

# Legislative Council,

Wednesday, 5th December, 1923.

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

## QUESTION—ELECTRICITY SUPPLY, KALAMUNDA.

Hon. W. CARROLL asked the Minister for Education: 1, What was the cost of the extension of the electric light system to Kalamunda inclusive of lines, poles, and substations, if any? 2, What was the length of the line? 3, How many customers are supplied with (a) current for lighting purposes, (b) current for power? 4, What is the revenue received from each respectively?

The MINISTER FOR EDUCATION replied: 1, £7,360. 2, Three miles, high tension lines; 10½ miles distributing mains. 3, (a) 145; (b) 14. 4, For 12 months ended 30th September, 1923: (a) £523, (b) £34.

## QUESTION—GOLDFIELDS WATER SCHEME.

### Totadgin Extension.

Hon. W. CARROLL asked the Minister for Education: 1, What was the cost of extending the goldfields water scheme to Totadgin? 2, What was the original departmental estimate for the work? 3, What will the annual charges amount to for (a) interest and sinking fund, (b) supervision?

The MINISTER FOR EDUCATION replied: 1, The work is still in progress. 2, £23,000. 3, (a) and (b), £2,070 per annum.

## QUESTION — ESPERANCE NORTHWARDS RAILWAY, EXPENDITURE.

Hon. J. W. KIRWAN asked the Minister for Education: What is the total amount of money spent to date in connection with the construction of the Esperance Northwards railway?

The MINISTER FOR EDUCATION replied: Esperance Northwards railway—Statement showing cost to 31st October, 1923: Expenditure on construction prior to commencement of work in 1921, £17,981; felling, clearing and grubbing, £3,325; earthworks, £25,229; bridge and culverts, £5,210; fence-

ing, telephone, etc., £1,967; ballast, platelaying, etc., £18,270; sleepers, £41,837; freight and O.C. on Public Works materials, £16,858; stations, station buildings, etc., £1,301; supervision and contingencies, including fares, compensation fund, and holiday pay, £6,699; loco. and trucks dismantling, freight, and re-assembling, £1,750; survey new station site, £79; stock, plant, etc., £3,851; estimated unallocated wages, £2,020; permanent way material, £78,672; strengthening jetty, £919; total, £225,968.

## MOTION—JANDAKOT ROAD BOARD.

### To inquire by Select Committee.

Hon. G. POTTER (West) [4.34]: I move—

*That a select committee be appointed to inquire and report upon: 1, The functioning of the Jandakot road boards; 2, The cancellation of the recent road board's authority; 3, The relevancy of charges of misdemeanour mentioned against the chairmen and certain members of the two recent boards, as contained in files now on the Table of the House.*

I recognise the necessity at this late hour of the dying session to give particularly strong reasons in support of the motion. The motion would have been tabled much earlier but that it behoved me to be careful in dealing with the various complaints throughout the district covered by the recent Jandakot road board. I spent considerable time in getting facts and in a measure proving that the people were justified in asking for an inquiry. There was some delay, unavoidable I believe, in getting the mountain of papers laid upon the Table. Owing to the lateness of the session, it may not be possible to complete an inquiry by select committee, but I hope the Government will agree to convert the select committee into an honorary royal commission, so that the inquiry might be completed. The settlers, and particularly the members of the road board, are very anxious to have removed beyond all doubt the aspersions cast upon their personal characters. There are rumours afloat that have hurt them, and have attained such proportions that it is now freely said high Government officers have stated certain gentlemen should be in gaol. These men reside in a small community, and their credit and reputation are being seriously affected, and they desire a free and open inquiry so that it may be shown once for all whether the aspersions are supported by facts. Until about a year ago the local affairs of the Jandakot district were administered by a road board. Owing to a sequence of events, the Minister for Works saw fit to exercise his powers and terminate the authority of the board. It is not my concern at the moment to dwell upon the likelihood of any prejudice to the district born of lack of knowledge of the capabilities of the district, nor do I propose to debate whether the Minister for Works was right or wrong in the action he

took, but I will say that the members of the late board freely admit that they were not 100 per cent. efficient, due not to any lack of desire to properly discharge their duties, but to a common ignorance of the laws governing local bodies. I ask members to bear this in mind: Could they point to one road board or municipality that is 100 per cent. efficient? They could not. The Jandakot board have had more than their share of trouble. Peculiarly situated as the district is, they have long stretches of road running through lands beyond their power of taxation. I refer to the great extent of endowment lands and to certain estates that have not yet been subdivided. I shall mention what encouragement one person, who is subdividing his estate, has received. I do not hold a brief for the board or for any Government officer. I wish to be perfectly fair and to present the case as it is revealed by the file. I could introduce statements made to me by residents, but to do so would be unfair to officers of the Government. If a select committee be appointed, all the statements can be adduced and compared. It is true that two secretaries of the board were found to be defaulting; they were unfaithful to their duties. The members of the late board feel that, notwithstanding the great inconvenience they have suffered, they have been unduly harassed by a sustained and unreasoning prejudice by the officer in charge of local governing bodies, and I was astonished to find this so truly related in the file. The officer in charge of the local governing bodies sent a minute to the Acting Under Secretary, in which he said—

The time is now ripe to disband the Jandakot road board.

The Acting Under Secretary took a different view. He said:—

It is well known you have on many occasions recommended that the board should be abolished. What is the good of dwelling on this point in view of the fact that the board met the Minister and he decided that the board was to remain? In this particular case, the sympathy of the department should go out to the board. It had nothing to do with the secretary getting away with the funds or misbehaving himself.

That was the opinion of the Acting Under Secretary when he was pressed to forward a strong recommendation to the Minister for the immediate disbanding of the board. I do not wish to set up the complaining settlers as paragons of perfection. They freely admit their limitations; I do not wish to point to Government officers as hydra-headed monsters engaged in head-hunting or anything of the kind, but a careful perusal of the files shows that for years this officer has set himself out to get the authority of the board terminated. The settlers take no exception to the officer forming that opinion, but they do take exception to the tactics he has adopted in advising the Minister. I do not say the officer was actuated by an intention to injure

anyone, but the members of the board feel that it they had been left alone and not subjected to unreasoning prejudice, the state of affairs in the district would be much more happy than it is. For instance, in perusing file 3716/20 I find that mention is made of a petition from certain Riverton settlers. That petition did not come through the Jandakot road board in the manner in which one would have expected it to come. Instead, it went direct to a certain office in the Public Works Department. The petition stated that quite a number of people were very anxious to leave the area administered by the Jandakot road board, and were desirous that their ward should be transferred into the Queen's Park road board, because, among other things, there was no community of interest between these people and the Jandakot road board. On first seeing that, I could not understand it. Reading through the file, however, I found that in support of that allegation it was stated that the newly appointed chairman of the Jandakot road board, with other members of the board, had visited the settlers and had said to them that if they would refrain from the agitation for removal from the Jandakot road board district, they would be able to have certain roads constructed. That is only a half truth. The chairman, together with other members, certainly did visit that ward, as they visited all the other wards. For that action I think they deserve commendation, because the action shows that they were alive to their duties, and were going round to see what each ward required for the successful development of the whole district. It was suddenly put up to the acting under secretary that this was a matter of connivance on the part of the chairman and certain members of the board to destroy the effect of the petition. Then a counter petition came along, through a more regular channel. That counter petition was signed by 14 people who said they wished to remain within the Jandakot road board district. Time went on, and no action was taken. We find this fact set out in the files, that the Minister was advised that two petitions had been received, one bearing the signatures of 46 landowners in the ward and stating that they wished to be removed from the Jandakot road board district, the other bearing the signatures of 14 landowners who wished to remain in that district. Unless the whole of the circumstances were detailed to the Minister, what was he to suppose? He was bound to suppose that there were in that particular ward 60 people, of whom 46 wished to leave the Jandakot road board district. On further examination, however, we find that something altogether different actually obtains. We find that the Riverton Land Co. have sold many blocks in that vicinity, and that they have scattered throughout Western Australia a cloud of circulars containing a typed form to be signed by purchasers of the blocks. We find, further, that 37 of the people who signed the circular—absentee owners

