, I am not opposed to State trading so long as it is confined to public monopolies, but directly you enter into competitive business you will get into trouble.

Hon. G. J. G. W. Miles: They have got into trouble.

Hon. A. SANDERSON: The Minister at that time continued—

All State concerns are in trouble already and the position will not be altered until another Government comes along with courage enough to stop them.

Hon. G. J. G. W. Miles: We have the Government now without the courage.

Hon. A. SANDERSON: It is no use members of this Chamber making a protest because the leader of the House, I think, is fully justified in practically ignoring those protests. He knows that this Bill will go through aided by the political strategy and tactics of which he is a master. He will let the effusions of members pass away and then report to his colleagues that he got the Loan Bill through. Here we are loading ourselves up with 3¼ millions of money. There is one topic to which I wish to refer, and I hope the President will not deal too hardly with any reference I make to the Auditor General's report. Although this is a Loan Bill, reference must be made to revenue, and therefore any comment by the Auditor General on the revenue is, from my point of view, very strictly connected with a Loan Bill. I certainly would make this comment, that the Auditor General is the only official whom Parliament has. He is specially there to look after our interests as against the Govern-

ment. He is the watch dog of Parliament and the people, against the Government. It is to be regretted that his report is delayed. I believe it is on the Table in typewritten form. I have not seen it; it ought to have been here three months ago.

Hon. A. Lovekin: Here it is.

Hon. A. SANDERSON: The Auditor General has my entire sympathy, and so far from making any complaint I extend to him sympathy as to a man driven to distraction by the operations which he is compelled to follow officially. Whether we like it or not we cannot get away from some of our responsibilities in connection with a measure like this. The Auditor General, in his report, referring to this expenditure of State trading concerns, makes some interesting comments. I am only quoting from the Press report, which I expect is pretty correct.

The PRESIDENT: I wish to inform the hon. member that a copy of the Auditor General's report has been supplied to members.

Hon. A. SANDERSON: I have not seen it. I never wish to speak on these financial questions without verifying every statement. I am not going to read the whole of the Auditor General's report, but only three extracts therefrom. This is what he says on State trading concerns; it is an indication to us, and a criticism of us, rather than of the Government—

The expenditure was under-estimated by £540,000. These figures do not take into account the expenditure on State trading concerns. Parliament again discussed and passed the Estimates for those concerns, but Parliamentary authority did not become operative, as no provision was made in the Appropriation Act for the amount required.

Again, in regard to railways, the Auditor General says—

The vouchers were not grouped in the order of the Estimates, and consequently it was impracticable to ascertain whether the correct amounts had been charged under the subdivisions for the losses in the subdivisions as provided by the Estimates for the year.

The Minister for Education: What has this to do with the Loan Bill? We were dealing with all these matters on the Appropriation Bill just now?

Hon. A. SANDERSON: That is exactly the point. The position we have got ourselves into is that everything is thrown into one common pool, and the Government will draw out any money, either loan or revenue, as best they can—the ordinary procedure of the fraudulent solicitor. Dealing with trust funds, the report states—

There is no statutory authority for this procedure. Advances to Treasurer: the principle of advances to private persons from the advance to the Treasurer—

The PRESIDENT: I do not think the hon. member is justified in pursuing this.

Hon. A. SANDERSON: Very well; I will leave it at that, partly because it is not the official report. If I had the report I could closely connect my remarks with the Loan Bill; because if we rejected the Loan Bill we would very soon find that we should be compelled to put ourselves in order. But as the position is now, the only people that have any control over the Government are the people who are lending them money. I am going to make a final remark on the question of soldier settlement. I think the Minister will see the connection between these remarks and the Bill before us. In regard to soldier settlement, and our performance of borrowing money from the Federal Government, the position is this: the Federal Government two years ago openly announced that they would take over the sole responsibility for the repatriation of our soldiers. The State Government, in common I daresay with other States, borrowed that money from the Federal Government for the repatriation of soldiers and guaranteed interest and sinking fund. We all hope for the best, but will anybody tell me, with our experience of the last five or ten years in regard to land settlement and the expenditure of loan money, that we really can guarantee interest and sinking fund? All I can say is that I cannot agree. Whilst I wish, in common with everybody in the community, that every success may attend this soldier settlement, there is very little reason, judging from past experience, for doing anything more than hoping that this will be a success from a financial point of view. Having said that, it is best perhaps to leave it. Hon. members apparently are determined to pass the Loan Bill.

Hon. G. J. G. W. Miles: No, they are not.

Hon. J. W. Hickey: Speak for yourself.

Hon. A. SANDERSON: I am delighted to hear that. It will be some indication that the worm is turning. But I should imagine that the representatives of the Official Labour party would rejoice in the procedure which is going on, because they have completely closed the month in the future of the leader of this Chamber. Those who heard his vitriolic outbursts on the extravagance of the Labour party when Mr. Drew and Mr. Dodd were in office, will remember that it was largely through his denunciation of the extravagant loan policy of the Labour Government in connection with the State trading concerns that he and his colleagues got into office.

Hon. J. Cornell: That argument got the Labour party out and will get them in again.

Hon. A. SANDERSON: I am not surprised that the Labour party do not express any great opposition to the Government, because the Government are carrying out the Labour party's expressed views. That they are going to bring about disaster to the country, a complete stoppage of enterprise, is my belief, and five years ago was the belief of the leader of the House. I think he

was entirely right, although he used language which was somewhat exaggerated and put into it vitriol with which, considering we were at war, was regrettable. But, of course, each member of Parliament conducts public discussion as he thinks best. I can only say that the Minister's denunciations were very effective. But we see that he and his Government are putting their names to this extravagance, to this dangerous policy both on loan account and on revenue account. I can only repeat that Nemesis awaits them. It was certainly very cheering to hear one or two interjections intimating a possibility of the rejection of the Bill. Let me hasten to assure hon. members who are going to vote against it that it will give me very great pleasure to assist them in rejecting the second reading.

Hon. J. W. HICKEY (Central) [8.57]: I am delighted with the political honesty displayed by Mr. Sanderson.

Hon. J. Cornell: It is characteristic of him.

Hon. J. W. HICKEY: Whilst characteristic of him, it is in direct contrast with the remarks made by other hon. members who preceded him. Mr. Sanderson has been honest enough to criticise the Government and their policy, and of course by the same token, for the time being, to suit his purpose, to eulogise a couple of little interjections made by members. I appreciate his appreciation of those interjections. At the same time I must say, even at the risk of repeating myself, that I appreciate the political honesty of the hon. member, which is in direct contrast to the attitude of Mr. Miles and Mr. Ewing, both of whom talked rather heatedly of the State trading concerns. Yet I do not know two greater supporters of the State trading concerns than are those two hon. members. Mr. Ewing put up a great plea for the South-West, for the development of the Bunbury harbour, and Mr. Miles put up an equally strong plea for the development of the North-West.

