

aying a tribute to the services of the Clerk of the Assembly, Mr. Grant, I recall the time when he had the responsibility of informing my youthful mind with a knowledge of the classics, and when, as house master, he was also responsible for my conduct. I trust that on our return from our holidays we shall regard what has elapsed of this session as a mere prologue to the rapid despatch of the business that remains. I join with the Premier and the Deputy Leader of the Opposition in extending to all parties in the House, the staff, and "Hansard" the greetings of the festive season.

Mr. UNDERWOOD (Pilbara) [12-27]: I wish to thank you, Mr. Deputy Speaker, for the manner in which you have presided over the House, and I desire also to thank the officers of the House for their good service. Further, I wish to express my deep regret at the absence of His Honour the Speaker. In doing so I think I express the sentiment of the House.

Members: Hear, hear!

The DEPUTY SPEAKER (12-28): Mr. Premier and hon. members, I feel that the kindly sentiments which have been expressed concerning myself, and the Chairman of Committees, and the staff, confer an honour upon them and upon me. I do not think any Parliament could possibly secure a better staff than that which this Parliament possesses. I must express to Mr. Angelo and Mr. Munsie my gratitude for the splendid assistance they have rendered to me during the unfortunate illness of his Honour the Speaker. I trust that all members will have a pleasant Christmas and come back to finish up the work of the session as speedily as possible, and that our labours will result in placing on the statute-book laws which will make for the advancement of Western Australia.

House adjourned at 12-29 a.m.

Legislative Council,

Tuesday, 9th January, 1923.

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

[88]

ASSENT TO BILLS.

Message from the Governor received and read notifying assent to the following Bills—

- 1, Supply (No. 3), £1,040,000.
- 2, Pearling Act Amendment.
- 3, Agricultural Bank Act Amendment.
- 4, Land Act Amendment.
- 5, Licensing Act Amendment (No. 1).
- 6, Land Tax and Income Tax.
- 7, Land and Income Tax Assessment Amendment.
- 8, Dairy Cattle Improvement.

ACT—LAND TAX AND INCOME TAX.

An Error.

Hon. A. LOVEKIN (Metropolitan) [4.37]: With reference to the notification of His Excellency the Governor's assent to the Land Tax and Income Tax Bill, I wish to point out that the Act assented to is not in accordance with the Bill as passed by this House, inasmuch as the word "net" was inserted in Clause 6. That amendment was assented to by the other House, but it does not appear in the printed Act. I think I should draw your attention to the matter, Sir, as you gave a certificate that the Bill as read a third time was in accordance with the Bill as agreed to in Committee.

Hon. J. EWING (South-West) [4.38]: As Chairman of Committees I may say, in explanation, that the Bill was in accordance with the statement made by you, Mr. President, from the Chair. I remember very distinctly that the word "net" was left out and that I wrote it in in my own handwriting and initialled the insertion. Whatever happened after that, the Bill was in accordance with your statement from the Chair.

Hon. J. NICHOLSON (Metropolitan) [4.39]: I moved the amendment inserting the word "net" and my attention has been drawn to the omission of the word from Clause 6. I accept the statement of the Chairman of Committees that the omission of the word is due to no mistake of his or of yours, Mr. President. I believe that the Bill as it left this House was in correct form, and how the word came to be omitted I cannot say. However, the omission is there. It is an important omission, and I think something should be done to rectify it. No doubt the Leader of the House will be prepared to rectify it on some future occasion. Still, the Bill as now assented to is not in the form in which it was accepted by both Houses.

The PRESIDENT: I will ask the Minister for Education to state how he proposes to deal with the matter.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [4.40]: This matter was brought under my notice by Mr. Lovekin a few days ago, and I have brought it to the

attention of the Crown Law Department. I will advise hon. members how the Crown Law Department propose to deal with the matter, but I think there is no doubt that an error of this kind can be rectified.

The PRESIDENT: It will be treated as a clerical error, then?

The MINISTER FOR EDUCATION: I do not propose to say what the Crown Law Department decide until they advise me. I have brought the matter to their attention and they are considering it.

CONGRATULATIONS—HON. H. P. COLEBATCH, C.M.G.

Hon. V. HAMERSLEY (East) [4.41]: As the senior member of this House I desire to move a motion placing on record the hearty appreciation of the members of this House of the honour which our Sovereign the King has been pleased to confer upon the Leader of this Chamber.

Members: Hear, hear!

Hon. V. HAMERSLEY: It is an honour that is aspired to, I suppose, by everyone throughout the British Dominions. When it is granted to one who has a long service and a splendid record, we are only too proud to join in congratulating him upon it, especially when the recipient is within our midst. I feel sure that I am only expressing the feeling of every member when I convey hearty congratulations to Mr. Colebatch. We have been in association with Mr. Colebatch here for a number of years and have been opposed to him on many occasions, but I am quite sure that every member, irrespective of party, can say that he has had the utmost help and courtesy from Mr. Colebatch on every occasion. Undoubtedly Mr. Colebatch has taken a leading part in the affairs of Western Australia ever since the first days of his association with the State, and personally I hope that the present honour will prove only the forerunner of further distinctions which will come his way. I move—

That this House desires to place on record its hearty appreciation of the honour conferred upon the Hon. H. P. Colebatch by His Majesty the King and to congratulate him thereon.

Hon. J. EWING (South-West) [4.43]: It was a very happy thought on Mr. Hamersley's part to move this motion, which I have the greatest pleasure in seconding. I do not suppose any member of this House has a higher appreciation of its leader than I have. The honour which has come to him is well deserved and I feel sure that it will prove but the forerunner of higher distinctions. I do not suppose that any House in Australia has a better leader or one who is more thoroughly in touch with members than is Mr. Colebatch. Neither can I conceive that any legislative Chamber has a leader who is more lucid in his explanation of the various Bills

he submits. Again I must express my appreciation of his kindly and generous manner towards all members. I do not think it is possible for anyone to show himself more courteous or kindly disposed to members, especially new ones. The Leader of the House is a very young man, quite a boy compared with me, and has many years before him; and I hope that those years will bring him prosperity and the great advancement which he so thoroughly deserves; and I trust his life will be happy and peaceful.

Hon. A. LOVEKIN (Metropolitan) [4.44]: I should like to add my word of congratulation to the Leader of the House on the distinction which he has received at the hands of His Majesty. I do so because, although sometimes I differ from Mr. Colebatch on the business he brings before the House, I regard myself as a very old and very intimate friend of his. I have known him a great many years. From the very inception I have always admired his great ability, and I have admired it more since I have been a member of this House and have observed the way in which he conducts its business. I further congratulate him on being almost the first to receive an honour from His Majesty under the new order of things, that is to say, as the result of merit. We all know that in the past these distinctions, so frequently as to become a scandal, were awarded, not for services to one's country, but for services to some political leader, or for the payment of a contribution to some political fund. I am glad to see that the British people have recognised that the past processes have not been altogether right. They have initiated a measure of reform, and a committee is now sitting which has already expressed the view that in the future these honours must be reserved for services to the country, not for services to political parties or for payment of money. I congratulate the Minister on being one of the first to come in under the new and better order. I am sure it will not be long before he steps up to the next rung of the ladder. I shall be very glad to see it.

Hon. J. NICHOLSON (Metropolitan) [4.47]: I join with others in extending hearty congratulations to the Minister on the honour conferred on him. There can be only one feeling in all hon. members in respect of that distinction, namely, that it is well deserved. Probably nobody else in Australia occupies the Minister's unique position in relation to the conduct of the business in a House of Parliament. The manner in which the hon. member carries through that business has always won the respect and admiration of every member, and even of strangers. I wish the hon. member long health and prosperity, and I look forward to his winning of further honours.

Hon. G. W. MILES (North) [4.48]: I, too, offer my hearty congratulations to the

Minister. Nobody in the House is more pleased than I at the distinction conferred on him. As one who has said hard things politically against him, I fully appreciate in him the good qualities which have earned for him the deserved distinction.

The PRESIDENT [4.49]: Before putting the question, I should like to add my congratulations to those that have gone before. I do so as one having had almost a similar experience to that of the Minister. For nearly four years I was Leader of the Council, a good many years ago. Whilst I do not wish to detract from the members of the Council at that time, I must say I do not think they were quite so controversial as are members to-day; nor was so much skill required in the handling of members as is necessary at the present time. Joking apart, I agree that a warm tribute is due to the hon. member for the way in which he manages the business of the House. He is here alone and unassisted, which I think is a great mistake, notwithstanding which he carries out his duties admirably and in a highly capable manner. Therefore I think the honour conferred upon him is very well deserved. I am glad to find that His Majesty is conferring honours on those who well deserve it, even if they have not subscribed large sums of money for certain objects. I have pleasure in endorsing the remarks of hon. members, because for years past have I admired the singular ability with which the Minister carries out his arduous duties in the House.

Question put and passed.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [4.52]: I desire to thank the House most warmly for the very kind motion. I hope it is quite unnecessary for me to assure hon. members that the honour which His Majesty has been pleased to confer on me was neither coveted by me nor sought by me in any way whatever. For that reason it is a source of particular gratification. But, whatever the pleasure I may otherwise have experienced in receiving that honour, it has been added to immeasurably by the satisfaction which, evidently, the honour has given to my friends, and by the warm appreciation with which it has been received by members of the House.

BILL—AGRICULTURAL LANDS PURCHASE AMENDMENT.

Second Reading.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [4.53] in moving the second reading said: The purpose of this small Bill is to increase the amount available for the purchase of land under the Agricultural Lands Purchase Act, 1909. The amount of the increase is £300,000. At the present time there is available for the purposes of the Act the sum of £195,000; so, when the Bill is passed, the total amount available for

purchases under the Act will be £495,000. The money already expended under the Act has been used for the purchase of land, originally for closer settlement only, and latterly for closer settlement and soldier settlement. The transactions to date disclose a profit, resulting very largely from the investment of repaid principal. The old estates purchased under the Agricultural Lands Purchase Act number 25. Of those, eight show a loss of £23,599, while 17 show a profit of £53,401, or a net profit of £29,802. The cost of those old estates was £385,023, and the aggregate area 456,919 acres. More recently estates have been purchased for soldiers to the number of 69, of a total area of 334,431 acres, the cost being £562,204. Of those, 62 have been brought under the Agricultural Lands Purchase Act by last year's amending Bill. During the first year no interest is payable under the soldier settlement scheme and so, of course, no profit and loss account can yet be furnished in respect of those particular estates. Last year 11 estates aggregating 569,994 acres were purchased at a cost of £82,326. As an instance of the necessity for the Government being able to purchase estates before subdivision, I might quote the Peel estate. No doubt hon. members are familiar with what has been done there. An area of 80,000 acres was purchased. It has been drained and subdivided, and made ready for settlement in every detail. There is no doubt that settlement will prove to be a very great success. Moreover, I understand there is land of similar character extending, with intervals, all down the coast to Bunbury and even beyond, and doubtless from time to time many areas there and in other localities reasonably adjacent to a railway will be purchased under the provisions of the Act. It is not expected that we need fear any loss in connection with these purchases. The main object is to bring land adjacent to railways into more active occupation. In some cases the land is entirely unused, while in others the land is used to only a limited extent. In view of the experience which has attended the operations of this Act since its inception in 1909, there should be no hesitation in granting the increased capital which seems to be necessary. [move—

That the Bill be now read a second time.

Hon. C. F. BAXTER (East) [4.58]: I have pleasure in supporting the second reading. The Bill will give the Government more money with which to carry out their ideas in purchasing and settling estates which may be capable of being utilised to a greater extent than they are at present. The Minister mentioned the Peel estate, but I take it the Bill is meant to apply to other parts of the State as well. We have estates held by one or two persons but which would be capable of supporting five or six settlers. The purchasing of such estates would not only greatly benefit a number of individual holders, but would also show a very good return

to the State. As the Minister has mentioned, losses have been made on estates purchased in the past. High prices were paid for some of them. But to-day one can buy good properties at a minimum price. Many improved properties are on the market at a price little more than equivalent to the value of the improvements. By the purchase and subdivision of these properties and putting upon them several settlers, where there are perhaps now only one or two, great benefit will be conferred upon the State. This will also encourage new settlers to come here. It is to such schemes as this we must look for quick returns of revenue, so that we may lift the State out of its present position. I do not know whether the amount asked for will be sufficient for the carrying out of a bold policy. I hardly think that will be the case, but I have pleasure in supporting the second reading of the Bill.