—were included in the 46 who signed the first petition. Thus we discover that actually 14 resident owners were in favour of remaining within the Jandakot road board, and only nine in favour of getting out. Some of those nine, as will be proved in evidence before the select committee if appointed, were misled into signing the petition. It was evidently hoped that the petition in question would seal the fate of the Jandakot road board. But when it became known to the board, as a board, that such a move was on foot, the board requested the Minister for Works to meet them in deputation. The Minister kindly consented to do so, and after having heard the statements of fact made by the deputation, he declared that he was much impressed by the arguments put forward and by the apparent honesty of the board. The Minister was satisfied that the board were quite prepared to endeavour to do better than their predecessors had done. Later I shall show that the Minister was firmly of opinion that they were not only trying to do better, but actually doing better. It was quite obvious, then, that the Minister was anxious to assist the board, recognising, as he did, that the board had a sense of their responsibilities. He did assist the board, and the plea of the people whom I represent is that had they been left alone in their work, the position as it existed some 10 months ago would never have arisen. In file 5575/20 we find a wish expressed that some assistance might be granted for the extension of a certain road by one mile. The object of the extension was to give access to the Perth market and to establish along the Canning road, between Fremantle, Jandakot, and Perth, a circular route, whereby the settlers would be enabled to save at least half a day's journey. We will see what fate awaited that proposal, which, I should state now, received the greatest consideration from the Minister for Works. The Minister recognised the value of the road to the district, and to the various settlers; and he gave instructions that Mr. O'Connell, a Government engineer, should immediately investigate the proposition. After careful investigation, Mr. O'Connell reported as follows:—

This road is the main approach to the North Jandakot district, and it is safe to say that until such time as this road approach is made, settlement of the good lands which it serves will not be effective. The owner of the land abutting on the road length under consideration has subdivided the original location. This is a step in the right direction; and, provided the right settlement takes place, the building of the road is a good proposition.

"Right settlement" means residential settlement, settlement by people who would work the blocks. But how could people be expected to work their blocks if they had to plough through a mile or more of sand? That is an impossibility. Mr. O'Connell, who is an expert in this matter, recommended that the road extension should be made; and one

would naturally expect that with the considered opinion of such an expert in its favour, the project would have been carried out. On further reference to the file, however, it is found that the officer in charge of local governing bodies strenuously opposes the considered opinion of Mr. O'Connell.

Hon. H. Stewart: What has that officer got to do with it?

Hon. G. POTTER: That is what I would like to know. He says that this road should not be constructed in view of its "minor importance." This against the opinion of Mr. O'Connell, the expert. It is intolerable that struggling settlers should have such an objection hurled at them so late in the day. I mentioned last session how some of those settlers had been driven off their blocks. The men I am speaking for now have been hanging on to the very last, and then they are told, in the face of expert opinion, that their interests are of "minor importance." Not content with that, the same person goes on to say, dealing with this road—

In fact, it might reasonably be mentioned that were it not for persistent effort on the part of the largest property owner on this road, the Government would never have been asked to grant assistance to anything like the extent which has been done. I submit that that is a gross reflection upon the members of the board, and amounts to an insinuation of gullibility on the part of the Government. I shall prove that the officer has an inveterate prejudice against one man. Even so, the officer is entitled to his prejudice. The person whom he attacks says he is welcome to his prejudice. But the officer has no right to allow his prejudice to cloud the interests of the district and of the settlers. We know that if a mile or so of road is constructed, there are dozens of settlers who benefit by that construction in addition to the man whose property the extension passes. In this case the settlers will benefit by the excision of half a day's loss of time in going to the markets of Perth and Fremantle. While the board were pursuing their tortuous path, one well strewn with thorns, a further proposition was submitted to the Minister. The proposition is on file '2527/20: It is not a proposition, as one would expect, to help the settlers to come into their own, but a proposition for a Royal Commission or a magisterial inquiry with a view to charging this estate with a proportion of the moneys already spent in the district. It is most extraordinary that in these days of closer settlement we should be missing all this valuable Jandakot land, and going to the Peel estate, which is farther from the markets. Here is direct opposition from somebody who is not an authority on land settlement, and opposition maintained in the face of expert opinion. The Minister very rightly refused to take any such action as that suggested. A little further on we find in the file the record of a legal action. I would not mention the action had not a newspaper cutting and some covering minutes been placed on an official file.

It passes my comprehension how ever any citizen's private affairs, even although they were debated in a law court, should have appeared on an official file, seeing that they have no reference whatever to the Government. The person who is most immediately concerned says it is nothing less than a deliberate attempt to prejudice his interests and the interests of the district in the eyes of the Minister for Works and of the Government generally. The settler, who had been commended for subdividing more land than he needed for himself, had some trouble with his surveyor; and to settle the trouble amicably they resorted to law. The Supreme Court declared that the landowner was in the right. Then the Officer in charge of Local Government minutes to the acting under secretary as follows:—

Now that the owner is cutting it (his land) up to sell for a huge profit, he coolly asks the department to make the road in the centre of it, which savours very much of trying to obtain money under false pretences. From the cuttings hereunder it will be seen that it is not only the Government that are to suffer from this man's high finance.

Hon. F. E. S. Willmott: Is it an individual owner or a company?

Hon. G. POTTER: An individual owner. This gentleman complains bitterly against this hectoring and bantering spirit, but even so, he would be prepared to let it go by the board. The contents of these files are well known in a roundabout way in the district, and the source of information will be stated in evidence before the select committee if appointed. On file 4120/20 the same officer, appointed to make an inquiry, says—

Evidence is so contradictory and inconclusive that I am afraid it will be difficult to sheet home the responsibility to this gentleman.

I submit that when a high Government official goes out to make an inquiry he ought to inquire on the facts as he finds them. But he says that he is afraid it will be difficult to sheet home the responsibility. He was sent out there, not to damn anyone, but to learn the truth. He goes on to say—

I am at present being faced with a lot of trouble owing to the intriguing of this gentleman, and he has been into the department to see Mr. Bernard in connection with the drainage of the school grounds and the payment of a grant for some gravel, although he has nothing whatever to do with it. He has also, I understand, had some interviews with the Minister. I trust the Minister will appreciate the difficulty I am having and will not countenance interviews with this individual who is entirely responsible for the whole of the trouble.

I read that in full, in fairness to the officer who wrote it.

Hon. H. Stewart: Is he acting under instructions from a senior officer?

Hon. G. POTTER: He is simply told to go and inquire, but evidently he has some

preconceived idea as to how he will conduct the inquiry. Why should not a person resident in the district take interest in the drainage of the school ground? The Minister for Education himself has commended the activities of parents' and teachers' associations.

Hon. F. E. S. Willmott: That is nothing to go by.

Hon. G. POTTER: Any people interesting themselves in the welfare of the children of the school are entitled to make inquiries. Again, why should not any citizen desire an interview with the Minister for Works?—although I may say I was present at a deputation to the Minister for Works, which was attended also by this gentleman on whom the reflection is made, and I can assure hon. members that the nature of the proceedings was not such as would fill one with a desire to repeat the pleasure. Now that really deals with one phase of the question. When the Jandakot board was in its most stormy period, all sorts of excuses called reasons were put up for disbanding the board. First it was the chairman who was to blame. Then it was the settlers of the district, who were divided into factions. After all, what district is not divided into factions? Even Parliament is occasionally so divided. Again, we find the under secretary saying that the board had nothing to do with the secretary's delinquencies and could not be blamed. Tracing it right through, there seems to have been a consuming desire to abolish the board. There are other charges against other individuals. They are serious enough, but if anything they are less serious on account of their directness. The district was flooded with dark rumours of people likely to be deprived of their liberty on account of something they had done touching the operations of the board. Within the last few months those rumours have broken out afresh. People are injured in credit and reputation and they want a free inquiry, so that the public may know the truth.