Hon. H. Stewart: Both business undertakings.

Hon. J. W. HICKEY: State trading concerns, pure and simple. When it suits those gentlemen to advocate certain propositions they are to be found right behind the Government for the time being.

Hon. J. Ewing: We do not call them State trading concerns.

Hon. J. W. HICKEY: I am not concerned with what the hon. member calls them; they are State trading concerns as far as I am interested in them. As a citizen of the State I am a shareholder in those concerns to the same extent as the hon. member, who, with others, has seized upon the opportunity offered by this Bill to protest against State trading concerns. The last speaker twitted Labour members with being behind the present Government in this matter. I am prepared to support the Government so long as

they pursue the policy of the Labour Government in this respect. Similarly Mr. Miles and Mr. Ewing will support the present Government—though with their tongues in their cheeks they criticise Ministers—in respect of anything the Government will do that is opposed to Labour.

Hon. G. J. G. W. Miles: We challenge you who are opposed to the Government to support us to-night.

The PRESIDENT: Order! The hon. member must address the Chair. The hon. member speaking must confine himself to the Loan Bill, and not criticise other members.

Hon. J. W. HICKEY: I am sorry if I have transgressed, Sir. Mr. Ewing dealt with the development of the South-West by means of the extension of the Bunbury harbour. He has claimed £10,000 for the Bunbury harbour works. He has also made a reference to Geraldton. Let me point out that the greater portion of the money spent on the Bunbury harbour might as well have been thrown into the sea. If the present cranky methods are continued, another £100,000 will be needed at Bunbury. For the Geraldton harbour works £20,000 has been voted; but I do not know what is being done at Geraldton, nor do I understand what has been done there. I regard the paltry sum of £20,000 for Geraldton—

The Minister for Education: It is £29,000.

Hon. J. W. HICKEY: I am not complaining, but I do resent the fact that those members who are getting all the loan moneys spent in their various districts—of course for the benefit of the State as a whole—are eliding Labour members for supporting the Government in the matter of this Bill.

Hon. J. Ewing: We merely want to know the policy of the Government.

Hon. J. W. HICKEY: The hon. member may complain on his own account if he likes, but he should not complain with regard to other members. As regards our discussions on Loan Bills, we are absolutely entitled to life membership of the "Here-we-are-again Club." Mr. Miles is once more right up against the Government as regards State enterprises. At one stage he said he agreed that the State steamers were all right as regards the North-West coast, but immediately he had secured the development of the North-West by means of a railway he expressed himself against the State Steamship Service.

Hon. G. J. G. W. Miles: I have never favoured State steamers.

Hon. J. W. HICKEY: I know that the hon. member advocated the North-West coast being served by State steamers.

Hon. G. J. G. W. Miles: Never in my life! That is quite incorrect.

Hon. J. W. HICKEY: The hon. member wanted the North-West coast developed, and was not concerned very much if it was developed by State steamships run with black crews or anything else—just so long as the coast was attended to. If he tells me to-day that he was against the development of the

North-West coast by a State trading concern, I will tell the hon. member he is saying something in which he does not believe.

The PRESIDENT: The hon. member must not speak like that.

Hon. G. J. G. W. Miles: It is untrue. I have never advocated State steamships in my life.

The PRESIDENT: Mr. Miles is now out of order. There is no occasion for recrimination. The subject under discussion is the Loan Bill.

Hon. J. W. HICKEY: I was much impressed by the reference of Mr. Miles to the amount allotted to mining, £40,000. I anticipated enlightenment from him on the subject. I am much interested in the mineral development of that part of the country which Mr. Miles represents, because such development there is reflected in my province. I entirely concur in his protest against the paltriness of the sum allotted for this purpose, £40,000, which represents the smallest amount to be found in this Loan Bill except the sum provided for the Busselton jetty. I am not much concerned as to the name of anything that assists the development of the State. Mr. Miles sits cheek by jowl with the Government as regards the development of the North-West, and similarly Mr. Ewing wants the South-West developed by Government funds. Both gentlemen, however, are absolutely up against State enterprise—that is to say, State enterprise which does not apply immediately to their particular provinces. I take the broader view that all parts of the State are equally entitled to development. Hon. members should come together in a spirit of co-operation and help whatever Government may be in power to develop the country. Though the hon. members I refer to criticise the Government, yet the very moment any vital question affecting the policy of the Government crops up, they are always to be found sitting behind the leader of the House.

The PRESIDENT: For the last time I call the attention of the hon. member to the circumstance that he is not to criticise the actions of other hon. members.

Hon. J. W. HICKEY: I would not criticise their actions for all the world, if I could possibly avoid it. After the remarks which you have made, Sir, I can hardly do so now. In connection with this Loan Bill the Minister referred to soldier settlement, saying that it was responsible for a very large proportion of the proposed expenditure. I contend that soldier settlement or repatriation should have been taken in hand concurrently with the progress of the war. The Commonwealth Government and the State Governments should have been guided by the history of other countries and other wars, and taken up the subject of repatriation from the very outbreak of hostilities, as I then advocated. The only phase of repatriation undertaken by the present Government is the settlement of soldiers on the land; and in that they have absolutely and ignominiously failed. Yet they

have been well and faithfully supported by members of this House. Various hon. members criticise the Government in respect of soldier settlement year after year, without offering any solution of the difficulty. Personally I am not prepared with a solution at the present moment. Mr. Panton's attitude and mine is that the Government have absolutely failed as regards settling soldiers on new country. I believe only 700 soldiers have been settled on virgin land.

Hon. A. H. Panton: About 170.

