

about teaching the farmer how to farm practically and thereby decrease his cost of production, it would do him more good. At the present time, the guaranteeing of even 4s. to the farmer would merely mean that the Chamber of Commerce, which Mr. Duffell represents, would get the 4s. out of the farmer before it had a chance of going far. No wonder the Chamber of Commerce approve of the proposal. I can see how it comes about that the motion meets with such general support. I hope no one will suffer as the result of the passing of this motion; but, if anyone suffers, it will be the general taxpayer; and, so far as I see, the consumer will derive no advantage at all from this proposal. I hope the farmer will remember that on this occasion, as well as on many others, he has been given a pretty fair deal, and that the general community cannot always be expected to stand by silently giving benefits—we call them benefits, and the farmer calls them acts of simple justice—and listening to the continual railing of the farmer against the general public. I hope that in future there will not be this continual wailing about the treatment of the farmer. While I have been in this House, there has been very little legislation except such as was in the interests of the farmer; and I am beginning to think some of my constituents will want to know whether I have joined the Country party. I want the farmers' representatives to bear in mind who are the people standing behind the guarantee; and I want the farmers' representatives to give those people some credit for their action.

Question put and passed.

House adjourned at 6.16 p.m.

Legislative Assembly,

Tuesday, 6th February, 1917.

Adjournment: Dissolution asked for Page 1660

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

ADJOURNMENT—DISSOLUTION ASKED FOR.

The PREMIER (Hon. Frank Wilson—Sussex) [4.31]: Mr. Speaker, in view of the adverse vote given against the Government on Thursday evening last, I have considered the position, and waited upon His Excellency the Governor this morning, upon his return from Albany, and made the request that he would be good enough to grant a dissolution of the Assembly. His Excellency is considering my request, and I hope to have a reply in due course. In the meantime, I am of the opinion that we should not proceed with the business of the House, and therefore, move—

That the House do now adjourn.

Question passed.

House adjourned at 4.33 p.m.

Legislative Council,

Wednesday, 7th February, 1917.

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

PAPERS PRESENTED.

By the Colonial Secretary: 1, Health Act; Boulder Municipal Council, amended

by-laws; 2, Report of Advisory Board on the Kondinin-Merredin and Bruce Rock-Kondinin railways (ordered on motion of Hon. V. Hamersley).

QUESTION—MINING CONFERENCE.

Hon. J. W. KIRWAN asked the Colonial Secretary: Will he supply a list of the public bodies to whom invitations have been issued to date to send representatives to the proposed mining conference? 2, What number of representatives has been invited from each body?

The COLONIAL SECRETARY replied: 1, Leaseholders and Prospectors' Association; Federated Mining Employees' Association of Australia; A.W.A., Murchison; Mayors Kalgoorlie, Boulder, Coolgardie; Chamber of Mines; Federated Engine-drivers' and Firemen's Association. 2, No definite number of representatives have been invited. It is desired that anyone genuinely interested in mining should attend, though the public bodies have been asked to limit the number of their representatives who will be expected to put their views before the conference.

QUESTION—RAILWAY CONSTRUCTION, REPORT OF ADVISORY BOARD.

Hon. V. HAMERSLEY asked the Colonial Secretary: Will the Government place upon the Table of the House the report of the Advisory Board on the Kondinin-Merredin and Bruce Rock-Kondinin railways; also the instructions which were given (if any) that led the Board to investigate and make such report?

The COLONIAL SECRETARY replied: I have the papers here and will lay them on the Table for perusal.

BILL—SALE OF LIQUOR AND TOBACCO.

Second Reading.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [4.38] in moving the second reading said: Hon members will

recollect that prior to the adjournment of the House before the Christmas holidays, a short Bill was passed through both Houses of Parliament limiting the duration of wine licenses that might be granted at the December sittings of the licensing court to the 31st March of the current year. It was explained at the time that the object of the Government in passing that Bill was to introduce amending legislation regarding wine licenses, and had that short Bill not been passed the wine licenses would have been granted for the full 12 months, and then would not have come under the Bill I am now submitting to the House. The position at the present time is that the wine licenses have been granted to the 31st March and the Government, in accordance with their promise, have brought forward amending legislation dealing with these licenses which will permit the continuance of them under conditions which are laid down until the end of the year, and their renewal then from time to time will be at the discretion of the court. The Bill also makes certain other amendments in the liquor laws of the State and also prohibits the sale of tobacco to young persons. In the last amendment of the 1911 Act, Section 97 only was dealt with, whereas Section 99 dealing with the closing of liquor bars was not touched. This Bill provides that bars shall be kept closed except between the hours in which trading can lawfully be carried out, namely, from 9 a.m. to 9 p.m. The object, of course, is obvious to hon. members, and it is to make it more difficult than it is at the present time to evade the Act under which the sale of liquor is prohibited excepting between the hours I have stated. It purposes really to make Section 97 dealing with the closing of bars consistent with the amendment which has already been made under Section 99 dealing with the sale of liquor. An amendment is also proposed in regard to the matter of gallon licenses. It has frequently been urged that gallon licenses should be done away with altogether. The Government do not propose, at all events, at the present time, to take so drastic a step as that, nor do they propose to make any alteration in the form of the gallon