Hon. F. E. S. Willmott: But the ratepayers are the people who should attend to that.

Hon. G. POTTER: I can assure the hon. member the ratepayers did not have an opportunity, although desiring it.

Hon. F. E. S. Willmott: They could take it.

Hon. G. POTTER: There was a little question of some sleepers bought by certain members of the road board from the secretary. It is alleged by the settlers that the secretary said the sleepers were useless and that he had authority to sell them. Later on, when the secretary found himself in difficulties and in the shadow of a policeman, he changed his mind and said he had no authority to sell the sleepers. Nevertheless he had sold them to the settlers, and the settlers paid the price fixed by the secretary. Casual-like, they did not worry about an official receipt, although they mentioned it frequently to the secretary at board meetings and the secretary promised to send a receipt.

Hon. J. Duffell: Did they pay a reasonable price?

Hon. G. POTTER: They did. One lot was 6d. per half-sleeper and the other from 1s. to 1s. 9d. The sleepers were condemned for road construction. The matter assumed such serious aspects that the Government officials placed it in the hands of the Criminal Investigation Department. Detectives visited the various homesteads and obtained sworn declarations. They then made their report to the Commissioner of Police, who on file 5285/20 says—

I have to state that the matter has been inquired into and as a result it is not considered a case for the police to take action in.

After the police had combed the district and got all the evidence, they found they had no case. However, the Minister is further urged to prosecute.

Hon. F. E. S. Willmott: Whom were they going to prosecute?

Hon. G. POTTER: The settlers of the district who had bought sleepers in good faith from a defaulting secretary. The Minister, wishing to do justice to the department and to the settlers, called in the aid of the Crown Law Department. The department advised that the Government could not hope to succeed in any prosecution.

Hon. T. Moore: Were the sleepers condemned for road making?

Hon. G. POTTER: Yes, they were. In the face of the opinion of the Solicitor General, the Minister is urged to further prosecute.

Hon. H. Stewart: Urged by whom?

Hon. G. POTTER: By the officer in charge of local governing bodies. That officer says, "It would be good to prosecute, even though we failed, as it would be a lesson to others." In effect he says, "Never mind if we do fail. Let us put the fear of God into the hearts of all road boards."

Hon. J. J. Holmes: Some of them want it.

Hon. G. POTTER: That is so, but not by this process. Apart altogether from the example it would be to other road boards, what about the wives and daughters and families of the men to be arraigned before a jury, even though the wives and daughters and families know all the time that their men are innocent? Notwithstanding that the Commissioner of Police and the Crown Law authorities had declared that there was no case, the official says that even though they failed it would be a lesson to others. It is the most extraordinary reasoning that could ever appear on a public file.

Hon. J. J. Holmes: We often learn from our failures.

Hon. G. POTTER: I agree. Now we find another charge, this time made directly, and by inference as well, against the chairman of the road board. It has to do with the defalcations of the secretary. When the secretary vacated his position it was discovered that his funds were short. He made a clear breast of it and made restitution. His de-

fending counsel said to the chairman of the board, "My client is pleading guilty, and is proposing to make restitution. Are you, as chairman, going to insist upon the highest punishment you can give this man?" The chairman of the road board said, "No, if the magistrate thinks this man is deserving of the First Offenders Act, the magistrate may confer it." For that the chairman is inferentially charged with something not very nice. This is the minute on the file from the officer in charge of local governing bodies—

Apart from the embezzlement and irregularities, it is difficult to realise what conspiracies are covered up by the transactions of this board, because there is a suggestion that the chairman should accept restitution and abandon prosecution.

The chairman had no intention of compounding a felony by abandoning the prosecution, and objects to that imputation. It has been freely stated by certain people that he had an axe to grind. That statement should be closely investigated, so that the chairman may either stand condemned, or be righted in the eyes of his friends. With regard to the peculiar process of reasoning adopted by an officer of the department in building up a case for the Minister for Works, with a view to terminating the authority of the road board, I would refer members to file No. 4736, where the auditor's report will be found. This particular auditor has made an exhaustive report. He showed the arrears he had found, and also complimented the board upon the marked increase in efficiency over that displayed by their predecessors. When asked if it would not be a good thing to disband the board altogether, and divide it up, one portion going to one road board and another to another, this is what the auditor, Mr. Ash, who is greatly experienced in road board affairs, said—

I do not consider it fair or just to the ratepayers to divide the district up, and apportion same to other districts, as such a scheme would, in my opinion, make most of the lands within the present district a mere tail end to any other district, and practically a *terra incognita*. What is really wanted is a general shake-up and a settlement of differences, and that can be done by the ratepayers at the ballot box. In short, the district as it stands is worth another trial at self-government and I recommend accordingly on the lines herein suggested. I have achieved such results before.

One would think some notice would have been taken of this, and that it would have been allowed to stand in the auditor's report, as being just to the body in question. The officer in charge of the local governing bodies, however, did not take that view. On the same file, in addressing the Acting Under Secretary, he says—

All matter between X and X, marked in red, should be omitted from the report, because it may be used against the depart-

'ment in any future suggestions that might be made in regard to amalgamation.

This oasis in the auditor's report should, according to the officer in charge of local governing bodies, be excised lest it should be used against the department. That is a most peculiar process of reasoning. It proves that uppermost in the minds of certain people was the idea of disbanding the Jandakot Road Board. I have heard only one other thing to equal this. There was an old Indian chief, who was visited by some white potentate. The Englishman was anxious to see the chief, for he had heard that he had ridden roughshod over every tribe within an 100 miles of him. He was favoured with an audience with the chief, who sat in his pretentious wigwam, and showed his visitor the many trophies of the chase. The white potentate said to the chief, "Seeing that you have exterminated these people, taken this territory and divided it up, you must have made many enemies in the course of your life." The Indian chief, in his inimitable way, and striking an attitude, said, looking round his wigwam and gazing at the scalps on his belt, "My enemies? My enemies are dead." The Jandakot Road Board is effectively dead, but the desire for the vindication of their character, and the character of the settlers in the district, is a live and real thing, and can best be brought about by the appointment of a select committee.

Hon. F. H. GRAY (West) [5.20]: I second the motion. Seeing that the people concerned in this matter require a full and free investigation, there cannot be much the matter with the conduct of the members of the Jandakot Road Board. It was a very grave act on the part of the department to disband the board, and it constitutes an effective bar to progress. When I was associated with another well-managed road board we had a lot of trouble with the officers of the department. A great deal of the time of the department is occupied in harassing road boards. If more attention had been paid to road boards who were experiencing trouble because of their secretaries, many road boards would not have had the unfortunate experience that was theirs. I do not believe that members of road boards should be responsible for their secretaries. It means a lot to a local authority if it can secure a good official. The Jandakot Road Board was unlucky. The aftermath has been that some hard things have been said about the members of that board, and their characters should be cleared, as well as those of the settlers of the district.

Hon. F. E. S. WILLMOTT (South-West) [5.22]: When I was Honorary Minister for Lands from 1917 onwards, I happened to be mixed up to some extent with this particular road board. There were several factions working one against the other, and, so far as I could gather from what was said, everyone in the district was a criminal. I have yet to find a community wherein every per-

son comes within that category. Members should support the request of Mr. Potter, if only for the attack that he made upon an officer of the Public Service. The whole matter should be inquired into, and the officer in question given a chance to defend his action.

Hon. J. J. Holmes: The officer has a difficult duty to perform.

Hon. F. E. S. WILLMOTT: Yes. I do not agree with Mr. Gray as to the responsibility of road board members for the misdeeds of their secretaries. Members of local governing bodies should at least see what documents they are signing. Merely because the secretary places certain papers before them, they should not sign them with their eyes shut. Too often that sort of thing is done.