Hon. J. J. HOLMES (North) [5.2]: I also support the second reading, for the reason that it gives the Government increased capital with which to make purchases from land owners in a legitimate manner. I strenuously opposed the Closer Settlement Bill, because under that Bill it was proposed to take by force the freehold land belonging to the people of the State. That I held would be entirely wrong. Under the Bill now before us the purchases are to be made by negotiation. The vendor has land to sell, and the Government have the desire to acquire it for closer settlement. It is for that object that further capital is required. The Bill has my hearty support.

Hon. J. NICHOLSON (Metropolitan) [5.4]: I am in accord with the views expressed by members who have supported the second reading of this Bill. I also opposed the Closer Settlement Bill. When the Bill came before us I felt it would be well if the Government could find some means of embodying the Closer Settlement Bill in it. The method of taking land provided for in the Closer Settlement Bill is not based on fair and equitable lines, such as is the case with the Bill now before us. It is for that reason I have opposed the Closer Settlement Bill. I do not regard the method of land acquisition provided for therein as either reasonable or equitable. The first thing we have to do to encourage people to settle on the land is to assure them that they will receive equitable treatment, and that the land will not unreasonably be taken from them under the powers conferred under the Acts that may be passed from time to time. The Bill before us is important, and should meet with the whole-hearted support of members. The purpose for which money is required is to develop our lands, and to take up the waste land and improve it for settlement. What has already been done is of such a nature as to merit the warm appreciation of every member. I have no hesitation in supporting the second reading of this Bill.

Hon. F. A. BAGLIN (West) [5.7]: I understand that the object of the Bill now before us is to further amend the Agricultural Lands Purchase Act of 1909. In that Act the sum of £400,000 is mentioned.

The Minister for Education: Look at the 1912 Act.

Hon. F. A. BAGLIN: That Act is not repealed by this Bill. Section 2 of the 1922 Act substitutes a sum of £1,200,000 for £600,000. If there is an Act in between I do not know of it.

Hon. J. A. Greig: There has been an amendment since.

Hon. F. A. BAGLIN: Then the Bill has been badly framed.

The PRESIDENT: I do not think the Bill amends the Act, but has to be read in conjunction with it.

Hon. F. A. BAGLIN: The Bill I have before me is one to amend the Agricultural Lands Purchase Act of 1909.

The PRESIDENT: The hon. member will find that the Bill has to be read with the Act.

Hon. F. A. BAGLIN: An amendment to the 1909 Act was made in 1922 providing for an increase in this particular amount.

The Minister for Education: The amount was increased in 1912.

Hon. F. A. BAGLIN: That somehow clears the atmosphere. I wish to voice a protest in connection with this Bill. There is a great deal of land between Fremantle and the Peel Estate which is locked up from useful production. Because of the developments on the Peel Estate these other areas will be enhanced in value. If this Bill is passed, the Government will sooner or later attempt to acquire those estates and will have to do so at an enhanced price. For the reason that the Peel Estate has been acquired and developed and had a great deal of money spent upon it, other people who hold land in between that estate and Fremantle will reap the benefit of the operations that have been conducted by the Government. That is not at all fair to the State. Until such time as we can bring into being a tax on the unimproved value of land I am hardly prepared to give the Government much more money for the repurchase of estates. What I have said in this regard will apply all over Western Australia. Some 18 months ago I referred to the Pearson estate, which is held out of use between Fremantle and the Peel estate. This property will be greatly enhanced in value, because its swamps are equal to the swamps on the Peel estate where so much money is being spent by the Government. The owners of this estate are only waiting until the time is ripe for the Government to acquire it at a greatly increased price. If this sort of thing is likely to happen elsewhere, it is high time we called a halt and imposed a tax on the unimproved value of land.

Hon. J. Nicholson: The money is not given for purposes of that kind.

Hon. J. DUFFELL (Metropolitan-Suburban) [5.9]: Members should consider what this Bill means. A Bill for the acquisition of land was first passed in 1909. The sum involved was £400,000 at 4 per cent., the money to be drawn from the Government Savings Bank. In 1912 the amount was increased to £600,000, and in 1922 it was increased to £1,200,000. By this Bill we are asked to augment the sum by another £300,000, which I presume will be drawn from the Government Savings Bank at 4 per cent.

Hon. A. Lovekin: Not at that rate.

Hon. J. DUFFELL: This Bill amends the Act of 1909.

The Minister for Education: Quite so, but not in that direction.

Hon. J. DUFFELL: Section 4 of the Act of 1909 authorises the Colonial Treasurer to borrow the amount in question from the Government Savings Bank at a rate of interest not to exceed £4 per centum per annum.

The Minister for Education: That has been amended.

Hon. J. DUFFELL: What was the rate of interest?

The Minister for Education: The rate to be prescribed for the time being.

Hon. J. DUFFELL: We frequently have Bills brought before us amending Acts with which we are supposed to be at fault. I was under the impression that the Bill now before us amended the parent Act which provided for a rate of interest of 4 per cent. It is time that these Bills clearly set forth the manner in which the Acts to which they relate are being amended so that we may know where we stand. I have no objection to the Bill. The Government are on sound lines in utilising the funds of the Government Savings Bank or any other Government institution for the purchase of estates in the settlement of people on the land.

Question put and passed.

Bill read a second time.

In Committee.

Bill passed through Committee without debate, reported without amendment, and the report adopted.

BILL—INTERPRETATION ACT AMENDMENT.

Second Reading.

Hon. A. LOVEKIN (Metropolitan) [5.15] in moving the second reading said: This is a short Bill but an important one. Its title should perhaps more properly set out that it is a Bill to declare the authority of Parliament. I hope it will meet with the unanimous approval of members. The Interpretation Act, Sec. 36, provides—

Notwithstanding any provision in any Act to the contrary, if either House of Parliament passes a resolution disallowing any such regulation, of which resolution

notice has been given at any time within fourteen sitting days of such House after such regulation has been laid before it, such regulation shall thereupon cease to have effect, but without affecting the validity, or curing the invalidity, of anything done, or of the omission of anything, in the meantime.

Members will recollect that a motion was recently tabled in this Chamber disallowing regulations under the Inspection of Machinery Act, and under the Metropolitan Water Works Act. In the case of the Inspection of Machinery Act, on two distinct occasions regulations have been disallowed by this House. After the first disallowance, the department put up another set of regulations almost identical with those which had been disallowed, gazetted them and put them into operation. Steps were then taken by Mr. Harris and Mr. Kirwan and others to disallow these regulations and they added to the motion for disallowance an amendment indicating the view the House took. The department takes this stand that when it promulgates regulations, those regulations are good until the moment they are disallowed by the House, and that when they are disallowed it is open to the department to frame a new set. These they can then gazette and from the time they are gazetted they have the force of law. The department can hold them for 13 days, place them on the Table of the House on the 14th day, and members can seek to disallow them again. The department can repeat the same performance and put up the same set of regulations, again gazette them and keep the ball rolling in that way until they arrive at the point when Parliament prorogues. Then, of course, they can have a free run until Parliament meets again. The result is that the provisions of the Interpretation Act are reduced to a farce and Parliament has no real power of disallowance except for a day or two at varying intervals. That was never intended. What was intended was that if Parliament did not approve of regulations it could disallow them, and that then should be the end of them. But we have had experience of where the department has held to the last words of the section which I have read, "That nothing shall affect the validity or invalidity of anything done," and declared that the regulations stood until the moment they were disallowed and the department could obtain fees and do anything under them. We can only stop them when the regulations are disallowed, and then they can go on again the next day. That seems to me to be flouting Parliament. In the case of the machinery regulations, if it is necessary I can produce departmental documents which will show that under the regulations which were disallowed, fees were claimed on the day after the disallowance. As soon as notice of motion was given by Mr. Harris in this House the department made as many inspections as possible—the resolution of disallowance was submitted on the 10th—and in some cases the department went so far as to issue notices of

inspection on the 9th September on which date the matter was before this House by way of notice of motion. The regulations having been disallowed on the 10th, a few days later, the department put up practically the same regulations and went on with their inspections and enforced the payment of fees which fees the House had vetoed. The Bill which I have submitted will not affect ordinary regulations but will only affect the regulations which impose fees or charges upon the people, that is, that where the department is attempting to tax by regulation, this House and the other House shall have some voice in the amount of the tax. I am proposing, therefore, to amend Sections 36 and 37 of the Interpretation Act. I desire that where regulations impose fees and charges upon the people those regulations shall lie upon the Table of both Houses 14 days before they have any force or effect. That will give Parliament the opportunity of saying to what extent the people shall be taxed. It will prevent the department putting up regulations in recess, which regulations may tax people, when Parliament will have practically no voice in the matter. At the end of paragraph 4 I propose to add the following provisos:—

Provided also that no regulation which imposes fees or charges shall have any force of law unless it has lain upon the Table of both Houses of Parliament during fourteen sitting days without disallowance by either House; and

Provided further that, if during the fourteen days hereinbefore referred to, notice of motion, having for its object the disallowance of such regulation as aforesaid, shall have been given in either House, no such regulation shall have effect or validity until such motion has been determined.

This will apply only to regulations which impose fees and charges. Clause 3 of the Bill applies to Section 37 of the Act except that Section 37 deals with regulations under Acts which were in existence before the Interpretation Act came into force. I move—

That the Bill be now read a second time.

Hon. R. J. LYNN (West) [5.25]: What Mr. Lovekin has stated has applied to instances which have come under my notice. In one particular case I suggested, regarding a very large amount, that that amount be paid forthwith as Parliament would perhaps reject the regulations which had been tabled and that it would then be possible to obtain a refund. After the account was paid I rang up the Machinery Department to ascertain the position, and I was informed that under the Interpretation Act once regulations were framed and had been passed by Executive Council they had the force of law and no refund could be made. Thus, the anomalous position to-day is that while regulations have been disallowed by Parliament and deductions have been made subsequent to the disallowance, those who paid on the higher rate existing before the disallowance, are not able

to get a refund. That is an injustice. At the same time, we must be careful, because our revenue may be considerably affected by virtue of passing a Bill such as the one we have before us. We should seriously consider whether in passing such a Bill we shall not prejudice to some extent the finances of the State, because unfortunately almost every Act of Parliament to-day is governed by regulations.

Hon. A. Lovekin: Why cannot the regulations be got ready in time for submission with the Bill?

Hon. R. J. LYNN: Regulations should be included in a schedule to the Bill. However, that is not the case, and as the regulations are framed after a Bill is passed, and charges are then imposed, if Parliament objects to those regulations from time to time, it will mean that we shall hold up the collection of the revenue of the State for months. The hon. member to some extent is justified in introducing the Bill, but there is a certain amount of danger attached to it as I have pointed out. I think, however, that some compromise might be arrived at whereby, when regulations are laid on the Table, and they are in excess of what Parliament considers they should be, something might be done to permit of a refund being granted subsequently if the regulations have been disallowed and amended regulations substituted. If that course could be followed, it would be better than to pass a Bill which might hold up indefinitely the collection of revenue.

Hon. J. E. DODD (South) [5.29]: While I think the arguments advanced by Mr. Lovekin are to some extent justified, especially in regard to the Inspection of Machinery Act, it seems to me that the Bill may hamper the Government during recess when regulations may possibly be framed. I draw attention to the remarkable inconsistency on the part of the hon. member who introduced the Bill. It is only a few months ago that the hon. member brought in another Bill in which he took away from Parliament the authority he now seeks to give Parliament. That Bill had for its object the selling of the trading concerns by the Government without Parliamentary authority. That Bill is now before another Chamber. It is provided in that Bill that any Government without Parliamentary authority may dispose of the trading concerns and possibly the business concerns too, including the railways which have involved a capital expenditure of 18 millions. Yet we are told in the memorandum to the Bill that it is designed to restore Parliamentary authority. While I admire the perseverance of Mr. Lovekin in his endeavour to get to the root of things and find out where we are, the inconsistency displayed in these two Bills is remarkable.