licenses. It is intended to introduce new provisions subjecting these licenses to a more careful inspection with the view of ensuring that they shall be used as gallon licenses only. Complaints have been made that some holders of gallon licenses have been in the habit of supplying liquor in smaller quantities than the gallon license allows, and I understand they have also supplied liquor occasionally under other names. It is proposed to make an endeavour to control these licenses by subjecting them, as I have said, to careful inspection. To this end provision is made that the holder of a gallon license shall keep a book in which he shall register all his purchases, giving dates and quantities and accounts of liquor purchased, and also another book in which he shall enter particulars of his sales. These books are to be open to the inspection of police officers or inspectors of liquors. The invoices and sale notes of liquor sold will be capable of being verified one against the other and by that means it is hoped to prevent the sale of liquor under a gallon license except by the way it is intended it shall be sold under that license. A penalty is provided should the stock account fail to agree with the sales statement unless some valid explanation is forthcoming to account for the discrepancy. Another amendment which has been made to our existing licensing laws is that the age at which juveniles may be supplied with liquor is altered. We have raised the age to 18 years. At the present time liquor may be sold to persons of 16 years of age. It may be interesting to hon. members to learn what the practice is in the other States. In South Australia liquor cannot be sold to anyone under the age of 21 years, while in Tasmania, Victoria, and New South Wales the age is 18, and in Queensland it is 21. As I have said, the age in Western Australia is 16 years, so that there cannot be any difference of opinion as to the advisableness of raising the age, at all events, to the lowest age in the States of Victoria, New South Wales and Tasmania. Whilst many may think it would have been wiser to have gone to the same extent as South Australia and Queensland, and made the limit 21

years, the Government at the present time were impressed with the idea that we could hardly ask men of the age of 18 years to come forward and fight for their country and at the same time impose restrictions which suggest that they were not able to look after themselves. This is a point, however, upon which I do not desire to express a dogmatic opinion, but that was the sentiment which induced the Government to alter the age to 18 years. In regard to the Australian wine license the amendment proposed in the Bill has for its object the closing of the shops in which wine is sold at the same hour as hotel bars are closed, namely, 9 o'clock. This, of course, will not apply in the case of restaurants or eating houses, which places will be able to continue their business as eating houses, but will not be able to supply wine for consumption on the premises or for sale after 9 p.m. In this connection also I might remind hon. members that an amendment was inserted by this House in the 1913 Act in regard to wine licenses. It is proposed now, by Clause 5 of the present Bill, to strike out Section 19 of the Illicit Sales of Liquor Act, 1913. Hon. members will recollect that it was there provided that after the end of December, 1915, no wine licenses should be issued to premises in respect to which any other business was carried on, excepting certain business specified in the section. The effect of the use of the phrase "after the end of December, 1915," was that it was thought liable to lead to a great deal of confusion. This Bill simplifies the matter by striking out the section and putting in another section under which there can be no ambiguity or misunderstanding. It provides that—

No Australian wine license shall be hereafter granted or renewed except in respect of premises used for the sale of Australian wine, and in which no goods of any other kind, except aerated waters, cigars, cigarettes, tobacco and newspapers, are sold, or offered or exhibited for sale, or apparently for sale.

Hon. R. J. Lynn: Why newspapers?

The COLONIAL SECRETARY: That is a point which can be discussed when the Bill is in Committee. Speaking offhand, I do

not know why newspapers should be included with wine licenses. Subclause 2 says—

No person holding an Australian wine license shall have or keep his licensed premises open to the public at any time before or after the time during which wine may be lawfully sold on the premises, or sell or offer or exhibit for sale, or apparently for sale, on the premises, any goods of any other kind than Australian wine, except aerated waters, cigars, cigarettes, tobacco, and newspapers.

It will be noticed that Subclause 5 of that clause repeals Section 19 of the Illicit Sales of Liquor Act, 1913, in regard to which there has been a good deal of misunderstanding. Another question dealt with in the Bill is the matter of compensation. Clause 8 provides as follows:—

Where a lease has been assigned or transferred for monetary consideration, the right which, except for such assignment or transfer, would have continued in the lessee to a proportionate return of a part of the premium paid by the lessee to the lessor shall, subject as hereinafter provided, vest in the assignee of the lease. Provided that where such consideration paid by an assignee or transferee is less than the amount of the premium paid by the lessee, the proportionate return of a part of the premium shall be calculated on the amount of such consideration.

It is doubtful whether the assignee on an assignment for valuable consideration by the lessee as transferee, as a consideration for the transfer, can claim from the lessor a proportionate return on the premium paid by the original lessee. Section 16 of the existing Act, as it stands, provides for a proportionate return of part of the premium paid by the lessee to the lessor and, although the term lessee includes his assignee, nevertheless, if nothing was paid by the assignee to the lessor, the right to a refund would not arise in the case of the assignee. It is proposed, therefore, to vest the right of the lessor to a proportionate return of the premium in the assignee, with the limitation that such right shall be calculated on the amount of cash consideration paid by him as ingoing to his transferee. Clause 10 of the Bill proposes to prohibit the sale of cigarettes or tobacco to children under the

age of 18 years of age. As originally introduced 16 years of age was stated in the Bill, but in another place it was amended to read 15 years of age.

Hon. J. W. Kirwan: It is 18 years of age in my copy.

The COLONIAL SECRETARY: That is so. It was 16 years of age in the Bill as originally introduced. The Government, in framing the Bill, prohibited the selling of cigarettes to lads under 16 years of age, but another place thought right to amend it to read 18 years of age. It is a point on which there may be a difference of opinion but on which the Government have no very strong feelings. We thought, if we prohibited the sale of cigarettes to lads under 16 it would be an important reform. If, however, lads under 18 can be prohibited from smoking, we shall be doing good. Whether it is wise to make it an offence for a lad under the age of 18 is a matter upon which there may well be a difference of opinion. I think every other State of the Commonwealth has passed legislation prohibiting the sale of cigarettes to young lads. I do not think, however, these States have prohibited such sales to lads below the age of 18, though, in most cases, they have prohibited the sale to boys below the age of 16, as was the original intention of the Government to do in this measure. These, briefly, are the principles dealt with in the Bill. I have much pleasure in moving—

That the Bill be now read a second time.

