

tion fund, will be when the occasion arises. I quite admit that the amendment reads better than the clause, but I have this objection, that the clause as it stands sets out clearly that anyone deprived of a license under a prohibition poll shall not be entitled to compensation. Under the new wording, it looks like the thin edge of the wedge to pay compensation.

Hon. A. LOVEKIN: Nothing of the sort suggested by the Minister is intended. I recast the clause because the wording would not do credit to us. I am not responsible for the three lines of the original clause, but if the Minister wishes to emphasise the fact that compensation is not to be paid, the clause could be recommitted later or the Minister might agree to report progress now.

Progress reported.

House adjourned at 11.3 p.m.

Legislative Assembly,

Tuesday, 28th November, 1922.

	PAGE
Questions: Taxation, Newman v. Commissioner ...	1841
Railway accommodation, Jarnadup to Bridgetown ...	1841
Bills: Jarnadup-Denmark Railway ...	1841
Companies Act Amendment, 2nd, con. ...	1864

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

QUESTION—TAXATION, NEWMAN V. COMMISSIONER.

Mr. STUBBS (for Mr. Angelo) asked the Premier: 1, Has he read the "Daily News" article of the 31st ultimo, headed "Walk In! Walk out! Sales," wherein an announcement was made by the Federal Commissioner of Taxation to the effect "that in accordance with a judgment of the High Court in the case of Newman v. The Commissioner of Taxation of Western Australia, he intends to cancel all assessments made up to the 30th June, 1921, and refund the tax paid"? 2, Does he intend to cancel all assessments made by the State Commissioner on walk in, walk out sales of station properties and refund the tax collected on those sales? 3, Is he aware that applications for refund to the Commissioner have been refused if they were made more than twelve months after date of payment?

The PREMIER replied: 1, Yes, the information has appeared in the principal newspapers of the Commonwealth. 2, Yes, where applications have been received and the law allows. Many assessments have already been cancelled and refunds made. 3, Yes, the Commissioner must carry out the provisions of Section 62 of "The State Land and Income Tax Assessment Act, 1907," which provides that the Commissioner shall not certify for any refunds under this section unless the claim is made within a year of the date on which the tax was due.

QUESTION—RAILWAY ACCOMMODATION, JARNADUP TO BRIDGETOWN.

Mr. J. H. SMITH asked the Minister for Mines: 1, Is he aware that women and children travelling on Monday night's train from Jarnadup to Bridgetown arriving 2 a.m. in the morning are not allowed to remain in carriages? 2, Does he know that as it is impossible to get accommodation at that hour, the women and children have to sit on platform or walk about till daylight? 3, Will he issue an instruction for the people to have the use of the compartment until 7 a.m.?

The MINISTER FOR MINES replied: 1, Yes. 2, I am advised that the hotels and boardinghouses cater for these passengers, who can obtain accommodation if they require it. Alternatively the ladies' waiting-room is available for women and children. 3, No. Shunting operations are commenced at 4.30 a.m., and in the interests of safety, passengers could not be permitted to occupy the carriages whilst train working operations are in progress.

BILL—JARNADUP-DENMARK RAILWAY.

Second Reading.

Debate resumed from 23rd November.

Hon. P. COLLIER (Boulder) [437]: The question of land settlement has been so prominent in recent months, that it is not surprising we should have a Bill for the construction of an additional mileage of railway, even though the construction of lines authorised in recent years has lagged far in the rear. There are many factors in connection with railway construction, particularly in respect to a line of this character, which should be carefully scrutinised before securing the sanction of Parliament. I doubt if this railway is necessary at present. Further, I question very much whether the Government are in a position even to commence the construction of this railway within the next 12 months. Something like 228 miles of railway have been authorised in recent years. Of this mileage 120 is under construction, and 108 has not yet been commenced. It does seem to me there is something wrong with the policy which asks Parliament for authority to construct new lines, involving the expen-

diture of a huge sum of money, when the circumstances have been such as to prevent the Government from constructing those railways which Parliament many years ago declared ought to have been built. No doubt the Premier will say that all these lines that are now under construction will be completed in the near future, and that the construction of the remainder will be undertaken at an early date. Even so, it must be evident that it will not be possible for the Government to commence the construction of the line between Jarnadup and Denmark for at any rate 12 months. Parliament might well refrain from passing the Bill this session, and wait until the lines already authorised are nearing completion. After the expiration of 12 months we shall be in a better position to determine as to the wisdom or otherwise of embarking upon this project. No doubt, some day a line in this district will be justified, but I hardly think that day has yet arrived. We must also have regard, in the first place, to the high cost of construction, and in the second place, to the high rate of interest that will have to be paid for money that is borrowed for the building of this line. The work is estimated to cost £800,000. That figure should cause us to pause and examine the position of the State with regard both to railway construction and to land settlement. The figures dealing with the railway mileage in this State have often been quoted, but will bear repetition. In Western Australia we have one mile of railway for every 95 persons. Our nearest neighbour in that respect is Queensland with one mile to 132 people. In South Australia the proportion is one to 204 people, New South Wales one to 416 people, and in Victoria one to 358 people. These figures prove conclusively that in the matter of railway mileage we are greatly overbuilt in this State compared with the other States of the Commonwealth. Indeed, we have a greater mileage per head of the population than any other country in the world. That circumstance has been reflected in our railway finances of recent years. If we are going to add to our mileage at a rate in excess, as it were, of the ratio of increase in our population, we shall intensify the financial difficulties of the State. As we all know, the finances of the railways really represent the financial difficulties of the State. In Western Australia the capital cost of our railways per head of the population is £54 19s. 8d. That is exceeded by only one State, Queensland, where the capital expenditure per head of the population is £57 9s. 10d. As against that, South Australia has an expenditure per head of £41 5s., New South Wales of £39 4s. and Victoria of £38 19s. In order to raise our population per mile of Government railways to that of the next lowest State, Queensland, we would require to increase our population from the present total of 340,000 to 467,148, while, to put us on an equality with New South Wales, which has the highest population per mile of railways, we would require a population of

1,472,224. That is the position as at present without any additional railway mileage whatever. It may be said that, notwithstanding that fact and notwithstanding that we are greatly overbuilt in the matter of railways in Western Australia, it is necessary that additional lines should be constructed if the policy of land settlement and immigration, upon which we have embarked, is to succeed. Around that point hinges the whole question as to whether Parliament would be justified, in view of our financial difficulties, in authorising the expenditure of large sums of money for additional railway construction. The Premier has stated that the district to be served by this line will carry 800 additional farms for every 10-mile section of the line.

The Premier: That is, additional homes. Some, of course, will be in towns.

Hon. P. COLLIER: Well, it means that number of additional settlers. In round figures, that would represent something like 8,000 or 9,000 settlers for the full distance. If the Premier can accomplish that, he will have done something far in excess of any previous result in the way of land settlement throughout the whole of our history. If we succeed in placing from 8,000 to 9,000 settlers along the 115 miles of railway, then indeed we will have closer settlement to a degree that has not been known to Western Australia in the past. The number of holdings that may be classed as rural or agricultural holdings, embracing those from an area of one acre upwards, and including freehold land alienated or in process of alienation, total only 16,541. That is the result of 80 years of land settlement! In addition, it has to be remembered that during the past 15 years there has been pursued an active policy of railway construction and land settlement. Yet to-day we have only that number of holdings from one acre upwards. I do not include in those figures, of course, leasehold land. Despite this fact, the Premier says he will get 8,000 or 9,000 settlers along the route of the railway under discussion, or more than half the present total. It will be a very good thing for Western Australia if it can be done, but it will entirely reverse the policy and results of the past. If such a result be accomplished, we will have achieved something never dreamt of in the past. We cannot afford to forget, however, that this means the expenditure of large sums of loan funds. There is a possibility, and, in fact, I think a danger surrounding the question of land settlement and immigration, that the whole policy may be over-capitalised. If the expenditure of loan moneys borrowed at a high rate of interest, such as six per cent., or should it be proportionately in excess of our increase in population, then we will saddle Western Australia with a grievous financial burden, in the payment of interest and sinking fund, which will have the effect of increasing our difficulties year by year, rather than reducing them. Besides the £800,000 necessary for the construction of the line, many millions of pounds will be re-

quired to place on their holdings the 8,000 settlers the Premier has in view. There will be roads to be constructed, bridges to be built, and all the other facilities required in opening up a new country. Bearing in mind the comparatively high cost of settling people on the land in the South-West, before we shall have completed the task the Premier has outlined under this proposal we shall have added many millions of pounds to the total loan indebtedness of the State. The view I take regarding this railway is similar to that which I have expressed on many occasions in this Chamber. We are overbuilt in the matter of railways.

Mr. A. Thomson: But this is the only way to open up and develop these new lands.

Hon. P. COLLIER: The hon. member is right when he says that the only way to open up country is by means of railways, but I assert that it is not a safe policy to open up country by going ahead of population. For instance, it is not sound policy to be constructing a section of railways 100 miles out into a new district in order to place a few people on the land, and another section 100 miles out in some other direction, branching all over the State and spreading our population over too great an area, while, at the same time, there is ample room for that population in closer and more compact spheres. The question is: Is it necessary to build new railways in order to open up new lines to provide homes for new settlers. I contend it is not. I consider there are portions of this State already served with railways which will carry not only the 8,000 settlers the Premier proposes to place in the South-West, but will be sufficient to settle a much greater number. We cannot get away from the fact that in some of the older agricultural portions of the State the population has not been increasing, if, on the other hand, it has not been actually diminishing. In the old municipality of York, in the census period from 1911 to 1921, the actual decrease in population was 33. That says nothing at all of the natural increase of births over deaths, which one would naturally expect to find in that area representing a considerable increase.

Mr. A. Thomson: That applies, unfortunately, to a lot of the older country towns.

Hon. P. COLLIER: Yes, but what do we propose to do? Instead of taking steps to remedy this condition of affairs, we allow it to remain and embark upon the construction of additional railways to increase our difficulties!

Mr. A. Thomson: It is the towns that have increased; that is the difficulty.

Hon. P. COLLIER: It is not the difficulty. Many of the old agricultural towns have not increased in population or, at any rate, to a very slight extent, and in those districts which are within close range of the cities, compared with one of the outer areas, the population has not increased to any extent. The Pingelly district shows a decrease in population to the extent of 235.

The Premier: The boundaries of the road board area may have decreased.

Hon. P. COLLIER: That is a possibility, but I do not know that that is so. From all the information available and from what one can observe, the population in the older settled districts has not been increasing at a rate desirable in the interests of the State generally. We have the report of Mr. Surveyor Lefroy. I have quoted that report before, but it is pertinent to bring it under the notice of hon. members at this juncture, when we propose to spend vast sums of money in order to make new land available for settlement.

The Premier: How was that obtained?

Hon. P. COLLIER: It was asked for by the Premier.

The Premier: I asked, when I came in, for this information so that I might know what to expect.

Hon. P. COLLIER: I have not heard anyone attempt to refute the figures presented by Mr. Lefroy.

The Premier: Yes. On the motion moved by the member for West Perth (Mrs. Cowan), we discussed the point last year.

Hon. P. COLLIER: Was anyone shown that the figures put up by this officer are not reliable?

The Premier: I think so.

Hon. P. COLLIER: It may have been when I was not present. This officer is a surveyor holding a responsible position in the Lands Department. When he furnishes a report of this kind, it is worth consideration to show that it is not reliable, and that his facts and figures cannot be accepted. Either we should do that or else something should be done to alter or remedy the state of affairs with which he deals. He says—

It has been realised for some considerable time past, if the State is to support its financial burdens, that increased population and production are the vital essentials necessary to success, and to this end investigations are being made to determine the areas of undeveloped lands immediately adjoining the railways, most of which is freehold, and I am pleased to state that eight surveyors with assistants are engaged upon this work, and during the past five months have examined and classified 1,457,729 acres of the finest agricultural country in the State within seven miles of the railways, and during the next six months these parties will complete work embracing an area of two million acres. The classification plans of 575,475 acres of this belt of country show that there are 384,120 acres of first-class, 72,570 acres of second-class, and 118,785 acres of third-class land, of which 308,590 acres have been cleared and cultivated, leaving a balance of 266,890 acres still uncleared.

The Minister for Agriculture: Most of it is useless white gum country.

Hon. P. COLLIER: I do not know. The officer sets out the proportion of first-class, second-class, and third-class land.

The Premier: According to him, nearly all the first-class is dead.

Hon. P. COLLIER: Surely a man who has been in the department engaged upon similar work for so long as has this officer, knows what he is writing about! He says—

Taking this area as a whole, it is capable of supporting, in comfortable circumstances, 575 families of energetic tendencies, providing room probably for another 1,500 producers. A closer settlement policy of lands within seven miles of our existing railway system in the wheat belt affects an area of some 12 million acres, and when it is remembered that the total area under crop last year was only 1,616,446 acres, the importance of our agricultural possibilities is demonstrated. Only a land policy of energetic development can restore our railway revenue and that general prosperity which we all desire. It is quite possible, when such a policy is fully carried into effect, to absorb another 3,000 settlers along our existing railway system. Throughout the State abundant evidence of latent possibilities is seen, particularly so far as land development is concerned. Probably not 10 per cent. of our lands within 12 miles of the railways are yet turned to account.

That is a serious statement for an officer to make in a considered report.

The Premier: A fifth of all the land selected is cleared, and a great deal more is improved.

Hon. P. COLLIER: Surely these figures will stand examination!

The Premier: I do not think they will.

Hon. P. COLLIER: Then the House will be glad if the Premier will show where they are wrong.

Mr. Harrison: They cannot apply to the Avon district.

Hon. P. COLLIER: He is dealing with the Avon Valley.

Mr. Teesdale: What is the date of that report?

Hon. P. COLLIER: It is dated the 20th January, 1920. Mr. Lefroy says—

If one-third of the area within seven miles of the railways in the wheat belt were cropped, its yield, on last year's average, which is certainly a very low one, would be 29,760,000 bushels, which represents a cash value of £4,464,000 at 3s. per bushel.

The Premier: That is quite true, but most of the lands have been sold.

Hon. P. COLLIER: Of course. The wheat lands, before many years have passed, will reach the figures he gives. Having regard for all the difficulties that have confronted the settlers during the past 10 or 15 years, our wheat lands are being brought into cultivation as rapidly as one might reasonably expect.

The Minister for Agriculture: Some of the estates referred to there have recently been subdivided. Wilberforce is one.

Hon. P. COLLIER: I do not know whether that comes within the scope of this report.

The Premier: Yes. I sent for him, because I thought I might get some land for soldier

settlement, but he could not show me where. I know all that country.

Hon. P. COLLIER: This officer states that there are there holdings running from 3,000 to 5,000 acres, which might well be occupied by three or four families instead of one.

Mr. Teesdale: Is he still in the department?

Hon. P. COLLIER: Yes.

Mr. Stubbs: It is a very serious statement.

Hon. P. COLLIER: It is. It requires detailed refutation, if that can be given. It is not sufficient to say in a general way, "I know all this country."

The Premier: I did not mean that. I sent for him and asked him to show me the land, because I wanted it for soldier settlement. Wilberforce was one of the estates.

Hon. P. COLLIER: Perhaps the Premier could not get it because the owners were not willing to part with it. If the land is not there, what is the Premier going to do in regard to an officer who says it is there?

The Premier: I know it is not there.