Hon. T. Moore: Were we responsible for what some of the Ministers did a few years ago when they signed away thousands of pounds?

Hon. F. E. S. WILLMOTT: I understand that was the practice of the Scaddan Government.

Hon. T. Moore: I am not referring to the Scaddan Government. You know that quite well.

Hon. F. E. S. WILLMOTT: Members of road boards, especially those of the finance committee, must always exercise great care. Very often papers are put before them, and they are in such a hurry to get away that they will sign anything.

Hon. J. Cornell: Does that not apply to Ministers?

Hon. F. E. S. WILLMOTT: It applies to everyone, but we are not dealing with those matters.

The PRESIDENT: The discussion must be confined to the motion.

Hon. F. E. S. WILLMOTT: It should not go forth from this Chamber that members are of opinion that a road board should not be responsible for the actions of its secretary.

Hon. F. H. Gray: The members are responsible for their own conduct and not for that of the secretary.

Hon. F. E. S. WILLMOTT: A reference has been made to the idiosyncracies of officers of the department. I know of a case that beats the instance put forward by Mr. Potter. An officer in the Water Supply Department died. We, as his brother officers, paid his funeral expenses, because of the unfinancial position of the estate. As the expenses were heavy, we wrote to the department asking whether something could be contributed towards the expenses. The reply we got was, "Certainly not, this would create a precedent and others would take advantage of it." The reasoning of some Government officials is very extraordinary. From my knowledge of the Jandakot district, I should say it is highly desirable that a select committee should be appointed, and a thorough investigation made, not only to protect the honour of the people mentioned by Mr. Potter, but to give the officer in charge of

local governing bodies an opportunity of justifying his action.

On motion by the Minister for Education, debate adjourned.

## BILL—FACTORIES AND SHOPS ACT AMENDMENT.

Read a third time and returned to the Assembly with amendments.

## BILL—APPROPRIATION.

### *Second Reading.*

Debate resumed from the previous day.

Hon. J. J. HOLMES (North) [5.31]: This is one of the few occasions in this Chamber when members are able to deal with matters of finance, and with the concerns of the State ranging from Wyndham in the North to Eucla in the South. Indeed, we can deal with the whole business of the country in all its ramifications. If my remarks will not be as brief as they are on some other occasions, the importance of the subject will justify me in putting the facts, as they present themselves to me, before hon. members and, incidentally, before the country. We hear of a desire to get into recess so that members may get away to the country to prepare for the general election that is on the horizon. That consideration does not appeal to me. We are here to discharge the business of the State in a methodical and careful manner. The Bills before the Chamber justify close scrutiny, and I hope, with the assistance of other members, to give the Bills the consideration they deserve. Last night we had a peculiar incident in this Chamber. The Leader of the House moved the Loan Bill up on the Notice Paper because, he said, he wanted to get the Bill passed in the interests of the State. A perusal of the Bill since last night shows that there is an important departure embodied in its clauses. Another point of interest is that the Loan Bill, the passing of which was such an urgent matter last night, finds a place at the bottom of the Orders of the Day this afternoon.

The Minister for Education: It is easy to get over that difficulty, and deal with the Bill if hon. members agree.

Hon. J. J. HOLMES: We heard the Minister talking last night about this great country, and the policy of the Government regarding the North. At that stage Dr. Saw interjected: "Peanuts and possibilities."

Hon. J. Duffell: He might have said: "Peanuts and prosperity, 3d. a bag!"

Hon. J. J. HOLMES: I do not know whether hon. members have read "The Sentimental Bloke." If they have, they will remember when the "bloke" took the young lady to the play to see "Romeo and Juliet," and described the scene in the words—

Sh' grabs 'is knife an' ends 'er cares,  
"Peanuts or lollies," sez a boy upstairs.

The Minister for Education: What is there in that?

Hon. J. J. HOLMES: There is this, that last night we had a discussion upon peanuts and the possibility of growing peanuts in the northern part of the State. We also heard statements of what was done in Alabama, without any reference to the cost of production, or the value of the article produced.

The Minister for Education: The hon. member knows it was suggested.

The PRESIDENT: Order! Will the Minister permit the hon. member to proceed?

Hon. J. J. HOLMES: Cattle and sheep are the permanent products of the North. The Minister said he proposed to give hon. members a full knowledge of the financial position, and went on to say that the buoyancy of the State was due to good administration. Before I sit down I hope to show that the buoyancy of the State is due to the enormous loan expenditure, and not to good administration. Last year the loan expenditure was about £4,000,000, and this year the loan expenditure proposed is £3,763,000. The interest charges on those two amounts will represent about £500,000 per annum. It is for this House to see that the money, which will cause such inroads into the State finances, has been and is proposed to be utilised in such a manner as will provide interest and revenue to the State.

The Minister for Education: That is quite right, of course.

Hon. J. J. HOLMES: The Minister argued that the bulk of the money is profitably employed. It will be my duty to show that a large percentage of it, especially recent expenditure, is not interest producing. If we go on borrowing these huge sums of money and invest them in ways that will not produce interest, there is only one thing left for us. We will find ourselves at a dead-end, with all our revenue eaten up in interest and, perhaps, in some sinking fund payments. The Minister referred to the decrease in the year's deficit as a matter for congratulation and claimed that that result was due to good administration. In 1921 the increase in the sinking fund was £792,738, and the deficit for that year was £686,725. In 1922 the increase in the sinking fund was £728,596, while in the same year the deficit was £732,135. Last year the increase in the sinking fund was only £410,891 and the deficit, £405,364.

The Minister for Education: We redeemed some loans, you will remember.

Hon. A. Lovekin: And borrowed more money.

Hon. J. J. HOLMES: These figures show that the improvement in the finances to the extent of £300,000, which has been written so big across the pages of the "West Australian," is due to the fact that £300,000 less went into the sinking fund. That is the position as it appeals to me after analysing these figures, and, to use the words of the Minister for Works, "all the flapdoodle in the world will not alter it." It is no use side-tracking

this position. There is the statistical return; there are the figures, and if the Minister can show me that what I have pointed out is not correct, I hope he will do so when an opportunity offers. The Minister did give one reply during the course of his speech, for he took Mr. Kirwan to task on the question of right and wrong. Mr. Kirwan did not raise the question as to whether it was right or wrong, but the Minister dealt with it from that standpoint. The question was the increase in the sinking fund of £732,738 in 1922, and the increase of only £410,192 in 1923. That was the point.

The Minister for Education: I answered it too, and will answer it again.

Hon. J. J. HOLMES: If we take the State's gross indebtedness, we find that in 1921 it was, in round figures, £49,000,000; in 1922 it was £55,000,000; and in 1923 it was £58,500,000. One would think that as the gross indebtedness went up, so the sinking fund would increase in proportion. Such is not the case. The reason for that is that we have approximately £14,000,000 in Treasury bills and bonds, and no sinking fund is provided on that amount. In 1914 Treasury bills and bonds represented a liability of £430,000—that was during the period the Scaddan Government were in power—but in 1919 the Treasury bills and bonds issued represented a total of £8,500,000, while in 1923 the total was raised to £13,815,000. If sinking fund payments had been provided in respect of the £14,000,000 borrowed under Treasury bills and bonds, the figures would have been different, for the necessary quota would have had to be paid into the sinking fund, and thus increased the deficit.

Hon. H. Stewart: It would have meant a difference of £150,000.

Hon. J. J. HOLMES: We have heard about juggling the finances. I do not say it in an offensive spirit, but there is the position. So far as the people know, we are paying interest and sinking fund on all the money we have borrowed. The fact remains that, according to the latest statistical returns, approximately £14,000,000 has been borrowed on Treasury bonds and bills for which no sinking fund is provided.

The Minister for Education: It is not provided until the bills become inscribed stock.