Hon. J. F. CULLEN (South-East) [4.50]: There are two or three minor matters in connection with the Bill which I will deal with in Committee. I think the Government are right, in regard to the sale of liquor, to limit the age to 18. I think, too, that the raising of the age from 16 to 18 is a sufficient raising of the age. The special reason assigned by the Minister is a very forcible one, namely, that while we expect lads of 18 to think of defending their country we must treat them at the same time as responsible persons. With regard to the sale of wine, I am afraid that the provisions will be very difficult to enforce. In connection with the gallon and two-gallon license, for instance, while the provisions of the Bill may prevent liquor being entered

in a book as axe handles or shillies, I am afraid that the gallon license holders will find some way out of it. I hope that the Government will soon find a remedy which will have to be adopted for abolishing the sales, except through premises licensed for the purpose. The idea that to take away a gallon or a two-gallon license from an ordinary storekeeper would affect the moral welfare of the public by sending people to hotels who would not otherwise go there, is, I think, a weak argument. Duly licensed houses are under complete surveillance, or may be kept under complete surveillance. There is no provision for the surveillance of places where gallon and two-gallon licenses are held. I am afraid that the provision for bookkeeping will not be practicable. It will be an exceedingly complex remedy to carry into effect. The only advantage I can see from it is this: that some holders of these licenses will say that, rather than be subjected to such restrictions, they will drop their licenses. I think that is the only real advantage that will come from the provisions of the Bill. If these persons do not drop their licenses, how are the inspectors, in the first place, to have their suspicions aroused that there is need to go and inspect the premises? It is not to be supposed that all the places possessing gallon licenses will be subject to regular inspections of books and invoices. If that were the case there would have to be an army of inspectors. The assumption is that the inspector will, from information received, or some other cause, suspect a certain place and visit this place and demand to see the books and invoices. Even then, when he has gone through the very onerous job of searching these books and invoices, and taking stock of the liquor held there, I am afraid it will be a very flimsy piece of evidence that he will have to produce, and not sufficient to gain a conviction. The real trouble about the gallon license is this: that they are a cover for very small sales of liquor to people who go there because they do not like to be seen going to an hotel. Possibly, as I say, this complex provision may mean that some of the holders of these licenses will throw their licenses out, and this will be a good thing. With regard to limiting wine shops to the sale of cigarettes,

tobacco, and newspapers I believe that the word newspapers was put in for the reason that some of the wine shops have either agencies or sub-agencies for newspapers. I am doubtful whether that is sufficient reason for putting that in as part of their stock-in-trade. That may safely be left out. Certainly, it is not put in as any convenience for country districts. It is only here and there in the City that a wine shop has secured a sub-agency for the sale of newspapers. I am very glad, however, that some restrictions are provided in the Bill. The chief omission in the attempt to do away with the evils of wine shops is that there is no provision in the Bill for ensuring that wine shall be wine. The bulk of the stock-in-trade of these wine shops is crude and unwholesome liquor. Is it not possible to provide that there shall be certain maturity in the wine before it is allowed to be sold? In that direction alone lies the remedy. I do not say off-hand that it will be an easy provision to enact, or put into operation. I am sure that the trouble of the wine shops lies in that direction. They offer wine at these places at prices that wine could never be sold at, selling it in some cases almost as cheaply as water. It is crude, unmaturing, and dangerous drink.

Hon. J. Cornell: Commonly known as "pinkie."

Hon. J. F. CULLEN: This Bill does not touch trouble at all. We have to thank the Government for attempting as much as they have attempted, but they have not touched the real trouble in connection with wine shops.

Hon. A. SANDERSON (Metropolitan-Suburban) [5.0]: I had the responsibility and privilege of introducing a deputation to the Attorney General on the subject of the sale of Australian wine and the sale of tobacco. Certainly, the deputation put up a very powerful case which impressed the Attorney General, impressed me, and apparently, from the comments that were made, impressed the public. I support the second reading of this Bill. Doubtless, there will be some discussion in Committee, and probably the Council do not wish to take up very much time in the second reading. The point touched on by Mr. Cullen is an interesting one, and probably, if it was dealt with ex-

haustively, would throw considerable light on the subject. It would seem that either the morals of the country are very bad or the wine is very bad, or both are very bad, according to the discussions that take place on this much vexed question. I have lived at one time in a country where I have seen children going to school with bottles of wine in their hands, in the Bordeaux district of France. It is the drink of the country. Everybody drinks the light wines, and one very seldom sees anyone the worse for liquor. We tried to encourage the consumption of Australian wines; we even went so very far, until we were stopped by the Federal Court, of attempting to encourage West Australian wines as against the wines of the other States, and it has been stopped.

Hon. J. F. Cullen: That was an unfederal act, was it not?

Hon. A. SANDERSON: It was an unfederal act on the part of the Government certainly, but I do not wish at this stage to deal exhaustively with that aspect of the question. I shall support the second reading of the Bill, and I trust that it will go through Committee. Anyone like my hon. friend, who is reviewing the general situation both as regards our morals and our wine, is on the right track when he calls attention to the immaturity of the wine. It certainly is a tempting subject to anyone interested in the wine industry. The deputation which met the Attorney General at the end of last year were qualified to speak, and they put up an almost unanswerable case for the Government to interfere at the present time with this specific matter. For that reason I strongly support the second reading of the Bill, and any discussion on the details can be deferred to the Committee stage.