Hon. P. COLLIER: Referring to the Avon Valley district, right round to York, he says—

No doubt the bulk of this country could be satisfactorily developed in individual holdings varying in extent from 1,500 acres to 2,000 acres. I think at the present time it is safe to state there is not more than one settler to probably 5,000 acres. It goes without saying, if the assumption is correct, that there cannot be an effective development where there is an insufficient number of people on the land. It would be a sound policy to increase the number to the highest possible limit consistent with the productive possibilities of the land, having regard to all essential factors. Briefly the position disclosed by the classification shows that there is an area of 2½ million acres within seven miles of the railway system between Northam, York, and Beverley on the west, extending easterly to Dowerin, Cunderdin and Quairading, of which only about one million acres are developed in an agricultural sense.

This officer puts his finger on the weak spot in our land settlement policy. He says these holdings run to 5,000 acres each, whereas 1,500 to 2,000 acres would be ample for each holding.

The Premier: Of course he is not right. How could 4,000 people at Northam exist on agriculture if the land were not being utilised?

Hon. P. COLLIER: Does the Premier say that all our agricultural areas already served with railways are being effectively developed?

The Premier: No, of course not.

Hon. P. COLLIER: Of course not. With all the thousands of miles of railways in this State it is absurd that, in a history of 80 years, we should have succeeded in placing only 16,450 land holders on the soil.

The Premier: A great many of them have been put on within recent years.

Hon. P. COLLIER: But this report is referring to one of the oldest portions of the

State. There can be no question that we are engaging upon wrong lines. We are not effectively bringing into use the land already served by railways. We have been pursuing the policy of running new railways into new country in order to place a handful of settlers here and another there, while we have, served by railways for the past 20 or 30 years, land which is being held practically unused.

The Premier: There is not much of that, not in the Avon Valley.

Hon. P. COLLIER: There was not supposed to be much in the Peel estate.

The Premier: Yes, that was known to be untouched.

Hon. P. COLLIER: There we have an enormous area of land which, until the Government began operations a couple of years ago, was in the same state as it had been 60 or 70 years earlier. Now the Premier expects it to carry 600 or 700 settlers. I believe there is sufficient land of a quality good enough for settlement stretching from Rockingham through the Peel estate right down to Bunbury. The preparation of that land for cultivation would not require anything like the sum necessary to the building of the proposed railway. Drainage and road construction would make sufficient of that land available to settle all the people which the Premier proposes to settle in the district to be served by the Denmark railway. From Pinjarra to Bunbury, between the railway line and the coast, there is a strip of from 15 to 20 miles wide consisting chiefly of flat or swampy land which in winter is waterlogged for want of drainage. The draining of that country is a task for the Government. It is beyond the scope of individuals. It would be common sense for us to deal with our lands as a private company would. Let us start land settlement from the port, from the centre, and let us see that the land is effectually settled as we carry our railway system outwards. In the course of years, when the lands closer in have been settled and the population warrants it, we shall extend our lines outwards. The country to be affected by this proposed Denmark railway will undoubtedly be settled in time. I have not been through that district, but I am prepared to accept the glowing accounts of it given by the Premier and others who have visited it. No doubt some day the proposed railway will be warranted and that district will be one of the most fruitful portions of the State. But are we justified in expending £800,000 on a railway at this juncture? We require to confine our efforts and use whatever money may be available for the settlement of lands already served by railways. The question of borrowing £800,000 at six per cent. to construct this line is one which ought not to be regarded lightly. Moreover, there is no urgency for passing the Bill. The Government will certainly not be able to commence the construction of the line before Parliament reassembles next year because the programme on hand will not be

completed by then; in fact, it will not be anything like completed. This being so, what need is there for haste? No harm whatever will be done by holding the matter over for another 12 months. Let us turn our attention and devote whatever money is available to the draining of lands in closer proximity to the capital and sea port, and the provision of roads, bridges and necessary facilities to enable those lands to be settled. This is the policy the State should pursue.

The Premier: We are pursuing that policy. A great many people have been settled on such lands.

Hon. P. COLLIER: I was not aware that very much settlement had taken place except at this end.

The Premier: There has been settlement at Harvey, Brunswick, and other such places.

Hon. P. COLLIER: There has been some settlement at Harvey. I am reminded that this railway proposal did not commend itself to the Minister for Works a little while ago. In the days when Sir Henry Lefroy was Premier, Sir James Mitchell urged that the Jarnadup-Denmark district was eminently suitable for soldier settlement, but the present Minister for Works, who held the same portfolio at that time, did not agree with him.

The Minister for Works: My eyes have been opened since then.

Hon. P. COLLIER: The Minister then said the proposal for soldier settlement in this district was an utterly fantastic scheme for dealing with what was a terribly practical question. See the blight which has come over the Minister! The effect of environment and association has entirely changed his outlook. I would not characterise the scheme as a fantastic one because, in the fullness of time, I believe this country will be settled by a prosperous group of people, but we have not yet reached the stage when we should undertake it. I cannot bring myself to support the expenditure of £800,000 on a new railway while so many projected railways, authorised for years, are as yet unbuilt, and while there is so much land suitable for settlement and already served by railways, but still unutilised.

Mr. J. H. SMITH (Nelson) [5.18]: I support the Bill. The Leader of the Opposition said the time was not opportune for the building of the railway, but he admitted that he was not conversant with the land or its value. He referred to the mileage of railway in proportion to population and spoke of large areas of land being held unutilised. This is not a fair argument in dealing with a railway for purely developmental purposes. In the past the South-West, which is the finest portion of Western Australia, has undoubtedly been neglected.

Hon. M. F. Troy: By whom?

Mr. J. H. SMITH: The time is now opportune for opening up the South-West and developing it. If members living in the wheat

and mining areas would make themselves conversant with the qualities of the South-West land, their eyes would be opened, and there would be no fear of their opposing the building of such a railway as this. Many railways have been built through areas where it was impossible to settle anybody on the land; they were built to serve outback places in the North-West and the mining centres. If this railway is built, it will be possible to place population where it is most required. If we do not settle our empty spaces, other people may come along and settle them for us. Nature has provided everything possible in the South-West. The rainfall is well over 60 inches; it falls during almost every week of the year; three crops of potatoes can be grown in the 12 months; irrigation is unnecessary. This is the place in which we should settle population. A lot of the country on the coastal side of the proposed line could be cleared at a cost of £2 or £3 per acre. We should develop this portion of the State in order to supply our own requirements of dairy produce and stop the tremendous flow of money to the Eastern States. I am disappointed that the Premier has made this railway his first proposal for the South-West. I am not wedded to the building of a railway from Jarnadup to Nornalup and thence to Albany. I believe we could do better by building only the first section, and I was pleased that the Premier intimated his intention of building this line in sections of 15 to 20 miles. A section would do for a start, and other railways should then be constructed. Had the Premier confined his attention to the country between Bridgetown and Mt. Barker, there would have been no room for the Leader of the Opposition to criticise the proposition on the basis of population to existing railway mileage. Along that route and within a radius of five miles, I guarantee that there are ten people to every mile, people who are waiting for a railway to enable them to market their products. I hope this railway will be constructed later on. I have travelled from Manjimup to Nornalup Inlet and know practically every mile of the country. I am disappointed that it is not intended to carry the railway nearer to the coast line where there is some of the finest country in the world. The Leader of the Opposition mentioned that the Minister for Works some years ago had criticised this proposal as fantastic. Possibly the Minister had not then been through the South-West.

The Minister for Works: I have been through it since.

Mr. J. H. SMITH: And I understand the Minister has altered his opinion. In the South-West the dairy industry could be started to-morrow and assured of success. The soil there is 20, 30, and 40 feet deep. There is land equal to that at Pemberton which was seen by members during their tour last year, but the clearing would not nearly be so heavy. On the eastern side there is a great belt of timber and the line would be fed to some extent by the timber. On the coastal side there

is the finest land to be found anywhere. If members would only inspect it for themselves, they would not oppose the construction of this line, which is thoroughly warranted and essential in the interests of the State. If the construction of this line is undertaken, something must be done to provide for feeding the railway. We must have factories and facilities for the people who settle there. The unfortunate part of the settlement scheme is that no provision is made for the improving of dairy herds, the building of factories, and the providing of facilities to get the produce to market. There is an orchard connected with the sawmills at Pemberton, and though it is not on the best of the land, it indicates the possibilities of fruit growing in that district. Another man without a shilling settled a few miles along the line north of Pemberton, and he is making good. There is no guarantee that when the railway is constructed a harbour will be built at Nornalup. I would have liked to see the railway carried to Flinders Bay, because that route would have traversed splendid country, and Flinders Bay has practically a natural port. Of course we cannot expect everything at once, but I hope members will appreciate that in the South-West we have a great undeveloped tract of the finest land on God's earth which must be developed if Western Australia is to make good. The Leader of the Opposition did not deny the utility of the proposed railway or the possibilities of the land; his chief objection was that the lines already authorised should first be built. I do not wish to go behind Parliament, but I say it is essential that this particular line should be built, as being indispensable to the Premier's immigration scheme. On that ground it is a line which should receive first consideration. We must have the population to meet our loan obligations, and this railway must be built in order to meet the needs of the population flocking to our shores. If a line is not warranted, it should not be built. We should build projected railways strictly on their merits. That vast tract of country in the South-West, the finest part of Western Australia, which has never yet had roads, is thoroughly entitled to this railway.

Hon. M. F. TROY (Mount Magnet) [5.32]: I view with very grave concern the lead which this country is bearing by reason of the large mileage of railway already constructed. Remembering that already quite a number of additional railways have been promised, and that in many cases Acts have been passed by Parliament for their construction, I realise what this will mean to Western Australia in the next few years. If there is one handicap from which the people outback suffer more than from another, it is the heavy burden of railway rates. Country members must realise that the heaviest handicap to the development of the goldfields and the agricultural and pastoral areas is the excessive cost of railway carriage. With the additional burden proposed by the expenditure of large

sums of money in building railways already passed by Parliament, or already promised, we have now a proposed line which will cost, we are told, over £800,000. Personally, I shall not be surprised if the cost runs into a million pounds, seeing that the majority of lines built here during the last 10 years have been under-estimated rather than over estimated in point of cost.

The Minister for Works: That has been due partly to fluctuation of wages.

Hon. M. F. TROY: That may be. However, all our estimates of railway construction during the past 10 years have been in error. Realising the nature of the country which the railway proposed under this Bill will traverse, I say that the cost of constructing it must be very heavy indeed. I have nothing against the South-West of this State. I think I would rather live in the South-West than in any other part of the State, because of the climatic advantages there. The climate is ideal. The member for Nelson (Mr. J. H. Smith) pointed out that the South-West has been neglected. I want to ask the House why the South-West has been neglected. If we follow the political history of Western Australia, we have to recognise the fact that the portion of Western Australia which was first settled, the portion in which the first settlers landed, was the South-West. They did not land in the North-West, or anywhere except in the South-West. All the old settlers live in the South-West. Settlement originally began in the South-West, and the South-West elected Parliament. It is a remarkable thing that during all those years Parliament should have neglected that part of the country, which had such strong vested interests. The one reason why the South-West has not been developed is that it is so much more difficult to develop than the rest of the State. The Premier, with that happy optimism which at least he professes—

The Minister for Works: What do you mean by that?

Hon. M. F. TROY: The Minister for Works knows what I mean by that. I do not intend to explain the phrase; it explains itself. The Premier, with that happy optimism which at least he professes, tells us about the beauties of the South-West and its wonderful fertility. In his speech he assured us that anything would grow there, the soil was so good. He also said he was convinced he would be able to settle 800 persons to every 10 miles of railway. Unhappily, these prophecies rarely work out in practice. I do not profess to know that part of the South-West to which this Bill refers, but we all know that the South-West is not in the whole sense fertile. It is mixed up country. Even on this Bill the Premier pointed to such country as being sandy, black sand, to other country that was swamp, and to country that was turf. All that country, with the exception of the swamp country, is poor land. It is not to be expected that land of that character will support uniformly the population foreshadowed by the Premier in his speech. As regards the swamp country, which is among the very

best to be found in the State, hundreds of thousands of pounds would have to be spent in drainage works before that country is fit for cultivation; and, moreover, the work of drainage is going to take a considerable time. It will be both expensive and difficult. The Premier may be correct in estimating that he is going to establish 8,000 settlers there, but he is not going to do that in less than 10 years. Those 10 years are going to be an important time for this country, because Western Australia cannot go on borrowing, and increasing its deficit, and piling up its expenditure, unless something turns up to help us to pay our liabilities. Nobody in this House knows just how we are going to meet the deficit, which is increasing every month.

Mr. A. Thomson: You do not want to worry about that.

Hon. M. F. TROY: The other day I read a manifesto issued by a number of gentlemen on behalf of a candidate for the other House, and in that manifesto they stated that finance was the important thing for the country, and therefore it was essential a business man should be returned, in order that the deficit might be put right. How the deficit was trumpeted in the newspapers when it amounted to a million!

Hon. P. Collier: It was a new thing then.

Hon. M. F. TROY: But now that the party then in opposition has been transferred to the other side of the House, a deficit of six or seven millions is nothing to worry about at all. The philosophy of some members seems to be, "We cannot help the deficit, and we are not going to worry about it." But we are all concerned to see this country solvent. We cannot stand the taxation which is being imposed upon us from year to year. We know that if we heap up our liabilities without some regard for paying them, the crash must come in a very short time. This railway is to extend over a distance of 171½ miles, the Minister for Works states. Since the Government do not propose to proceed with the construction of the whole line at once, they would have been well advised, in my opinion, to bring in a Bill for the construction of 10 or 20 miles. Parliament, being desirous of seeing the South-West developed, might have been prepared for that expenditure; but to my mind Parliament is not justified, having regard to the state of the finances, in giving the Government carte blanche to proceed with the expenditure of a million sterling on what is to-day an experiment.

The Minister for Works: It is not an experiment.

Hon. M. F. TROY: Why not?

The Minister for Works: Because the land is there.

Hon. M. F. TROY: The land is there, but have not we got existing railways in the South-West opening up hundreds of thousands of acres? The Minister himself has purchased a property in the South-West.

Hon. P. Collier: He said this was a fantastic scheme.

Hon. M. F. TROY: The Minister for Works has seen the will-o'-wisp down in those swamps, and has changed his opinion. He says the only practical part about his property is the paying of cheques. However, I do not wish to discuss the Minister's business; it should not be discussed here. If there is one thing that strikes a person travelling in the South-West, it is the large areas of land there lying adjacent to the railways and utterly undeveloped, thousands of acres of land taken up by the early comers, who had the political pull, who even had the Premier of the State representing them. Yet that part of the country shows less development, less progress, and less prosperity than any other portion of Western Australia.

The Minister for Works: How long is it since you were in the South-West?