Hon. J. W. HICKEY: I do not know the South-West as well as Mr Ewing knows it, or the North-West as well as Mr. Miles knows it; but I have visited those districts, and I have a pretty good knowledge of the State as a whole; and I declare that it is an absolute disgrace, in view of the promises made to the soldiers when enlisting, that only such a paltry number of returned soldiers should have been settled on new country. From my own personal knowledge I know of many instances of good men having sold out their properties to the Repatriation Department. I know I am correct because I know of these instances both here and in the Eastern States. The only time the Government were asked to do something they promised they would do, they neglected to fulfil their obligations. Naturally I know that the Minister, when he replies, will show that they have done something. What have they done in the interests of the State and the returned soldiers? They have bought out good settlers and put in their places men who, in some cases, may not have seen a farm before in the course of their lives. It may be that they have exercised a "pull" over the Repatriation Department, and have established their rights before that department, enabling them to secure the farms. Farmers who have been bought out have in some cases skipped over to the Eastern States—I know that is correct, because I met them—and have bought a few acres over there or else gone into a small business. The Government have not treated the returned soldiers decently—perhaps I should not altogether say that, but they have not developed this State as they should have done. They stated that they would develop it with the aid of immigrants and returned soldiers. They have done nothing of the kind. Replies to questions which have been asked in this Chamber show that they have put very few men into new country. I desire to enter my protest against the attitude of the Government because they have made no serious attempt to develop new country. Probably it will be suggested by the Government that they cannot get surveyors.

Hon. J. Ewing: There are plenty of surveyors.

Hon. J. W. HICKEY: The hon. member states that we can get plenty of surveyors, and, as a matter of fact, I think the Government could bring sufficient influence to bear on the hon. gentleman himself to resign his position and go out and do something in this

direction. The Government have not attempted to survey new land. They simply sat back and waved the flag and said what they were prepared to do for the men on their return to the State. They said they were prepared to settle these men on the land. All they have done is to drag the flag down.

THE PRESIDENT: In my opinion, the hon. gentleman is not discussing the Loan Bill. Furthermore, if he persists in continuing in this strain, I will conclude he is persistently and wilfully resisting the authority of the Chair. He can proceed now, with that warning.

Hon. J. W. HICKEY: I must again apologise, Mr. President. I have no intention of not conforming with your wishes. I was endeavouring to draw attention to the fact that the Minister had said that the greatest proportion of the amount included in the Loan Bill was for the purpose of settling soldiers on the land. While I do not dispute that fact, I raise my protest against the attitude of the Government regarding the way in which they have administered that particular portion of the obligation. I was endeavouring to show that their actions have been against the interests of the soldiers and of the State. If any remarks of mine were not in conformity with your ruling, I hope you will pardon me. With these few remarks I will support the Loan Bill and refer to one or two matters during the Committee stage.

Hon. Sir E. H. WITTENOOM (North) [9.20]: I have looked carefully through the items in the schedule to the Bill and there are only two to which I take any exception. One is in connection with that unfortunate place, the Wyndham Freezing Works, and the other is an amount put down for State undertakings. I endeavoured to find out from the leader of the House how much of the expenditure included in the general item regarding abattoirs, cold storage, freezing, chilling, and canning works and so on, set down as £108,082, applied to the Wyndham freezing works. You, Mr. President, prevented me from getting that information.

THE PRESIDENT: It is a subject upon which the hon. member can more conveniently pursue his inquiries in Committee.

Hon. Sir E. H. WITTENOOM: In that case, I cannot say how much has been expended on the Wyndham works, as I cannot say how much of this amount is for the works I refer to. I can, of course, deduct a portion of that amount and that will show that these unfortunate works have cost a great deal of money. I am opposed to increases in the money to be spent on State undertakings, not because they are State undertakings, but on the principle that these undertakings should not be carried on with loan money. I have had a good deal to do with floating loans in London. One of the conditions which is always put in the prospectus is that the money is to be expended on reproductive public works. If we spend

money so borrowed with such a condition, we will spend money under false pretences.

Hon. A. Sanderson: Hear, hear!

Hon. Sir E. H. WITTENOOM: There is no question about it, and to insert such items in the schedule of the Loan Bill is not correct. I am not speaking on the point as to whether these undertakings are proper for the State to carry on. That is not the question. It is a question whether such items are correctly included in the Loan Bill. I think they are not, for the reason that loan money is borrowed for the purpose of remunerative and reproductive works. Surely if these works were self-supporting, and were payable business concerns, they would not be carried on with borrowed money. They would be run out of revenue or out of their profits, which is practically the same thing. If they cannot make profits they should not be run on borrowed money, at any rate. There is already provision for £230,000, to which another £100,000 is to be added for the freezing works. I regard the vote of £20,000 for State Fisheries as justifiable, because I consider the effort which is being made in that connection as a preliminary business with a view to testing the fishing grounds surrounding the State.

Hon. J. W. Hickey: They are spending half as much on that as for the development of mining.

Hon. Sir E. H. WITTENOOM: That £250,000 should not be spent on these works out of loan money. The development of the North-West is hardly mentioned in the schedule. We find a paltry £10,000 there for tramways and jetties. That is a very small amount to be spent on a coast line stretching from Geraldton to Wyndham. I am glad there is a certain amount provided for works at Geraldton. There are two works which they require at Geraldton. One is a good harbour and the other a good water supply. It was stated the other day that there was some difficulty regarding the water works. It is not a question of money in that case, however, but a question of where to get the water. I give the Government credit for this, and if anyone can tell them where good water can be procured, they will be only too glad to do the work in order to get the water for the town. There is £20,000 provided towards the work of constructing harbour works there. Apart from the provision for the expenditure of £50,000 on the Ashburton jetty—I take it they will put a new jetty down there on another site—there is only £10,000 provided for works along the coast. With the exception of that £50,000 and the provision for money to be spent on the Wyndham works, there is little or nothing for expenditure along the North-West coast. There are two works that are badly needed. One is a water supply for Port Hedland. That undertaking should be remunerative from the start because the people would pay water rates. Then there is the water question at Derby. It is rather amusing to me

to notice the unselfishness of the leader of the House. I believe he is the Minister for the North-West. I should have thought that he would take the opportunity to fatten his own nest and secure the expenditure of money in the North-West. Instead of that, however, there is only a paltry £10,000 provided.

Hon. J. W. Hickey: What do you want it for?

Hon. Sir E. H. WITTENOOM: The hon. member must have an extraordinary mind if he wants to know what the money is wanted for along that coast. There is so little provided that it is not much use making any more than a protest at this particular juncture. There is so much money to be borrowed and the schedule shows how it is to be expended. At this stage we cannot cut up that division, and we must allow it to pass. The objection to money being expended on State trading concerns which are not reproductive works is a strong one, and I think money should be spent along the North-West coast in the direction I have mentioned. I have only dealt with two cases. There are many other works in the South-West which should be carried out. I am told that the Wyndham works will cost a million before we have done with them and that they will not be worth £250,000. They will never pay interest on the capital cost of the undertaking. At a time when it is necessary to develop all parts of the State, when we want population to develop the North-West, there is a paltry sum of £10,000 provided for that portion of our territory, and yet we can borrow £250,000 for a State trading concern which will not pay. I will support the second reading of the Bill and will wait to hear what Mr. Miles has to say regarding his amendment.