Hon. A. J. H. Saw: Did you ever hear of straining at a gnat and swallowing a camel?

Hon. J. CORNELL (South) [5.31]: I have compared the Bill with the Interpreta-

tation Act and find that it applies only to regulations imposing fees. While I agree that there is an inconsistency as suggested by Mr. Dodd, I do not go so far as he does. I think Mr. Lovekin is endeavouring to accomplish a useful purpose by his Trading Concerns Bill. His object is to do something which the Government were not game to do. At present the Government cannot dispose of State trading concerns without Parliamentary authority. For long years they have said they do not agree with the principle of State trading concerns, but they have not had the backbone to suggest selling them. All that Mr. Lovekin seeks under his Bill is to give the Government power which they themselves have not been game to ask for. The attitude of this House and of the Government to the machinery regulations is, I think, responsible for this measure. We have arrived at a stage in Parliamentary government when the imposition and collection of taxation is slowly but surely passing out of the hands of Parliament. The machinery regulations were brought in to make the revenue square with the expenditure. That would have been all right had the House agreed to that principle and to the fees imposed, but the fees were to be imposed by regulation and the Interpretation Act provides that Parliament may disallow a regulation. The power of disallowance in actual practice, however, has amounted to nothing more or less than a burlesque. As Mr. Lovekin pointed out, it is an appeal from Caesar to Caesar. Once a regulation is gazetted, no matter what Parliament does, the fees are chargeable and recoverable. What is the use of giving Parliamentary authority to disallow regulations if the department can still attain their own ends? A Government department might impose a fee of £50 and it would be recoverable. If a month later Parliament disallowed the regulation, the people who evaded their responsibility would get the benefit, but the honest man would get it where the chicken got the axe—in the neck. It is time that we restored to Parliament the power to impose taxation instead of handing it over willy-nilly to the departments. The function of officials seems to be to keep departments growing, and, the bigger they grow, the greater are the charges for upkeep. I refer to the Machinery Department as an illustration. There are other departments equally culpable. There are two ways of dealing with this question, and it is a question which must be faced. I am not going to sit here and permit unjust burdens to be imposed upon my constituents without their having a reasonable remedy. To-day there is no reasonable remedy. The honest method to adopt would be to provide that fees over and above a certain amount should be imposed not by regulation but by statute. Then the statute could be amended from time to time as required. At present if a fee imposed is not adequate, it can be amended from week to week.

Hon. R. J. Lynn: Or from day to day.

Hon. J. CORNELL: Yes. Mr. Dodd said the passing of this measure might hamper the administration of the Government. It might do so, but the experience of recent years has made the introduction of the measure necessary. Our first duty is to our constituents and to the State, and if we are of opinion that certain regulations are bearing harshly on our constituents or on the industries of the State, it is our duty to set things right. I hope the House will pass the second reading, and that the Bill will be amended in Committee to prescribe that fees over and above a certain amount shall not be enforced until Parliament has had an opportunity to disallow them.

Hon. F. A. BAGLIN (West) [5.40]: I support the second reading of the Bill because I believe in government by statute and not by regulation.

The PRESIDENT: I think the hon. member has already spoken.

Hon. F. A. BAGLIN: Not on this Bill. I have had a pretty sore experience regarding regulations in connection with the Fremantle municipality and the local fish market. It remains to be seen whether these regulations are just, but I think time will convince a majority of members that they are most unjust. For the last three or four months there has appeared on the Notice Paper the order for the adjourned debate on a motion to disallow the amendments of by-law No. 96 made by the Fremantle municipality, and it to-day appears as No. 10 on the Notice Paper.

The Minister for Education: A select committee were appointed to inquire into that matter.

Hon. F. A. BAGLIN: Quite so, and it was understood that the motion would be held in abeyance until the select committee's report was brought down. The fact remains that the fishing industry of Fremantle has been suffering an injustice under the regulation for three or four months, and this may continue for another four or five weeks. Parliament should be able to say whether a regulation is fair or unfair and, if it is unfair, it should be disallowed. I cannot see why anyone should have the power to enforce a regulation until Parliament has had an opportunity to disallow it. Parliament may go into recess in a few weeks time and not resume for several months, and any department could then bring in regulations and enforce them.

Hon. J. J. Holmes: They might wipe out the deficit by regulation.

Hon. F. A. BAGLIN: It is a question of whether we are going to have government by statute or regulation.

Hon. J. Nicholson: We must have it some way.

Hon. F. A. BAGLIN: By statute is the fair way.

Hon. J. Cornell: We have it both ways now.

Hon. F. A. BAGLIN: Departments should not be allowed to enforce regulations during

the recess. Parliament should first have an opportunity to declare whether they are unfair. The Fremantle Municipal Council some six months ago imposed a regulation which I consider unfair. Up to the present Parliament has not had an opportunity of saying whether the regulation is fair or unfair, and meantime the council are collecting rates under it. I approve of Mr. Lovekin's idea that before any regulation becomes operative, this House should have an opportunity of saying whether the regulation is just or unjust. I believe that is all Mr. Lovekin asks for in this Bill.

Hon. A. Lovekin: That is all.

Hon. F. A. BAGLIN: Therefore I support the Bill. Parliament should have the final say in these matters. No Government department or municipality should be allowed to step in while Parliament is in recess and frame and impose regulations without our having an opportunity of considering them.

On motion by Hon. F. E. S. Willmott debate adjourned.

BILL—INDUSTRIES ASSISTANCE ACT CONTINUANCE.

Second Reading.

The MINSTER FOR EDUCATION (Hon. H. P. Colebatch—East) [547] in moving the second reading said: This Bill merely continues the operation of the Industries Assistance Act for another 12 months. The existing Act expires on the 31st March next, and the Bill proposes to continue it for 12 months. I do not think there is any doubt as to the necessity for continuing the board for a further period of 12 months, but I would like to draw the attention of hon. members to the fact that a select committee of the Legislative Assembly has recently investigated the administration of the Industries Assistance Board and has submitted a report with recommendations. The report and recommendations were submitted only just before Parliament rose for the Christmas vacation. I have no doubt hon. members have copies of the report, and all I need say in regard to it is that the select committee's recommendations are receiving the attention of the Government. In the meantime, whatever decision may be arrived at in regard to those recommendations, it is essential that the operations of the board should continue for another 12 months, and I therefore move—

That the Bill be now read a second time.

Hon. J. W. KIRWAN (South) [548]: I quite agree with what the Minister has said regarding the necessity for passing the Bill, and I do not intend to oppose the second reading; but I intend, when we get into Committee, to propose a rather important amendment. The measure has come before the House for the last seven years—it is seven years since the board was instituted. When the board was instituted the general impression was that it was merely a

temporary affair, intended to tide over peculiar circumstances which had arisen. The proposal met with universal approval at that time, and the board since then has done a considerable amount of good, although according to the report to which the Minister has referred it has committed many errors and in some cases the administration was not all that it might have been. However, after seven years a position has arisen when, I think, we either ought to make the board a permanent institution or ought to do something in the way of terminating its existence. If we make it a permanent institution, a fresh Bill ought to be introduced, because when the measure was originally enacted Parliament, under the idea that it was temporary did not pass the legislation which it would have passed had members known that the measure would last seven years and involve such a huge expenditure, something over six millions sterling. I remember that not so very long ago there was a difference of opinion between two Ministers of the Crown, and it is understood that a reason why one of those Ministers resigned was that there was a divergence of views between him and the other Minister as to whether 7s. a day or 9s. a day should be paid to clients of the Industries Assistance Board. A matter of that kind ought certainly to be quite independent of Ministerial control. There are various other matters which, if this board is to be made a permanent institution, call for some special legislation, so that Parliament may know the exact position. The alternative to putting the board on a permanent basis is to terminate its existence. I do not for one moment suggest that we should not pass this Bill, or that the board should not continue in existence for the term mentioned in the measure; but I do think we ought to do something definite either to put the board on a permanent basis or to terminate its existence—not necessarily destroying the work that it is now doing, but amalgamating the board with the Agricultural Bank. The work of the two institutions in many respects overlaps. In the evidence given before the select committee of another place, it was proved that two clients who got clearance from the board cleared out without having paid their liabilities to the Agricultural Bank. The select committee, who went into the matter exhaustively, are rather of opinion that it would be an advantage if the two institutions were amalgamated. The report was prepared by men who are well known to be careful—Mr. Angwin, who was chairman, Mr. Angelo, Mr. Lutey, Mr. Gibson, and Mr. Latham. There are some points of the report to which I may draw attention as justifying the course of action which I propose to take later on. The select committee state that the amount written off as bad debts totals £48,946, practically £50,000. The report proceeds—

Your committee is of opinion that the amount of bad debts will be largely in-

creased, as many of the clients who have drawn fairly heavily on the board have little security.

There is another paragraph which particularly interests myself and some other members of this Chamber, because when this measure has been before the House previously I with other members, in discussing the report and balance sheet of the board, was not quite satisfied, and we inserted in the Bill then before the Chamber a provision that the report and balance sheet should be laid upon the Table before a certain date. However, it does not seem that the balance sheet would be as useful as we thought, because I find that the Auditor General reports—

The balance sheet cannot be passed. In my opinion the balance sheet does not show the true position of the board and the settlers' affairs at 31st March, 1922, and I cannot pass the accounts. I have therefore followed the course I have previously adopted, and not signed the statements. My contention is that it would be better if this board were conducted more on a business basis, such as we would find if the work it is doing now were amalgamated with the Agricultural Bank.

There are a few other references to the board to which I may draw attention—

The Act was brought into existence particularly for the purpose of rendering relief to farmers who had suffered through drought, and its provisions are very wide. Its administration has been characterised by leniency, and though witnesses have made complaints against the board regarding advances, a perusal of the papers reveals that such complaints are not justified, as many of the clients are heavily indebted to the department. If the board has erred, it has erred in favour of clients by advancing moneys on little or no security. In some instances considerable amounts have thus been advanced, and most of the complaints have come from such clients. The security depends almost entirely on the season, and the effect of the season on the crop, and if the board had been harsh in its treatment it would not have continued to advance money year after year, as it has done, in the hope that the position of clients would improve. In addition to cropping, assistance has been rendered for cattle, horses, sheep, machinery, and farming appliances, as well as for medical and maternity cases, and supplies apart from the 9s. per day sustenance. Your committee finds that many of the clients are in a hopeless position. Many of the settlers' accounts are in such a condition as to make the board's position a very difficult one. If the accounts are closed, it will mean certain loss to the State; if the further assistance is granted, there is a remote possibility of loans previously granted being reduced. It appears to your committee that to make further

advances in some cases would be throwing good money after bad. The Act, which was passed at a time when abnormal conditions prevailed, has been of great benefit to the State, because it has been the means of keeping on the land farmers who, since, have become prosperous. The Government as well as private creditors' accounts have been satisfied, which, but for the Act, could not have been met. The board has been in existence for seven years, and during that period the farmers should have been able to make some recovery from the loss sustained during the 1914-15 drought.

I think that somewhere in the evidence it is stated that some hundreds of farmers who became clients of the board when it was instituted are still under the control of the board, not having secured their clearances.

Conditions have again become normal, and your committee is of opinion that no new clients should be taken by the board. Steps should be taken to finalise the accounts of the board, and the board should cease to exist after its accounts have been finalised. In the event of any difficulty being experienced in finalising the accounts, the administration should be handed over to the Agricultural Bank trustees, and, if necessary, the Agricultural Bank Act should be amended so that all assistance to land development may be granted under that Act.