Hon. M. F. TROY: I have been there within the last 12 months, and I propose to go again for the purpose of seeing this country. I am in no way antagonistic to the South-West. I want to see the district advance. But I am satisfied that before many years have passed we shall find ourselves in grave difficulties because of our having spent too much money on what is, after all, an experiment. When it comes to settling the South-West, a place with undoubted difficulties in the way of settlement and development, we should proceed on sound and careful lines. Had the Premier brought down a Bill for the construction of 10 or 20 miles, he would have got my support. If he proved that the 10 or 20 miles were capable of the settlement he speaks of, I would be prepared to continue the line right to its end. That would be fair. However, I absolutely refuse to give my vote for the expenditure of at least £800,000 on a project like this when the State is in difficult circumstances, and when the land already settled is handicapped, as regards its development, by the heavy railway freights obtaining in this State. The Premier painted a beautiful picture. I have no doubt whatever of the truth of all he said regarding the beauty of the South-West and of Nornalup Inlet, but we are not building a railway for beauty's sake, or because the traffic from that standpoint will pay. We are asked to build a railway for development purposes, and I am satisfied that there is included in the land to be developed by this railway a lot of swampy, sandy, and poor country. The member for Nelson (Mr. J. H. Smith) made a very extraordinary statement, to the effect that this country is such as one could start dairying in immediately. I ask, why has it not been done? Could any more uncomplimentary reference be made to one's constituents than the hon. member's statement that the country is capable of the greatest possible development, of immediately profitable development, and has not been developed? Why has it not been developed? In the hon. member's electorate of Nelson, there is plenty of undeveloped land served by several lines of railway. Are there not thousands of acres of undeveloped land traversed by those railways? I do not blame

the hon. member for praising his own constituency, but a little moderation is desired in regard to his statements. If it is capable of immediate development, why is that part of the State so backward in that connection? We hear that it is capable of producing three crops of potatoes a year. Then why has not that been done? For a considerable portion of the year we import potatoes from Victoria and Tasmania, and those potatoes are sold in our markets.

Capt. Carter: Potatoes are being exported from the South-West, and are fetching £20 a ton in the Eastern States.

Hon. M. F. TROY: The other evening when the member for Forrest (Mr. O'Loughlen) was speaking on the Estimates, he referred to the terrible plight in which the settlers at Denmark found themselves. In that hon. member's opinion the prospects of those settlers were hopeless.

[The Deputy Speaker took the Chair.]

Hon. P. Collier: And they have a railway.

Hon. M. F. TROY: Not only have they been given a railway but they have an experimental farm, cattle supplied to them, and a butter factory. They have land which, we are told, is similar to the land to be served by the proposed railway. Those people have been settled around Denmark for 15 or 16 years, and yet according to the member for Forrest, whose remarks were borne out by the member for Sussex, they are in a very bad plight indeed. When we hear evidence of that character regarding the people at Denmark, does it not strike hon. members that we should not proceed with the construction of 131 miles of railway at a cost of £800,000 in country similar to that where settlers for over 15 years have not made good and where the prospects are hopeless.

Mr. O'Loughlen: They will win through.

Hon. M. F. TROY: Can any hon. member justify the expenditure of this huge sum of money? I suppose those people at Denmark will win through; in any settlement the people are bound to win through. Even in those parts of South America where the climatic conditions are deadly for the whites, people can win through. They won through at Panama and in similar places, and I have no doubt they will win through here, though it may take a considerable time to do so. The Premier will be well advised if he delays this experiment. A good deal of money has been spent in the South-West, and I do not think that Parliament will be justified in constructing the line proposed at such an enormous cost, when it could be built in sections, and the country proved in this manner. I have no objection to the South-West; I wish that part of the State well. But if I were in the Premier's position I would proceed, not on what are called optimistic lines, but on safe lines; I would build the line 10 or 20 miles at a time in order to prove what people settling along there could do, and then tell Parliament that those people had made good.

Parliament could then be asked to sanction the construction of a further short section.

The Minister for Works: That is what it is proposed to do.

Hon. M. F. TROY: Then let the Bill before the House be withdrawn and another introduced. I am not going to give the Premier a blank cheque; I do not mind supporting the construction of 10 or 20 miles of this suggested railway, but no more. I advocate this because the finances are in such a state that we cannot afford to gamble on the proposition. We have a sufficiently heavy burden to carry, and we are only a handful of people to take on a big proposition such as this. If the Premier were at the head of a banking institution and he had a proposal of this description put before him, I am sure his reply would be on the lines that I have set out. I propose to vote against the second reading of the Bill, but if the Premier will withdraw it and introduce another to provide for the construction of a section of 15 or 20 miles, I will support it.

Mr. McCALLUM (South Fremantle) [5.50]: I have not the least doubt that the country through which it is proposed to take the railway is all that the Premier claims for it. The viewpoint we should take is as to whether this is the best investment that is offered for the capital involved. Will the outlay of £800,000 which will be involved in the construction of this line, be of advantage to Western Australia at the present time? Will it bring in sufficient revenue? Will it assist in the settlement of a large number of people? Is it the soundest financial investment that is offering at the present time? I am convinced that there are better propositions nearer to the city, and closer to existing railways. If that £800,000, or even half of it, were expended on draining part of that area between the Darling Ranges and the coast, starting from close to the metropolis and going as far as Bunbury, there would then be thrown open for settlement enough land which would do all that the extreme South, through which the proposed railway will pass, is said to be capable of. The area to which I refer would settle an equal number, if not more people, and moreover, those settlers would be closer to the markets of the State.

The Premier: There are already a lot of people there.

Hon. P. Collier: And there is room for many more.

Mr. McCALLUM: People could be settled on smaller areas in the locality I have described.

Mr. J. H. Smith: There is not the rainfall in that area.

Mr. McCALLUM: Of course there is; what is the use of talking nonsense. To argue that the rainfall between Perth and Bunbury is not adequate, is absolute nonsense.

Mr. J. H. Smith: You do not get the summer rains.

Mr. McCALLUM: The area gets all the rain that is wanted.

Mr. J. H. Smith: Then why the irrigation at Harvey?

Mr. McCALLUM: My friend had better answer that question himself. I have been through this territory and I know it as well as I know many other parts of the State. The settlers along the route of the proposed new railway will be handicapped by reason of the requirements which they cannot produce having to be hauled a distance of over 200 miles, and then having their products sent back along the same route.

The Premier: No.

Mr. McCALLUM: What is the distance from Perth to Pemberton? Of course there is a port at Bunbury, but how many boats call there? We know also that there are neither cool chambers nor freezing chambers, and the other necessities which would be required in connection with the export of dairy produce overseas. Those cannot be provided at all the ports along the coast for many years to come.

The Minister for Works: They will not be wanted.

Mr. McCALLUM: If the money were to be expended closer to existing railways and closer to the local markets and to the ports where necessary facilities exist, the settlers would be in a good position, and the assets of the State would be improved.

The Premier: Are we not doing that now?

Mr. McCALLUM: Only on a small scale at the Peel Estate. There are many Peel Estates between Fremantle and Bunbury. There are huge areas which, if properly drained, will grow all kinds of grasses.

Mr. A. Thomson: You would have to give them a railway.

Mr. McCALLUM: There is a railway right through now. That district between Fremantle and Armadale, for about five miles on either side of the line, is capable of a good deal, and yet there are fewer settlers there now than there were 10 or 12 years ago.

Mr. A. Thomson: Is the land alienated?

Mr. McCALLUM: It is mostly alienated. The settlers who went there were promised that certain drainage would be done, and they have not been able to make good simply because the water has beaten them. On the blocks where there has been effective drainage, there is to be seen a prolific growth of grasses. This shows what the land is capable of with proper drainage. Scores of men have been driven off the areas in these parts after having battled for many years. Others are just hanging on in the hope that something will be done for them. When we have such possibilities, almost it may be said, at the door of the metropolitan area, and at the back door of Fremantle, the port of export, why should we go hundreds of miles away to build new railways under the conditions I have described. There is no comparison between the two propositions.

The Premier interjected.

Mr. McCALLUM: This end of the line is not being systematically settled at all at the present time. Outside the Peel and Bateman Estates, what is being done? A few lots here and there are being taken up. Where is it all going to end? Are we going on extending our existing railway system without any action being taken to force into cultivation land that is alongside existing lines unused? Why will not the Premier tackle that problem?

The Premier: We are tackling it.

Mr. McCALLUM: In what direction? What action are the Government taking to force landholders holding land adjacent to railways to put their land to proper use, or allow other people to do so?

The Premier: We have the Closer Settlement Bill before Parliament.

Mr. McCALLUM: The Premier is optimistic if he predicts that the Bill will safely reach port. It had a stormy passage in this House as well as in another place. If it survives it will have done well. The expenditure of half this amount of money in the direction I have indicated would bring in greater revenue to the country and place our non-paying railways in a profit-paying position. Our object should be to settle people on the land close to the markets, and also enable them to export more cheaply. In that way we should render it easier for them to make a living than within the area proposed to be served by this railway. It should only be taken in hand after the country lying between Fremantle and Bridgetown has been properly settled. We should tackle that problem first.

The Premier: We are tackling it.

Mr. McCALLUM: Not in that systematic way that the Premier proposes to do under this Bill.

The Premier: Yes, we are. I have told you so.

Mr. McCALLUM: The Government own the land between Jarnadup and Denmark, but the other area I have referred to is mostly privately held. Will not the Premier face that situation?

The Premier: I am facing it now, but why was it not faced 20 years ago?

Mr. McCALLUM: When an attempt was made to face the position, the Premier and some of his friends were opposed to the proposal.

The Premier: Was I? When was that?

Mr. Willcock: That was in regard to the unimproved land values taxation.

Mr. McCALLUM: They would not make effective an unimproved land values taxation. If that had gone through, most of the land adjacent to our railways would by this time have been under cultivation. It is not too late for the Premier to remodel his ideas and come back to the fold, and place something on the statute-book that will force this land into profitable use. If he will do that, we will give him all the assistance we can. It is too much to ask that we should add another

£800,000 to the capital expenditure on our railways when they are already showing a large deficit. Such expenditure would only add to the loss now being incurred in that direction.

The Premier: I do not see why both things should not go on at one and the same time.

Mr. McCALLUM: But can they? Can the State finance the proposition? How can the Government raise the money for both schemes? What will the scheme cost altogether? The railway is to cost £800,000, and as much again will be required for other developments. Probably we should want a couple of millions before the expenditure is finished down there.

The Premier: The timber portion of the line will be a paying one.

The Minister for Works: The first eight miles will go through some fine forest country.

Mr. McCALLUM: The Premier is asking for this amount for the whole railway. He is not proposing to build only one section of it. The Premier is now inferring that other work will be required, such as the opening up of harbours.

The Premier: No. I merely suggest that Fremantle is not the only harbour in the South-West.

Mr. McCALLUM: I thought it was.

The Premier: There are also Bunbury, Albany, and Busselton.

Mr. McCALLUM: Does the Premier propose to erect freezing works and cooling chambers at all these ports?

The Minister for Works: We must find the population first, and the other things will follow.

Mr. McCALLUM: That is what I want. Let us get the people first. Let us put them on land adjacent to our railways.

The Premier: Albany has freezing works already.

Mr. McCALLUM: Yes, but I do not know what they are doing.

Hon. W. C. Angwin: This has been referred to as the white elephant of the Labour Party, but it was built before the Labour Party came into office.

Mr. McCALLUM: I am unable to vote for the construction of this line while other works remain to be pushed on. The money could be used to better advantage and would give better results if spent in the direction I have indicated.

Hon. T. Walker: Yes, at Esperance.

The Premier: Then we will stop the Esperance line.

Mr. McCALLUM: Why add to the railway indebtedness by a proposal of this kind? It is outside the region of practical politics and is entirely unreasonable at the present juncture. In face of the figures quoted by the Leader of the Opposition, how can we go on constructing railways and expect the State to carry further losses?

The Premier: Shall we not get more population by this means?

Mr. McCALLUM: We could get the population settled on land adjacent to existing

railways, and in that way make the railways pay.

The Premier: We are doing that now.

Mr. McCALLUM: If the Premier would enter as methodically into that task as he proposes to do in the case of this railway—

The Premier: I have told the House all about that.

Mr. McCALLUM: I have even paid the Premier the compliment of reading his speech, but he has not laid down any definite proposal.

The Premier: Yes, I have.

Mr. McCALLUM: He has put forward no definite proposal for the development of the country alongside existing railways.

The Premier: Do you want the thing painted on the wall?

Mr. McCALLUM: I want the Premier to set out a scheme in the same way that he has set out a scheme for the area under review.

The Premier: No one knows better than you do what we are accomplishing.

Mr. McCALLUM: I know all about the Peel estate.

The Premier: And that will be followed on with other schemes.

Mr. McCALLUM: I want the Premier to indicate the lines on which he proposes to go. The Premier says with a wave of the hand that it will be done but, on the other hand, he is asking for authority to spend another £800,000.

The Premier: It is easier to say a thing will not be done and then do it, than it is say a thing will be done and do it.

Mr. McCALLUM: I quite agree. I want the Premier to set out his other proposals as well. I want the railways to be made to pay. A strong point in favour of draining the country between the hills and the coast is that it will make available settlement in parts where people will be able to market their produce in a less costly manner, and will be nearer a port from which they can send their produce overseas. We should endeavour to avoid as much freight as possible so that our producers will not be handicapped to that extent.

The Premier: There are four harbours to which they can send their produce.

Mr. McCALLUM: Boats will not call at those harbours unless facilities are provided for them. I am unable to vote for the second reading of this Bill.

Mr. A. THOMSON (Katanning) [6.10]: I approach this question with a certain amount of diffidence. The migration scheme of the Premier, which has had the endorsement of this Parliament, is to a great extent bound up in the construction of at least a portion of this line. I have looked at the map and also visited a portion of the country, and I believe the land is capable of closer settlement. If we made our railways precede settlement, as is the case in Canada, and added a certain amount of the cost of the railway to the land, it would be a better paying proposition for Western Australia. We have invariably sent our settlers on to the

land and told them they will get a railway in due course. Some of them have waited 10 years and longer without having their hopes realised. They have carried out their part of the programme by bringing into a state of production virgin soil, thus creating a valuable asset for the State.

The Premier: And helped themselves too.

Mr. A. THOMSON: No man goes on to the land with the sole object of assisting the State. He wants to help himself. But when he turns virgin land, that is not worth a two-penny stamp into a state of productivity, he is providing a valuable asset for the State. Some of us who represent country districts know that land has not been as productive as it might have been, because people have had to grow their produce in places many miles from a railway and an outlet. Large areas of land have been devoted to sheep which, with railway facilities, would no doubt be more extensively used for the production of cereals. The Government have been somewhat optimistic in asking the House to pass a Bill for the construction of 131 miles of railway through land that is really undeveloped. I recognise, of course, that if the migration scheme is to be a success, and we are going to place these settlers in groups, we must give them facilities for getting their produce to market. If the Government had asked this House to vote for an extension of, say, 30 miles of the present Denmark line to the Frankland River, it would have been a better proposition.

Hon. W. C. Angwin: The other end is the better.

Mr. A. THOMSON: Water transport is generally much cheaper than roads and railways.

Hon. W. C. Angwin: At the other end there are already settlers.

Mr. A. THOMSON: These people will have to send their produce over 200 miles of railway.

Hon. W. C. Angwin: It will not cost much to send butter and all that sort of thing.

Mr. A. THOMSON: It all adds to the cost of production. We could build 30 miles from Denmark to the Frankland River.

Mr. Harrison: Why not 30 miles from the other end?

Mr. A. THOMSON: If that would be of assistance in developing the country, and would serve settlers, it might be a good thing. It might give the Government an opportunity of placing group settlers within close proximity to a railway.

Sitting suspended from 6.15 to 7.50 p.m.

Mr. A. THOMSON: Before the tea adjournment I was suggesting that the Government might well consider the advisability of asking the authority of Parliament for the construction of a railway from Denmark to the Frankland River, because it would bring that area much nearer to a good port than if the line were started at the other end. If the Government saw fit to follow that sugges-

tion, it would bring the area within 60 miles of one of the best ports in Western Australia as against 100 miles to the port of Bunbury. I am not using that argument in favour of one port as against another, but the House is asked to pass a considerable sum of money to aid in the development of the Premier's migration scheme. If we carry the line from Denmark to the Frankland River we all know it is much easier and cheaper to develop the country by water carriage than by means of railways.

The Premier: But we do not want both.