Hon. A. Lovekin: What does it matter?

Hon. J. J. HOLMES: The bills are not converted into inscribed stock. If sinking fund charges were levied, the payments would become a charge against revenue and the deficit would automatically go up.

Hon. H. Stewart: There is also £1,250,000 worth of debentures.

Hon. J. J. HOLMES: Let me trace this movement of affairs a little further at the present stage. The population of the State in 1916 was, in round numbers, 316,000; in 1923, the population was 347,000, showing an increase of 31,000 in seven years. If we analyse those figures, we will find that the increase hardly represents the excess of births

over deaths. Despite this fact, we have an enormous expenditure going on in bringing people to the State to fill our empty spaces, and yet, for some unaccountable reason, we find people are going out as fast as we bring them in. The State's indebtedness in 1915 was £33,800,000, and in 1923 it was £49,700,000, or an increase of £15,800,000. The per capita indebtedness in 1915 was £106, while in 1923 it had risen to £142 10s. The expenditure for the year ended 30th June, 1916, was £5,700,000, and for the year ended 30th June, 1923, it was £7,600,000, or an increase of £1,900,000 in the State's expenditure. During that period, between 1916 and 1923, while our expenditure for the year went up to that extent, the population increased by only 31,000! The expenditure on revenue account per head of the population for the year ended 30th June, 1916, was £18, and for the year ended 30th June, 1923, it was £22. The revenue for the year ended 30th June, 1916, was £5,350,000. For the year ended 30th June, 1923, it was £7,200,000, showing an increase of £1,850,000. The State's deficit in 1916 was £1,360,000, and in 1923 it was £5,900,000, and the interest on the deficit is now approximately £1,000 a day. This is the wise administration that the Leader of the House referred to last night! If the Minister will turn up "Hansard" he will see what his chief thought of the position when the deficit was less than £1,000,000. The present Premier when criticising the financial policy of the then Treasurer, Mr. Scaddan, said this—

The whole speech reveals the hopelessness and stupidity of the gentleman who presides over the Cabinet.

Sir James Mitchell was referring to a gentleman who is now one of his own Ministers, and the deficit was not of £6,000,000, but merely £837,000, and it was regarded then as a very serious matter. Sir James Mitchell went on to say at that time—

The more he gets the more he spends; the higher the revenue the greater the deficit.

The present Premier, when not in control of the Treasury, is in accord with me for he said that disaster was coming upon us. And the deficit was of only £837,000! Where are we then with the deficit of to-day?

Hon. A. Lovekin: He will easily explain that.

Hon. J. J. HOLMES: Sir James Mitchell went on to say at that time when criticising Mr. Scaddan—

We have financial chaos with the Labour Party on the box seat.

Later on, discussing Mr. Scaddan's method of finance, the gentleman who is now Premier said this—

The present drift should be regarded as serious and something will have to be done to check it. There must be an end to borrowing to cover the deficit. A lot of the money we are borrowing is going to meet revenue charges, and that is a deplorable state of affairs.



I intend to pursue that particular subject further. That is one of the points raised in answer to the "good administration" that is responsible for the present buoyancy of the State.

The Minister for Education: You know the position is improving.

Hon. J. J. HOLMES: By dodging the sinking fund and keeping £14,000,000 in Treasury bonds that should be inscribed stock. That is the way the position is being improved. I do not suggest that the present Ministry are jugglers; I infer that they mean well, but that they do not know. That is the position. One would never think of charging the present Government with dishonest intent, but it can be said that Ministers are so tangled up to-day with State trading concerns and one thing and another, that they have not the time to give important matters the consideration they deserve. Consequently it becomes our duty to let the country know where we are and where we are drifting. We have heard of the proposal that it is the intention of the Government to approach the Imperial Government for a loan of ten millions free of interest.

The Minister for Education: It would be a good scheme.

Hon. J. J. HOLMES: It would, but it is only in the air; it has come into the air just prior to the general election. We know that the Premier went to England two years ago and came back with an agreement which he said was the best he could produce. On his return he was greeted with a torchlight procession and entertained at banquets by people about the city, who were going to participate in the plunder that he got from the Imperial Government. The arrangement was that the Home Government were to pay one-third of the interest on £6,000,000 for the first five years, and the Commonwealth Government and the State Government were to pay one-third each. When I started to criticise the agreement in this House, Mr. Sanderson challenged it, and said that I had got hold of the wrong copy. There was an argument between us and Mr. Colebatch came to the rescue by declaring that I had the right agreement. This agreement did not correspond with what we had heard about the six millions loan. It provided for certain things before we could get a rebate of the interest. One of these was that we had to bring 75,000 migrants to the State and establish 6,000 farms. It was then that we were to get the rebate of the interest for the first five years. If we brought out only 25,000 migrants, we had to find employment for all we brought out, and establish 2,000 farms. Then we would get a rebate of interest on two millions, and not on six millions. It was the Imperial Government who made that agreement. They said, "This is our money; we are going to rebate one-third of the interest, but we must see that the money is properly expended." Now to go back to the Imperial authorities for a free loan of ten millions, seems to me to be somewhat of an absurdity. The agree-

ment made two years ago was the best, Sir James Mitchell told us, that he could make.

Hon. A. Lovekin: Mr. Amery said that the agreement would help Britain to get rid of 75,000 people at £8 per head.

Hon. J. J. HOLMES: The agreement also provides—

At the end of three years, or at any time after the expiration of that period, if the Secretary of State or the Commonwealth Government has reasonable cause to believe that the limitation in Clause 4 may become operative, they or either of them shall be entitled to abate their subsequent provisional payments to such an extent as may appear to them to be necessary to ensure, so far as may be practicable, that the total of the provisional payments will not exceed the total contribution due.

They also stipulated that the total amount to be expended on each holding established should be £1,000, and it is provided that after five years the principal and interest remaining should be capitalised and payments of principal and interest should be made to the State extending over a period of 25 years.

Hon. T. Moore: Was the interest on that money to be at the rate of 6 per cent. after the first five years?

Hon. J. J. HOLMES: It was not to exceed one per cent. more than the amount that the State paid. The Commonwealth raised the money as best they could, and the State, provided it carried out its contract, got a rebate in the interest for the first five years, after which the interest and the capital remaining were to be capitalised. I am referring to the agreement because it is so closely connected with group settlements, with which I will deal later. We know that the Imperial authorities are watching the group settlement scheme very closely. We have had combined and separate parties from the Old Country visiting the settlements, and it behoves us also to watch the position closely, and satisfy ourselves that everything is going on all right. If there should be a hitch in connection with the scheme, financed as it is by the Imperial authorities, and watched by the people at Home, irreparable damage would be done to the country from which it would take us some years to recover. The trouble as it appears to me is that Western Australia has started out to solve an Imperial problem. We are a State loaded with debt; we are carrying a per capita indebtedness of £142, the highest per capita indebtedness in the world, and we have set out to solve an Imperial problem. A State with 350,000 people, indebted as we are, cannot carry the load, and it is unfortunate that the free loan did not suggest itself to the Premier when he was in England and before he entered into the agreement he made.

Hon. A. Lovekin: And we would have got it.

Hon. J. J. HOLMES: The agreement we have entered into has tied us up in every way.

The Minister for Education: It is easy to say that.

Hon. J. J. HOLMES: I said so at the time; the Minister can turn it up in "Hansard." I pointed out the difficulties but my arguments were disputed. It was said I had got hold of the wrong agreement. But I was on the right track.

Hon. J. Duffell: It was the best that could be accomplished then.

Hon. J. J. HOLMES: What is the use of suggesting a free loan of ten millions now when the Imperial authorities have a million and a quarter of unemployed instead of two and a half million? If the six million scheme was the best that could be obtained when the Imperial Government's difficulties were very much greater than they are now, what is the use of talking about a ten million loan free of interest at this stage?