Hon. C. SOMMERS (Metropolitan) [5.4]: I desire to say a few words and I intend to support the second reading. I congratulate the Government on bringing the measure forward. Mr. Cullen was on sound ground when he advocated some supervision as to the class of wine that should be sold. We know that immature wine is sold and one of a poisonous quality, to put it in its mildest term. If the Government will supervise the class of wine that is to be sold it will be of considerable benefit to the community. Mr. Cullen struck a note which will

be of value to the Government, but Mr. Cullen was not on sound ground when he advocated the abolition of the gallon license. Why should a householder be forced to go to a hotel to buy his liquor. In a country district there may be only one hotel in the place.

Hon. G. W. Miles: Some towns have no hotels.

Hon. C. SOMMERS: That is so. Most of the houses are tied to certain breweries and the brewer may only stock one class of beer or wine and the publican will have to take what he has got in either wines, spirits, or beer. Probably if one orders a dozen of beer the hotelkeeper cannot deliver it. He may not have a cart and the purchaser would have to take the liquor away, and a person may not desire to go to hotels. If a person wants a dozen of beer why should he not order it from his grocer who comes round to the house. For that reason I hope the House will not consider for a moment the abolition of the gallon license. As to the keeping of books that is a wise provision. Inspectors will only take stock where they feel there is a great abuse of the license.

Hon. J. F. Cullen: How can he feel it?

Hon. C. SOMMERS: An inspector generally acts on the advice of someone who thinks that something is going wrong. I take it that the inspector only moves when he thinks the licensee is doing something which he should not do. I hope the gallon license will continue.

Hon. Sir E. H. WITTENOOM (North) [5.7]: I congratulate the Government on touching a question of this nature. Indeed I am rather surprised to find they would tackle such contentious legislation, but it seems to me on looking at many Bills which the Government are bringing forward they like a little argument and a little difference of opinion, and I do not know if they could get a better subject for that than the liquor question. I am not in accord with the remarks of Mr. Cullen. If we are going to have drinking at all, if wines, beers and spirits are to be sold, I am of the opinion that the gallon license holder is about the safest person from whom you can get the liquor, always provided that the place is properly conducted and does not resort to

the methods outlined by the Colonial Secretary.

Hon. J. Cornell: You want a little opposition.

Hon. Sir E. H. WITTENOOM: The gallon license holders to my mind are those who sell the best articles. I think I could mention two or three firms in Perth from whom you can get a better article by the gallon than that which you can purchase at a hotel. There are people who do not like drinking in hotels but they like to have a certain quantity of liquor in their houses. They go to a good grocer, or someone who makes it a business to import spirits or liquor, and they order their liquor by the gallon. That is better than going to a hotel where they may meet a kindred spirit and perhaps drink more than they possibly would in the quiet of their homes. That is, if you are going to deal with drink. Unless it is proposed to stop drinking altogether, the gallon license where the premises are properly conducted ought to supply the public with the best material and of the best quality. As to the suggestion of having books kept and inspections made, my experience is that we have too much supervision, and the expense of this supervision would be very high. There would be no difficulty in keeping the books on the part of the merchant or the gallon license holders. It is obvious to anyone that he should keep his debits and credits and the balance of stock must correspond with the purchases made. Then we come to the question of the wine licenses. I have often heard it advocated by wine people that the public should be educated to drink the wine of the country, and with that view a large amount of money has been spent in orchards and vineyards. There ought to be some system in this. I know, being connected with a certain institution, that a good deal of money has gone into vineyards. Orchardists cannot get their money back in the sale of fruit and, therefore, there must be some anticipation in connection with wine. There should be some policy to encourage the drinking of good wine or stop it altogether, and then vignerons would not go to the expense of cultivating vineyards. With regard to cigarette smoking, whether we

shall be able to stop that or not I do not know, but it is better to have the person who supplies children with cigarettes dealt with than those who smoke, as was proposed in a previous Bill.

Hon. J. DUFFELL (Metropolitan-Suburban) [5.12]: I rise to support the second reading of the Bill and in doing so express surprise that rather more drastic efforts are not being made in regulating wine licenses. When we take into consideration the class of person who is holding wine licenses in the State of Western Australia I think it will astonish most members when they realise that the great majority of these licenses are held by foreigners, and I do not hesitate to say that many of these foreigners are unscrupulous inasmuch as they do not confine themselves to procuring the best quality of wine or the fully matured wines, but in many instances they stock that quality of liquor which has been termed in this House this afternoon by one member as "pinky." I regret to say that we have not to go outside the boundaries of the city of Perth to see the results of the sale of this class of liquor. I regret very much to say it has come under my observation. I have seen women and girls going into the shops that retail this liquor in conjunction with other things such as fruit, etc., and they go to these shops, ostensibly or to the appearance of outsiders to buy fruit and when they get inside—I have seen it myself when passing—they take the liquor and get the worse for it. That is a point that is lacking in the Bill, that more drastic measures are not taken to purify the trade which, after all said and done, is one that should be fostered. In all sincerity and without fear of contradiction I say that in Perth to-day a number of wine licenses held by foreigners are held by unscrupulous persons who are not selling that matured wine which would be beneficial to the consumer, but on the contrary are selling an article, crude and unwholesome. In the circumstances it is my duty to raise my voice and do what I can to remedy the state of affairs obtaining in the retail wine trade. The general principles of the Bill are sound. I am in accord with the provisions in Clause 3. It is said that in the past liquor has been sold and invoiced under a *nom-de-plume*. I do not see much difficulty in the way of taking

stock, inasmuch as the stocks are usually in good order and can be seen at a glance. It is necessary that some safeguard should be provided to keep those who are the holders of gallon licenses within reasonable limits. I support the second reading.