Hon. J. CORNELL (South) [9.28]: I do not intend to take up the time of the House at any great length. I desire to draw attention to the provision in the schedule for expenditure of money in the Esperance district, particularly regarding the expenditure of money in connection with the Esperance Northwards line.

The Minister for Education: There is £60,000 provided in addition to the £20,000 you are referring to.

Hon. J. CORNELL: I hope that the loan money authorised and about to be authorised will be spent and that ere long, that line will not be the subject of successive items in Loan Bills, but will be an accomplished fact and that the line will be linked up with the railway at Norseman. Regarding the development of mining, I understand that a sum of £40,000 or £50,000 was placed on the Loan Estimates last year and has not been expended. I have the honour to represent a body on a mining board which is doing very good work and which relieves the Minister of a lot of responsibility. This board acts in an honorary

capacity. The board is very considerate in assisting prospectors and every one, whether a returned soldier or otherwise, gets a fair crack of the whip. The genuine prospector is genuinely assisted. In the opinion of members of the board the amount allowed for sustenance is not sufficient. The same amount is allowed now as was allowed five years ago, namely, £1 a week. I hope that the Minister will convey this suggestion to his colleagues. I trust that the amount will not only be shown on the Loan Estimates but that it will be expended. If we spent £100,000 and succeeded in unearthing another Great Boulder mine, it would confer a great boon on this State. To try to locate a goldfield is certainly a step in the dark, and those who are prepared to assist themselves by going out and enduring great hardships should be given every encouragement. Regarding the settlement of returned soldiers, I am not prepared to debate whether soldiers should be sent into the wilderness and placed on untried land, or who should take on the work of pioneering this country. That is the soldiers' own concern. Whether the individual soldier could be provided with improved land he got it, and if any man was entitled to that consideration it was the soldier. I do not intend to discuss now whether or not successive Governments have done their duty, but from the time the soldier settlement scheme was placed under the control of Mr. McLarty his efforts have met with general approbation and have inspired confidence among the soldiers.

Hon. J. W. Hickey: Under the policy of the Government.

Hon. J. CORNELL: I do not know whether that is so or not. Certainly no accusation can be laid against the controller, who has carried out that policy so well. The soldiers speak very highly, and rightly so, of Mr. McLarty.

Hon. J. W. Hickey: So do I.

Hon. J. CORNELL: I mention this merely in case Mr. McLarty has been included. I subscribe to the doctrine which has been laid down by the controller and which has proved to be a wise one, namely, that he would not put a soldier where he thought he himself could not be successful. More soldiers would have been settled in congenial surroundings and in localities where they could make good if the people who held good and improved land in close proximity to the railways and to the seaports had not opened their mouths too wide. They opened their mouths so wide that they interfered with the policy laid down by the controller that he would not put a soldier where he himself could not make a do of things. This particularly refers to the Geraldton district. It is not the fault of the controller or of the Government that more soldiers have not been settled in that district, but it is the fault of certain individuals who will not use their land and will not sell it on fair and reasonable terms.

Generally speaking, I have favoured and still favour, the policy of giving the digger a chance to get in on the ground floor so to speak and establish himself on improved country. We have heard a good deal about immigration. What the State wants and must have is more people. The war at Broome is significant of the fact that we require people of the right sort, people of our own kith and kin. I am guided by the advice of men competent to speak when I say that the policy of spending loan money to settle immigrants in the outer areas of this State must go by the board. We will not get a successful scheme of land settlement for immigrants by following the old methods. If we desire to settle immigrants in the agricultural districts, we shall have to follow the same lines on which we have proceeded to settle the soldiers. Who could best succeed under the old methods, the Australian soldiers who know all the vagaries and difficulties of the country or the unsophisticated gentleman who comes from abroad? There is an item on the Estimates relating to the purchase of a residence in London for the Agent General. If the Government have not raised the Agent General's salary, it is only a gracious act to provide him with a house, because the salary paid is totally inadequate. I do not know whether there is any provision for other officers who are carrying out important functions in London in connection with emigration, but if not, they are entitled to an increase over and above what they received when they left this State. The assistant emigration officer in London is a personal friend of mine and if he were not a single man he could not manage on the salary. At times he is pretty hard up and finds it necessary to draw on capital.

The PRESIDENT: Is the hon. member discussing any item of this Bill?

Hon. J. CORNELL: I just wished to refer to that point and I regret if I transgressed when I was on the point of finishing.

Hon. A. H. PANTON (West) [9.42]: I do not propose to occupy much time. As a representative of a metropolitan seat I intend to get away from anything in the nature of parochialism by not asking for something for my own province. I wish to point out to the Government the necessity for spending a great deal more money on the development of the gold mining industry. There is not the least doubt that if Western Australia is to make progress, not only our agricultural industry but our gold mining industry will have to be developed. From my knowledge of the gold bearing country of this State, I am satisfied that there are a lot of gold mines, if we can only get the money to prospect and develop them. If we are going to do any good we must develop our mineral resources as well as our agricultural belts, and I regret that the amount provided for the development of the mining industry is so small. Owing to the great distances in this State it is somewhat expensive to develop

mines, even after they are discovered. Notwithstanding the boom at Hampton Plains and at St. Ives, the time is not far distant when even Hampton Plains will produce something worth having and St. Ives, I believe, will prove to be a second Kalgoorlie. I met a young man named Ives from St. Ives who had brought in 24 oz. stuff from that centre, and if there is sufficient of it, there will be a big boom in that part of the State. I am not particular as to whether returned soldiers are settled on repurchased farms or on virgin land. That is the business of the returned soldier. I do object to the Government saying, "We have settled so many thousand returned soldiers" without their saying where these have been settled. In answer to a question of mine, the Minister informed me that the number of soldiers settled up to the 31st July was 3,033. That was a very creditable performance, but we find that the number settled on improved farms, properties purchased, was 1,756, on their own land 669, on Agricultural Bank securities 106, on repurchased estates 332, and on virgin land 107. The natural inference from these figures is that this is an extra number of persons settled on the land in addition to those already there. That is altogether wrong. Up to the 31st July, 1,700 returned soldiers had been settled on repurchased farms, which means that there were so many persons who have gone off the land.

The Minister for Education: Not at all. In many cases six or seven persons took the place of one.