It will, of course, be said that in a Bill providing for continuance of the Industries Assistance Act it would be utterly impossible to embody the select committee's recommendations, that it would be contrary to the Standing Orders to propose any amendment in this Bill which would embody those recommendations. What I suggest is that after "the 31st day of March, 1924"—the date to which the operation of the Act is to be continued—there be inserted the words "and no longer." The insertion of those words would be an instruction to the Government that this House is of opinion that the Industries Assistance Board in its present form has served its purpose and exhausted its sphere of usefulness, and should not be continued beyond the date fixed by the Bill. When the time comes, in Committee, I will therefore move to that effect. Some hon. members may think it is desirable that the board should continue. They may argue, "A drought might occur, or other circumstances might arise, which would call for a board administered on the same lines as the Industries Assistance Board has been, to assist necessitous cases, which is something different from the intention of the Agricultural Bank Act." But if such conditions should arise, if there should be a drought or any other set of circumstances calling for help similar to that given by the Industries Assistance Board, I claim that such help could be rendered by the Agricultural Bank, if the Government guaranteed that institution against loss. That would mean that the bank would do the work of the Industries Assist-

ance Board in such an emergency, but would do it upon a more strictly business-like basis than it has been done by the board. For that reason we ought to adopt the recommendation made by the select committee and, so to speak, give notice that the board should terminate its existence 13 months from date. In the meantime all necessary arrangements could be made. It would be to the advantage of the agricultural community generally, because there can be very little doubt, as will be seen by statements made by witnesses before the select committee, that it would produce economy of management, inasmuch as it would bring about virtually an amalgamation of the staffs; and there would be greater efficiency, because the whole affair would be managed on a business-like basis.

On motion by Hon. J. Duffell, debate adjourned.

BILL—CLOSER SETTLEMENT.

Re-committal.

On motion by the Minister of Education Bill recommitted for the further consideration of Clauses 6, 7 and 8.

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

Clause 6—Notice to owner:

The MINISTER FOR EDUCATION: In view of the time that has elapsed since the Bill was previously before hon. members, I think it would be better if I were to place on the Notice Paper the amendments I propose to make to Clauses 6 and 8. Mr. Nicholson also should place on the Notice Paper the amendment he wishes to make to Clause 7.

Progress reported.

MOTION—WATER SUPPLY DEPARTMENT, BY-LAWS.

To Disallow.

Debate resumed from 6th December on the following motion by Hon. A. Lovekin—

That Bylaws 69, 131, and 132 made under "The Metropolitan Water Supply, Sewerage, and Drainage Act, 1909," laid upon the Table of the House on the 28th November, 1922, be and are hereby disallowed, and that the department should be instructed to submit fresh by-laws providing as follows:—(a) exempting from branding all galvanised iron pipes and fittings, and eliminating the inspection fees except where testing or inspection is performed at the manufacturer's or merchant's premises, (b) eliminating building fees and substituting charges for water actually supplied, (c) reducing the prices under By-law 132 (2), (a), (b), and (c) by at least 25 per cent.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [6.5]: The hon. mem-

ber in moving the motion indicated that (a) and (b) were matters of minor importance, as in fact they are. The real issue is in regard to (c). As to that, it is merely the question of whether the House is prepared to say that an additional loss shall be incurred by the department and that additional loss shall be borne by the taxpayers of the State generally. As I pointed out, when the machinery regulations were under discussion that was the question at issue. The House, on that occasion, deliberately took the view that in the inspection of machinery it was fair and reasonable that a portion of the cost should fall on the community generally. I am quite prepared to accept the view of the House in that regard, but I do not think the House will, or rightly can, take the view that portion of the cost of the metropolitan water supply should fall on the general taxpayers, that we should reduce certain charges 25 per cent. and so increase the loss sustained. Mr. Lovekin, in the course of his remarks, made some extraordinary statements. He spoke of the cost of pumping and said that the department was getting certain water at 1.89d. or less than 2d. per thousand gallons, which it afterwards sold at 1s. 6d.

Hon. A. Lovekin: No. I said that was the pumping cost.

The MINISTER FOR EDUCATION: Yes, but it sets up a wrong impression, the impression that the department is making that profit. The cost given by Mr. Lovekin was the actual cost of pumping. That includes coal, stores, and men's wages, but does not include interest on cost of pumping plant or the bores, the rising main from the pumping station to the reservoirs, the reservoirs themselves, and the reticulation to supply the water. The interest on this, of course, is provided in the general interest bill of the department, but to get the actual cost of the water all these things must be considered. In addition we have to take into account the upkeep of the reservoirs, the flushing and scraping of mains, attention to the hydrant plugs and a number of other things which could be itemised if desired. Then there are administrative expenses. Moreover, the main increase in our cost bill of late years has been the rate of interest to be paid on the money. So I say the statement that water costs 2d. and is retailed at 1s. 6d. is likely to be misleading. The total cost to pump that particular water is 11.10d. per thousand gallons. The cost of pumping only is 1.89d., the salaries, office expenses appertaining to pumping brings it to 2.65d., upkeep of mains, reservoirs, etc., brings it to 5.8d., and interest and sinking fund amount to 6.2d., or a total cost of water pumped 11.10d. per thousand gallons. Then the hon. member spoke of the enormous increase of revenue which the concern was going to obtain through the higher assessments of the City Council. "I find that in the central, north, south, east and west wards, the value of the assessments in 1921 was £183,000, while this year it is nearly double, namely £314,515." That was the

statement made by the hon. member. The fact is that the figures he gave were merely the value of new buildings erected in five original wards of the city. The actual increases in annual rental values in greater Perth is £76,130. Thus in 1921 the value was £783,879 and in 1922 £860,009. So, instead of an increase of nearly 100 per cent., as indicated by the hon. member, the increase is a little under 10 per cent. I do not suggest that the hon. member wished to mislead the House, but there was his statement that the revenue would be doubled by the increased valuations. The department get the benefit of the council's increased valuations only where their mains are laid. For example, although the council's valuations increased by £76,130, the actual increase in water rates was only £2,700. For this increase the department has to give greater water allowance, thereby reducing to some considerable extent the revenue from excess water sales. Against the increased revenue from rates, the department have to find the additional working cost and interest and sinking fund on new extensions made, enlargement of existing mains, and new feeder mains laid down to meet the expansion of settlement.

Hon. J. J. Holmes: There has been an increase of 3d. in the price of excess water.

The MINISTER FOR EDUCATION: Two years ago it was imposed on account of increased wages, which are still being paid. The position at present is that the whole of the undertaking is estimated to show a deficit for the current financial year of £7,291.

Hon. J. Nicholson: On the present rates?

The MINISTER FOR EDUCATION: Yes. If the motion be carried and there be a reduction made of 25 per cent. on domestic water, trading water, and sports water, it will mean a further deficit of £4,500, making a total deficit for the year of £11,791.

Hon. A. Lovekin: Does that take into account the interest payments?

The MINISTER FOR EDUCATION: Yes. If a reduction were made from 1s. 6d. and 1s. 3d. to 1s. 3d. and 1s., and if the trading water and sports water were reduced by 25 per cent., the increase in the deficit would be £3,806, making a total deficit of £10,997. In the water section alone the estimated deficit is £7,674, and with the deduction proposed by the hon. member, that would be increased to £12,174. There are no other means by which additional revenue could be obtained. So the whole question before the House is as to whether the metropolitan water supply, at present showing an estimated deficit of £7,291, is to afford the consumers in the metropolitan area a reduction which will mean an additional £4,500 on the general taxpayer.

Hon. G. W. Miles: Could you not save by allowing the local authorities to take over the service?

The MINISTER FOR EDUCATION: There is a good deal to be said for that, and

the Government have already approached the local authorities in that direction. Personally I think it is the right thing to do. But so long as the service is controlled by the Government, it is the duty of the Government to make the service self-supporting. I do not think there is much to be said in favour of passing on to the general taxpayer the loss incurred on water supplied to the metropolitan community. If there be in the whole State one community which should be called upon to carry the full cost of its water supply, it is the metropolitan community. I appreciate the making and maintaining of gardens around homes. The carrying of the motion would relieve me of a certain charge.

Hon. A. Lovekin: Why not reduce the interest charge?

The MINISTER FOR EDUCATION: I do not think there is any interest charge which could in fairness be remitted. The hon. member must realise that the scheme has been a very costly one.

Sitting suspended from 6.15 to 7.30 p.m.

The MINISTER FOR EDUCATION: A return has been prepared showing the cost of water per thousand gallons, including interest and sinking fund, and the prices realised for the water consumed, including the pumping of water. In 1920-21 the cost per thousand gallons was 4.8d.; interest and sinking fund, 6.4d.; making a total of 11.2d.; whereas the price realised per thousand gallons was 10.5d. For last year up to June 30th, 1922, the cost per thousand gallons, all operating expenses included, was 5.8d.; interest and sinking fund 6.2d., or a total cost of 1s. The price realised per thousand gallons was 11.70d.; that was after the increase had been put on. More than half the cost of the water supply is due to the fixed charges, viz., interest and sinking fund. For the year 1922-23 the increase of interest and sinking fund charges over the previous year is £9,445. These increased interest and sinking fund charges have to be borne on the new capital expenditure incurred during the previous year. So long as the need for this increased capital expenditure goes on there will be an increase in the interest and sinking fund charges. The increased valuation for the year 1922-23 over the previous year on water supply was £2,700; on sewerage, £2,600; and on stormwater drainage, £1,000; a total of £6,300. This represents roughly 3 per cent. of the total income of the department, which is £206,000. The prices for water are 1s. 3d. and 1s. 6d. per thousand gallons. I think these prices compare very favourably with prices in communities similarly situated. We cannot be expected to compete in such matters with places like Melbourne and Sydney. In any event even if the prices were higher than those elsewhere I do not think there is anything to justify relieving the metropolitan taxpayers

at the cost of the general taxpayers of the State. That is the only effect that the carrying of this motion could have. The charge of 1s. 3d. per thousand gallons is not an extortionate one for the city consumer to pay for his excess water, when we bear in mind the high cost of water in other parts of the State. If there was a profit there might be a different tale to tell, but so long as there is only a loss on the undertaking it would be most unreasonable for the House to insist that this loss should be increased thereby placing an additional burden upon the general taxpayers of the State. For that reason I hope the motion will not be agreed to.

Hon. J. J. HOLMES (North) [7.35]: I agree with the Leader of the House that the general taxpayers should not be expected to make up any loss on the metropolitan water supply. I do urge upon him, however, the necessity for economy in this department. Then we may get cheaper water for the metropolitan area without any cost to the outside community. To those of us who have city properties it is not only the cost that worries us, but the inconvenience and the trouble we are put to through having to deal with two departments. One goes to the Town Hall and finds there an army of people dealing with municipal rates. One then goes to James-street, and I should say one finds at least two armies there dealing with the collection of rates. The ratepayers' trouble is this: The Municipality strikes a rate. The ratepayer is entitled to appeal. In order to have his appeal heard he must pay the rates in full. Pending the hearing of the appeal a Water Supply officer goes to the Town Hall to obtain the annual valuation. He deals first with the original assessments, and on them he assesses the ratepayer for the cost of the water service rendered. The ratepayer subsequently proceeds with his appeal and a reduction is made by the municipal authorities. He then has to go to the Water Supply Department and put in a claim for a reduction of the amount paid owing to his having paid rates on the original assessment obtained from the municipality. Apart from the economy that could be brought about by the amalgamation of the two departments, there is the convenience to the public which is worthy of consideration. If we go to the trouble of sending officers to Melbourne to bring about an adjustment and economy on the question of taxation as between Federal and State, it is, to quote Dr. As. Saw, "straining at a gnat and swallowing a camel" to allow things like this to go on at our own doors year in and year out. I am pleased to hear the remark of the Minister that the matter is receiving consideration. All I now desire to do is to ask him, in the interests of the taxpayers to do more than consider the matter, and to do his best to bring about some practical form of relief.

On motion by Hon. A. Lovekin, debate adjourned.

BILL—BUSSELTON-MARGARET RIVER RAILWAY DEVIATION.