Mr. A. THOMSON: I will elaborate on what I am aiming at. When the Premier spoke subsequent to the Minister for Works introducing the Bill, of what Mr. Boulanger had done and how he had proved what the country along the Frankland River could produce, he also spoke of what Mr. Frank Thompson had done along the Deep River.

Mr. O'Loghlen: The Thompson clan is a fine one!

Mr. A. THOMSON: I agree. I have visited both these centres and spent a fortnight there. In the circumstances, I can speak with a certain amount of knowledge. I admit all that the Premier has said, and taking into consideration that these two gentlemen, to whom the Premier referred, have proved what this particular part of the South-West can do, I believe that if the railway went from Denmark to the Frankland River, we could open up an area that has been tried and proved. The closest neighbour to Mr. Thompson when I was there was 30 or 40 miles distant, near Bridgetown, while the nearest neighbour to Mr. Boulanger was 16 miles distant. Along the Frankland River, Walpole Inlet and Walpole Creek, and also along the Deep River, I believe the areas have already been surveyed and they could be thrown open for selection. In those parts an ideal group settlement scheme could be carried out under the best of conditions. At very small expense, we could provide a small launch which could go along the whole of the water frontages in those parts and pick up the cream, which could be delivered at a central factory. I understand the basis of the Premier's scheme is the butter export trade. We cannot expect to do much in connection with the export of potatoes. I bear in mind the statement by the member for Leederville (Capt. Carter) that some people are purchasing potatoes for £8 10s. and selling them to the East for £20 per ton. We must remember, however, that there have been periods in the history of this State when the potato grower has not received any return at all for his crops. In those cases, there have been gluts and a grower would have been in debt had he sent his potatoes to market, for he would have had to pay railrage charges.

The Minister for Works: It is always a treacherous crop in that way.

Mr. A. THOMSON: I admit that and, therefore, say that we cannot look much to potatoes, from the point of view of cropping

there. On the other hand, we must look forward to an expanding butter industry, that being the basis of the Premier's scheme. If the 30 miles of railway I suggest were authorised and constructed, we would get a much better return from that line than if we were to start from the other end. Of course, that is a debatable point and those representing the other end of the district would probably be confident that the line should come from the Pemberton end. Taking into consideration the fact that these two gentlemen have proved the area I have referred to, my suggestion is well worthy of consideration by the Government. The Premier stated that if we authorised the construction of the railway, it did not mean that we were passing the money for that work. We recognise that, for we know that a Bill has to be brought forward to enable the construction to be carried out. It does not always work out in that way, however, for some of us remember there was a tramway constructed to Como. The line was constructed without the authority of this House.

Mr. Clydesdale: But that was a payable proposition.

Mr. A. THOMSON: I will debate even that point with the member for Canning (Mr. Clydesdale) at another time. It does not always follow that when we authorise the construction of a line that the work will not be carried out, until we authorise the necessary funds.

Hon. P. Collier: You cannot be sure that it will not be constructed when you refuse to authorise it.

Mr. A. THOMSON: That is so. We refused to authorise the construction of the Como tramway line and the Premier promised definitely that it would not be constructed, and yet the line was put down.

Mr. Clydesdale: You have a chance both ways.

Mr. A. THOMSON: I feel very diffident about supporting the measure. I would like the Premier to say if he would be satisfied with 30 or 40 miles at each end, which would be more satisfactory to the House, rather than to ask for the construction of 131 miles?

Mr. Harrison: But your suggestion is more than half way.

The Premier: In any case, the line is one of 115 miles.

The Minister for Mines: And the House always controls railway construction.

Hon. P. Collier: That coming from you!

Mr. A. THOMSON: The Minister should be the last one to interject like that.

The Minister for Mines: Why pick me?

Mr. A. THOMSON: For the Minister for Mines to say that the House controls construction—

The Minister for Mines: The rate of construction.

Mr. A. THOMSON: I do not know that that is so.

Hon. M. F. Troy: What about the Como trams?

The Minister for Mines: This is a railway matter. Do not get confused about the issue.

Hon. M. F. Troy: We are not confused about that issue.

Hon. P. Collier: Not in these days.

Mr. A. THOMSON: The Bill refers to a total length of 131 miles.

The Minister for Works: That includes 16 miles of siding already constructed.

Mr. A. THOMSON: But that has to be rebuilt.

Hon. T. Walker: No, it has to be taken over by the Railway Department.

The Minister for Works: That siding is built with 45-lb. rails. When it is made a standard line those rails will have to be replaced by 60-lb. rails.

Mr. A. THOMSON: Then it is practically a new railway, for it will have to be reconstructed, and that makes up the total length of 131 miles.

The Minister for Mines: As a matter of fact, there was no authority to construct that particular 16 miles. It was one we constructed without authority.

Hon. W. C. Angwin: Yes, but in that instance we built it as a timber line.

Mr. A. THOMSON: One recognises that if the immigration scheme propounded by the Premier is to be successful we must, whether we altogether approve of the whole of this line or not, stand behind the Premier so that he will be able to carry out his promise and give those who desire to come out to Western Australia a reasonable chance of being absorbed in these areas.

Mr. Willecock: Who gave the Premier the authority to make those promises?

Mr. A. THOMSON: The position is that the Premier went Home, pledged this State, and no one has contradicted him. The agreement has been signed with the Home and Commonwealth Governments so far as the money is concerned. I have not seen any evidence that the House is dissatisfied with that aspect. If hon. members did not agree with that, they should have moved that the agreement should not be accepted.

Mr. Willecock: We have had no chance to do so.

Mr. A. THOMSON: If the hon. member were against it, why did he not move in that direction and test the feeling of the House?

Mr. Willecock: One does not desire to bump one's head against a stone wall.

Mr. A. THOMSON: But it sometimes happens that those who bump their heads against the wall, knock the whole wall down.

Mr. Davies: Or smash their heads.

Mr. A. THOMSON: Replying to an interjection I made when I asked whether the money for the railway was to come from the £6,000,000 to be borrowed under the scheme, the Premier said it might or it might not, but the probabilities were that an additional loan would have to be applied for. I take this opportunity to voice my opinion regarding the raising of future loans. We have been told repeatedly in this Chamber and in

the Press that the reason why the large amount of money we are paying to-day, while not showing a profit so far as working expenses are concerned, is because so much sinking fund has to be provided.

Hon. P. Collier: No, mainly interest.

Mr. A. THOMSON: We have to provide the sinking fund as well as the interest.

Hon. P. Collier: The interest and sinking fund together amounted to £2,450,000 for the year.

Mr. A. THOMSON: That is so. There are other parts, however, where they are able to raise money without the necessity for a sinking fund. Our railways are a greater asset now than when they were first constructed. When renewals are made, they are paid for out of revenue. The railway is kept in first-class running order, yet they have to provide a sinking fund on what is a growing and improved asset.

Hon. W. C. Angwin: How can the asset be improving, if we are only maintaining it?

Mr. A. THOMSON: If the State is to advance, our railways must increase in capital value.

Hon. W. C. Angwin: You mean that if we were to sell them we should get more money for them than they cost?

Mr. A. THOMSON: Yes. If the Government must go on the market for loans for new railways, they should see to it that no sinking fund is provided for. It is a farce that we should be purchasing our own stock, placing it in the bank, and continuing to pay interest on it, instead of cancelling those bonds and debentures. I should like to see the Government withdraw the Bill and bring down another for the construction of a 20 or 30 mile section of the railway from Denmark. Then I should be prepared to help the Premier.

The Premier: We always take your advice.

Mr. A. THOMSON: I do not know that. This is very important. The Bill, if passed, will pledge us to the expenditure of £800,000. With further commitments for our soldiers and our immigrants on the land, it is going to mean eight or ten millions. Then there are schools, and other settlement facilities to be provided. So, in passing the Bill we shall be accepting a very grave responsibility, and that on scanty information. The State would get better value if we were to build that 30 miles of railway along the splendid water frontages, instead of agreeing to the Bill.

Hon. W. C. ANGWIN (North-East Fremantle) [7.48]: I cannot understand the hon. member's contention that we should build a railway along splendid water frontages where launches can ply. What is the use of building a railway if we have the water carriage?

Hon. P. Collier: That is to keep a check on the railway rates.

Hon. W. C. ANGWIN: If the hon. member can settle a large number of persons along

water frontages where there is sufficient water for navigation by launches taking away the produce, the railway will not be required.

Mr. A. Thomson: The launches cannot go around the coast to Albany.

Hon. W. C. ANGWIN: But under the hon. member's scheme, Nornalup will be opened up as a port, and the launches will simply carry the produce down to the big steamers at the port.

Mr. A. Thomson: Has the hon. member gone into the question of opening up Nornalup as a port?

Hon. W. C. ANGWIN: The hon. member distinctly stated that we should have launches carrying the produce.

Mr. A. Thomson: Yes, to the railway station at Nornalup.

Mr. SPEAKER: The member for Kataning must keep order.

Hon. W. C. ANGWIN: The hon. member has been there to see the place, and has now furnished an argument why the railway should not be built.

Mr. A. Thomson: I congratulate you on your twisting of my remarks.

Hon. W. C. ANGWIN: The Bill should have further consideration. It would have been better if the Premier had brought down a Bill for the construction of a section of the proposed line. Then, later, we could have had another Bill for a continuation of the line. As it is, we are trying to grasp too much at once.

The Premier: The hon. member put through hundreds of miles of railway in his time.

Hon. W. C. ANGWIN: But we built all that we put through.

The Premier: No, you did not!

Hon. W. C. ANGWIN: Well the hon. member, or the Government of which he was then a member, passed hundreds of miles of railway, leaving the construction to us. We had to build those railways before we could build our own. However, all those railways were built long ago, and are now assisting the development of the State. The Premier, in describing this proposed line, said that five miles of it would run through karri country, but that along the next 10 miles it would be possible to settle a large number of people. He went on to say it was estimated that on the face of that 10 miles of the line, for 12½ miles on either side, there were 160,000 acres suitable for settlement. He declared that he could settle 8,000 farmers on 80,000 acres. We are asked to pass a line which will mean pledging the country to the expenditure of £800,000. In addition we have to provide for the rolling stock and other essentials to the working of the line, which can be put down at, say, another £200,000. There we have a million of money straight away! I am not taking into consideration the cost of settling the people down there, because it is expected that they will repay the amount advanced to them. It is true that it will take a fair sum for the

settlement of the people there, but so long as those people repay the cost, we shall not be carrying any of that burden. Of course there will be other expenses, but they do not matter so much, because the settlers will be able to assist in the provision of schools and other settlement necessities. We have heard a good deal about heavy taxation. The member for Katanning (Mr. A. Thomson) referred to the large sum we are paying in interest and sinking fund. He must have forgotten that, with one exception, we are the lowest taxed people in Australia.

Mr. A. Thomson: We pay £5 5s. per head.

Hon. W. C. ANGWIN: We do not. Victoria is the only State in Australia with taxation lower than ours, and that is only 10s. per head lower. Our direct taxation runs to about £3 per head.

Mr. A. Thomson: I think you will find it is higher than that.

Hon. W. C. ANGWIN: I am taking it from the Government's own figures. It is true we are the highest taxed people in Australia, but that is because of the taxes we pay to the Federal Government, not because of those we pay to the State Government. One must admit that there is in the district to be traversed by the proposed line some of the best land in the State. On my first trip there with the present Minister for Mines, I told him that part of the State reminded me of the old country. With its valleys, its running streams, its undulating country, it made one almost feel that he was in the Old Land again. The want of population was the essential point of difference. I was very much surprised that the Minister for Works should have been so enthusiastic over the Bill. He says there is good land down there. A little while ago he did not think that land was suitable for settlement. In 1918—

The Minister for Works: Five years ago!

Hon. T. Walker: The land has improved since then.

Hon. W. C. ANGWIN: In 1918 the Minister for Works had this to say—

The member for Northam said we could start settlements at Manjimup and Big Brook if the policy of the department were a reasonable one. How many men could we have settled in those districts? At most we could have settled not more than 40 or 50 men in those areas.

The Premier has three or four times that number there now. The Minister for Works continued—

At the present time they are giving employment to nearly 300 men, and the employment of those 300 men is more important than the settling of 40 or 50 men in the heart of the forest, where the work of clearing and the hardships of the pioneering life would be sufficient to drag the heart out of even the lion of Northam.

The Minister for Works: What was that about?

Hon. W. C. ANGWIN: About the present Premier's scheme for the settlement of the South-West. The Minister continued—

I doubt very much if it would even be possible to settle more than 40 or 50 men there. We are supposed to be men with common sense, and to be trying to do the right thing for our returned soldiers, but what is the use of trying to settle 50, or even 100 soldiers in that district where the only market for their produce lies in that created by the men employed at the mills? What is the use of growing cabbages, and cauliflowers, or even fruit, in that district when the only other market is in Perth, and when the produce itself will not realise sufficient to pay the freight upon it. It would be madness to attempt to settle men there. We are asked why we did not put the men into dairying in that district. That particular forest country is absolutely unsuitable for dairying in the early stages of settlement. It is not until the land has been cleared and thoroughly sweetened and the grasses have grown upon it, that there is any possible chance of doing anything in connection with dairying there. In the meantime are we going to break the hearts of these men who have been fighting for us? No. If we are to settle these men—and we have to settle them—for heaven's sake let us settle them where there is some chance of their making a decent living, so that we may deserve their gratitude instead of something like their hatred.

The Minister for Works: We did not have a group settlement scheme then.

The Premier: You all supported me then.

Hon. W. C. ANGWIN: Yes, every one of us.

The Premier: Now you are not supporting me.

Hon. W. C. ANGWIN: We are taking the same line as we took then. We are consistent. The Premier is the only man who has changed his position.

Hon. P. Collier: The Minister for Works has changed his position.

Hon. W. C. ANGWIN: No, he has changed his views.

Hon. P. Collier: He has changed his views with his leader.

Hon. W. C. ANGWIN: There may be some doubt as to whether people can be properly settled there. I have confidence that the land is suitable for settlement, and I also believe it will give greater satisfaction to people from the Old Country than would land in the wheat areas. The climatic conditions more closely resemble those to which English people have been accustomed, and there is no doubt in my mind that, given proper marketing facilities, butter factories and transport arrangements, this will become one of the brightest spots in the State.

The Premier: I am glad to have your support.

Hon. W. C. ANGWIN: I intend to vote for the second reading.

The Premier: That is good.

Hon. W. C. ANGWIN: But I want the Premier to realise that it is necessary to amend the Bill in Committee.

The Premier: In what direction?

Hon. W. C. ANGWIN: Reduce the length of the line. We are not warranted in passing nearly a million of money for the construction of this line. Let us settle an area for a short distance out of Pemberton first of all.

Mr. A. Thomson: What about Denmark?

The Minister for Mines: I ask "Why at Pemberton?"

Hon. W. C. ANGWIN: Because the Premier has made that the starting point for the line.

Mr. O'Loughlen: Denmark is the starting point.

Hon. P. Collier: If he takes the other end we shall go with him for 10 miles.

Hon. W. C. ANGWIN: The member for Katanning said there was water at the other end. If it is possible to carry the produce by water, that will be much cheaper than carrying it by rail.

Mr. A. Thomson interjected.

Hon. W. C. ANGWIN: I have not been there. I do not know. The member for Nelson (Mr. J. H. Smith) was not too enthusiastic about the line.

Mr. Willcock: He boosted the country a bit.

Hon. W. C. ANGWIN: But he wanted another line; he said it should take some other direction. He was not quite satisfied with this proposed railway, though he said he was going to support the Bill. He put up a very good suggestion, however, that members should see this country.