Hon. A. H. PANTON: I venture to say that if the figures were analysed it would be found that over 1,000 farmers had gone off the land. I know scores of returned soldiers who have gone on the land, and have simply gone on to farms which have been run for eight or nine years by experienced men and then been given up by them. When we are told how many soldiers have been settled on the land we should also know what increase there has been in land settlement. I support the Government in their continuance of the State trading concerns. Irrespective of what their intentions were when they came into office, I say they would not have had the support of the public if they had tried to get rid of the great bulk of these concerns. The State trading concerns have not had the opportunity of showing profits that should have been accorded to them. They were brought into operation shortly after the Scaddan Government came into office in 1911. Almost immediately after that the State suffered from two years of drought. There was no possibility of doing much with the machinery from the State Implement Works, because the farmers had nothing to take off their land. This drought was followed by the war. What opportunity was there during the war of exporting timber? There were no boats available, and after the war we suffered from one of the biggest shipping strikes we have ever had. This again prevented the export of

timber. The State sawmills have not had the opportunity of producing the money which in ordinary circumstances they would have had. If the Government had attempted to sell the State Implement Works no one would have made more noise than the farmers themselves, notwithstanding the fact that they are not as patriotic as they ought to be in patronising these particular works. The cost of imported machinery has to a large extent been kept down by the implement works. Hundreds of thousands of tons of stone are used every year by the Government from the State quarries. If these quarries had been owned by private enterprise the stone they have now used would have cost them a great deal more than it has done. The Government are in a position to use all the stone they can obtain. The brick works have been the means of keeping down the price of bricks. They are getting rid of all the bricks they can turn out, and could get rid of as many more. But for these works the cost of building would be a great deal more than it is to-day, though that is over 100 per cent. as compared with pre-war prices. The State Implement Works have more than paid for themselves. The fact that the State Sawmills were not sold to the French Government was due, not so much to the fact that they could not find the money as to the fact that public opinion was opposed to the sale. If the Government had attempted to sell them there would have been a howl of indignation throughout the State, and they would have had to reconsider their decision. Whether the Labour party come into office next March or the present Government retain office, I am sure public opinion will be against the disposal of these State trading concerns. As the world becomes settled these concerns will, I feel sure, become reproductive. The late Treasurer (Mr. Gardiner) in delivering his Budget speech said that the one bright spot in the financial position was the revenue that was being derived from the State trading concerns. I do not think they are costing the Government such a great deal to-day.

Hon. J. Cunningham: They are showing a profit.

Hon. A. H. PANTON: The Wyndham Freezing Works have been badly managed. Under proper control and administration they would not have cost anything like the amount they have cost to-day. This cost is far in excess of anything that was anticipated. That is a question of administration, and not the fault of the enterprise. I support the second reading of this Bill.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East—in reply) [9.57]: I am sorry I cannot give Mr. Ewing the information he desires as to the exact policy to be pursued in the development of the Bunbury harbour works. The amount set apart in this Bill for these works is £10,000, to which has to be added a sum of £27,817, which is the unexpended balance from the previous Loan Bill. There is, therefore, a

total of £77,817 available for the Bunbury harbour works, which it is proposed to spend. How the works will be carried out I do not know, but I will obtain the information from the Public Works Department if the hon. member so desires, later on. Mr. Ewing also referred to the metropolitan water supply, and contended that it should be augmented from the Mundaring scheme. I wish the hon. member would read the report I placed on the Table of the House some time ago, by Mr. Ritchie, the Melbourne engineer. Our local engineers have always condemned as impracticable and costly the proposition to supply the metropolitan area from Mundaring.

Hon. A. Sanderson: Hear, hear!

The MINISTER FOR EDUCATION: Mr. Ritchie entirely confirms that view. We are using a great deal of the Mundaring water already in the metropolitan area, but it has to be used east of Perth, that is round Midland Junction and that locality. The belief and strongest objection to making use of the Mundaring water for metropolitan purposes generally is that the Mundaring reservoir is not high enough. There is not enough fall from Mundaring to the Mt. Eliza reservoir to enable the water supply to be used in the metropolitan area. Another reason why it would not be practicable is that the amount of water which could be spared from the Mundaring reservoir, unless additions were made to it, would be so small as not to justify the expenditure on a pipe line to Mundaring. There is a possibility of either adding to the present Mundaring reservoir wall or building another reservoir below the present wall, in order to conserve the necessary additional quantity of water. The second proposition would still be open to the objection of the altitude not being great enough, and would also be open to the objection that it would cost just as much to build a second reservoir this side of Mundaring as it would to build one on the Canning River. Further, the pipe line would be very much longer, and the head of water would be very much smaller.

Hon. J. Ewing: Why not build the Canning pipe line?

Hon. J. Duffell: We decided on the Upper Canning scheme in 1911.

The MINISTER FOR EDUCATION: That is the scheme which Mr. Ritchie recommended. If hon. members would peruse his report they would be satisfied that to bring water from Mundaring for metropolitan purposes is not practicable, beyond what is being done already around Guildford and other places east of Perth. I commend the report to the notice of hon. members. The difficulty with which the Government found themselves confronted before the report was submitted was that it looked as if an enormous amount of money would have to be expended before there was any return in the shape of additional water. Mr. Ritchie's report, which is now under closest investigation, does suggest a means by which we can get almost at once a return from the money we expend, and at

the same time increase the water supply for the metropolitan area year by year until the requirements of that area are satisfied. The expenditure involved should be something in the region of two million pounds. There is already an unexpended balance of £180,000 which, with the amount now provided, will give a sum of nearly a quarter of a million pounds.

Hon. J. Duffell: They are taking some of the money to put down new bores.

The MINISTER FOR EDUCATION: That, too, will cost a certain amount of money. The question of State trading concerns has been dealt with. It was said that the present Government came into power to dispose of them. I do not know that that is a fair statement. The present Government have not initiated any State enterprises.

Hon. G. J. G. W. Miles: Extended them.

The MINISTER FOR EDUCATION: What does the hon. member mean?

Hon. G. J. G. W. Miles: You are after another quarter of a million.

The MINISTER FOR EDUCATION: The hon. member knows the conditions in regard to the largest item, namely the Wyndham freezing works. Directly after the present Government came into power Parliament, including this branch of the Legislature, passed an Act preventing the disposal of any State trading concerns except by the vote of both Houses of Parliament. I do not know what opportunity, with the exception of that offered by the State sawmills, which could not be accepted for reasons stated, was afforded to the Government of disposing of the other State trading concerns.

Hon. G. J. G. W. Miles: Have they ever looked for one?