Hon. J. CORNELL (South) [5.18] I would like to see in the Bill a provision under which we could get at some of the individuals referred to by Mr. Duffell. I understand that certain unnaturalised foreigners are holding licenses. Now is the time when the House should assert itself and provide that no person not a citizen of the Commonwealth shall hold a wine license or any other license. I have no objection to the foreigner holding a license, providing he be naturalised. Some of them I know would adorn any band of brigands operating in the country from which they came. If the provision I refer to is not already in existence, now is the time for us to remedy the omission.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East—in reply) [5.19]: I do not propose to proceed with the Committee stage until to-morrow, or later. In the meantime I will give consideration to all the several points raised by hon. members. Sir Edward Wittenoom expressed surprise at the Government introducing what he termed a contentious Bill. My experience rather suggests that legislation of any kind is contentious. The Government have endeavoured to make the Bill as little contentious as possible. We are of opinion that the reforms set out in the Bill are desired by practically all right-thinking people in the community. If we went to the length of attempting to abolish gallon licenses I would admit that we were raising a highly contentious question, because there are a great many people who, while seriously desiring that the community should be a sober one, nevertheless believe that under proper supervision the gallon license is a suitable license. We do not think we are raising a highly contentious question when we propose to submit the holder of a gallon license to more rigid inspection and supervision than he has known in the past. In regard to the contention that the cost of inspecting under this system will be high, I do not

think any undue importance need be attached to it. We have the officers who do this work, and the sole effect of the Bill will be to make supervision easier. There is no reason to suppose that it will add at all to the expense of supervision. The point raised in regard to the inclusion of newspapers amongst those articles that may be sold in wine shops is one which I will inquire into. I endorse the remarks of Mr. Cullen in regard to the quality of the wine sold, but I am inclined to think it is not the province of a Bill of this nature to deal with such a question; rather is it a subject for regulation under the Pure Foods Act; it might well engage the attention of the pure food authorities.

Hon. J. J. Holmes: Have not the inspectors the power now?

The COLONIAL SECRETARY: Yes, they have the power, but whether it is sufficient I cannot say. I am inclined to think that a great deal of wine that ought not to be sold is being sold; which suggests that the power provided is not sufficient or, alternatively, that the standard insisted upon is not sufficiently high. However, I do not think it is the province of the Bill to review that question. Something has been said in regard to the class of persons holding wine licenses. I think there is very good reason for raising that point. It is not my place to say that the licensing courts do not exercise a wise discretion in granting these licenses. At the same time I do not think the Bill should provide that a naturalised British subject, probably born in an allied country, could not hold a license. The point raised by Mr. Cornell is quite a different one, namely the holding of licenses by unnaturalised foreigners, not necessarily of enemy origin. This and the other points enumerated shall be attended to before the Bill reaches the Committee stage.

Question put and past.

Bill read a second time.

BILL—FRIENDLY SOCIETIES ACT AMENDMENT.

Second Reading.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [5.24] in moving

the second reading said: This is a Bill the necessity for which has been long felt. For several years difficulty has been met in regard to dealings in land by friendly societies, and it has been accentuated by circumstances arising in connection with the war. The securities in which a friendly society may invest its moneys are set out in Section 15 of the principal Act, but apart from this limited provision in Subsection 2, which empowers a society to hold or lease land and build thereon for the purpose of conducting its business, a friendly society has no power to hold land. It follows therefore that it cannot exercise the right of foreclosure, as to do so would vest the whole title in the society with no right to the mortgagor to rely on his equity of redemption. A friendly society is thus in reality deprived of exercising one of the most powerful remedies of a mortgagee. It is the purpose of the Bill to remove the disability under which friendly societies have laboured in that respect. The Titles Office has entered a number of foreclosures, but has signified its intention of terminating the practice. The Bill will remove the anomaly and will also widen the power of friendly societies in the direction of permitting them to invest in freehold lands. The Bill also legalises investments by friendly societies in Commonwealth securities. The Friendly Societies Act was passed in 1894, prior to the inauguration of the Commonwealth, and necessarily there was no mention made of Commonwealth securities in the list of authorised investments. Several thousands of pounds have been invested by friendly societies in Commonwealth war loans, and members will realise the desirability of legalising such investments. Obviously, if the societies are empowered to purchase land they also should have the power to sell, mortgage, or lease land, and this they will be empowered to do under Clause 3 of the Bill.

Hon. J. F. Cullen: What is the meaning of Subclause 2 of that clause?

The COLONIAL SECRETARY: The intention is, not to give the societies a free hand in the disposal of land given to them by the Crown. That is the object of the subclause. Clause 4 is one which has been

rendered necessary by the war. It amends Section 3 of the principal Act. Soon after the outbreak of war friendly societies were given power to suspend the contributions of any member who enlisted in the Expeditionary Forces, and it was provided that such member, notwithstanding the suspension of his contributions, should be entitled to full benefits. This provision appeared, at the time, to be quite reasonable and safe; but it was not then contemplated that such large numbers of men would be required for enlistment. The position which has now arisen is such as to leave friendly societies no longer safe. Several thousands of members of friendly societies have enlisted, and the position of certain societies has, in consequence, become critical. Under this Bill power is sought to enable the societies so to modify the benefits where contributions have been suspended, as circumstances may warrant. The approval of the Registrar of Friendly Societies will be necessary in this connection, as a safeguard to the member and also to the funds of the society. Power is sought, further, to vary the benefits of soldiers where the contributions have not been suspended. It may be absolutely essential to take such a course where the financial position of a society is in jeopardy. As hon. members are well aware, life assurance companies impose extra war premiums. In fact many life assurance companies will not accept war risks at all. When it is remembered that friendly societies take not only the risk of death, but also accept certain obligations in case of sickness, it will be recognised that some relief of this kind is far more necessary to the friendly society than to the assurance company. Clause 5 is, I think, highly important. It gives the registrar power to investigate the affairs of any friendly society, or of any branch of a friendly society, and to appoint an inspector for that purpose. The reason for the clause is that it has happened, in particular during the past two or three years, that there have been several deplorable defalcations in friendly society affairs. Whilst it is not pretended that inspection of the kind proposed under this clause would invariably prevent misappropriation, I think there can be no doubt that