The Premier: Get through the business tomorrow and we shall go down.

Hon. W. C. ANGWIN: It would be a good thing if members could see the country before being asked to vote for the expenditure of £800,000.

The Minister for Works: Some would never come back, but would stay there.

Hon. P. Collier: We cannot lightly disregard your statement that it is a fantastic scheme.

Hon. W. C. ANGWIN: In years gone by no railway was authorised involving an outlay of anything like the expenditure that will be necessary to build this line.

The Premier: Oh yes, the railway from Fremantle to Merredin, 183 miles at £6,000 a mile was put through by you.

Hon. W. C. ANGWIN: That did not cost £800,000.

The Premier: The cost was 1½ millions.

Hon. W. C. ANGWIN: I am not too sure of that. The Premier would vote for a railway to the moon without considering the financial position, so long as that railway would be likely to develop Western Australia. The length of the proposed line is too great. There would be no possibility of completing it for many years.

Hon. P. Collier: Or even of starting it.

Mr. A. Thomson: If you are going to do any good with the groups, you want to build it at once.

Hon. W. C. ANGWIN: The line from Busselton onwards, which has just been started, will serve a large number of group settlers, and it will be a year or two before the

groups on this line of railway are likely to have much use for the line. I was surprised to hear the member for Katanning (Mr. A. Thomson) ask the Premier whether he was going to use any of the six millions of money for the construction of this line. The hon. member has repeatedly been told in this Chamber that three millions of the six millions was to assist settlers already on the land.

Mr. A. Thomson: You had better come over to this side of the House.

Hon. W. C. ANGWIN: I merely point out that the hon. member is not paying the attention that he should pay to his duties.

Mr. A. Thomson: I refer you to the Premier's speech.

Hon. W. C. ANGWIN: If the Premier is going to settle 6,000 people at £1,000 apiece—

Mr. A. Thomson: The Premier's reply was that it might be part of the six millions.

Mr. SPEAKER: The member for Katanning must keep order.

Hon. W. C. ANGWIN: The Premier also stated that if any additional money was necessary it would have to be raised by way of loan.

Mr. A. Thomson: That is so, and I dealt with it.

Hon. W. C. ANGWIN: Would anyone think for a moment that, after three millions of the six millions had been advanced to men already on the land, another million would be taken out for the construction of this railway? The expenditure of this £800,000 will mean increased indebtedness, and it is the duty of every member to consider very carefully the whole position before committing the country to any increased expenditure. The member for Katanning remarked to the member for Mt. Magnet (Hon. M. F. Troy): "Why worry about the deficit?" I am pleased to say some members do worry about the deficit, and I regret to say that they are on my side of the House. If members on the Government side would worry more about the deficit, the financial position might be improved. Unfortunately they do not worry. We who represent the working people realise that the growing deficit and the increased expenditure will bear harder upon the working people than upon other sections of the community.

Mr. MacCallum Smith: You did not worry when you were on this side of the House.

Hon. W. C. ANGWIN: Yes, we did.

Hon. P. Collier: You worried with regard to a million, but you do not worry now.

Hon. W. C. ANGWIN: If the whole of the money due had been paid to the Government during 1916, there would not have been a shilling deficit in that year.

The Premier: What, with the wages we are paying?

Hon. W. C. ANGWIN: We have to take conditions as they exist.

Mr. O'Loughlin: You have put up all the rates and charges.

Hon. W. C. ANGWIN: The Premier has increased taxation by 100 per cent.

Hon. P. Collier: About 120 per cent.

Hon. W. C. ANGWIN: And all other charges have been raised.

Hon. M. F. Troy: The Government will ruin the country with their increased railway rates.

Hon. W. C. ANGWIN: I would refer the member for North Perth (Mr. MacCallum Smith) to the Auditor General's report for 1916, and he will see that what I have stated is correct. Western Australia is suffering because of the change of Government on that occasion.

The Premier: That is what you told the people down the line the other day. You said you would have built the line.

Hon. W. C. ANGWIN: And I do not wish the House to pass another Bill which another Government some years hence might repudiate. The Premier should consider my suggestion to alter the schedule and reduce the length of the line.

Mr. Davies: Do you think the line should be built from both ends?

Hon. W. C. ANGWIN: That is a matter for the Premier. I know the country at one end of the line. The other end I do not know. I suggest that we strike out all the words in the schedule after "43 miles" in line 4. If the Premier would agree to that, the House would have quite enough to consider at the present time. That length of railway would provide for the settling of a large number of people. It would open up a big area of good land and would provide for the settlers already there, whilst it would also represent a start towards the development of the scheme which the Premier has so much at heart. I support the second reading.

Mr. WILLCOCK (Geraldton) [8.15]: I am not prepared to support the construction of any railways in this State while we are in our present financial position. In his Budget speech the Premier said our financial position was largely due to the fact of our public utilities being far in excess of our population. Strange to say, his remedy is to build more railways and more public utilities, and increase our indebtedness.

The Premier: Build boat slips, for instance.

Mr. WILLCOCK: We should not build either boat slips or anything else that is not absolutely required. Of course we can put our tongues in our cheeks and say what we do not mean, but every member of the House must acknowledge that we have plenty of land available close to existing railways. Stretches of unutilised country can be found every 10 miles along the existing lines. We are more overbuilt in the matter of railways than any country in the world; and that is apart from the thousand miles or so of private railways in the State. Moreover, about half our population is centred in the metropolitan area. The producers of this country have to carry the burden of interest and sinking fund on railway construction, and there are only 40 people outside the metropolitan area to every mile of line—the rest being in the city, or else in the North-West out of reach of railways. That

difficulty is going to be accentuated if we build the line proposed by this measure. I am sure the majority of members here are convinced in their own minds, though they do not always state it in the House, that our constructed railways are sufficient for double our present population. Why go further? The Premier takes up on this measure, as he has done on others, the attitude, "I will ask for 120 miles, and so I will get the 30 or 40 miles which is all I want for the next 10 years." That was the attitude he adopted on the Licensing Act Amendment Bill; he asked for £100,000 and was satisfied with £50,000.

The Premier: Nothing of the sort.

Mr. WILLCOCK: Well, the Premier had to be satisfied with £50,000. There is plenty of good land in the South-West but the fact remains, as pointed out by the member for Mt. Magnet (Hon. M. F. Troy), that the South-West was the first portion of the State to be settled. From the very commencement of settlement everyone acknowledged the existence of good land in the South-West. It strikes me that the member for Katanning (Mr. A. Thomson) is very like a magpie; if he is not addressing the Chair, he chatters all the same. The hon. member gets a pretty good hearing himself, and might let other members speak in their turn. I think you, Mr. Speaker, have called the hon. member to order about 10 times in the course of this sitting. A number of people have made homes in the South-West, but from the earliest period of settlement it has been recognised that the cost of bringing south-western land into the productive stage was too great to be undertaken by a small community. With the financial position worse than it has been in any period of the State's history, with a deficit of six millions, we are now asked to undertake the development of the South-West, which was too costly to be tackled at any previous period. Lord Forrest understood the potentialities—if I may use that word again—of the South-West, and we recognise them. The only question is, can we afford to develop the South-West?

The Premier: Can we afford not to do it?

Mr. WILLCOCK: We cannot afford to have our huge railway system surrounded by unproductive land. Everybody will agree with that.

The Premier: I agree with that.

Mr. WILLCOCK: Yet we set out to accentuate the evil by constructing further railways.

The Minister for Works: That does not follow.

Mr. WILLCOCK: It follows, and it applies in this instance. The successful development of even that portion of the South-West within 10 miles of the proposed railway can easily cost within the neighbourhood of ten millions. Our experience has been that we cannot settle a man on the land at a cost of less than about £1,000. To settle eight thousand people at £1,000 each therefore represents £8,000,000. There have been times in the history of the State when there was money to burn, but this is not one of those times. In the early years of Federation there was money to burn. Minis-

ters were then going round the country asking the people what money they wanted. In those days the lot of a member of Parliament must have been a very easy one. I remember a Minister asking the people at Mt. Magnet did they want money for a recreation ground. We did not know we could get any money, but we told the Minister we could do with £150; and in about a fortnight we got a cheque for the amount. That was the time when money might have been devoted to the settlement of the South-West. I hope those days will come again, but they are not yet on the horizon. This project has to be regarded purely as a business proposition: can we afford to do it? With our sparse population, and in view of our existing railways, I say we should not construct further lines. Our burden is already too great. This is a matter I should deal with more fully on the Railway Estimates, but I may say now that our railways are not supporting a large population because the railway rates are too high. As regards the railway now proposed, I believe that in 40 or 50 years' time—

The Premier: They said that 50 years ago.

Mr. WILLCOCK: Yes, and they were sensible men, and refrained from an impossible undertaking.

The Premier: You would have said it was foolish to build the line to the Great Boulder.

Mr. WILLCOCK: It is an entirely different proposition where we can get a certain and a quick return for our money.

The Premier: Let us toss up whether we build this line or not.

Mr. WILLCOCK: I know the Premier has sufficient support to pass the Bill, and therefore I would be willing to toss. I do not think the line will pay. When that portion of the State is developed, it will support a population of millions, because the land is there, but the present is not the time to develop it. As the Minister for Works put the position very properly four or five years ago, we must do something to provide market facilities for our settlers. If we go in largely for dairying, we shall have to export dairy products largely. We are now reaching the stage of supplying all our consumption of butter from Geraldton, Northam, and the wheat belt without touching the South-West at all. The developments of the last two years absolutely demonstrate that. We are now producing, quite without this proposed development of the South-West, half the butter that is consumed in Western Australia.

Mr. Teesdale: What about a bit of export?

Mr. WILLCOCK: The development along this proposed railway will give us products that we shall have to export, but those products are to be obtained in a place distant 200 or 300 miles from a port, unless, indeed, we are to incur the expense of constructing a harbour in that portion of the State. We have to consider closely the question of marketing our products. The South Australian Government, and the Fuller Government in

New South Wales, recognise the absolute uselessness of putting people on the land unless marketing facilities are provided, similarly to what was done at Kendenup, although the money was not put in there. What is the position as to the sale of fruit here? Almost every local fruit grower says that at a certain period of the year it actually does not pay him to send his fruit to the Perth market. A grower at Chidlow's Well, about 30 miles out of Perth, tells me that the commission agent gets more out of the fruit than he himself does for growing it the whole year. If the export of fruit is going to be loaded up with railway freights over a distance of 200 or 300 miles, it will not be possible for the people growing fruit in those parts to compete against others who are more favourably situated.

Mr. J. H. Smith: Then to what have we to look forward?

Mr. WILLCOCK: The member for South Fremantle struck a good note when he said that we can effectively produce everything that we require in that portion of the State situated in close proximity to ports. Between Fremantle and Bunbury there is land which is capable of producing millions of pounds of butter for export.

Mr. J. H. Smith: You cannot produce fruit there.

Mr. WILLCOCK: How will it be possible to carry fruit over 200 or 300 miles of railway?

Mr. J. H. Smith: Why cart it to Fremantle?

Mr. WILLCOCK: While I was at Bridgetown a little while ago I met settlers who told me they were thinking seriously of getting out of the fruit growing business because they could not make it pay. The fact that they were situated 120 or 130 miles from a port was a serious handicap to them, so much so that they did not get anything like an adequate return. We have heard a good deal about growing potatoes in the South-West. I conversed with many settlers on the occasion of that trip and all declared that they could not produce potatoes at less than £6 a ton.

The Minister for Works: And they are successfully exporting potatoes to-day.

Mr. WILLCOCK: Just at one particular time. It may occur once in 10 or 15 years that the price of potatoes in Sydney is £20 a ton.

Capt. Carter: In the South-West they were getting only £8 a ton for them.

Mr. WILLCOCK: I do not feel disposed to support the Bill, because settlement along the proposed line of railway cannot be carried out without the expenditure of more money than we can afford.

The MINISTER FOR MINES (Hon. J. Seaddan—Albany) [8.35]: I was interested in the attitude adopted by the member for Geraldton on the question of building railways in the southern part of the State, for the reason that he claimed that the Geraldton

district could produce all the butter required for home consumption, and that therefore, nothing further was necessary. No one in the State appreciates the development that is taking place in the northern parts more than the people who are struggling under adverse conditions in the southern part of the State. If there is any part of Western Australia where people are genuinely anxious to assist in development, it is that part which the member for Geraldton represents. Such a thing as jealousy between the various parts of the State is unknown, and I am unable to understand the hon. member giving utterance to any objection to the opening up of a part of the State which should be served by a railway.

Mr. Willcock: I did not do anything of the kind; you are misrepresenting what I said.

The MINISTER FOR MINES: The hon. member said that the district he represented, and the northern districts were capable of producing all the butter that would be required for home consumption.

Mr. Willcock: On a point of order. The Minister is attributing to me something that I did not say. I referred to the Northam district, not the northern district.

The MINISTER FOR MINES: I understood the hon. member to say that he was referring to the northern district.

Mr. Willcock: I said Northam and the Wheat Belt.

The MINISTER FOR MINES: We can accept the hon. member's statement. In any case, that does not affect the position that the southern portion of the State cannot be developed unless it has railway communication. It is almost impossible to construct roads except at heavy capital cost, equal to the cost of constructing a railway, and much heavier to maintain. The hon. member drew attention to the fact that we have a sparsely populated territory already served by railways, but he neglected to point out that many of our railways are built over great distances to serve mining communities. He adopts the attitude that we have an extensive railway system running into mining centres that are sparsely populated, and for that reason we must not build railways through areas that can be more closely populated, and are capable of producing for all time commodities that the world requires and is demanding. He adopts an attitude that is entirely opposed to all business methods. The hon. member will appreciate that there are businesses operating in this State that have had to pass through a struggling time, when those conducting them might easily have viewed the position from the standpoint of the business then being carried on, and closed their doors. But those businesses ventured on new lines and said, "If we are going to make the business pay, we must put more capital into it and develop it in an entirely different direction." The people who did that succeeded and got through. The land

that the proposed railway will serve is good, and well watered, and there is magnificent timber on it. Must it be permitted to remain idle because, unfortunately, we have a small number of people, comparatively speaking, along our existing railway lines? Even if the hon. member excludes for the moment the mileage being operated in certain mining districts which are sparsely populated, and which must depend almost entirely on the production of gold—if he will exclude those, he must still realise that if we are to undertake the work of settling people on the land in a bigger way along existing railways, the capital cost of resuming land will be greater than that of opening up new territory. I ask which is the preferable course—for the Government to make use of the funds available to open up lands belonging to the State and settling on those lands additional people, or to utilise the money in purchasing estates from private people?

Hon. P. Collier: It is conceivable that the purchase of private estates would be cheaper than the other.

Mr. Willcock: You could do what you desire with a tax.

The MINISTER FOR MINES: I have heard that for a long time past.

Hon. P. Collier: You have not only heard it, but given expression to it.

The MINISTER FOR MINES: The Leader of the Opposition has taken the words out of my mouth. It was one of the things which he and I, as far back as 1905, expressed in this House, but we are no nearer to it to-day than we were then. Do our friends opposite suggest that because we made no progress along the lines suggested in 1905, we should still continue to make no progress.

Mr. Lutey: You were not obstructed in 1905.

The MINISTER FOR MINES: The fact remains that we were obstructed.

Hon. M. F. Troy: Look at the company you are in now.