The MINISTER FOR EDUCATION: What does the hon. member suggest? That we should advertise them all over the world? It would be entirely futile and waste of money to do so. What possibility would there be of getting off upon private enterprise such a concern as the State Implement Works?

Hon. J. Duffell: The Government sold their milk shops and their meat shops.

The MINISTER FOR EDUCATION: Yes, and all those things that could be got rid of. My opinion in regard to State trading concerns is entirely in accord with what it was in 1914. The State trading concerns are entirely justifiable in dealing with public monopolies, and entirely necessary for the protection of the public. But when they enter into competitive business they are dangerous and inadvisable. That does not alter the fact that we have them and we must carry them on to the best advantage. This Government were not responsible for any of these State trading concerns. The Wyndham freezing works were half-built when the present Government came into office. Whilst it is true they cost more money than was estimated, it is also interesting to reflect that Vestey Bros., a firm with a vast knowledge

of an enterprise of this kind, had about the same time started to build freezing works at Port Darwin, and the excess cost in their case, over and above their estimate, was relatively much the same as was the case with the Wyndham freezing works. They set out intending to spend £200,000 or £300,000 and the works cost a million. We set out to spend £240,000 and the works up to the present have cost about £800,000 and the sum will probably be a million before they are completed. Mr. Sanderson suggested that soldier settlement was not likely to succeed because of our experience during the last five or ten years in regard to land settlement generally. I do not know what the hon. member means. There are few countries that can point to a more successful policy of land settlement in the past ten years than that of Western Australia. Leaving soldier settlement out entirely as a new thing, the policy of land settlement in this State during the last ten years has been very successful. But for that I do not know what the hon. member's constituents would live on. The hon. member also referred to my denunciation of the extravagant loan policy of the Labour Government during the last four or five years of their period of office. That loan policy was one of spending 2½ millions of loan money every year, whereas the present Government have spent three-quarters of a million only, excluding of course what has been spent on soldier settlement. There was nothing inconsistent in the denunciation to which the hon. member referred. With regard to the development of mining, in addition to the £40,000 provided, there is an unexpended balance from a previous authorisation of £39,000, making a total of £79,000 to be expended on the development of mining. It is a mistake to suggest that in the policy of soldier settlement no new country has been developed. I think it is being developed at a greater rate than ever before. It is the policy of the Government to settle returned soldiers in the way that those soldiers desire. Sir Edward Wittenoom asked a question with regard to item 25, but I do not know whether I understood him rightly. These items are not provided for the carrying on of the trading concerns. Those concerns have to carry themselves on and if they fail, then the cost has to come out of consolidated revenue.

Hon. Sir E. H. Wittenoom: What is it for them?

The MINISTER FOR EDUCATION: For the completion of capital expenditure. That is where a large proportion of the deficit is, in the cost of carrying on these works. The cost of carrying on the Wyndham meat works in the past year including interest (but leaving out depreciation) and loss on operations will probably be £70,000 or £80,000. If we add depreciation, the total will be considerably over £100,000. That money has to be provided out of consolidated revenue, and as I have stated, it accounts for a good proportion of our

deficit. If these meat works are to be made effective, additional money will have to be spent. The works were built under a misapprehension. It is an extraordinary thing to say in regard to a work of that magnitude, but hon. members will remember our dear old friend, the late Mr. Frank Connor, producing an exhibit in connection with this matter. The whole contention was that meat would be killed there, then chilled, and brought down to the metropolitan markets for sale. It was said that the saving on each beast would be so great that the interest and cost of running the works would easily be provided. It was contemplated that the product of the works would be frequently removed and brought down, and because of that comparatively little storage was provided. Now, it is accepted that chilled meat cannot be brought down to the metropolitan market in competition with fresh meat. We must bring the meat to the market on the hoof, and the product of the meat works has to be disposed of abroad as frozen meat and not as chilled meat.

Hon. J. Ewing: They did not think it out very much.

THE MINISTER FOR EDUCATION: The works were built under a misapprehension, and it is an extraordinary position that we are landed in. Sir Edward Witte-noom has referred to works in the north. In addition to the provision of £50,000 for the Ashburton jetty, and £10,000 for jetty improvements generally, there is a sum of £16,000 authorised but at present unexpended. Every penny of that money will be required. There are one or two cases where it may be necessary to remove the jetty ultimately, as in the case of Onslow, but works of that kind can only be done one at a time. The hon. member referred to the water works at Port Hedland and Derby. I hope the Port Hedland proposition will prove payable, and if so, I have no doubt the Government will find the money to go on with the work. The present position is that the work has not been completely investigated, but it looks as if it were going to be difficult to make it reproductive, on account of the long distance that the water will have to be conveyed. In regard to Derby, the water supply is already in existence, but the difficulty is that the Government some time ago proposed that the Derby people should take it over, and I think they charged too much for it. Now the local people are in difficulties. The matter, however, will be adjusted on equitable lines. I do not know that there are any other matters to which I need reply at the present stage.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Ewing in the Chair; the Minister for Education in charge of the Bill.

Clause 1—agreed to.

Clause 2—Power to raise money for certain purposes:

Hon. G. J. G. W. MILES: I move an amendment—

That in lines 3 and 4 the words “eight hundred and seventy” be struck out with a view to inserting “six hundred and nineteen.”

The object of the amendment is to reduce the amount of the loan from £3,870,000 to £3,619,000, the difference of £251,000 being the amount provided in the schedule for carrying on State undertakings. I want to enter my protest against the Government going on with the trading concerns. If the Government had carried out the policy which they were elected to fulfil, private capital would have come to the country to a far greater extent than the amount the Government have invested in these concerns. The private firms carrying on works here could have been taxed and a considerable amount of revenue collected by way of income tax and dividend duties. If we carry the amendment it will indicate to the Government that we are opposed to State enterprises and that it is our desire that effort should be made to get rid of them. If we could get rid of these enterprises the Government could then attend to their other numerous duties much better than they are doing now. With regard to the shipping service, the Government have only been able to show a profit by reason of the profiteering carried out in connection with the “Kangaroo” during the period of the war. But for that the vessel would never have earned interest on the money expended on it. Prior to the advent of the State ships we had an adequate service on the North-West coast, and that service contracted for mails which were carried and delivered regularly. Since the State brought their shipping service into operation they have secured the contract. They have never been able to carry it on satisfactorily, and if they had to pay the fines which were due to the Commonwealth for non-fulfilment of the contract, they would have to pay £10,000 a year instead of receiving a subsidy of £5,000. The Government were returned pledged to dispose of the trading concerns. Instead of that they are carrying out the policy of the Labour Government who, if they come back from the next elections, will nationalise everything we have; and we shall have the Mitchell Government to thank for it.