stringent audits would bring misappropriation to light very quickly, whereas recently there have been cases of defalcation which must have spread over quite a number of years, until eventually they assumed very large dimensions indeed. In some cases suspicion had arisen in the minds of the departmental officers; but there was no power to investigate and inspect merely on suspicion. Ultimately, when the whole of the facts came to light, it was shown that the department's suspicions were well founded. Had this provision been contained in the principal Act, probably the offenders would have been caught before they had gone nearly so far as in point of fact they did go. A somewhat similar provision is already in force in New South Wales; and, to judge from remarks published from time to time by the Registrar of Friendly Societies in that State, as well as from assurances which he has given to the head of the department in this State, the result of these inspections has been most beneficial to the members of friendly societies, who have been saved from losses which would otherwise have occurred. I move—

That the Bill be now read a second time.

Hon. J. DUFFELL (Metropolitan-Suburban) [5.35]: I congratulate the Colonial Secretary on the bringing forward of this measure at the present time, which undoubtedly is opportune for legislation of this nature. Belonging, as I do, to one or two friendly societies, and taking a keen interest in friendly societies generally I am in a position to affirm that the Bill is absolutely necessary. Friendly societies, almost needless to say, are composed of the thrifty members of the industrial classes, men who take the opportunity of looking half-an-inch before their noses and of providing for emergencies in the nature of the rainy day. These people have banded themselves together for the purpose of providing funds to supply, in cases of sickness, the necessities of life and also medical attendance. Members of the societies, in their magnanimity and generosity, upon the outbreak of war readily and willingly, and not altogether thoughtlessly, passed resolutions that those of their members who enlisted in the Expeditionary Forces should retain full benefits without con-

tinuing to contribute. This action was taken with the very best of intentions; but, as the war progressed and the need for men and more men continued to grow, the demands upon the friendly societies in this connection increased by leaps and bounds. It was found that not only those who had been members for years were claiming the benefits of the resolution I have referred to, but also members who had joined shortly before enlisting. Accordingly, some action must be taken to guard the friendly societies against what has now become a serious position. I have no doubt the measure will go through. Clause 3 needs amendment so as to include an association of friendly societies, as well as the individual societies or their branches; and in Committee I shall move to that effect. Where friendly societies have formed associations to enable them to acquire the freehold of a block of land on which to erect a building for the conduct of their business and also for social events, it is necessary that such associations should be enabled to obtain titles to their land. I heartily support the second reading.

Hon. J. E. DODD (South) [5.40]: I do not think any vital objection can be raised to the Bill, but I would like the Colonial Secretary to postpone the Committee stage until, say, next Wednesday, so as to allow members to consult some of the societies with regard to the measure. As regards Clause 3, I am not altogether satisfied, since the wording seems to me to give too much power, possibly, to a small body of men. The clause does not provide for the calling of a general meeting of members by advertisements; and thus it is just possible that a small meeting might deal with such important matters as the selling or mortgaging of land. It may be, of course, that the rules of the societies provide against such a contingency; but I should like an opportunity of consulting some of the lodges in my constituency. As regards the point raised by Mr. Duffell, I may mention that the Registrar of Friendly Societies originally pointed out what might be the possible results, and these, I presume, have accrued. If this Bill has the endorsement of the Registrar, I do not think we can go wrong in passing it.

Hon. J. F. CULLEN (South-East) [5.42]: I have only one point of criticism, or rather of suggestion, to offer to the Minister. By Subclause 2 of Clause 3 gifts from the Crown or from private persons are exempted from the power to sell. On the surface that seems quite right. But many of the difficulties of friendly societies arise just there. Land may have been granted to a society by the Crown in a position which suited at the time; but a stage has been reached when it would be good business for a society to sell the land and build elsewhere. I know of a case in point. The society have no power to sell. The only way in which they could overcome the difficulty would be to surrender the gift and obtain another gift in its place. There is no reason for excepting these gifts from the power of sale, so long as there is a proviso that the proceeds of the property sold shall be devoted to the same object as that for which the original gift was made. In those circumstances the friendly societies would be left unfettered in the conduct of their business. I hope the Minister will look into the point, and see whether he can himself provide the necessary amendment. I welcome the Bill itself. We owe a very great debt indeed to our friendly societies. The amount which these societies have saved public charity and private charity, by their mutual helpfulness and the fraternal interest which their members take in each other, is quite incalculable; and anything that Parliament can do to encourage friendly societies ought to be done.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East—in reply) [5.44]: I readily fall in with the suggestion of Mr. Dodd, and if the second reading of the measure is passed I will fix the Committee stage for this day week. I can assure hon. members, not merely that this Bill has the complete endorsement of the Registrar of Friendly Societies, but that it has been introduced at his earnest desire. So great is the interest the registrar takes in this matter on behalf of the societies, that I am sure he would welcome any hon. member desirous of discussing with him any point of the measure. I will also see that when the Bill

comes before members in Committee the Registrar of Friendly Societies shall be in attendance.