Second Reading.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [7.36] in moving the second reading said: This Bill provides for a short deviation of the railway from Busselton to Margaret River, which was passed by Parliament some time ago. When the Bill authorising the construction of the Busselton-Margaret River railway was passed it was expected that the terminus would be at the Margaret River at the point of junction with the existing tramway to Flinders Bay. That tramway was taken over by purchase some two years ago. Later investigations and further detailed surveys have shown that a much improved route is obtainable by leaving the original tramway route north of the Margaret River, crossing the river further west, and junctioning with the Flinders Bay line about three miles south of the Margaret River. The deviation also effects a saving in length and gives a better site for a siding. The total length of the deviation is about five and a-half miles, and the ruling grade 1 in 60, and the sharpest curve will be 12 chains. The Act did not permit so great a deviation as five and a-half miles, consequently it is necessary to bring this Bill forward in order to permit it. The distance will be shortened and consequently the cost will be slightly reduced. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

Bill passed through Committee without debate, reported without amendment, and the report adopted.

BILL—FEDERAL REFERENDUM.

Second Reading.

Debate resumed from 7th November.

Hon. J. EWING (South-West) [7.43]: Federal matters are in a very unsatisfactory condition. To my mind what the hon. member, who introduced this Bill, said is hardly correct. He said this Bill did not raise the question of federation—that it was simply a question of whether the people wanted federation or not. To my mind it opens up every phase of federation. It is our bounden duty, if we are to give consideration to the Bill and allow it to be read a second time, to thoroughly thrash out these matters and see whether it is in the interests of the State that it should be passed. It is easy to find fault with the position but difficult to suggest anything that is satisfactory. This Bill as a solution of the difficulty is far from satisfactory. It is not right to put to the people the question of whether we should have secession or not. It is rather the duty of the Government of this State to negotiate with

the Governments of the other States and for the Premiers of the different States, and perhaps members of the legislatures, to meet and endeavour to come to a compromise which will be in the interests of the people and the Commonwealth. The Senate was created to look after States' rights. These States' rights have not been looked after by that House. Such being the case many injustices to the States have occurred which might have been prevented had the Senate played a proper part in the matter, and had each State been equally represented there. There are 24 members out of the 36 in the Senate who are representatives of the smaller States. Those 24 are in a majority, and if they had carried out their duty, which was to protect the interests of the smaller States, there would have been none of the legislation we complain so much about. But they have not done so. They have assisted to make the Senate a party House, and whichever Government managed to secure a majority in the Senate, it was able to work on that majority and in that way the Senate has become a replica of the House of Representatives. That position is anything but satisfactory. The people throughout Australia are entirely dissatisfied with Federation as it exists to-day. I would make a suggestion with regard to this Bill, but for the fact that I am a member of the Royal Commission which was appointed to investigate the position of Federation so far as Western Australia is concerned. Unfortunately, that commission has not had an opportunity of examining many witnesses. We wanted to call Senator Pearce, but I suppose on account of the elections he could not give us the time that we desired to enable us to examine him in regard to his experience of Federation.

Hon. A. Lovekin: You have been in existence for a year and have not done anything.

Hon. J. EWING: I am not chairman of that commission. We have examined one witness and Mr. Owen has devoted a considerable amount of time to preparing a report which is well worthy of consideration by members of this House, and indeed by everyone in Australia. I have been told by some who have carefully perused the report that it is not quite as accurate as it might be, but that it has been well thought out. Mr. Owen has shown a way out of our difficulties and that that way is by the calling together of a conference of Premiers by the Premier of Western Australia. A suggestion made by Mr. Owen is that we should take over the whole of the war debts and that the Federal Government should give up all form of direct taxation, that we should take that upon our own shoulders, and that Federation should carry on exactly as it was intended at the outset. I do not like to be harsh in this matter, but I was going to suggest that an amendment might be moved to the effect that the Premier be requested to move in the direction I have stated.

Hon. A. Lovekin: Would that be relevant to the Bill?

Hon. J. EWING: Absolutely. It would be possible to strike out all the words after "That," in the motion moved by the hon. member, "That the Bill be now read a second time," and to include something which would be relevant to the Bill. That procedure would be quite in order. The Premier might then carry out what we desired him to do.

Hon. A. Lovekin: I am afraid that cannot be your considered opinion on the Bill. It would be quite novel.

Hon. J. EWING: It might be novel, but it would be a correct procedure. I can refer the hon. member to "May." He will find instances there where a similar course has been followed. But being a member of the Royal Commission, I cannot very well follow that procedure.

Hon. A. Lovekin: Look at Standing Orders 185 and 186.

Hon. J. EWING: I am just giving my opinion as to what might be done.

The PRESIDENT: The hon. member would do well to vote against the second reading of the Bill.

Hon. J. EWING: No; my desire is that some action shall be taken. To vote "No" would put the question out altogether. We shall not do any good by carrying the second reading of the Bill. It is the right thing for the Government to take the matter in hand at once by asking the Premiers of the various States to meet in conference and arrange something in the direction I have suggested. Some hon. members have inferred that it would not be possible to adopt the course I have proposed, but I assure them it has been done on many occasions in the House of Commons. It is the usual thing to overcome a difficulty and to get a decision on a question which for the time being lays aside the second reading of a Bill.

On motion by Hon. A. Lovekin, debate adjourned.

BILL—JARNADUP-DENMARK RAILWAY.

Second reading.

Debate resumed from 13th December.

Hon. J. J. HOLMES (North) [7.55]: I shall not detain the House long in connection with this Bill. I gather that the proposal is to construct a line of railway from the two points mentioned, a distance of approximately 130 miles. I gather also from the speech of the Leader of the House that the country to be served is at the present time practically unoccupied. Hitherto we have been told that the reason why our railways do not pay is because there is not sufficient settlement upon the route of those railways. For weeks past we have been dealing with the Closer Settlement Bill to overcome that difficulty, and to see that the lands adjacent to railways are made more productive. It comes as a surprise to me that we should now be asked to construct 130 miles of railway

through practically unoccupied country. In the Closer Settlement Bill this House went so far as to provide that the Government could deal with all lands including city lands, freehold land, conditional purchase land, pastoral leases, timber leases and all others. It is some weeks since the Leader of the House introduced this Railway Bill, but if I remember correctly he intimated to the House that he was of opinion that railways should precede settlement. I hope I am not misquoting him. The Leader of the House has a difficult duty to perform at times, but he performs it admirably. On the one hand he was forced to say that there were railways along settled country which were not paying, and when introducing this Bill he declared that a railway which passed through country where there was no settlement could be made to pay. Of course, it is within the province of the Leader of the House to do that. I have already stated that if there is one man who in my opinion can make black look white and white look black, it is the Leader of the House. The cost of this proposed railway we are told is to be in the vicinity of £800,000. That I presume will be the cost if the line is constructed by contract, but Mr. Miles will probably tell us what the line will cost if the work is carried out by day labour. If the railway is to cost in the vicinity of a million, then there will be an annual charge for interest on the revenue of the State to the extent of about £60,000. Every million of money we borrow becomes a direct charge upon the revenue in the shape of interest to the extent of £60,000. That figure may be reduced to £50,000 presently, but there it is. My opinion is that we cannot go on imposing additional £50,000 charges upon the revenue of the State, and that if we do we shall have nothing left with which to pay the civil service. This House is asked at the present stage to commit the country to the extent of £800,000. We have reached the seventh month of the financial year. We have not even seen the Revenue Estimates, much less the Loan Estimates, and yet we are supposed to be living under responsible Government. Expenditure must be approved by Parliament before being incurred. I have been able to get a copy of the Loan Estimates for the year ending the 30th June, 1923, and I find that whilst the railway under discussion is to cost £800,000, the provision in the Loan Estimates—and these Estimates provide for the expenditure of four millions of money—for that line amounts to only £5,000. That sum and nothing more is set apart for the construction of this railway. Is it not an insult to the intelligence of the House to bring down such a Bill at this stage and keep Parliament in session to authorise a railway of 130 miles to cost £800,000, while making provision on the Loan Estimates for only £5,000? True we shall be told that there is an additional provision for rails and fastenings, but if my information is correct, all the rails and fastenings provided for out of the four millions of money will be required to build

railways already authorised and not constructed.

Hon. A. Lovekin: The Esperance railway.

Hon. E. Rose: There is a portion already constructed—Jarnadup to Pemberton.

Hon. J. J. HOLMES: The Esperance railway has nothing to do with this. This Bill is to authorise the construction of 130 miles of railway from Jarnadup to Denmark.

Hon. E. Rose: That 15 miles is part of it.

Hon. J. J. HOLMES: I suppose this £5,000 has been spent on the survey or possibly has been paid by way of salaries to officers. A sum of £5,000 towards an expenditure of £800,000 is an absurdity. It is equally absurd to hold Parliament in session at this period of the year when we shall be meeting again in about six months' time and will then probably have a clearer vision as a result of the extra experience gained of land settlement in the South-West. Reference has been made to the Esperance railway. That railway has to be completed and when it is completed that country has to be settled; otherwise the railway will be a "white elephant." It is useless to build any railway unless we are proceeding with settlement before or immediately following the construction of the line. To make the Esperance railway of any use at all, the fewest settlers to be put in that district would be a thousand, and to settle them would cost a million or possibly one and a half millions of money. I do not wish to say anything against the Esperance railway. I have not seen the country, but on the reports of people who have been there recently and who have been sent out to inspect the property, I would not put a £10 note into an agricultural proposition there.

Hon. J. W. Kirwan: That is not what the advisory board said.

Hon. J. J. HOLMES: My views regarding the agricultural possibilities of Western Australia have been transformed. Provided we have the rainfall, it does not matter much about the land so long as it is properly cultivated and science is brought to bear on the work. Assume however that the Esperance land is everything that can be desired, the country must be settled, and presumably Government money will be required to settle it. It is all very well to say that we can borrow the money, but interest has to be paid on it. The question is whether, if the Esperance land is what it is said to be, we should not settle the people there at once and let the construction of the Jarnadup-Denmark railway wait.

Hon. F. E. S. Willmott: They are two entirely different propositions.

Hon. J. J. HOLMES: I shall give reasons for my statement. I do not wish it to be thought that I am attacking the Esperance district. If the land is what some people claim it to be, then there is ample scope to settle people there and all the money available will be required to settle them.

The Minister for Education: You do not mean to say that a thousand settlers are all we can deal with?

Hon. F. E. S. Willmott: After that statement I do not like your chance of getting a railway to the North.

Hon. J. J. HOLMES: One thousand settlers would be a fair start. The Jarnadup land is very rich and it is very heavily timbered. Some years ago when the present Premier was Minister for Lands I had an idea of taking up country in the far South-West. I told the Premier that in 10 years' time I hoped to have a couple of boys to put on the land, and I asked him his advice where to go and how to go about it. He then advised me to go into the South-West country, and his proposal was that the heavily timbered country would involve a ten years' stint. The proposal was to ring the timber first and leave it for two or three years. Then the dead timber and the undergrowth would make a decent fire. After that it was to be left for another three years and the remaining timber and undergrowth would make another fire.

Hon. G. W. Miles: He has gained some experience since then.

Hon. J. J. HOLMES: Will the hon. member gain experience and keep quiet? Thus we would have two burnings in the six years and the timber down. We were then to put up fences and stock the country and start to clear it at a nominal cost. That was the proposal ten years ago. To-day, when labour conditions are much more severe and wages much higher, it is proposed to do in about ten weeks what in the Premier's opinion previously would take ten years to do in an economical way. There is a good deal in what Mr. Baxter said, that when you have got rid of the timber you have not sweetened the land. There are still the green roots left below the surface.

Hon. J. Ewing: You ought to have a look at this land.

Hon. J. J. HOLMES: And those roots are a menace for some years as they keep the land sour.

Hon. F. E. S. Willmott: Only for orchard-ists.

Hon. J. J. HOLMES: For anything, I think. What we have started out to do in ten weeks now was to take ten years a little while ago. Practical men were to do the work then; but now the work is to be done by inexperienced men, foreign to the country and foreign to the climatic conditions. They are to be sent there on Government wages—

Hon. G. W. Miles: A sustenance allowance of 10s. a day.