THE MINISTER FOR EDUCATION: I have already explained that this money is not for carrying on these works, but for necessary additions. No less than £10,000 is set aside for State ferries.

Hon. G. J. G. W. Miles: You could sell the ferries very well.

THE MINISTER FOR EDUCATION: We could sell very well anything that is show-

ing a profit. There is a profit of £1,500 a year in the State ferries. But would we be doing any good by selling what is paying well, and having to retain what is showing a loss? I would rather see the State ferries run by the municipalities concerned; but the fact remains that the State has to run the concern and keep it in condition.

Hon. G. J. G. W. Miles: The State could sell all their trading concerns.

The MINISTER FOR EDUCATION: The State is not in a position to sell undertakings like the State Implement Works or the Wyndham Freezing Works. While the State has to carry on those institutions they must be properly equipped and conducted.

Hon. J. DUFFELL: It would be a great disadvantage to dispose of the State trading concerns at present. But it is preposterous to think that they can be successfully conducted by a Minister of the Crown, who has so much else to attend to. A few weeks ago I thought we were going to find a way out of the difficulty when it was suggested that a commissioner should be appointed to take charge of the trading concerns. The amount of capital in those concerns would warrant the payment of a handsome salary to a highly competent commissioner. I am already sorry that recently I voted against the appointment of three commissioners to manage our railways. Had that proposition been carried, we should have been in a very different position to-day.

The Minister for Education: There is no doubt about that.

Hon. J. DUFFELL: So long as we are content to allow the trading concerns to remain under control of a Minister of the Crown, we cannot expect them to show a profit, although it must be said that several of them are actually running themselves and showing a profit. When it was proved conclusively that the meat shops and the fish shops were making a loss, the Government got rid of them. I will stand by the Government in regard to the Bill.

Hon. A. LOVEKIN: I will vote for the amendment, for the reasons given by Mr. Miles. We should intimate to the Government that we want them to dispose of the State trading concerns. The State cannot run these big concerns successfully. The Minister has made an admission to-night regarding the Wyndham Meat Works. On what has been said, it seems to me those works should be got rid of as soon as possible, because they can never be made to pay. It would be a mistake to spend all this money, as proposed, on the extension of the State trading concerns. Only a little while ago I went into the position of the State sawmills, and I found that the alleged profit vanished under analysis. Scantling, which the Government called profit, Millars paid to have cleared away and burnt. Then there is the electric light plant. If that were in the hands of a private company, most of it would be scrapped. I understand that whoever is responsible for the running of the

plant is taking steps to scrap it, and is no getting out modern machinery which will effect a very great saving in the generating costs.

The Minister for Education: That is not a trading concern.

Hon. A. LOVEKIN: Well, it is a State instrumentality.

The Minister for Education: It is a business undertaking.

The CHAIRMAN: I think the hon. member is quite in order in discussing it.

Hon. A. LOVEKIN: One can go through the list of the State trading concerns and will be found that what applies to the electric light plant applies to all. When the fish shops were closed by the present Government, the manager took them over, and where he had made a big loss for the Government, he made a profit for himself.

Hon. A. H. Panton: He sold schnapper at 1s. 6d. per lb., and the Government sold it at 9d. per lb.

Hon. A. LOVEKIN: I asked the manager how it was he succeeded in making a profit for himself though for the Government he made a loss. His reply was, "While the fish shops were a Government undertaking fish sometimes came in, and sometimes did not, and if I had none, my customers go none. When, as manager for the Government, I wanted fish, I had to send in a requisition to the Government for fish, and by the time the fish did come in, my customer had gone to the Greeks. If the Greeks were short of fish, they would immediately go on and buy a basket or two." It was the racket that killed the shops as a Government undertaking. We ought to pull up where we are, and not extend these State trading concerns. I shall vote with Mr. Miles, as an intimation to the Government that the extension of State trading concerns must stop.

Amendment put, and a division taken with the following result:—

Ayes	6
Noes	12
Majority against ..	6

AYES.

Hon. J. A. Greig	Hon. Sir E. H. Wittenoom
Hon. A. Lovekin	Hon. G. W. Miles
Hon. J. Nicholson	(Teller.)
Hon. A. Sanderson	

NOES.

Hon. E. M. Clarke	Hon. J. Mills
Hon. H. P. Colebatch	Hon. A. H. Panton
Hon. J. Cornell	Hon. E. Rose
Hon. J. Duffell	Hon. H. Stewart
Hon. V. Hamersley	Hon. J. Cunningham
Hon. E. H. Harris	(Teller.)
Hon. C. McKenzie	

Amendment thus negatived.

Clause put and passed.

Clauses 3 to 5—agreed to.

Clause 6—Loans for the purpose of soldiers' settlement:

Hon. A. SANDERSON: I would like to understand exactly what this clause means.

The MINISTER FOR EDUCATION: Moneys for soldier settlement are raised from the Commonwealth, instead of being raised in the ordinary way. The Commonwealth provide the money, instead of our borrowing it in London.

Hon. A. SANDERSON: This is a Loan Bill. Will this money be raised by inscribed stock or by debentures?

The MINISTER FOR EDUCATION: It may be raised without the issue of either inscribed stock or debentures. So far it has been raised from the Commonwealth without the issue of either inscribed stock or debentures.

Hon. A. SANDERSON: I have the most distinct recollection of the leader of the House telling us that the Commonwealth demanded inscribed stock. I have not time to look up the reference now.

The MINISTER FOR EDUCATION: The Commonwealth Government may, and undoubtedly at some time will, raise this money on the London market; and they will then have a fixed loan for a certain term of years. Having got that, they will call upon the State to provide inscribed stock. But if this clause were not inserted, then, until such time as the Commonwealth Government did that, it would not be competent for this State to take the money without issuing inscribed stock for it to the Commonwealth. Under the clause we can from time to time accept the money from the Commonwealth without issuing inscribed stock or debentures.

Hon. A. SANDERSON: I feel quite certain that this is an entirely new departure from our Loan Bill procedure, and that we ought to have an adjournment on this clause in order that we may understand the position.

The Minister for Education: This has been going on for the last two years.

Hon. A. SANDERSON: Illegally!

The Minister for Education: Oh, I don't know!