Question put and passed.

Bill read a second time.

BILL—PORTS AND HARBOURS.

Second Reading.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [5.46] in moving the second reading said: This is a short but very necessary Bill. It has been prepared in consequence of an opinion given by the Crown Solicitor that the existing Swan river regulations are invalid because of the fact that the whole of the river above the Fremantle bridges is not a proclaimed port. That portion of the river between the Causeway to a little below Barrack-street, known as Perth Water, was proclaimed a port under the Customs Ordinance Act, 1860. That Act has been repealed and the power to proclaim ports was included in the Customs Consolidation Act, 1892. The control of the Customs and the administration of Customs legislation being now a Federal matter, the Crown Solicitor is doubtful whether the power to proclaim ports could now be exercised by His Excellency the State Governor. It has therefore been deemed necessary to introduce this legislation to vest that power in the Governor. If the Bill passes, the Government could proclaim the whole of the navigable portion of the river above the Fremantle bridges a port. The object of this legislation is to legalise beyond dispute the Chief Harbour Master's control by appointing him to be harbour master for the Swan River. As matters now stand there is a doubt as to the legality of the control exercised by that officer and also doubt on the point whether the regulations controlling traffic on the Swan River can be enforced.

Hon. R. J. Lynn: Does this mean any interference with the powers of the Fremantle Harbour Trust?

The COLONIAL SECRETARY: No; it is merely rendering legal certain powers which have been used all along by the Chief Harbour Master, the validity of which are now called into question. I move—

That the Bill be now read a second time.

Hon. R. J. LYNN (West) [5.47]: There is one point which appeals to me in connection with this Bill, and that is that it may interfere in some way with the functions of the Harbour Trust, that is to say, it may come into conflict with the functions performed by the Trust. If that part of the river above the bridges be declared a port, it will really be an extension of the Fremantle harbour. I am merely mentioning the point now. If the position is as I think it may be, I for one cannot agree with the Bill.

Question put and passed.

Bill read a second time.

BILL—AGRICULTURAL BANK ACT AMENDMENT.

Second Reading.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [5.48] in moving the second reading said: I do not know that there is anything in this Bill which members will find contentious. Like the Friendly Societies Bill which has just been introduced, one of its objects is that it seeks to remove the same disability of absence of foreclosure powers under which the Friendly Societies labour on the part of the Agricultural Bank. Under existing conditions, whilst the Bank may hold securities it has not the powers of a mortgagee under the Land Transfer Act of foreclosing. Members will realise the necessity for giving that power to the bank. It is frequently desirable that the bank enter into possession of a property in order to see that the security is not permitted to deteriorate. The necessity for this power arises, not only from the point of view of protecting the interests of the Bank, which are the interests of the State, but also protecting the interests of the owners of the property, so that the bank may have a chance of ultimately selling the property at a reasonable price. In some districts money is advanced for clearing, and after the work has been completed the land falls in to the Bank, with the result that suckers grow up, and those members who are engaged in the agricultural industry know that as the suckers grow up the value of the land deteriorates.

In the absence of the power now sought, the value of the security quickly deteriorates. The Bill empowers the bank to enter into possession and not only that, but also to lease the land for any term up to seven years, in order to permit of a sale on satisfactory terms. At the present time the bank does sometimes lease land, but there is no statutory authority for such action, and this Bill seeks to supply the omission. They could not in present circumstances carry on without the authority. The necessity for this authority is owing to the fact that recently a number of properties fell back on the hands of the Bank. Another very necessary provision made in the Bill is for an increased rate of interest. Seeing that in all probability we shall have to pay more for money we borrow for the purposes of the Bank in the future, it is only reasonable we should be authorised to charge more to our clients. But it is not intended to give power to charge a very high rate of interest; therefore it is provided that the rate of interest shall not be greater than one per cent. above the actual cost of the money. Personally, I hope it will not be long before we shall be able to reduce the rate of interest. It is not intended that this provision shall apply to existing loans, but only to those future cases in which money costs us more than formerly. Power is also sought to charge the soldier settlers a less rate of interest than five per cent. Starting at $3\frac{1}{2}$ per cent., the rate to soldier settlers will increase at one-half per cent. annually until the interest payable by soldier settlers comes into line with that paid by other settlers for advances made at the same period. Provision is also made whereby it will be possible under regulations to make provision for assistance to soldier settlers before the mortgage is signed. Under the proposed soldiers' settlement scheme the Government have to prepare farms in advance. The money for this purpose will be advanced by the Commonwealth, and will be utilised through the Agricultural Bank. It is also desired to exempt forfeited farms from the payment of municipal and road board rates. It is not intended to exercise that provision in any way hostilely to the proper interests of

roads boards, but only in cases where land falls back into the hands of the Government without any immediate prospect of being disposed of to some other person. It then becomes practically Crown land, and it is not considered desirable that the Agricultural Bank should have to pay the rates on such land. But in those cases where land which reverts to the Agricultural Bank is leased it is not contemplated that the roads boards shall be deprived of their rates, but when land comes back into practically the condition of Crown land, we think it is desirable that the bank should be freed from the responsibility of paying municipal rates. If a purchaser can be obtained for the land at a satisfactory price, there is no reason why the local authority should not get its rates. The provision is intended merely to meet the case of holdings on which very little work has been done, and which come back into practically the condition of Crown lands. Crown lands are exempt from road board rates, and it is proposed that these shall be so exempt also. Those are the principal provisions of the Bill. I move—

That the Bill be now read a second time.