Hon. J. J. HOLMES: That is more than the hon. member and I got when we started out in life.

Hon. F. E. S. Willmott: You have thrived pretty well on it, anyhow.

Hon. J. J. HOLMES: If Mr. Miles is diametrically opposed to any public work being carried out other than by contract, I am at a loss to understand how he reconciles that view with settling the land under this system.

Hon. F. A. Baghin: This is co-operative action.

Hon. J. J. HOLMES: I do not care whether I am regarded as a pessimist, but to bring tens of thousands of people to this country, find the money to bring them here, and pay them daily wages until they become established, if it can be accomplished, will entitle the Premier to the highest honour that the Empire can confer upon him.

Hon. J. Ewing: He will do it all right.

Hon. J. J. HOLMES: We must not lose sight of the fact that it is all being done by borrowed money, and every time we borrow money we increase our interest bill. What I am concerned about is that if we are not already carrying too big an interest load, the day is not far distant when we shall be.

Hon. J. A. Greig: All we need do is to go to the British Government. They have permitted the Germans to repudiate their reparations.

Hon. J. J. HOLMES: The Country Party have done a good deal in the last few weeks of which they have no reason to feel proud. If the hon. member is advocating repudiation, the sooner the Country Party go out of existence the better for the State.

Hon. J. W. Kirwan: He was not serious.

Hon. J. J. HOLMES: I need not say anything more about the Country Party, and I need not say much more about the Bill. In view of the fact that £800,000 is required to build this railway and that we are embarking this year on loan expenditure to the extent of four millions, out of which only £5,000 is allocated for the construction of this line, and seeing that we shall be meeting again about six months hence, I propose to vote against the second reading of the Bill.

Hon. J. W. KIRWAN (South) [8.13]: I feel very sympathetic towards the remarks of Mr. Holmes, because of the enormous responsibility that the passing of this Bill will mean to the country. I do not know whether the House fully realises that if this Bill be passed we shall have pledged the country to an expenditure of £2,000,000 for the construction of railways. It is true the estimate for this particular work is £800,000, but even if that estimate be not exceeded, and estimates as a rule are exceeded, we should bear in mind that we are already pledged to construct 240 miles of railways. Some reference has been made to the railways which have been authorised, and special reference has been made to the Esperance railway. But the Esperance railway comprises only one-fourth of the railway lines which have been authorised for construction. Those lines extend over 240 miles in all, and they are lines for people who have been waiting for years. In the event of there being any doubt upon the point, I will quote the railways authorised:—The Esperance-Northwards railway, 60 miles of rails to be laid; Busseton-Margaret River railway, 30½ miles of rails to be laid; Kondinin-Merredin railway, 53½ miles; Nyabing-Pingrup railway, 21 miles; Dwarda-Narrogin

railway, 23½ miles; Piawaning Northwards railway, 24 miles. If the Dwarda-Narogin railway is not to be constructed, that represents a deduction of 23½ miles. I do not know what would be the average cost of construction of those 240 miles of railway. The average cost of construction under the Bill now before us would be something exceptionally heavy—£800,000 for 131 miles, or over £6,000 per mile. I do not know, however, that for the 240 miles authorised an average cost of £4,000 per mile would be too high. I believe that when the Esperance Northwards railway is completed the cost of it, if everything is taken into account, would amount to more than £4,000 per mile.

Hon. G. W. Miles: That railway is being constructed by day labour.

Hon. J. W. KIRWAN: At a rough estimate I should think the railways already authorised would cost £4,000 per mile. I do not think I go too far when I say that if we pass the present Bill the Government will then have power to construct railways which will increase the public indebtedness of this country to the extent of two millions sterling. When one considers the handful of people in Western Australia—about 330,000—and the already enormously heavy liability upon those people, one must feel that the line has come when we ought to go a little slow in this matter. It seems to me that we are giving carte blanche to the Government to go on with this 130 miles of railway, although there is apparently no prospect of its being completed for several years. If this railway is so absolutely necessary, why not allow it to be completed in sections, bringing the Bills forward in accordance with the advance of the district? It is a very serious responsibility that is cast upon us as to whether or not we are going to involve this State, having regard to its present financial condition, in this huge additional expenditure over a railway which at any rate is of an entirely experimental nature. I point out the number of miles that are being authorised because there have been frequent conferences to the Esperance railway, probably by reason of its being the most prominent of the lines already authorised. But that line only represents one-fourth of the total length of railways which are already authorised, and for which the people have been waiting a very considerable time. That fact ought to be fully impressed upon members before they vote upon this Bill.

Hon. J. EWING (South-West) [8.21]: I am very much surprised indeed to have heard the remarks which fell from Mr. Holmes and Mr. Kirwan. I give those gentlemen credit on all occasions of being far-seeing, and much above the average in ability. Moreover, I give them credit for desiring just as much as I myself desire to see the State progress. From their remarks this evening one cannot gather anything but that, while they desire to see the State progress, they think that the present time is inopportune and that the ex-

isting responsibilities of the State are too great to permit of further advance.

Hon. J. J. Holmes: We think we can see a bit further than other people.

Hon. J. EWING: Mr. Kirwan said we must go slow, and I think he also suggested that this line should be built in sections. I am far more impressed with the South-West now than I was 10 days ago, because I have had the opportunity, thanks to the courtesy of the Premier, of accompanying him on a certain trip through the South-West, which I shall mention later. I am more and more impressed, as a result of that trip, with the value of that part of our great State of Western Australia. When I have said what I desire to say to-night, I think hon. members generally will be anxious to enjoy the opportunities I have had of seeing the progress that is being made in the South-West.

Hon. J. J. Holmes: We do not get the opportunity; we do not support Government Bills.

Hon. J. EWING: I think the Premier would be only too pleased for any hon. member to see what is going on in the various parts of the State, so enabling him to judge of the results of the Premier's policy in the matter of land clearing and land settlement. Hon. members need only express such a wish to the Premier, and he will give them the opportunity of seeing any portion of the State they desire. This particular portion of the State has been dealt with very well indeed by the Leader of the House, who described it as "one of the richest tracts of unpeopled country in the world." I do not think I can say anything more than that.

Hon. C. F. Baxter: Is there any poor land in it?

Hon. J. EWING: The terms I have quoted were those used by our Leader in describing this part of the country. I for my part am perfectly sure that our Leader is not far from the mark. Mr. Willmott, in the course of a very clear and explicit speech, pointed out the various advantages of the soil. I do not think there is anyone in either House better qualified to give an opinion than Mr. Willmott, who knows every foot of the district. The hon. member may not be an optimist, but he was very close to optimism when he spoke on this Bill. In the years he has spent in that part of the State he has discovered that it is practically a paradise. The country between Denmark and Pemberton is unknown. The Minister said that in no other part of the world would there be any hesitation about building 50 miles of this railway line, but that, on the contrary, the whole of it would be built right through at once. As to the matter of piling up debts and troubles for posterity, the opening up of this country will be one means of obviating such things. I honestly believe with Mr. Burvill that if the Government went straight ahead and spent a million of money on this project, spot mills would be erected from one end of the railway to the other and numerous townships would be found springing up; and

that all this progress would result in half the time which it would require if the line were built piecemeal.

Hon. A. Lovekin: Would it cost only £5,000?

Hon. J. EWING: The £5,000 would represent only the surveys and other necessary preliminary work. I hope that next year's Loan Estimates will contain an item of a couple of hundred thousand pounds for that part of the State. That sum of money could be spent with great advantage to the people of Western Australia. Let hon. members think of the five or six rivers flowing through that country—the Frankland, the Warren, the Margaret and Deep River, for instance. They have good outlets to the sea, and possibly a harbour might be made there for the use of the settlers. Mr. Baxter, in speaking on this Bill, rather astonished me. I thought he had a greater knowledge of the possibilities of the State of Western Australia. He said distinctly that this South-Western country is going to take 14 to 16 years to sweeten. I think he qualified that by saying sweetening sufficiently to produce pastures which will enable us to export the best qualities of butter.

Hon. C. F. Baxter: That is right.

Hon. J. EWING: I wish the hon. member had been with me when I went with the Premier and other members through the Margaret River district. Land which had been cleared for only six or eight months, and which was surrounded by green timber, is producing potatoes and grass equal to any I have ever seen. A space had been cleared about as large as this Chamber and two classes of luxuriant grasses were growing there, and splendid potatoes as well. If that land is sour and requires 14 or 16 years to sweeten it, it will not do what I say.

Hon. C. F. Baxter: It does not apply.

Hon. J. EWING: What does apply, then? If this land is cleared and properly cultivated and sown with subterranean, paspalum, and other clovers, we shall have succulent grasses capable of producing excellent butter long before the lapse of the 14 or 16 years mentioned by the hon. member. In addition, rye grass and other wonderful grasses will grow there just as well as in the Eastern States. If the food is there for the cattle to eat, what is to prevent us from producing the butter?

Hon. C. F. Baxter: The Eastern States pastures are old pastures.

Hon. J. EWING: I have heard of old wines being the most excellent, but I do not know that age makes a difference in pastures.

Hon. C. F. Baxter: The subject is quite foreign to you.

Hon. J. EWING: Does the hon. member say it takes 16 years to sweeten South-Western country? I do not know that the hon. member has been in the South-West. I wish he would go there. I am sure that Mr. Baxter, being a sensible man and interested in the development of this State, will retract his statement. A statement of that kind is liable to do incalculable harm to the State.

If we tell people in the Old Country that they will have to spend 16 years here before they can produce butter equal to that produced in other parts of Australia, they will say, "We would rather spend 16 years in our own village than in the wild bush"—as they call it—"of Australia." This is the time when men should rally round the Premier. I have been accused of perhaps saying too much in favour of the development policy of the Government. The building of the Pemberton-Denmark railway is the crux of the position, because there the Premier has the land in his own hands, land that he will not have to resume, land which he can deal with at his own sweet will. Therefore he wishes to demonstrate to the House that it is worthy of our consideration. It is of no use doing things piecemeal, building 10 or 15 miles to-day and 10 or 15 miles again in 12 months time. That is a wrong policy. Once we start, let us go straight ahead, and the benefits will undoubtedly flow. The week before last I went down through Margaret River, Augusta, and other parts of the South-West to see what has been done in the group settlements, and to decide whether the policy was worthy of my further support. Having visited 10 or more of those group settlements and seen there men from Fremantle, from the goldfields, from the timber mills, from England and from Scotland—

Hon. F. E. S. Willmott: And the Devil's Own.

Hon. J. EWING: Yes, and a very happy settlement that is. While there I did not hear a single complaint, although I mixed with the settlers with a view to learning if anything was wrong. We did not get a word which was not of a satisfactory nature. In one settlement I saw no fewer than 65 happy children. The women were longing only for the time when they could get on to their own blocks. Sceptics who have never seen the settlements say that a man gets up in the morning with the remark, "Well, I am all right to-day, there is 10s. staring me in the face." That is not the case at all. What they are doing is to honestly earn their money. They are working well, and I do not think the cost is anything out of the way.

The PRESIDENT: I take it you will make all this apply to the Bill.

Hon. J. EWING: Absolutely, yes. This particular settlement the Premier is carrying on at present is the settlement which he intends to carry on along the railway under review. I am endeavouring to show the success he has already made, and that it will justify the building of this railway immediately. What struck me most about the women was that they desire above all to get on to their blocks. It is not with them a question of 10s. a day.

Hon. J. W. Kirwan: Is it 10s. or 9s.?

Hon. J. EWING: I am not sure, but I think it is 10s. Another thing not known to the people is this: As soon as a man has a block allocated to him he finishes his group settlement work at, say, noon on Saturday,

after which he and his wife go on to their own block and work all Saturday afternoon and Sunday, making a start at the clearing.

Hon. J. J. Holmes: You should not have said that. The union will go down and stop them.

Hon. J. EWING: Nothing of the sort. It shows that the settlers are not looking for their 10s. a day, but desire to get on to their own properties as quickly as possible. That being so, what have we to fear? If I thought the Bill were likely to be defeated I should be prepared to speak for two or three hours in an endeavour to induce members to vote for it. However I do not think the Bill is at all likely to be defeated.