The Minister for Education: If they read your speech, they will not grant it.

Hon. J. Cornall: There were over 300,000 ex-Imperial soldiers under 30 years of age unemployed in July last.

Hon. J. J. HOLMES: This is an Imperial problem; yet this State with a population of 350,000 people is trying to solve it.

The Minister for Education: We have made a good start, too.

Hon. T. Moore: Migrants are coming in fast enough.

Hon. J. J. HOLMES: And according to statistical returns going out just as fast. No one realises more than I do the necessity for peopling the State, but can we continue on the present lines? As illustrating the necessity for bringing population into Australia, I need only show the cover of the monthly pamphlet issued by the Million Club, Sydney. The sketch illustrates Australia lying asleep under a tree, the population being 5,000,000 people. Beneath that is shown, "Australia, wake up!" The sketch shows a thousand million people from Japan, China and other countries desirous of entering our empty north. This sketch emphasises the point I have been making—it is an Empire problem that Western Australia foolishly, I think, has set out to solve. The Minister referred to group settlement and expressed the hope that members would visit the groups. It is the duty of every member to do so. I visited the groups from Busselton to Augusta and later on went through the Peel Estate. The settlement between Busselton and Augusta appealed to me as a feasible proposition. The land is good, though heavily timbered; the rainfall is good; the climatic conditions are suitable for butter making etc. A late grass grows there when it cannot be obtained anywhere else. Leaving out the question of cost, that part of the scheme appealed to me as having possibilities. I found the settlers in very comfortable homes and happy and I asked myself, "Why should not they be happy?" Those people have a different outlook from what they ever had before. They came from the Old Country, and I doubt whether one of them ever had a hope of calling a home his own, or of living in such a home as has been provided here. Then they have assured

pay; the paymaster goes round on horseback every Friday and does not carry a rifle or a gun to protect the cash. He issues an order on the Treasury.

Hon. H. Stewart: He pays by cheque and the men have to go to the nearest town to cash it.

Hon. J. J. HOLMES: A comfortable home, assured pay, and these people are happy.

The Minister for Education: Only for the time being have they assured pay.

Hon. J. J. HOLMES: Another thing that makes for their happiness is that, being new to the country, they are not aware of the difficulties they will have to face later on. There are great difficulties to be faced and every practical man knows it. None of their money is invested in the scheme; it is the money borrowed by the State that pays for their labour and for their homes. They have everything to gain and nothing to lose. Therefore the periodical announcement in the Press that all the group settlers are happy is quite true. They ought to be. Yesterday I asked the Minister to verify what I knew to be a fact that after all these years of group settlement—

The Minister for Education: All these years!

Hon. J. J. HOLMES: Well, how many?

Hon. H. Stewart: Eighteen months.

Hon. J. J. HOLMES: After 18 months of group settlement how many of the settlers are out of the groups? Not one.

The Minister for Education: It is not time yet.

Hon. H. Stewart: There is a general election approaching and dissatisfaction might result.

Hon. J. J. HOLMES: Every group settler is still in receipt of 10s. per day. He has a comfortable home and the expert officers advise that the £3 per week sustenance plus the house, firewood, vegetables etc., represent a value of £5 per week. Why should not they be happy?

Hon. H. Stewart: All of them have a vote.

Hon. J. J. HOLMES: After all the flourish of trumpets as to what is being done, not one solitary settler has gone out of a group to battle on his own account.

Hon. H. Stewart: Do you expect it yet?

Hon. J. J. HOLMES: In view of what we read in the Press, it is interesting to recall a cablegram published on the 28th November of this year. It stated—

The Agent General, Mr. Colebatch, referring to Western Australian group settlement, claimed that the scheme was not a dream nor an experiment, but an accomplished fact.

The Minister for Education: Quite right, too.

Hon. J. J. HOLMES: It is not an accomplished fact.

Hon. C. F. Baxter: A long way from it.

Hon. J. J. HOLMES: Every group settler is still receiving 10s. per day and the Imperial Government know it. Yet our Agent General claims that the scheme is an accom-

plished fact and not a dream. Not one of the group settlers has done anything but help to clear his own and other settlers' land. The only experience they are getting is clearing experience. When they go out on their farms and the paymaster fails to call on Friday afternoon with the £3 cheque, the trouble will begin. That is the stage when I fear the Imperial authorities will not be satisfied with mere inquiry, but will want something more.

Hon. H. Stewart: Are you going to make any suggestion or offer any helpful criticism?

Hon. J. J. HOLMES: The Busselton-Augusta area appealed to me, provided it is not over capitalised. Some of these men must fail; we cannot expect to bring here from the other end of the world, people strange to our conditions, and not have some failures.

Hon. T. Moore: They are not put out on the groups straight away.

Hon. C. F. Baxter: Of course they are.

Hon. J. J. HOLMES: They go almost straight off the boat into group settlements; about a week is all many of them have before starting. They have no right under the agreement to be in the groups, but we had better not say too much about that. If the farms in the area referred to are not over capitalised and the group settlers have to go off them through incompetence, they will have very little to complain about, because they are living under conditions that no pioneer ever enjoyed. But capital costs must be kept down or practical men will not come in and take up these farms. Land, rainfall and climatic conditions are good; over-capitalisation of the blocks will cause the settlements to be a failure, and there will be the double-barrelled effect that practical men will not come in and take up the blocks at high capital cost. The Peel estate presents a problem that must be faced. The difficulty is to get anyone to accept any responsibility.

Hon. H. Stewart: Is not there a board controlling all this settlement?

The Minister for Education: What is wrong with the Peel Estate?

Hon. J. J. HOLMES: Well, first let us try to arrive at the expenditure. A few days ago Mr. Baxter moved for a return showing the expenditure on the Peel Estate. The return, which is on the Table of the House, shows an expenditure of £518,735, but that includes the Bateman Estate, a small estate. The figures quoted by the Minister yesterday do not correspond with the figures in the return, and I asked him to provide me with a set of figures for use here to-day. The figures supplied by the Minister are different again. They show the total expenditure to date on the estate as £431,518.

The Minister for Education: That is for the Peel Estate alone.

Hon. J. J. HOLMES: According to "Hansard" of the 23rd January, 1923, page 2722, Mr. Colebatch, then Leader of the House, said—

The expenditure on the Peel Estate, including purchase, has been £190,096, of

which £43,000 represented plant which will be of use elsewhere, thus reducing the expenditure on the estate to £147,096. It is estimated that it will cost to complete £150,000, bringing the total for the estate to £297,096. There will be a profit on the sale of firewood amounting to £30,000, making the total of the estate £267,096.

That was on the 23rd January of this year. The expenditure to-day is not £267,000, but £431,000. From a keen observation of the position I have no hesitation in saying that to bring the Peel Estate to the stage that Mr. Colebatch anticipated would cost £267,000 will take at the very least £800,000.

*Sitting suspended from 6.15 to 7.30 p.m.*

Hon. J. J. HOLMES: Before tea I was referring to the figures submitted by the late Leader of the House, the present Agent General, in connection with the Peel Estate. I also made reference to what the present Agent General had told the British people, through the Press, about the success of the group settlements. I wish to be quite fair. Mr. Colebatch could only put up to this House the figures as supplied to him by the Lands Department or the Agricultural Department, whichever administered the group settlements and the Peel Estate. The information with which the present Agent General has supplied the British public concerning the success of the group settlements is presumably information sent to him from this end. The same remarks apply to the figures put up by the present Leader of the House. He is not administering the Peel Estate, nor the Lands Department, nor the Agricultural Department. He can only give us the figures as they are presented to him. My trouble, however, is to get a verification of the figures. On the 23rd January of this year the late Leader of the House, on the strength of figures supplied to him by the department administering the Peel Estate, in effect told members that the Peel Estate, when completed would cost approximately a quarter of a million. To-day we are faced with the position that already £431,000 has been spent on the estate. I have been through the estate, and I have no hesitation whatever in saying that to complete its settlement will cost at least £750,000. That is a serious position of affairs. Surely it is a boomerang which will come back from the Imperial end when it is found that our estimate of the cost at which migrants can be established on the land here has been increased by 200 per cent.