Hon. J. F. CULLEN (South-East) [5.57]: I think the powers proposed to be conferred by this Bill are necessary, and that the Bill should pass, and I trust the House will go carefully into the measure. In Clause 5 provision is made that advances may be made to returned soldiers who have been on active service. I understand that financial provision will be made later for the preparation of the land for the settlement thereon of returned soldiers. The point in my mind is as to whether similar provision is to be made in respect of men who are now away, but who are represented here by their wives or agents. I should like the Minister to look into this clause and see whether that is so, and if not I would ask him to say whether it should not be done. The provision is for persons who have been on active service. The question was raised in another place whether, on behalf of soldiers not yet returned, a beginning might not be made at the request of the wife of a soldier or his attorney. There can be no objection to this course being followed. It was held in another place that the clause

provides for that, but I want the Minister to satisfy himself that it does, and if it does not, that he will take the necessary steps to see that such a provision is made. With regard to Clause 6, in my judgment it is vague and will lead to any amount of confusion and, possibly, litigation. Where the Agricultural Bank is in possession of a mortgaged property and puts in a tenant, this clause would exempt that tenant, and the tenant would not be recognised as the owner's representative. This clause will exempt him for the reason that he would be holding a property from the Agricultural Bank, and the Agricultural Bank would be declared not to rank as owner and the roads board therefore could not enforce the rates. What I would like to know is whether the Bill means that whilst the property is in transition from forfeiture to sale, no rates shall be collected. I do not think that could have been the intention of the framers of the Bill. I recognise at once that where a forfeited property is not producing anything it would be bad policy to make the Bank liable, because the Bank is not purely a commercial concern. If a property is in a tenant's hands and bringing in an income it should be liable to rates like all other properties. The effect of this clause will be to exclude such properties from municipal taxation, and I want the Minister to look carefully into that. Lawyers will be able to twist that clause to mean anything under the sun, and we do not want legislation of that kind.

Hon. J. EWING (South-West) [6.4]: I hope the Minister will not force the Bill into Committee for at least another week. I am not much impressed by the statement of the Minister that the measure was one to which we need not attach much importance. It seems to me that it is one of great importance. We should recognise in this Bill the necessity for providing for leaseholds. Large areas have been taken up and have been forfeited, and to my own knowledge thousands of acres were selected in the Lake Brown district to which a railway was promised by one Government or another. I am fully aware of the fact that the people who went there did so on the distinct understanding that railway communication would be provided. The railway, however, was diverted

and there is now no communication with that district and no likelihood of any in the near future. What has been the result? Some of the best land there, on which there has been a considerable expenditure of public money, where roads have been made and dams constructed, is to-day deserted and people who began their operations there have removed to other places. The settlers in that district incurred big liabilities with the Agricultural Bank, and with those liabilities, I take it, the Government intend to deal. If the Government can see their way to do so, they should fulfil the promise made to the people who took up land in that district, and construct a railway there. I have no doubt there are similar instances in Western Australia. In that way the improvements which have been carried out will be maintained. The money which was advanced has not been secured to the Bank. I do not know whether it ever will be, but I take it that that land has reverted to the Crown, and if something is not done it will certainly become useless in a few years' time. I understand the idea was to lease these lands to people who would be willing to wait until the railway was built. The measure also touches upon the repatriation scheme. That scheme, however, is not one of land settlement at all. It is simply the provision of a certain amount of money by the Commonwealth and by private individuals for the purpose of assisting returned soldiers, but not to place them on the land. The word repatriation therefore is wrongly used. The land settlement scheme is one in connection with which the Government are going to borrow a large sum of money. We are told that this will involve a sum of £21,000,000, and a large proportion of that will come to Western Australia. Already a sum of £250,000 has been made available for settling soldiers on the land, and it is that sum of money which we are dealing with to-day in order to assist soldiers to take up land. The Colonial Secretary has stated that it is intended to charge interest at the rate of $3\frac{1}{2}$ per cent. to returned soldiers, and that the maximum to those who have not been on active service will be six per cent. I think, even if we have to pay six per cent., the State should bear the burden for a certain number of years and not charge interest until the settler has

a reproductive farm. The question of repatriation has been touched upon, and in passing it might be said that the Government should give serious consideration to it and to exercise care about the manner in which they intend to select the lands which will be required. We, who represent the South-West, know well that good land in the South-West is scattered, and care should be taken by the Government in selecting blocks to see that those blocks do not include inferior land. This will entail a considerable amount of work, and it is a matter in which the Government should make haste slowly. I think, too, that consideration might be given to the desirability of re-purchasing a certain number of estates in the South-West in close proximity to the railway line. I feel sure, also, that if local representative people, and agricultural societies were appealed to, they would be only too ready to render the Government assistance in connection with the selection of areas on which to settle returned soldiers. I am aware of the fact that the Minister for Lands and the Minister for Industries possess a great deal of knowledge regarding the South-West, but they will find that advice given by local societies will, in this instance, prove of great value. There is at the present time in the South-West a great number of surveyors at work, and there are also other men connected with the Agricultural Bank and other institutions inspecting the work the surveyors are doing, but I do not think that any of these officers have approached the local people, whose advice should be invaluable. In order to avoid making mistakes, the Government should not hesitate to seek that advice which is there ready for them. We should take care that our soldiers are settled upon good land, and I urge the Government to take into consideration the advisability of foregoing the interest for at least five years. I do not agree that this is an unimportant Bill. It touches on the question of the settlement of soldiers, and it requires serious consideration at the hands of the House. I believe we shall have other measures dealing with this question, but the note of warning which I have sounded I hope will not go unheeded.

On motion by the Colonial Secretary debate adjourned.

House adjourned at 6.12 p.m.