Hon. A. SANDERSON: Neither do I know. If it has been going on for the last two years, let it go on a little longer, and let this Bill be brought down next session so that we can discuss the matter with an understanding of it. By assenting to the Bill without comment, we cannot throw the whole responsibility on the leader of the House and his colleagues in the Ministry. Obviously, this matter should have some investigation. I was waiting for this clause, because I did not understand it. Now we have from the leader of the House the damaging admission—

The Minister for Education: What nonsense! The hon. member has known all along that this has been going on. It has been stated over and over again in the House.

Hon. A. SANDERSON: I never knew anything at all about it. I can flatly contradict

the statement that I knew all about it. Perhaps I ought to have known all about it. But we have been deluged with financial statements and returns.

The Minister for Education: You have been told about it often enough.

Hon. A. SANDERSON: I understood that the reason for authorising these Loan Bills was that when the Commonwealth handed over any money to us they required some security in exchange. I am satisfied that I have here now, in my files, evidence to prove that. Now, for the first time, it has been brought home to me that we have been borrowing from the Commonwealth Government without any security to them.

The Minister for Education: Who ever said anything of the kind?

Hon. A. SANDERSON: What security have we been giving the Commonwealth Government?

The Minister for Education: Treasury bills.

Hon. A. SANDERSON: We are getting on. Then we have been giving the Federal Government Treasury bills for the last two years.

The Minister for Education: Ever since the war started. A few days ago I gave the hon. member a return showing the whole position.

Hon. A. SANDERSON: The Auditor General's report shows that we authorise things that ought not to be authorised, and that matters of public finance are conducted in the most irregular manner. I do not feel it my duty to pursue the matter any further if hon. members are not prepared to strike out this clause.

Clause put and passed.

Schedule, Title—agreed to.

Bill reported without amendment and the report adopted.

B'LL—DENTISTS.

Received from the Assembly and read a first time.

BILL—TAX COLLECTION.

Second Reading.

The MINISTER FOR EDUCATION (Hon. H. P. Colbatch—East) [10.46] in moving the second reading said: This is a measure which I think will meet with the approval of all members. The purpose of the Bill is to amalgamate the Federal and State Taxation Departments. I have no doubt that a very great saving could be made to the State and to the people if, in addition to this amalgamation, some equitable arrangement could be arrived at regarding the Savings Bank and the Electoral Department. This is the first step. The State under this proposed amalgamation will effect the very handsome saving of £20,000 per annum. I laid the agreement, which is to be completed

on the passing of the Bill, on the Table of the House some little time ago, so that members in all probability are already familiar with its provisions. I announced when referring to the matter at that time, that the agreement was in process of consideration by the State and Commonwealth Governments. It has since been approved by the Government, and this Bill is to sanction its completion, is embodied in the Bill for Parliament to endorse. The advisability of the amalgamation of these two departments is entirely beyond question. It is not only an arrangement which meets with the approval of the authorities, State or Federal, as the case may be, but it will mean an important saving of expense, and will be a convenience to the general taxpayer. I have already indicated that there will be a substantial sum of £20,000 per annum saved under the agreement, but it means more than that, because the undertaking is that the Federal Government shall collect the State tax in addition to the Federal tax for one-third of the expenditure required for the assessment and collection of the State taxes as set forth in the Estimates for the financial year ending 30th June, 1921, as submitted by the State Government to Parliament. The amount set down in the Estimates is £30,000. As the State grows so the cost of collecting State taxation will increase year by year. If this agreement is endorsed £10,000 is all the State will have to pay for making out the assessments and the collection of the taxation. In addition to that amount, the State must pay the salary of the State Commissioner of Taxation.

Hon. G. J. G. W. Miles: What is the term of the agreement?

The MINISTER FOR EDUCATION: It is intended to be a permanent arrangement. There is a clause in which it is provided that notice may be given to terminate the agreement if either party is dissatisfied, but it is intended to be permanent. The Federal authorities will not only collect the State income tax but will collect all other forms of taxation, such as the land tax, totalisator tax, and dividend duties tax. In the first paragraph the Commonwealth undertakes to collect the money, as I have already indicated, for one-third of the amount appearing on the Estimates for the current year. Paragraph (a) provides for the appointment by the State of a State Commissioner of Taxation, the idea being that the sovereign rights of the States must be protected by the appointment of the State official. It is provided that the State may make an agreement with the Commonwealth for the Federal Commissioner to act as State Commissioner, or for the State Commissioner to act as Commonwealth Commissioner. The idea is that the two officers shall control the department. The agreement is a lengthy one. If members will peruse the agreement, they will see that it is a very fair one, and favourable to the State from a financial point

of view. The State Commissioner is responsible to the State, and by that means the sovereign rights of the State are preserved. It is proposed that all State officers shall be transferred to the Commonwealth and that their rights shall be preserved in the same way as the rights of the officers in other departments, such as the post office, were preserved at the time we entered into Federation. The Commonwealth, in addition to undertaking this work, also undertake to provide accommodation for the necessary officers, and the equipment as well. This will in itself represent a considerable saving to the State, so that the actual saving will be far in excess of the £20,000 I have indicated. In Clause 11 of the agreement there is a provision for the interpretation of the laws, in order that the State law may be interpreted by the State Commissioner, and, in the event of appeal against his decision, by the State courts. On the other hand, it is provided that the Commonwealth Commissioner shall interpret the laws of the Commonwealth, and, in the event of appeal, the Commonwealth courts will decide the issue. Nothing in the agreement restricts or impedes the State in the exercise of its sovereign rights. The State Commissioner is to supply information to the State Ministers in exactly the same way as he does under the present arrangement. Provision is made for joint forms for land tax and income tax, which will be in itself a great convenience for the taxpayers. There is provision for one form of receipt and for the prosecution by the Commonwealth in cases of offences, and the payment of fines and penalties to whichever authority is entitled to them. Provision is also made for the apportioning of the taxation paid between the two authorities when instalments only are paid. A clause provides for appeals, and for such amendment of the Acts of the State and Commonwealth as may be necessary in order to bring them into conformity with the arrangements. The agreement, if approved by Parliament, will come into force on the 1st July, 1921, and shall continue in force until after six months notice by either party to terminate, which notice may be given at any time. That is the portion of the agreement in which it is contemplated that it shall be a permanent one. While it may be wise to have that safeguard in the agreement, I have not the slightest doubt that the operation of this agreement will be so much appreciated by the taxpayer and by the authorities that there will be no desire to interfere with it. I move—

That the Bill be now read a second time.

On motion by Hon. G. J. G. W. Miles debate adjourned.

House adjourned at 10.55 p.m.