Hon. A. Lovekin: It is the same with the Herdsman's Lake drainage.

Hon. J. J. HOLMES: I should like the hon. member to deal with that question. Just now I am dealing with the Peel estate, which I regard as the most serious question now confronting Parliament. Mr. Colebatch told us on the same date that when the work on the Peel estate was completed, there would be 18,000 acres of swamp land drained, and 32,000 acres of other land that could be cropped. That makes a total of 50,000 acres.

Taking the estimated cost at three-quarters of a million we have a capitalisation of £15 per acre. I think I am safe in saying that the Peel estate cost the Government less than 10s. per acre.

The Minister for Education: I think 8s.

Hon. J. J. HOLMES: And now we have a capitalisation not of £5 per acre as estimated but of £15 per acre, on the basis of an expenditure of three-quarters of a million. What do the 32,000 acres of light land consist of? Banksia, sheoak, stunted jarrah, and a little redgum. That is the Peel estate. I should say that class of country could be bought anywhere for £1 per acre. It is only the small timber that is being killed off the Peel estate. The men in charge of the clearing have a theory that grass will grow better under the shade of big trees. It is contrary to my experience, but I will give it in. Only the light timber is being taken out. I would undertake to buy land similar to the Peel estate for £1 per acre, and I would undertake to bring it into the same condition of improvement for £2 or £3 per acre. That is a total capitalisation of, say, £4 per acre, as against the Government's capitalisation of £15 per acre. That is where the trouble is going to come with the Imperial authorities. My experience in life, my experience in my own affairs, which I apply to public affairs, is that if one sees trouble, the time to face it is at once. The time to face the trouble of the Peel estate is here and now. It is a very well to say, "You are croaking." No man has more confidence in this State than have I. There is no man doing more than I am, in my small way, by subdividing the forest to advance this country. But what I do, I do in a methodical manner; and I want the business of the country done in a methodical manner. Now let me tell members what has happened in connection with that portion of the Peel estate which has been dealt with by the Agricultural Bank. The figures I am about to quote were supplied in a return moved for by Mr. Baxter. I find that the Agricultural Bank set out to establish 78 settlers on this portion of the Peel estate, presumably settlers who knew something about the business and could be established. Of those 78 there are only 68 settlers operating now. They have had advances totalling £40,000 odd from the Agricultural Bank. Of the 68 remaining, 21 are working on Agricultural Bank advances. The other 47 are being held on a maximum sustenance allowance of £2 10s. per week. That is what has happened in connection with the Agricultural Bank's portion of the Peel estate. Heaven knows what will happen when the Imperial settlers are placed on banksia, stunted jarrah, and redgum country capitalised at £15 per acre. After the first five years, capital, together with interest, will have to be repaid within 25 years.

Hon. J. Duffell: The average cost will be considerably reduced by the swamp land.

Hon. J. J. HOLMES: We will come to the swamp land. With regard to that, I am told, and I think on good authority, that it

is costing £50 per acre to drain. I understand, further, that some of the swamp land has been sold to these people at £15 per acre, and it is being drained for them by the Government at a cost of £50 per acre, a loss of £35 per acre to the State. Now to go back to the group settlement on the Peel estate. I think there are on the estate 300 group settlers, drawing sustenance at the rate of £3 per week. Then there are at least 400 men working on the drainage scheme under the engineers. I shall deal with the drainage scheme presently. However, the State is paying 700 men on the Peel estate. I do not know how long the work has been going on there—about two years, I think. I suppose the 100 men on the drainage scheme are receiving the award rate, or 14s. 4d. per day. In my humble opinion, the Peel estate is going to be another Kendenup catastrophe, unless the question is faced here and now—another Kendenup, with much further-reaching effects, inasmuch as we have on the Peel estate Imperial settlers sent out under the agreement with the British Government. It is to avoid a trouble of that description that I have been delving into the figures to which I am now asking the House to listen. I go even further, and I say that this matter is so serious as to impel me to move for a select committee to go into the problem at once, to face the trouble here and now. The select committee could be created an honorary Royal Commission, if necessary. I am so serious about this matter that I suggest the Bill we are now discussing shall not be allowed to pass until either a select committee or a Royal Commission shall have been appointed; because if this matter is allowed to go on, seeing that we are 200 per cent. out in our estimate in eleven months, Heaven knows what we shall be out in our estimate when we meet again in the middle of next year! As an indication of what I might term the drainage farce, evidence points to the fact that they began at the wrong end, with the result that the land supposed to be under cultivation at the end of last winter has been all flooded out. And we get a return declaring that the loss by the settler is a mere cypher! It is not the loss by the settler, but the loss by the State, although ultimately the State's loss will be added to the capital cost for the settler to carry. Let me deal with the size of the drains. I will take members out to the Peel Estate and show them going through a white sand hill a drain that the operating officer told me was 160ft. wide and 50ft. deep. They are throwing up mountains of white sand which, I am afraid, will become a sanddrift all over the estate. Hon. members know the sanddrifts along the coast and the trouble caused immediately the sand begins to move. I know of a big estate in the town of South Fremantle, the owners of which have tried by all means to stop the sanddrift. Rather than have any more expense they have given the land to the Fremantle Council. It is an established fact that, as a result of this first winter in the

Peel Estate, the whole of the drainage system has to be gone over again and the drains deepened an additional four feet.

Hon. A. Lovekin: Why?

Hon. J. J. HOLMES: Because the country supposed to have been ready for cultivation this year has been flooded out. The drains would not carry the water, but overflowed. I have seen it with my own eyes. Land is now being poughed up that ought to be under cultivation. If hon. members view the position as I view it, they will realise that in the interests of the State this matter should be faced here and now. Coming back to the question of administration referred to by the Minister, who lauded the manner in which the affairs of the country are being administered and the buoyancy consequent upon that administration, I should like to refer briefly to the Auditor General's report as to the way in which trust funds and other funds are administered. In private affairs if anyone plays hanky-panky with trust funds there is only one place for him. On page 7 of his report the Auditor General says—

The trust fund at the close of the year totalled £17,910,684, of which sum £2,135,883 was uninvested. The return includes under the heading of "trust fund" eight accounts with debit balances.

He gives the accounts, the total debit balances of which amount to £532,960. He says—

There should be no such thing as a trust account with a debit balance.

Nor should there be. Trust funds are handed over for a specific purpose. If you take more out of the trust fund than is in it, then your cheques will be dishonoured.

Hon. A. Lovekin: That is what people get into gaol for.

Hon. J. J. HOLMES: That is so. Half a million of money has been overdrawn. Coming to the Advance to Treasurer: this House granted an authority to the Treasury for half a million of money. According to the Auditor General's report the Treasury spent approximately £800,000, or £300,000 more than Parliament authorised. What is the use of Parliament if Parliament allows this kind of thing to go on? Again, the Government will insist upon trying to bolster up, not industries, but men who have not the capacity to carry on industries. In the establishment of a secondary industry a man with a bit of money, but no knowledge of the business, gets hold of it and loses his own money. Automatically he ought to go out of the business; because, if he loses his own money he will have a good chance of losing other people's money also.

The Minister for Education: That does not follow.

Hon. J. J. HOLMES: Automatically such a man ought to go out of the business and somebody who understands it come in. But as soon as a man who does not understand the business loses his own capital, the Government come to the rescue and lend him further capital to lose.

The Minister for Education: He might not lose it.

Hon. J. J. HOLMES: On page 11 of the Auditor General's report we have a reference to South's Fish Preserving Company, £490 17s. 9d. This is the Auditor General's comment—

This amount was paid out in the year 1920-21 as the outcome of a guarantee under the Industries Assistance Act to the Commonwealth Bank. There is no authority under which the amount can remain as an outstanding from the Public Account at 30th June, 1923.