Hon. C. F. Baxter: A serious attempt will be made.

Hon. J. EWING: That serious attempt will fail. Anything that will retard the advancement of the State, hamper the development policy of the Government and rob the Premier of the support he deserves, ought to be defeated. It is our bounden duty to give the Premier every support. When a man is trying to do good work, he should get credit for it. I have no doubt the Bill will be passed. I think the work should be carried out by contract. We have an assurance from the Minister—

The Minister for Education: Tenders will be called.

Hon. J. EWING: If those tenders are satisfactory the work will be done at a lower cost than if it were carried out by day labour. Without forgetting the great possibilities of other portions of the State, such as the North-West, I say that in the South-West we have something which is to be found in no other part of the world. We should take opportunity in both hands and assist those willing to develop the State by the construction of a railway through the South-West country which will certainly flow with milk and honey and maintain thousands of people

Hon. G. W. Miles: Millions.

Hon. J. EWING: There may be no limit to their number, because there is very little indifferent land in the South-West. One has only to go to the Spanish settlement outside of Busselton to see what can be done on what in the early days was regarded as poor sand. To-day it is producing some of the finest vegetables I have ever seen. The land is there, and it is only necessary to give the people sufficient of it to enable them to make good. Then in the years to come we shall have in the South-West a prosperous and happy population that will make glad the heart of man.

Hon. G. W. MILES (North) [8.40]: I will support the second reading. As a candid critic of the Government, I have pleasure in supporting the Premier's scheme in the South-West. The House should agree to the Bill as it stands, which is for the building of the whole of the line. Nevertheless, I should like

to see in the Bill a provision that the line must be constructed by contract, not by day labour.

Hon. A. Lovekin: It would wreck the Bill in the Assembly.

Hon. G. W. MILES: Well, I am going to try to induce members to put it in the Bill. Another thing which ought to be taken into consideration is that the grades should be easier than is proposed. The Minister, speaking on the Busselton-Margaret River railway, said the grades would be one in 60. In all these new lines the grades should be rather one in 100 or even one in 150. Whatever the increased expense, it would pay us in the end. I am afraid that members opposing the Bill are not taking a sufficiently broad view. If we are to hold this country we must develop it and people it, and must have a public works policy going hand in hand with our policy of immigration. Mr. Willmott told us of a black soil plain, 40 miles long, to be traversed by the railway, and we have been told by Mr. Burvill of the wonderful forests at both ends of the proposed line, the timber from which will greatly assist to make the line a payable proposition. The criticism levelled at the group settlement by Mr. Baxter I entirely disagree with. When he states that the area for each man in the group settlement will cost £1,200, and that it will have to be repaid at the rate of £84 per annum, he is losing sight of the main point, which is that when the men are actually on the land and the land sufficiently cleared to allow a living to be made off it, the proposition is capitalised.

Hon. C. F. Baxter: I said that the interest was £84.

Hon. G. W. MILES: But you said the capital cost was £1,200 and that they would have to pay £84 interest per annum. You forgot that they are not paying interest for the first five years. That is the point. Mr. Baxter's statement in the Press was most misleading.

Hon. C. F. Baxter: That is your opinion.

Hon. G. W. MILES: It certainly is misleading when the hon. member says that there is £84 interest per annum to be paid, when as a matter of fact they are not asked to pay any interest for the first five years, a period during which they are improving their land and bringing it into production. Other members have raised the question of markets. As already explained in the Press, there are markets in the State, for we are importing considerable quantities of dairy produce which we expect to be grown down there. Then we have to-day from the Agent General a statement pointing out the possibilities of the market for frozen pork in England. Frozen pork alone would support all our settlers. England is buying per annum 18 million pounds worth of pork and bacon. This is leaving aside altogether the markets in the East. I lived in the South-West for five years, and on going back to it 15 or 20 years later, I was aston-

ished to see what was being done at the Spanish settlement, on land which in the early days we regarded as useless. Mr. Holmes referred to what the Premier had said ten years ago. The Premier is learning as he gets older. He was astonished to see how the subterranean clover was growing at the Serpentine. It was introduced there only a few years ago but there is land there now which is fattening ten sheep to the acre. This will serve to show what can be done with the Nornalup land.

Hon. J. J. Holmes: Are you not killing the North?

Hon. G. W. MILES: Not at all. I am speaking from a national point of view, from the aspect of the Empire. We should not talk our country down as we have done in the past. There are already enough croakers in Parliament in Australia without members here taking on the same role.

The PRESIDENT: Hon. members should not hold conversations with each other.

Hon. G. W. MILES: There is a great prospect before cheese factories in the South-West. I am told by practical men that in the case of areas that are several miles from a railway the cream that is now carted two or three times a week to a siding could well be turned into cheese. There is a large market for cheese throughout the Empire. This line will give the Premier a chance of having a policy before him for some years.

Hon. J. J. Holmes: A policy of building railways.

Hon. G. W. MILES: Of building railways by contract and of settling people on the land. If we are to hold this country we must be prepared to get people in at a greater rate than we are doing to-day. The scheme of bringing 75,000 people here during the next four or five years will not be big enough if we are to hold this country. I should like to read an extract from a letter I have just received from Sir John Norton Griffiths, a member of the British House of Commons. This shows the feeling of members of the House of Commons as to assisting people to Australia as well as assisting the Empire. This is a point members must not lose sight of. England is prepared to assist us to a greater extent than has been the case in the past. This letter says:—

We are at this moment forming a Parliamentary Empire Group of members of the new House, with the idea of furthering the efforts of people like yourself, in every possible way. I am perfectly convinced that it would be better statesmanship if, instead of paying doles in this country, the British Government would undertake to pay the principal and interest, say for the first seven years (which I think could be arranged if properly represented through your Government) on the money necessary to build a railway through some of the territory to which you refer.

This is in reply to my statement about the development of the North by means of a rail-

way. The Premier could go on with a scheme along these lines in the south-west. The letter continues—

To achieve this end, your side could tell the British taxpayer that if this were done they would be able to repay the British Government from the increment arising out of the land development or in some other way.

This is an argument which I used in connection with the opening up of the North and applies to the south-west equally well. The letter continues—

Such a suggestion would in my humble opinion prove most attractive even to press in the House of Commons here—more particularly if it were coupled with a definite offer by your Government, i.e., to take and place on the land so many people per mile of railway constructed.

That is exactly the scheme that is proposed for this south-west corner. The Minister for Education, in introducing the Bill said it was proposed to settle 800 people on a ten-mile face of railway. It would not be difficult to settle hundreds of people in that part of the State. If the Bill is passed it will give the Premier an opportunity to put a proposal like this before the British Government. The letter I have read expresses the views of many members of the House of Commons. If the Council agrees to pass this Bill it will not be a finicky way of opening up this territory, but will enable the Premier to put a big proposition before the Home Government and get assistance from that source. The Empire Settlement Bill provides that the British Government can give to the Dominions £3,000,000 per annum under an immigration scheme. If a proposition were put before the Home authorities, they would be able to give this money for a period of 15 years.

Hon. A. Lovekin: And half the cost.

Hon. G. W. MILES: It is to the interests of the Old Country to assist us in every way. Think what the trade with outposts of the Empire means to England. The only way to keep the Empire together is to populate this country as quickly as possible. It means everything to us from the defence point of view to get greater numbers here. The Asiatics in the North are increasing at the rate of five millions a year. Our objective should be to double our population in 10 years time. It is only by such schemes as this that we shall be able to achieve that object. The trade which England did with Canada in 1921 represented £2 4s. 4d. per head; with Australia £8 7s. 4d., and with New Zealand £12 4s. 5d.; but with America it represented 8s. 2d. In other words, England did more trade with Australia with its five millions of population than it did with America with its population of 100 millions. England is only too pleased to help us along so long as we have a definite scheme to put before the authorities. I am sure the Jarnadup-Denmark railway is one of the best schemes possible for this State. The country is such that it would appeal to British immigrants, and it is a place where they could settle and make good.

I have pleasure in supporting the second reading of the Bill.

Hon. F. A. BAGLIN (West) [8.53]: I have in the past said I would oppose any further railway extensions until we had in office a Government strong enough to impose taxation on the unimproved value of land, with the object of bringing into production areas lying alongside our railways. Upon looking at the map dealing with this particular railway, I find that nearly all the land to be served by it is Crown land, consequently the arguments which might be used against the construction of this line on the score of the land being privately owned and kept idle would not apply. I am, therefore, lending my support to the second reading of the Bill. I hope, however, members will not endeavour to jeopardise the passage of this Bill by forcing the fetish of "construction by contract." One member in supporting the Bill says the line must be constructed by contract regardless of cost. The Minister for Education says that tenders are to be called. I understand that if the Public Works Department can construct this line cheaper than the tenderer the Department will carry out the job.

Hon. V. Hamersley: It is done every time, but does not work out in practice.

Hon. F. A. BAGLIN: From statements which have been made to-night it appears that the line will have to be constructed by contract.

Hon. G. W. Miles: Certainly not by day labour.

Hon. F. A. BAGLIN: Who will foot the bill?

Hon. G. W. Miles: The taxpayers.

Hon. F. A. BAGLIN: The men who are settled within that area. If the railway is to pay working expenses, as it will have to do, the charges will fall upon the settlers. I trust hon. members will not go as far as they propose to do in this matter.

Hon. C. F. Baxter: The Government will not charge a special rate against them.

Hon. F. A. BAGLIN: Mr. Miles said he would insist upon construction by contract.

Hon. G. W. Miles: I hope to do so.

Hon. F. A. BAGLIN: I hope other members will not insist on that. We have to do the best we can by the people we expect to settle on the land whether the work is done by contract or by day labour. Can members point to any railway construction which has been carried out at an excessive cost in the past?

Hon. G. W. Miles: What about the Esperance line. What will that cost per mile?

Hon. F. A. BAGLIN: Imagine any member quoting the Esperance line! If there is any reason why I should oppose the construction of the Jarnadup-Denmark line it is the attitude of the Government towards the Esperance line.

Hon. G. W. Miles: What about the Trans-continental line?

The PRESIDENT: Hon. members had better debate this line.

Hon. F. A. BAGLIN: That is a Federal matter. Notwithstanding the attitude of the Government towards the Esperance settlers I believe they will endeavour to do a fair thing by the settlers they propose to establish between Jarnadup and Denmark. The cost of the Esperance line has been due to maladministration. There has been a certain influence against that line for many years.

The PRESIDENT: The hon. member must confine himself to a discussion upon this line.

Hon. F. A. BAGLIN: I hope members will not endanger the passage of the Bill by forcing the contract principle upon the House. I support the measure on the ground that nearly all the country which will be served by the railway is Crown land, and the State will benefit by the construction of the line.

Hon. E. ROSE (South-West) [8.57]: I support the second reading of the Bill. On reference to the map and the report upon the classified lands to be served by the railway we must admit that the line should be constructed. The land will carry a large population running into many thousands of settlers. As Mr. Willmott has said, there is a large amount of black alluvial land which we know will carry many people upon small areas. It is ridiculous for Mr. Baxter to talk about it taking 15 years for the land to sweeten. I would advise him to go to the Manjimup Show and see the exhibits there that have been grown upon land that has been settled for only two or three years. It is all very well for him to talk about land he has not seen.

Hon. C. F. Baxter: What nonsense you are talking! How do you know I have not seen it?

Hon. E. ROSE: In four years the land down there is capable of growing anything that can be grown elsewhere in the State. When anyone talks about it taking 15 years for the land to sweeten he is showing his ignorance. We know what has been done by the pioneers in this part of the State during the last few years. The settlers there are doing very well and their orchards are starting to bear, while they have grasses of all description equal to the grasses of New Zealand which will carry dairy stock. If given railway facilities the district will carry a very big population and possibly before many years have passed. I agree with Mr. Miles when he said it is necessary to open up that country, but that instead of 75,000 people we should have 750,000. We must populate that part of the State very quickly. Mr. Baxter wanted to know where our markets were. Within the last few months we have sent to the Eastern States over 1,500 tons of potatoes and received in return no less a sum than £20,000.