The MINISTER FOR MINES: It does not matter about the company. Hon. members object to the length of the line, and the amount of money it will cost. There is no line which can be constructed in this State that will offer the same facilities for the settlement of so great a number of people per mile as the line between Jarnadup and Denmark. One must admit that the whole of that land is not first class. Therefore, every acre will not be immediately settled. There has never been the opportunity previously to construct under the authority of Parliament so much of a railway line as is necessary to obtain a definite settlement of a particular area and only that. If we are to serve a belt of wheat country, we construct a line through the whole of the territory, and it is years before sufficient is produced from that territory to make the line a paying proposition. In this case the line can be constructed from both ends if we like, but only a sufficient length at a time to permit of settlement

which will be able to make some return on the construction of the line. The timber which will be required for sleepers and for bridge building is right on the spot. Employment will be immediately found for those in the district, and those people will have an opportunity of doing work which will be of advantage to them and to the State as well. This is a territory that has been too long neglected. It is not for me to talk about the nature of the land, but most people will admit the truth of what has been said of it. Some day it will be realised that the best part of our State from the point of view of producing those things required for export, is that part situated between the Bunbury and Bridgetown territory and the Great Southern railway. I have said it in this House, and I repeat it, that it is inconceivable that we have built railways in those drier parts but have neglected the western side of the Great Southern, which is well watered and available for settlement.

Mr. Harrison: Is that not on account of the cost of clearing?

The MINISTER FOR MINES: The hon. member will find that the cost of clearing in the Bridgetown-Denmark and Bridgetown Flinders Bay country, if taken in the gross, will not be very much greater than the cost of clearing in most of our wheat areas.

Mr. Harrison: I question that.

The MINISTER FOR MINES: The hon. member may do so. A percentage of the land will be retained permanently for State forest purposes. That land will not be cleared. Too frequently in years gone by, when huge tracts of magnificent karri timber were rung and killed, we judged from that the cost of clearing in the South-West. That is not the sort of country that will be made available for settlement in this area. It will be retained as permanent timber reserves for the State. There is a tremendous territory between Bridgetown and Denmark and Bridgetown and Flinders Bay which is not heavily timbered, but is exceptionally good land for dairying purposes. It will not be so costly, as may be imagined, to settle families there to the benefit of themselves and the State.

Mr. Harrison: What is your estimate as to the average cost of clearing?

The MINISTER FOR MINES: I am not making an estimate.

Hon. P. Collier: You are merely guessing at it.

The MINISTER FOR MINES: I know the country, and that is why I am making this statement. The cost of clearing is all a question of whether the productivity of the land per acre will be such that it will pay people to settle upon it. The member for Avon (Mr. Harrison) could find land in his own district which required practically no clearing at all, but would be valueless from the point of view of production. He knows the more heavily timbered country is the better class of country. The initial cost is not the consideration, but the value of the land when cleared.

Mr. Harrison: The capital cost is a big factor.

The MINISTER FOR MINES: If the proposal had been to ask for authority to construct

115 miles of railway into a territory which has not been settled at all, hon. members would be justified in crying a halt. That, however, is not the proposal. The Premier has definitely stated he requires authority to build this line on the understanding that so much will be built from time to time as the land is settled, or made available for settlement. That is a policy which has been followed in Canada by the railway companies for years past. They do not build a railway because there is a clamour for it, say, 150 miles from the railhead, but build on the basis of the actual settlement on land. They will not permit further land to be made available for settlement until that which is served by the latest extension is developed.

Mr. Chesson: If that had been done along our existing railways, we would be in a better position to-day.

The MINISTER FOR MINES: That is so, but it was not done. It was not possible to introduce that policy at the time. We commenced building railways into our agricultural areas prior to the advent of the Moore Government, when free selection of land was permitted. A man could go out 50 miles from a railway and take up a block. Immediately he had done so others would follow him, until eventually there was a clamour from the settlers for railway facilities. We built our railways in compliance with public demands, and very often overlooked other land in between which has not been developed as it should have been. Here we have an opportunity of opening up a magnificent territory that offers excellent opportunities for settlement. It will carry a larger population per mile of railway than any other part of the country at present served by our railway system, and will do this at no greater cost. Under the group settlement system we shall be able to make sections of the line payable before extensions are made. That should warrant members in conceding the necessity for passing the second reading of this Bill. I said by way of interjection that this House would still control the rate of construction. Although we may get permission to construct, it is only authority to do the work, and the actual authority to expend money must be provided by Parliament on the Annual Estimates.

Mr. Willcock: You very often re-appropriate money.

Mr. Munsie: You started the Lake Clifton railway without authority.

The MINISTER FOR MINES: No Government would build 115 miles of railway if provision had only been made on the Estimates for 40 miles. Such a rate of construction, however, is not conceivable and is not suggested. If the Premier had not been definite on the point, hon. members might be justified in their criticism. He was, however, very definite.

Hon. P. Collier: He may go to England again and leave his colleagues behind. He gave us a definite promise once before.

The MINISTER FOR MINES: It would be very ill-advised on my part to suggest that if that were to happen, greater progress might occur in his absence. I will not, of course, make such a suggestion. Some years ago the Premier showed his earnestness in the matter of developing our agricultural areas, when he opened up the large wheat growing territory in the State.

At that time he was looked upon as aiming in the dark and taking unnecessary risks. To-day he is asked, in view of what has been done in the wheat areas, to turn his attention to a province which has far too long been neglected. To-day there is exactly the same sort of croaking heard. Western Australia suffers a great deal from people who stay awake at night to find something to grumble about the next day, instead of perhaps spending a few moments in discovering the many good points of the State and acquainting people outside with them. This State is worth boasting about.

Hon. P. Collier: That argument could be used about every proposal.

The MINISTER FOR MINES: There is no suggestion that that is not so. Criticism is sometimes very justifiable.

Hon. P. Collier: Does not an amount of £800,000 justify legitimate criticism without people being charged with being croakers?

The MINISTER FOR MINES: That is so. Genuine criticism, however, is a different thing from stating that the time is not opportune for such and such a work to be done. That is the most successful method of croaking. It is an attitude that is always adopted when the criticism is not genuine. The southern end of the State is suffering from certain disabilities at present. While we have in Albany and Flinders Bay magnificent ports, neither is of much use because the hinterland is not available for development. It can be made available only by the construction of railways. The member for North-East Fremantle (Hon. W. C. Angwin) talks about the water frontages. The member for Katanning (Mr. A. Thomson) said that the Frankland River could be used as a means of transport and the water frontages developed in that way. That could be done as far as the Nornalup Inlet, but further facilities would be required for the marketing of the produce. To encourage that kind of development without these facilities would be waste of money.

Hon. W. C. Angwin: I may say I have not been there.

The MINISTER FOR MINES: It is economical to open up our water ways wherever it is possible, so that produce may be carried more cheaply than by other means. On the Kalbar and King Rivers opportunities are presented of carrying produce by water. All that is required is to clear and snag the rivers. Following that there must be a railway within striking distance in order that the produce may be marketed. To make Nornalup a port would cost twice as much as to build the railway. It is not yet a practical proposition, though it may be some day. If we can place our producers in a better position by making Nornalup a harbour, it can be considered when the time comes. From our Southern coast line to our nearest railway adjoining the Perth-Bridgetown line is not less than 120 miles. The Katanning-Kojonup line is the nearest we have joining the Great Southern and the Western line. We have a big territory available for settlement when the opportunity presents itself. The member for North-East Fremantle says that people induced to come here from the Old Country would be able to settle there and become acclimatised more readily than in any other part of the State. I do not say they will all have to be settled in

this district. They cannot all become potato or apple growers or dairy farmers. Many, however, could produce as successfully as in the South-West of Victoria, or indeed anywhere else.

Hon. W. C. Angwin: You will want 4,000 settlers to provide for our own requirements in the matter of dairy produce.

The MINISTER FOR MINES: Yes, we have a big market to overtake to meet our own requirements. We also require to overtake the local demand in order that we may export commodities, and purchase others that we cannot produce ourselves.

Hon. W. C. Angwin: Dairying is the best industry of all.

The MINISTER FOR MINES: We cannot readily overtake the overseas demand for a good marketable butter. It is not a matter of obtaining authority to construct the whole railway but of building so much as will enable the country to be developed along the lines already being pursued with such success by the Premier. Probably sooner than we think there will be great developments in Western Australia in many directions, such as will cause not only a large flow of immigrants, assisted and otherwise, to set in but create a general demand on the part of people to settle in a country that presents such opportunities as Western Australia does. In cotton alone there are great possibilities for this State. Our mineral resources are more important than we realise, and will be developed more rapidly than people imagine. I believe there are great possibilities before this State in the matter of mineral developments, and side by side with this we should encourage, to the utmost extent, settlement on the land. In 1912 we obtained authority to construct 180 miles of railway, but not one mile of it has yet been built. It was not intended to construct the whole line.

Hon. W. C. Angwin: To what line do you refer?

The MINISTER FOR MINES: To the line between Merredin and Kalgoorlie: the 4 ft. 8½ in. gauge in connection with the Trans-continental railway. It was then pointed out that if certain conditions arose it might be desirable for the Government to undertake the construction. We asked in that case for authority for the construction, not of 20 miles but of 183 miles. Those conditions, however, did not arise and we did not exercise the authority.

Mr. Chesson: That was because you did not get the money from the Commonwealth.

The MINISTER FOR MINES: It was not a question of that either. In these circumstances, it is desirable to have the authority for the construction of the line for the whole length. By getting that authority, we will let it be known that we recognise we must open up that neglected area in the South-West, and we will construct that line as Parliament will eventually permit, when the votes are passed on the Estimates.

Hon. W. C. Angwin: You know very well that the vote is carried as brought forward on the Estimates, and you can keep on with the construction until the line is completed.

The MINISTER FOR MINES: Will the member for North-East Fremantle suggest that the Premier would be foolish enough—

Hon. W. C. Angwin: Oh, I have been through it and know what it is!

The MINISTER FOR MINES: Would the Premier bring down a Bill for the construction of a line costing £800,000 and do it in one year?

Hon. W. C. Angwin: He could not do it, but that is not the point.

The MINISTER FOR MINES: What is the point?

Hon. W. C. Angwin: You could go on each year until it was completed.

The MINISTER FOR MINES: Was that what the Premier said?

Hon. W. C. Angwin: He said he would do it by instalments.

The MINISTER FOR MINES: I do not see there is any distinction.

Hon. W. C. Angwin: But he would go on until the line was completed.

The MINISTER FOR MINES: It may be found that it is desirable to hold up the construction for a couple of years until the settlement has increased to the extent that the additional length of line will be warranted. We know that there is a very big territory of good land in the South-West, as big as the State of Victoria, that has to be developed, and that land can be opened up only by the extension of railways. Our railway system to-day has been built up so as to open up the agricultural, horticultural and timber industries by settling the areas I refer to. There will be a big population there in the future. Despite the fact that our railways have to traverse such long distances, hon. members should realise that, in comparison with other railways throughout the world, ours are paying just as well. It is because of the long haulage that we have to cope with, in order to assist the mining industry and others, that we are faced with difficulties in connection with our railway finances.

Hon. W. C. Angwin: Not only mining.

Mr. Chesson: You carry a lot of backloading on the railways from the Murchison.

The MINISTER FOR MINES: Of what sort?

Mr. Chesson: Why, you take back cattle and sheep.

The MINISTER FOR MINES: I thought so! The hon. member should realise that that is not backloading at all. We have to convey the cattle trucks to those outback centres empty.

Mr. Chesson: You charge on that.

Mr. Marshall: Then again, you get copper ore from other parts as backloading.

The MINISTER FOR MINES: There is a certain amount of backloading, but nothing like what is secured in a thickly populated State like Victoria.

Mr. Lambert: The lay-out of our railways was bad from the start.

The MINISTER FOR MINES: I cannot help that. I do not take up the attitude that because our railways are in that condition, they should all be torn up and rebuilt. Our system is there and we must take it as we find it. There is a huge territory to be served by the railway proposed, and that territory cannot be developed without a line. In these circumstances, it is necessary that a start should be made with the construction. Hon. members should realise that this is not a line to be built from one point of our railway system to a dead end. It is a line to go from one part of our system to another. Thus, it gives us an opportunity to speed up settlement by constructing the line from both

ends. Thus, too, we will be able to start settling people from both ends of the district to be served. We can build 30 miles each year and settle the area served and that will be equal to practically 120 miles built to a dead end. That is an advantage that does not always present itself when railway construction is being authorised. In effect, we shall be actually constructing two lines of railway, seeing that we shall be building from the two points towards the centre. Moreover, supplies are readily at hand. We have timber for all our requirements on the spot and a good harbour at one end, and we shall be no great distance from another good harbour at the other end. Our material can be landed economically. The construction generally can be carried out more economically than has been experienced in connection with most of the railways for which Parliamentary authority has been obtained. I hope the Bill will be passed and that the House will agree that it is desirable that construction shall take place from both ends. I am not asking for the line to be started from the Denmark end so as to open up the Nornalup Inlet areas, although, probably, I would be quite satisfied if that were done. I do not think that is a right policy to pursue and, therefore, I advocate that the line should be constructed from both ends. Both the Pemberton and Denmark areas could then be made available for settlement and the settlement could extend as the line was constructed, making use of land which is of so much value to the State.

Hon. W. C. Angwin: There is better land at Pemberton.

THE MINISTER FOR MINES: I do not think there is. There is just as good land at Denmark. At the same time, we do not wish to deery any part of the State. There is good land that can be economically settled and this will enable the immigration policy to be availed of.

Mr. Hickmott: Is there good timber at the Denmark end?

THE MINISTER FOR MINES: Of course, there is.

Mr. LAMBERT (Coolgardie) [9.7]: It is about time that the House put a brake on the drunken orgy of railway construction in this State.

The Minister for Works: We are mostly teetotallers.

Mr. LAMBERT: The Government are not teetotallers in the expenditure of public funds. On the other hand, they are content to continue in a drunken orgy of public works construction far ahead of what the people are able to bear. It is all very well for the Minister for Mines to talk about large areas which are waiting to be opened up. It is all very well for him to say they are as big as Victoria. It is true that there is a big area awaiting development and there is, in addition, the great North-West to be opened up. There is room perhaps for 50 or 100 millions to be spent in railway construction and water conservation, but whether the people of Western Australia, who are already staggering under a stinging burden of taxation, can shoulder the additional public indebtedness, is a question that has to be settled before we are justified in extending development in those directions. I was struck by the remarks of the Leader of the Opposition. They were in contradistinction to those of the Minister for Mines. The Leader

of the Opposition said that it would be sound policy to buy land alongside existing railways. It is all very well for the Minister to say that it would cost more than railway construction.

Mr. Davies: Could you get such land for closer settlement?

Mr. LAMBERT: Yes, and at a reasonably cheap figure. The Government should bring down legislation to enable them to do that, and a considerable area of land which is not worked to-day could be taken over. It is a regrettable fact that we are burdened with a land policy that has enabled two-thirds of the areas adjacent to the railways to lie unused and idle. That goes on year after year, and yet the Government do not raise a finger to make the people utilise their properties to an adequate degree. Until the Premier chooses to do that, I do not think the House is justified in permitting the Government to spend another penny on the construction of railways. There is a difference between spending a million pounds in resuming property and spending a million pounds on the construction of a line to open up new country. The construction of such a line merely adds an additional burden to our railway finances. The House would be justified in staying the hands of the Government and refusing them permission to continue on their drunken orgy.

The Premier: You are not justified in saying that at all.

Mr. LAMBERT: I refer not only to this Government, but to all the Governments that have been in power for years past.

The Premier: Attack other Governments, but not the present Government!

Mr. LAMBERT: For years past there has been a drunken orgy.

The Premier: This is sheer funk all the time.

Mr. LAMBERT: It is not funk at all.

The Premier: It is.

Mr. LAMBERT: On the other hand the expenditure of 50 millions in the North-West and 50 millions in the South-West would be justified if we had the population to meet the interest and sinking fund charges. But whether the mere handful of people we have to-day should be saddled with the extra charges for interest and sinking fund on such a big public works policy as that laid down, with a total disregard for the financial conditions, is a different question altogether.

The Premier: There would be no question if that were the case, but you know it is not.

Mr. LAMBERT: The fact that we have an accumulated deficit mounting at the rate of a million pounds per annum furnishes some indication of our financial condition. Surely it is some indication to the people of the State that we should not continue public works construction as we have been doing.

Mr. A. Thomson: Sometimes we have to spend more in order to make good.

Mr. LAMBERT: But where is it to stop? The people are heavily taxed to-day and they cannot meet the outgoings for the ordinary functions of Government to the extent of a million pounds a year.

The Premier: No, you are out by about £300,000.

Mr. LAMBERT: Even if I were out by that figure I would be making a conservative state-

ment compared with some that the Premier makes from time to time.

The Premier: Not at all.

Mr. LAMBERT: Yes, that is so. It seems to me there is a total disregard on the part of members, of the financial position. There is no more deplorable spectacle in national finances to-day than of this small handful of people in Western Australia not paying their way to the extent of nearly three-quarters of a million per annum. That amount is being funded year after year and yet we go ahead on some highly gambling speculative plan. If we do not stop public works construction along these lines, we will never get out of our difficulties.

The Premier: If you had a gold find in your district you would be coming to me for a railway and a water supply in five minutes.

Mr. LAMBERT: Yes, if they were justifiable. In fact, I could indicate to the Premier some railways that could be constructed with benefit to the State. I could point out some railways that would earn revenue and on which there would not be the loss we experience in connection with some of the other lines. It is deplorable that Parliament will not tackle the position as ordinary business men and ascertain whether we are justified in the further expenditure of public moneys. We should say that we have sufficient land not utilised along the existing railways to settle all the people we are likely to bring here for the next 10 years, and, in those circumstances, refuse permission for the construction of such lines as that under discussion. If the Premier brought forward a Closer Settlement Bill that would do no harm to anyone in the State, we would have sufficient land to absorb all the population likely to come here for the next decade. That is what he should aim at. Parliament would not cavil, even at buying suitable agricultural land alongside existing railways.

The Premier: You had a chance to pass such a Bill.

Mr. LAMBERT: We passed a sort of "shandy-gaff" measure which was calculated to retard closer settlement. The Premier knows that if we had a Closer Settlement Bill—

The Premier: I know that I have to talk with some sense of responsibility when I discuss the matter.

Mr. LAMBERT: So have I.

The Premier: Well, let us have it.

Mr. LAMBERT: We should first settle lands alongside the existing railways. That can only be done by a Closer Settlement Bill.

Mr. Harrison: We have twice passed one already.

Mr. Munsie: And it would not get an acre of land if it were passed by another place to-morrow—and the Government know it.

The Premier: Nothing of the sort.

Mr. LAMBERT: The Premier knows it was anything but an effective Bill.

Mr. SPEAKER: The hon. member cannot discuss the Closer Settlement Bill now.

Mr. LAMBERT: I hope hon. members will not merely speak with a sense of responsibility but will act in that way also. When Parliament acts with a sense of responsibility, I will vote for an extension of our railways. But until we can carry on without going to the bad to the extent of three-quarters of a million per annum,

we are not justified in spending millions on new railways. If this party were on the other side and brought down a public works policy of this description, they would be assailed by all the scandalising Press of Australia. I hope hon. members will pause before voting for this proposed huge expenditure. It is time we cried a halt and refused to countenance any continuation of this drunken orgy of public works expenditure. It must cease, at all events until we reasonably utilise the land already opened up by our railways. We could spend fifty millions in providing railways for unoccupied areas, but who is going to pay interest and sinking fund on such an expenditure? Drunken gamblers would not indulge in such an orgy.

Mr. DAVIES (Guildford) [8.20]: The success of the group settlement scheme must depend largely on efficient transport. At the Pemberton end the proposed line is at its maximum distance from the coast, but at the Denmark end the line, for about one-third of its distance, is hugging the coast. The Premier, on the second reading, stated it was estimated that on the face of ten miles of the line for a distance of 12½ miles on either side, 160,000 acres would be served by the line. This is all right at the Pemberton end, but when we come to the other end the line cannot serve anything like 160,000 acres for every 10 miles of its length because, according to the special map, that section of the line hugs the sea coast.

The Premier: It is miles away from the sea coast.

Mr. DAVIES: According to the map it is not. The Premier said it was estimated to settle 800 families on a 10-mile section of the line. If each family desires an area of 200 acres—

The Premier: No, 100 acres.

Mr. DAVIES: Then we ought to be supplied with that information.

The Premier: You have been supplied with it.

Mr. DAVIES: I will support the second reading, because I believe the railway to be necessary to the success of the group settlement scheme, but I support also the member for North-East Fremantle (Hon. W. C. Angwin), who declared that members ought to have an opportunity to make themselves acquainted with that part of the country. I have had no such opportunity, and so I know little or nothing about the Denmark end of the line. The Pemberton end seems to be all right, but I require enlightenment as to why one-third of the line should hug the coast.

Mr. Munsie: If you go to Denmark they will tell you the best of the land is on the other side of the hill.

Hon. P. Collier: That is so in respect of every line.

Mr. DAVIES: There cannot be 12½ miles of land on the ocean side at Denmark end of the line.

Hon. P. Collier: Have you considered the certainty of getting great oil deposits down there?

Mr. DAVIES: No, I have not.

Mr. HARRISON (Avon) [9.25]: The Premier has asked for authorisation to build a long and costly railway with the object of the further settlement of the South-West. I

have been looking at the map provided, and I find that on the north-east side of the proposed route two-thirds of the blocks are not open. I presume they are being held in reserve on account of the timber.

The Premier: Some of them are.

Mr. HARRISON: On the south-east side of the route, areas are marked and surveyed ranging up to 160 acres. I should like to know whether those lands have been strictly classified.

The Premier: They have been re-surveyed.

Mr. HARRISON: I am convinced that for the success of the closer settlement scheme we require to conserve the capital of the State and settle more men per square mile than has been the practice. At Pemberton I saw some land on two adjoining blocks which I was told were nearly allotted to one man. In my opinion each of those blocks could have carried four men. To allow one man to get two blocks which would carry from six to eight families is not conducive to the success of closer settlement. Railway, roads, and bridges will all be more costly in that district than in any other area. We cannot be too careful. Every feature of the group settlement scheme is going to depend on the first capital cost to the settlers.

The Premier: The whole world depends on the capital cost.

Mr. HARRISON: The greater reason for care in these particular ventures.

The Premier: It is so easy to say that.

Mr. HARRISON: I asked the Minister for Mines if he could give me the average cost of that particular area. He evaded the question.

The Premier: Of course he could not give it to you.

Mr. HARRISON: Then the areas are dissimilar in their capital cost. Indigenous timber gives a better classification than can anything else.

Mr. Mann: It is mostly carrying red gum.

Mr. HARRISON: Then the average cost can be put down at not less than £10 per acres, or on 160 acres, £1,600 for clearing alone. If it goes £20 per acre, it will mean that each man has to father a capital cost of £3,200, and how long is it going to take him to clear it?

Mr. Mann: He might make a good living off 20 acres.

Mr. HARRISON: Then why give him 160?

The Premier: He is not given 160.

Mr. HARRISON: Look at your map! You say yourself it has been surveyed.

The Premier: I said it had been re-surveyed.

Mr. HARRISON: I am anxious that we should get the best possible advantage for the man who puts his energy into his own block; and we should get the greatest possible security for the State. I am satisfied that unless the greatest care is taken we shall not get the results we should. I am as anxious as the Premier that the group settlement scheme should be a success, and the same applies to every other member. It can-

not be made too great a success for Western Australia.

Mr. SPEAKER: The hon. member had better keep to the Bill.

Mr. HARRISON: The Bill is to authorise railway communication for group settlements.

Mr. SPEAKER: The hon. member cannot discuss group settlement in detail under this Bill.

Mr. HARRISON: I am dealing with the railway, because it will serve an area to be devoted to group settlement. I am referring to the capital costs of the railway, and if these men are not prosperous, can we hope to get interest and sinking fund on the cost of the railway? I am anxious that the building of railways shall be a good proposition for the State. I want to see a railway built in the South-West where we can settle population much more thickly than in the wheat areas. In many wheat areas, however, grain is being produced, and yet railways are denied them. Why should not I be careful as to voting for further capital expenditure on railways? I trust that this aspect will be watched closely by every member.

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

Ayes	..	..	..	28
Noes	..	..	..	9

Majority for 19

AYES.

Mr. Angwin	Sir James Mitchell
Mr. Broun	Mr. Munro
Mr. Carter	Mr. Plesse
Mr. Clydesdale	Mr. Sampson
Mr. Davies	Mr. Scaddan
Mr. Durack	Mr. J. H. Smith
Mr. George	Mr. J. M. Smith
Mr. Gibson	Mr. Stubbs
Mr. Harrison	Mr. Teesdale
Mr. Hickmott	Mr. A. Thomson
Mr. Latham	Mr. J. Thomson
Mr. C. C. Maley	Mr. Walker
Mr. H. K. Maley	Mr. Wilson
Mr. Mann	Mr. Mullany

(Teller.)

NOES.

Mr. Chesson	Mr. Marshall
Mr. Collier	Mr. Troy
Mr. Heron	Mr. Willcock
Mr. Lambert	Mr. Corboy
Mr. Lutey	

(Teller.)

Question thus passed.

Bill read a second time.

[The Deputy Speaker took the Chair.]

BILL—COMPANIES ACT AMENDMENT.

Second Reading.

Debate resumed from the 9th November.

Mr. WILLCOCK (Geraldton) [9.36]: When I secured the adjournment of the de-

bate, I did so with the intention of supporting the Bill, because I had heard that the object was to rectify a palpable error. After studying the matter, however, I have come to the conclusion that to pass the Bill would be a gross act of repudiation against many citizens who have put their money into the various co-operative concerns under review. The object of the Bill is to give the companies authority to issue bonus debentures or bonus shares to shareholders, notwithstanding that the memorandum and articles of association of all the companies formed under the Act distinctly provide that any profits arising out of trading shall be divided amongst shareholders in cash or bonus shares at the option of the shareholder. The Bill, however, seeks to give the directors the absolute right to say whether the profits shall be distributed in bonus shares or cash, the shareholder being deprived of his right of choice. Bonus shares will be issued instead of cash, and the shareholder will not be able to obtain cash. This is a distinct act of repudiation. When people took up share capital in these companies, the understanding was that the profits would be made available to shareholders. I understand there are about 67 of these companies in the State. Some of them have gone insolvent; some of them are in a precarious position, but some are making profits. I am sorry that all are not profitable, because I believe in the principle of co-operation, and I will give all assistance in my power to the co-operative movement. Still the House should not agree to the repudiation of a distinct provision in the articles of association. These companies differ from ordinary co-operative societies in that there is no provision for the withdrawal of the capital. Almost all co-operative concerns provide for the withdrawal of capital. When co-operative companies do make a profit the custom has been to distribute it by way of dividends to the shareholders. An entirely different principle is sought to be introduced under this Bill, inasmuch as it is desired by the board of directors that amounts be not paid out as dividends but only in the form of bonus shares.

The Minister for Agriculture: They have to pay the statutory dividend.

Mr. WILLCOCK: That is not a dividend, but interest on capital—an entirely different matter. The dividend is a division of profit. If we pass this measure, it will mean that once capital is put into a company it cannot be withdrawn. If a company make profits, they want to retain those profits and not distribute them among the shareholders; consequently the capital will go on increasing year by year. If people invested their money on this understanding it would be all right, but it is not right to create this position when people have invested their capital on an entirely different understanding. The effect of the Bill will be to bolster up the capital of these companies by adding the profits to capital account. The Westralian Farmers Ltd. are seeking power permitting them to

refrain from giving a shareholder any dividend whatever.

The Minister for Agriculture: They have to pay a statutory dividend, which is fixed at seven per cent.

Mr. WILLCOCK: That applies to the majority of companies. The debenture holder is guaranteed a certain rate of interest. The shareholders of these co-operative companies are guaranteed interest only if a profit is made. The interest of debenture holders, however, is a first charge against the company. These co-operative companies may pay 2 per cent. or 3 per cent., but not exceeding 7 per cent. If there is any profit, however, it is supposed to be distributed amongst the shareholders, but we are asked to empower these companies to distribute the profit by way of bonus shares only. Thus the Westralian Farmers Ltd. will be able to increase their capital, and no one will get any benefit whatever from the undertaking. A shareholder who invests his money in an industrial concern would generally get 7 per cent. return. But when people are asked to put money into a company of this description, they naturally expect to get money out of it for themselves. I have seen the advertisements of this company, reading, "Farmers, do business with your own company." The implication is that it will turn out to their ultimate advantage. What has happened in the case of this company particularly is, that the company have been able to get an accumulation of capital, which they have placed in bonus shares. The only thing the bonus shareholder gets is up to 7 per cent. if the company make the necessary profits. The people who derive the real benefit are those in control of the business, some of whom receive up to £2,000 a year for running the show. One strict rule in connection with these companies is that bonus shares are not transferable without the sanction of the board of directors, and even then can be transferred only to another shareholder.

The Minister for Agriculture: That is a provision upon the transfer of shares in all such companies.

Mr. WILLCOCK: Even if one does get permission to transfer the shares, one has to pay a fee of 2s. 6d. Though the shares have a face value of £1, the board of directors can fix the price. Thus the price obtainable for a share might be only 5s., whereas the true value was £1. It would be a safeguard if the shareholder could demand payment of profits in cash instead of by way of bonus shares. I understand that newly formed co-operative companies will not be affected by the Bill, since the necessary alteration has been made in their constitution. If a man goes into a company knowing that one condition is that profits are distributable in bonus shares and not in cash, it is his own funeral. But a man who goes into a company of this description on the distinct understanding that profits shall be at his disposal in cash, should not be deprived by retrospective legislation of the right guaranteed him by the articles of association. Therefore I shall not support the Bill, though I am ex-

tremely anxious to assist the co-operative movement. I must oppose the second reading, but if the measure should get into Committee, I shall move an amendment providing that any shareholder who before the passing of the measure has made application for payment in cash of dividends, instead of bonus shares shall be entitled to payment in cash. Retrospective legislation should not be put over on a shareholder to prevent him from getting the cash to which he is entitled.

Hon. W. C. ANGWIN (North-East Fremantle) [9.51]: I support the member for Geraldton (Mr. Willecock) in his opposition to this Bill. It is not true co-operation unless profits are divided.

The Minister for Agriculture: There may be true co-operation without any profits at all.

Hon. W. C. ANGWIN: I admit that; but when there are profits, they should be divided. This particular system of bonus shares ought not to be allowed. It is an impossibility to sell a bonus share even to a shareholder. The bonus shares represent nothing more or less than an assurance fund. If the holder of a bonus share dies, then there is an opportunity for those he leaves behind to sell.

Mr. Willecock: And they can sell only to a shareholder.