Hon. C. F. Baxter: How often does that happen?

Hon. E. ROSE: This is the second or third time. We have markets at our doors for mil-

lions of pounds worth of produce which can be grown in the South-West. That part of the State, too, is capable of carrying a very great number of pigs in conjunction with dairying, and we know how profitable they are and the demand there is for this product in the Old Country. Before the line is constructed, however, the Government should see that the harbour at Bunbury is improved and made suitable for the discharge of railway material, and also for the purpose of taking away produce and timber from the South-West. This will have the effect of cheapening freights from the Old Country. I am a firm believer in the policy of group settlement and I consider the Premier is going the right way to work. We must have land ring-barked and cleared ahead so as to carry out the scheme he has in view. The remarks of several members with reference to the Government land policy are not justified. The country to be served by the proposed railway is amongst the healthiest in Australia. There is a great rainfall there and the land will grow crops of any description. The settlers who are already in those parts are hopeful and pleased with their prospects. I have much pleasure in supporting the Bill.

Hon. J. M. MACFARLANE (Metropolitan) [9.5]: I presume that this line has been projected for the purpose of furthering the immigration policy of the Government. If the intention to place 25,000 people per annum on the South-West lands is part of the Premier's idea, then I am sorry to say that I am not so optimistic as he or some members of this House. I have a knowledge of the South-West, particularly a portion of the route along which the line is to be taken, and I agree with the statements made that that part of the State contains some of the finest agricultural lands in this or in any of the other States. But having travelled from Denmark to Nornalup specially to have a look at the class of country, I have come to the conclusion that the optimism of those people who are in favour of the construction of this line is too generous. I agree of course that in time to come that line will perhaps be the finest gem in Western Australia's crown so far as agricultural settlement is concerned, but it will not be of any use for two or three generations to come. I was struck by the testimony of Mr. Burvill's regarding the Denmark district. He told us that there were 22,000 acres cleared for timber purposes and that it took eight years to do that work with three mills working continuously. Having travelled to Nornalup, I consider that the timber there is even heavier than that at Denmark, and if it took three mills eight years to clear the timber around Denmark, how long is it going to take to cut out the timber over 115 miles?

Hon. J. Ewing: The country is not all heavily timbered.

Hon. J. M. MACFARLANE: I admit that there are about 40 miles of black soil area, but that is midway, and it will take a con-

siderable time to reach it if the policy of the Government is to be carried out. It will not be of assistance to the migration scheme to spend a million on a line of this description. That money could more profitably be spent where it would be possible to get a quicker return. The Government would do well at this juncture to make provision for members of both Chambers to traverse the route of the projected railway so that it might be seen how far we could support it from the point of view of the migration scheme, because I take it that is the head and front of the whole undertaking. There are some features of that country which are even more attractive than the railway scheme. Look at the inlets and the big stretches of water in those parts. I believe that water carriage would be cheaper and more expeditious than conveyance by railway. The one thing that did appeal to me on the occasion of my visit to the extreme south was the heavy timber and undergrowth. This will all have to be dealt with. I understand it is even worse along the Deep River. Since that trip, I have become pessimistic in regard to this part of the State, but I intend to support the second reading of the Bill, though I believe it will have to be trimmed up in Committee. Generally speaking, I would like to see a more progressive policy in regard to the land already served by railways. Only the other day there came under my notice an estate owned by a family at Bolgart which had been offered for sale and for which no buyers could be found. Bolgart is a good mixed farming district, and on this particular property there could be put immediately 20 or 25 families. Therefore, why take on such a gigantic job as that proposed by the Bill, which will take perhaps 50 years to carry to completion, when we can get a return in a comparatively short time in other parts of the State? I regret that it is necessary for me to speak like this on the Bill, but I confess I am appalled by the gigantic nature of the job the Government propose to take in hand.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East—in reply) [9.14]: I am surprised at the remarks by Mr. Baxter. I cannot understand why such an enthusiastic advocate of settlement in our wheat areas should find it necessary to oppose a policy of settlement in the South-Western portion of the State, because rich as our wheat areas are, it does seem to me that we would remain a small State if we had to depend entirely on those wheat areas. I am altogether in accord with those members who have expressed the opinion that in time to come the greatest portion of our population will be in the extreme South-West part of the State.

Hon. J. M. Macfarlane: Quite so, but it will not be for 50 years.

The MINISTER FOR EDUCATION: The extreme South-West is undoubtedly fitted by nature for this. Climate, rainfall and soil

all combine to make it capable of carrying a much larger population than any other part of the State. Where in our wheat areas we require 1,000 acres to a family, down there we shall not require 100. The same area of country will carry 10 times the population. Mr. Baxter complained the other day that the Government had not done sufficient in the way of opening up land in the wheat areas, and that an intending experienced farmer with a capital of £4,000 had come to the State and gone away again.

Hon. C. F. Baxter: There are numbers doing that.

The MINISTER FOR EDUCATION: With the present prices of wheat and wool, there can be no more attractive proposition on the face of the earth than the wheat lands of Western Australia, and if experienced men with £4,000 in their pockets were anxious to engage in these industries, but went away and took their £4,000 with them, it seems to me that what this State needs most is one or two live, up-to-date land agents who understand their business and the country, and would be able to place within reach of such people properties which undoubtedly are available for settlement. Such people do not want any special assistance from the Government. They can find their own way and their own land.

Hon. C. F. Baxter: They want virgin land which is advertised so freely.

The MINISTER FOR EDUCATION: Mr. Holmes referred to the small amount provided on the Loan Estimates for use this year in connection with the construction of the railway. It is not proposed to do more than make a start before the 30th June next, but a good many preliminaries have to be carried out before a start can be made. Mr. Kirwan referred to the number of lines already authorised and not constructed—240 miles in all—and said if this line also were authorised, the country would be committed to an expenditure of £2,000,000 for railway construction. During the past eight years we have been almost standing still. The war put a stop to everything. Since the war the price of rails and other considerations have made it almost impossible to go ahead. Taking our population figures during the last eight years we have stagnated. Many of our industries have developed satisfactorily, but from the point of view of population, instead of augmenting it quickly, we have achieved almost nothing. I say without hesitation that a railway policy involving two millions of money is not too big for a country situated as we are. It is true we are in debt, but that is not our greatest trouble. Our greatest trouble is that we have so few people. A railway policy involving two millions in connection with the settlement of people coming here is not a bit too ambitious. It is intended to call for tenders for the construction of this line, but I shall be compelled to resist any attempt by this House to make it a condition of the Bill that the line be constructed in any particular way. Mr. Holmes said I was advocating the construction of this line

in advance of settlement. That is not the position. I endeavoured to make it clear when moving the second reading that this line would be built in sections as sections were required, and not until the land adjacent to one section had been settled would another section be put in hand. It is not a question of £800,000 being expended outright and carrying an interest burden of £60,000 per annum. It is a question of a small section, perhaps 20 or 25 miles, as will be dictated by the circumstances, being constructed and then settled before another section is built. Long before the last section of the line is built, the other portions should be providing considerable traffic. The reason I shall resist the amendment to the Bill, insisting that the railway be built by contract, is that it may not be altogether easy to get reasonable competition from tenderers for the construction of the railway by sections. Therefore, the policy of the Government is to call for tenders and, if they are reasonable and that is the cheapest way of constructing the line, that system will be adopted.

Hon. G. W. Miles: The Government have not done that in the past with some of their lines.

The MINISTER FOR EDUCATION: During the recent years it has not been practicable to invite tenders. The delivery of rails and other circumstances have militated against the construction of lines in that way. If the hon. member considered the matter, he would find that there have been difficulties practically insuperable. Such obstacles do not exist at present. There is no good reason why railways from now onwards should not be constructed by contract. I have no hesitation in repeating the assurance which was given by the Premier that tenders will be invited for the construction of this line by sections as required.

Hon. G. W. Miles: What about providing easier grades?

The MINISTER FOR EDUCATION: That is a very important question. I do not pretend to be competent to speak on it, but I do know that a good many of our railways have grades as steep as one in 40. It seems to be going to extremes to suggest a grade of one in 100 or one in 150 for this new country. I know that this country will not be the easiest in the matter of grades. It will probably take a good deal of search to get grades of one in 60. I think a mistake was made in the past in constructing lines of one in 40. A little more expenditure or research to obtain grades of one in 60 would have been amply repaid. We do not propose to follow the bad practice of adopting grades of one in 40. The steepest grade proposed in this line is one in 60. Whether it would be practicable to make the grades easier is a point on which I cannot express an opinion.

Hon. G. W. Miles: It would be worth considering.

The MINISTER FOR EDUCATION: Undoubtedly. Mr. Macfarlane takes a most pessimistic view when he says it will be 50

years before this land will give any return. Surely if that were so, it means, not that we should not deal with it now, but that no one should ever touch it. If we are not prepared to do something to give a return 50 years hence, I do not know that people who come along 10, 20 or even 50 years hence will be prepared to do anything. The suggestion that it will take 50 years is most exaggerated.

Hon. J. M. Macfarlane: I mean to settle the people; not to build the railway.

The MINISTER FOR EDUCATION: Why should it take that length of time? Why should it take any longer to settle people there than it has taken people to make good on similar country in the South-West.

Hon. J. J. Holmes: Some of them have been there 50 years.

The MINISTER FOR EDUCATION: I would have liked the hon. member to be with me a few days ago. We visited a place which formerly was just as heavily timbered and difficult as the country which this railway will traverse. That place has not been settled 50 years, or even half that period. The man settled there did not hesitate to tell us that he had borrowed the money to pay the deposit on his application for the land. He has brought up a large family—not dragged them up, but brought them up well—and educated them as well as children can be educated in Western Australia, and has lived a comfortable life. His place I think is unrivalled as a beautiful home in this State, and he has undoubtedly made a great deal of money. I do not see why people going on the land under, in some respects better conditions—because they will have assistance to tide over the very hard years, which he had to face without any help at all—should not do as well as he has done. During the week-end I visited the Bridgetown district with an orchardist of long experience in South Australia, and he did not hesitate to say that our best apple country compared more than favourably with South Australia's best.

Hon. J. M. Macfarlane: I agree with that, too.

The MINISTER FOR EDUCATION: It seems that the hon. member agrees with everything, and yet maintains that it will take 50 years before we can get any return from this country. I can take him to places which 20 years ago were as uninviting as this south-western country and where the people have done wonderfully well. They have lived well all the time, and now have something to be proud of. Their experience will be the experience of settlers in the Jarnadup-Denmark country if we have the courage to sanction a big scheme and carry it through in a methodical fashion.

Question put and passed.

Bill read a second time.

BILL—NORTHAMPTON RESERVES.

Received from the Assembly and read a first time.

DISCHARGE OF ORDER.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [9.27]: I move—

That order of the day No. 11 "Property Bill—Committee progress" be discharged from the Notice Paper.

In accordance with the promise I made to members, the Bill has been widely circulated amongst the legal profession and has received a great deal of consideration from them, and some of them, in conjunction with the officials of the Crown Law Department, are going further into the matter in accordance with the arrangement previously arrived at. The Bill, with such alterations as these discussions may prove to be necessary, will be again submitted in another session.

Hon. A. LOVEKIN (Metropolitan) [9.28]: I ask the Minister that, before this Bill is brought before us again, we may have an opportunity to see it. It is a highly technical Bill.

The Minister for Education: You have a copy of the Bill.

Hon. A. LOVEKIN: But I understand it is to be amended.

The Minister for Education: Yes.

Question put and passed.

House adjourned at 9.29 p.m.

Legislative Assembly,

Tuesday, 9th January, 1923.

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The SPEAKER took the Chair at 2.30 p.m., and read prayers.

MR. SPEAKER'S ILLNESS.

Reply to Motion of Sympathy.

Mr. SPEAKER: I desire to thank you, Mr. Premier and hon. members, for the resolution of sympathy you carried before you