Hon. W. C. ANGWIN: I do not know that that is so. The money is retained by the company during the life of the individual who gets the bonus shares. In other words, the person who becomes a shareholder in the company finds himself compelled to remain a shareholder for life: he cannot get out of it. That is not a proper method of extending the co-operative principle. I was for years a member of a co-operative society at Home, and the shareholders in that society used to receive good dividends quarterly, cash dividends and not bonus share dividends. It was the payment of such dividends that largely caused the co-operative movement to make such headway.

Mr. Willecock: That is the reason why some people went into this co-operative movement.

Hon. W. C. ANGWIN: My remarks apply to the larger co-operative companies in this State. I think it dangerous to have a law saying that a person who looks forward to receiving a cash dividend shall, when the time comes, be put off with a bonus share. Take the position as it applies to wheat. The Westralian Farmers Limited to-day have hundreds of shareholders who would never have been shareholders except for the compulsion.

Hon. M. F. TROY: That is so.

Hon. W. C. ANGWIN: They had an interest in the concern, and the result was—though perhaps it is not advisable to discuss that aspect under this Bill—that they left the men who had honestly stuck to them during their times of adversity, and went to the co-operative concerns from which they could get these shares. The other traders are lying out of their money to this day. Meantime the farmers are trading with the co-operative companies. We ought not to make a retrospec-

tive law in this matter. If a person goes into a co-operative concern with his eyes open and knowing full well that he cannot get any cash profit out of it, but only bonus shares, it is a matter for his own decision. He can join or refrain from joining the co-operative society, just as he pleases. But when men have gone into a co-operative society expecting to share in the profits, and then find that the profits are reserved and that a shareholder can only get the supposed value of his share of the profits in the shape of bonus shares which he cannot use in any way, the position is entirely wrong. I hope the Bill will be defeated.

Hon. M. F. TROY (Mount Magnet) [9.58]: I also oppose the Bill, firstly because there is no demand for it, and secondly because, as pointed out by the member for Geraldton (Mr. Willecock), the measure proposes to repudiate an agreement made with existing shareholders, many of whom put their capital into these co-operative companies as an investment, in the hope of making a profit. I remember that when a certain co-operative concern was seeking for capital in Western Australia, it was held out to people whom I know, people possessed of capital, that if they would invest their money in that co-operative concern it would prove a sound investment, as the company would soon be in the profit-earning stage. These co-operative companies have paid no profits, but have merely issued bonus shares to people, of whom many have no desire whatever to increase the number of shares they hold in the proposition, but would be glad of the money for the shares they already hold. In the eyes of some people the co-operative companies have proved disappointing, because they have not been in the true sense of the word co-operative institutions. The shareholders joined up on the understanding that they would be able to buy more advantageously from the companies than from other business concerns. In that respect they have been greatly disappointed. Shareholders have found that they could purchase from private concerns to much better advantage than from the co-operative companies. The proof is to be found in the fact that, whereas there were a large number of these co-operative societies a few years ago, many of them have meantime become defunct. There has been a great falling-off, particularly in the country co-operative institutions. One does not now find the faith and enthusiasm that existed a few years ago. Apart from the few who control the organisations, there has been no demand for this Bill. As a matter of fact, the shareholders want the profits, not worthless pieces of paper termed bonus share. What will happen if this measure passes? The people who own the shares will never receive a dividend. They will be issued from time to time as bonus shares. This Parliament should not assist in any act of repudiation. The shareholders should be consulted. In this case that has not been done. I guarantee that if a poll were taken of the shareholders of these institutions a great many would be found to be

opposed to the Bill, because they want the profits and interest on the capital invested.

Mr. McCallum Smith: The shareholders have agreed to this.

Hon. M. F. TROY: Then why the necessity for the Bill? The correct thing would be to submit the matter to the shareholders. This particular company on its turnover and on its gross profits should have declared handsome dividends, but looking at the balance sheet we find that the net profit is very small indeed. On the turnover the company should have been able to distribute bigger profits. It is evident that the company is not carried on in what can be called sound business lines. When an individual invests money under articles of association Parliament has no right to deprive him of what he is entitled to receive from the investment. I, therefore, oppose the Bill.

Mr. HICKMOTT (Pingelly) [10.5]: It seems to me unnecessary to pass this measure and therefore I oppose the second reading.

Mr. CHESON (Cue) [10.6]: I find that in the articles of association it is set out that any profit is to be distributed amongst the shareholders. The Bill proposes to carry out an act of repudiation. Instead of the company handing out the undivided portion of whatever profits they have, they propose to distribute bonus shares which, as pointed out by hon. members, are useless. I belong to several co-operative companies, and the articles of association in those cases have been strictly carried out. All profits have been distributed amongst shareholders. When people form co-operative societies, whatever the articles of association declare, should be carried out. I intend to oppose the second reading of the Bill.

The MINISTER FOR AGRICULTURE (Hon. H. K. Maley—Greenough—in reply) [10.8]: I am surprised at the curt and definite announcement of the member for Pingelly. He merely declared that he would oppose the second reading of the Bill and gave no reason for his intention to do so. I am also surprised at the unfavourable comments from the Opposition cross benches. For the information of the member for Mt. Magnet I wish to state that the request for this particular amendment came from two successive conferences held in October, 1921, and in October of the present year.

Hon. M. F. Troy: But this has never gone before the company's shareholders.

The MINISTER FOR AGRICULTURE: It was proposed when the parent company four or five years ago, made a distribution of bonuses or debenture shares. That was done only by a resolution passed at a conference of the society or at an annual meeting of the company. The hon. member knows that the directors of a company are, after all, only the servants of the shareholders, and that whatever report the directors may put up to the annual meeting of shareholders, the shareholders have the ultimate say in the distri-

bution of dividends, which the directors may propose from time to time. I have attended several company meetings and the wishes of the directors at all these meetings have been conformed to.

Hon. M. F. Troy: The shareholders in this case were not consulted.

The MINISTER FOR AGRICULTURE: The power asked for in the Bill is in regard to only one particular incident. The directors of the Westralian Farmers' made a recommendation and bonus shares were issued on one occasion. The object of the Bill is to validate that act and to make a similar thing possible in the future by amending the memorandum of the articles of association. As I pointed out when I moved the second reading of the Bill, it would have been possible to do this by applying to a judge in Chambers, but it was considered that the better way would be to put a Bill through Parliament to validate the distribution of a few years ago and to give the directors power in future to repeat the Act. It must be understood that this amendment in no way refers to dividends on share capital which are always paid in cash. In the circumstances I have described, the request as a moderate one and the House should readily grant it.

Question put and passed.

Bill read a second time.

In Committee:

Mr. Stubbs in the Chair; the Minister for Agriculture in charge of the Bill.

Clause 1—agreed to.

Clause 2—Bonus debentures and shares:

Mr. WILLCOCK: I move an amendment—

That all the words after "to receive," in line 8, and down to "may have received the same," be struck out.

If we had called for a division we could have defeated this Bill, but we were merciful as we were strong. My object is to preserve to shareholders the rights they already hold of demanding a cash dividend in lieu of a bonus share dividend. We should not by this Bill validate an act which was invalid. If a man is due to receive a dividend of £1 and he wishes to reinvest it in the company, he can do so by putting the money into shares.

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

Ayes	..	..	..	13
Noes	..	..	..	20
Majority against				7

AYES.

Mr. Angwin	Mr. Lutey
Mr. Chesson	Mr. Marshall
Mr. Clydesdale	Mr. Troy
Mr. Collier	Mr. Walker
Mr. Corboy	Mr. Willcock
Mr. Heron	Mr. Munst
Mr. Lambert	

(Teller.)

Noms.

Mr. Broun	Mr. Mann
Mr. Carter	Sir James Mitchell
Mr. Davies	Mr. Plesse
Mr. Durack	Mr. Sampson
Mr. George	Mr. J. H. Smith
Mr. Gibson	Mr. J. M. Smith
Mr. Harrison	Mr. Teesdale
Mr. Hickmott	Mr. A. Thomson
Mr. Latham	Mr. Mullany
Mr. C. C. Maley	(Teller.)
Mr. H. K. Maley	

Amendment thus negated.

Mr. WILLCOCK: I move an amendment—

That the following be added to the clause:—"Provided also that any shareholder who has before the passing of this Act made application for dividends in cash instead of bonus shares shall receive the amount of such dividend due to such shareholder in cash."

I do not think any member would wish to see shareholders deprived of their rights in this respect.

The MINISTER FOR AGRICULTURE: It is too late to amend the clause because we have already, in the earlier part of it, validated the action about which I have spoken. There was only one particular occasion on which these bonus shares were issued in lieu of cash.

Mr. Willcock: I am assured it has been done on many occasions.

The MINISTER FOR AGRICULTURE: The chairman of the co-operative federation assured me there was only one instance. I think the distribution was made, at the wish of the shareholders, in 1916 or 1917. It was afterwards pointed out by the solicitors of the company that the action was not a valid one.

Mr. WILLCOCK: I do not doubt the Minister's word.

Mr. Heron: He is not conversant with the position.

Mr. WILLCOCK: If a single company committed such an act, a Bill should have been brought down to deal with that company alone. This Bill, however, affects 67 other companies.

The Minister for Agriculture: They are all affiliated with the co-operative federation.

Mr. WILLCOCK: It is a serious indictment against the other companies to suggest that they had not declared a dividend in all these years. I understand, however, many of them have declared bonus share dividends. I have been informed that this has been done in many instances. There are 67 companies operating in this State, with provision for bonus shares. Am I to believe that there is only one company that has made the distribution as suggested? On the other hand, I am told that there have been others who have done so.

Hon. T. Walker: If a Bill were requested to deal with this matter, it should be a private Bill.

Mr. WILLCOCK: Instead of that, the Government come down with a comprehensive measure dealing with the whole of the companies. It would be wrong to deal with this without making provision for those who have made application for the bonuses in cash to be paid accordingly. It would be an absolute scandal if we allowed the Bill to go through without some such provision as that outlined in the amendment I have moved. Parliament should not repudiate any contract which a company might have entered into with individual shareholders. I believe in co-operation and hold shares in a co-operative company myself. I know that big business interests are anxious to kill the co-operative movement. Co-operative companies, however, have stood up against that opposition and that is one of the reasons for the Bill being before the Committee. The relief cannot be obtained in a legitimate manner along the lines suggested by the Bill. We should not tolerate repudiation.

Mr. MacCallum SMITH: I will support the amendment if the member for Geraldton will agree to the insertion of the words "in writing" so as to prevent any dispute should a shareholder come along and claim that he had made a verbal agreement.

Mr. Willcock: The articles of association provide that the application must be in writing.

Mr. MacCallum SMITH: Then there will be no harm in adding these words. We should be very careful not to break any agreement between the shareholder and the company. I move an amendment on the amendment—

That after "application" the words "in writing" be inserted.

The MINISTER FOR AGRICULTURE: At the risk of repetition I have it on the word of the chairman and secretary of the Co-operative Federation, that there has been only one occasion when this happened, and then it was the wish of the shareholders that they should be given the opportunity to take bonus shares or bonus debentures. The company found that their action was invalid and hence the legislation.

Mr. Heron: I know some shareholders who were not given an opportunity of saying what they desired.

The MINISTER FOR AGRICULTURE: There has been no other such distribution. We shall stultify ourselves if we agree to the proviso, having already validated the action of the Federation in this connection. We should be chary about agreeing to amendments hastily drafted in this Chamber. We know that frequently amendments so drafted, are found to be detrimental later on.

Hon. M. F. TROY: I am glad the Minister adopts a more reasonable attitude regarding the amendment, and his concern is lest the Bill should be mutilated. If the Bill had not been introduced at all, no one would have been harmed.

The Minister for Agriculture: There would have been repeated requests for these powers.

Hon. M. F. TROY: I object to the time of the Committee being taken up by a Bill dealing with one company, but it is possible that there are other instances as well. We have no business to deal with one section more sympathetically than with other companies.

Hon. W. C. ANGWIN: To show that everything has not been published to guide members in dealing with this matter, there is a copy of a letter which appeared in the paper to which I will refer. I quote the following from the evidence before the Wheat Marketing Commission in 1918 to show the nature of that letter:—

Last week some 4,000 farmers found amongst their mail an ordinary-looking envelope, but on opening it they were astonished to find cheques representing bonuses varying in amounts from a few shillings to some £70 or £80. They were astonished because they did not realise before that their company, the Westralian Farmers Ltd., was and is out to help the farmers, and that the profit the company made belongs to those who helped the company to make it. No matter whether a shareholder or not, if the farmer had placed his business through the Westralian Farmers Ltd. during the year, so he received a bonus on that business. The amount so returned to the farmers was no less a sum than £8,000 odd. If you got none of this, remember you must have given your business to some other firm than the Westralian Farmers, and the profits were kept by the firm with whom you did business. Send your business to the local co-operative company, who are the agents of the Westralian Farmers Ltd., and any information that may be desired will be supplied by the local manager in York. Mr. E. T. Hick is the manager.

Mr. Murray, who was the witness being examined, asked if that letter had been signed. He was told that was signed by Mr. Griffiths, and Mr. Murray wanted to know who sent it. I replied to Mr. Murray to the effect that the paragraph appeared in the newspaper and a letter was sent to the Premier in which the paragraph was enclosed. Mr. Murray replied—

Where we have distributed cash, excepting the 7 per cent. interest which is paid in cash, it has been cash earned by the local co-operative companies by trading with us. Therefore, the cheques distributed were distributed by the local co-operative companies?—I should think the gentleman who wrote that paragraph was inaccurate. Yet from the paper, we were given to understand that cash was distributed up to £70 or £80.

Mr. Willcock: That was published in the newspaper?

Hon. M. F. Troy: And the managing director for the Westralian Farmers said it was inaccurate.

Hon. W. C. ANGWIN: Yes, Mr. Murray said it was inaccurate. This, however, is the way people were encouraged to trade with

these co-operative companies, so as to get a share in the profits. The memorandum of association sets out that the profits shall be divided along the lines set out therein. Persons were encouraged by the publication of this letter into thinking that they would get their dividends by cash. If we take away their rights by legislation, it will amount to confiscation.

The Minister for Agriculture: You know that the shareholders have control over companies.

Hon. M. F. Troy: They think they have.

Hon. W. C. ANGWIN: The Minister knows there are many shareholders before the date I mentioned who received bonus shares, and the amount they were entitled to was not sufficient, and they wrote a letter asking them to contribute so much, 2s., or 3s., to make up the difference. Some did and some did not. That being so, we are justified in protecting those people who did start trading, led away by such letters as I have quoted, intimating that they were going to have a division of the profits.

Mr. WILLCOCK: I wish to stress the importance of this. We should not have a party division on such a question, for it is not a party measure at all. Certain persons, some of them in the agricultural industry, have taken shares under given circumstances. All we wish to do is to conserve the interests of those who have bona fide put money into a company. It is an involved point, yet members who have not heard the debate will come in from outside and give the Minister a blind following. I admire their loyalty to him, but not their intelligence, for they are not conserving the interests of the State.

Mr. Teesdale: A man cannot vote for this after voting against the other two.

Mr. WILLCOCK: Yes, he can. The Committee have said that we are in general agreement as to the validation of what has been done. The member for Beverley has been issued bonus shares, and unless this provision is inserted, they may not be legal. As for any person who has made application for his share of the profits to be paid him in cash instead of in bonus shares, we are in duty bound to preserve his rights. That is all the amendment means. I am surprised at the Minister objecting to it.

The Minister for Agriculture: I will accept it.

Amendment on the amendment put and passed; the amendment, as amended, agreed to.

Clause, as amended, put and passed.

Title—agreed to.

Bill reported with an amendment.

House adjourned at 10.52 p.m.