Now on page 12 of the same report we come to the Government Stores and the wonderful administration displayed. Here is the Auditor General's comment—

It was reported last year that the Government Stores account was, with the sanction of the Treasury, used for manufacturing, and that there was no proper authority for the procedure. The practice continues. The Auditor General can only report to us. It is for us to do our duty. The report continues—

Under the authority of the Governor, dated 2nd September, 1920, the Stores Department was authorised to take stock once in every three years, such period to commence from the date of last stock-taking. In practice, stock is taken in sections on different dates. In several instances the stock sheets submitted were unreliable. Fictitious entries were made in the head office account for balancing purposes. An inquiry held by the Public Service Commissioner exonerated the persons concerned from any fraudulent intent.

This is the improved administration we heard so much about from the Minister last night!

The Minister for Education: Have you never before seen anything like this in this report?

Hon. J. J. HOLMES: I have never seen anything like this. Never have I before seen anybody accused of manipulating trust funds.

Hon. T. Moore: And this under a Government of business acumen!

Hon. J. J. HOLMES: The Government started out on a storekeeping enterprise. The Auditor General's report, on page 16, reads as follows:—

A store was opened at Newdegate to supply the men engaged. The arrangement, as stated by the engineer in charge, was for the storekeepers to send weekly supplies for distribution amongst the men, the surplus stores to be taken back by the storekeepers when the operations ceased. The books kept at Newdegate disclose a deficiency of £202 17s. 2d. on these transactions, and it is not possible under the methods of book-keeping employed to ascertain how the deficiency is made up. The Treasury regulations were not observed for the cash collections; no departmental receipts were issued, although cash dockets were used in some instances.

Cash dockets are no good unless in general use. The report continues—

All money collected was not paid into the Public Account. A small amount was used to purchase stores, for which no accounts or vouchers have been supplied. It was necessary to guarantee payment to storekeepers for stores supplied direct to the men. The payments under this heading amounted to £2,597. No written guarantees have been produced, and the conditions are not known. No evidence has been produced that the men received the goods, beyond the claims of the storekeepers. The approval of the Executive Council was produced to pass the payments as a charge against the vote. Debits to the men for these supplies, also the supplies by the department and other debits as shown in the books, cannot be relied upon as accurate. According to the books, approximately £1,500 has not been recovered. The approval of the Executive Council has been produced authorising the amount to be written off and the expenditure to stand as a charge against the vote.

Hon. A. Lovekin: Capitalised.

Hon. J. J. HOLMES: The Auditor General says—

Ordinarily such expenditure would not be necessary in connection with clearing by contract or piecework.

This is a day labour stunt. Had the work been done by contract or by piecework the result would have been different.

Hon. F. E. S. Willmott: I thought there was a sting in the tail.

Hon. J. J. HOLMES: This National Government have been clearing at Newdegate and charging the expense up in this manner. Ultimately the cost will be charged to the unfortunate settlers, who will have to foot the bill.

Hon. J. Nicholson: Will not the country have to foot the bill?

Hon. J. J. HOLMES: The Auditor General says—

A number of men left without having earned sufficient to pay for the stores and equipment supplied.

Hon. A. Lovekin: Day labour.

Hon. J. J. HOLMES: He adds—

Many of the debits raised for the stores supplied direct to the men by the storekeepers appear to be large, and suggest purchases by one person for a number in a camp or group.

Hon. T. Moore: Were they on day work or piecework?

Hon. J. J. HOLMES: I am giving the facts as I find them, irrespective of whom they hit.

Hon. T. Moore: It hit the worker there.

Hon. J. J. HOLMES: It is quite a simple matter for one person who is responsible for the stores to sell them to his friends and not pay for them. This is the business acumen we heard so much about yesterday. The Auditor General finishes up by saying—

The account keeping cannot be said to have been satisfactory.

There was surely no necessity for this paragraph.

Hon. T. Moore: Be merciful as you are strong.

Hon. J. J. HOLMES: Now we come to the joy riding stunt. Under the heading of "Motor lorry service for group settlements" the Auditor General says—

The cash drawn during the year on account of the motor lorry service in connection with the group settlements has been charged against revenue item 181, "clearing by traction engine, firewood cutting, etc." provided under the Lands Department. The amount charged for the year, including £470 for the purchase of a motor lorry, was £4,222 11s., and the collections credited to revenue were £2,023 17s. 5d. The collections include charges against the Loan Vote for group settlements.

There is only one construction to put upon that, namely, that the group settlers are riding about in motor lorries, and that the cost of their ride is debited up against the group settlements.

Hon. H. Stewart: Is it not for stores?

Hon. J. J. HOLMES: I have seen them riding about.

The Minister for Education: They pay for the ride.

Hon. J. J. HOLMES: Yes, but the cost is debited against group settlements. Why should they not have a joy ride if the group has to pay for it?

Hon. T. Moore: It is more comfortable than in a cart.

Hon. F. E. S. Willmott: It is worth a guinea a minute to travel over those roads.

Hon. J. J. HOLMES: From my experience I should say it is. On the subject of the Peel Estate there is this item in the Auditor General's report—

The credit in the year 1921-22, referred to in the previous paragraph, was the sum of £1,130, stated to represent supervision, stores, and engine running expenses. The books of the department show that an over transfer of £457 3s. 10d. occurred. No adjustment has been made.

We also have a firewood stunt on the Peel Estate, and the Auditor General says—

The expenditure charged to revenue votes for firewood cutting on Peel Estate from the inception to 30th June, 1923, was £27,696 13s. 8d. Receipts from sales and fire insurance, also the value placed upon wood charged against the heading for "engine running expenses" accounted for £22,595 18s. 4d., leaving a balance of £5,100 15s. 4d. to be recovered. Information is not available to show definitely if the balance will be recovered when the firewood on hand is disposed of, and adjustments made.

Hon. F. E. S. Willmott: What is the betting against getting that £5,000?

Hon. J. J. HOLMES: Now we come to the Roelands quarry. I think the Minister for Works opened it.

The Minister for Education: He did, and a fine quarry it is.

Hon. J. Duffell: The Government have been supplying cheap metal ever since.

Hon. J. J. HOLMES: The Auditor General says—

The expenditure against the authority to 30th June, 1923, was £3,999 3s. 10d. This included an amount of £18 6s. 11d., for the cost of refreshments for a ceremony when the quarry was officially opened in May, 1923.

Hon. A. Lovekin: That was reasonable.

The Minister for Education: It is not much.

Hon. J. J. HOLMES: The Auditor General does not think it was either cheap or right, and I do not think it right.

Hon. A. Lovekin: I do not say it was right.

Hon. J. J. HOLMES: The Auditor General says—

Evidently the amount has been charged against the authority by mistake.

Hon. J. Nicholson: Has it not been surcharged?

Hon. J. J. HOLMES: The Auditor General cannot surcharge. People say he never suggests anything. It is not for him to suggest, but to report to Parliament. It is for Parliament to act. If Parliament does not do so then the people should send the right men into Parliament.

The Minister for Education: You are here.

Hon. J. J. HOLMES: I only stop here to keep a worse man out. The job is no good to me, but while I am here I will do my best to let the country know what is going on. When we see a difficulty let us face it and not put it off until after the general election. The Auditor General also deals with the Westralia Freezing and Canning Company. He says—

The bank overdraft with interest, totaling £2,677 18s. 6d., has been paid.

I presume it has been paid by the Government. Of the £2,600 the Government appear to have had £218 returned. The Auditor General says—

Practically the whole of the assets have been realised, and little more is likely to be recovered beyond the amount of £575, for which bills have been accepted.

Bills are not often met, but let us hope these will be. This brings me back to the policy of trying to foster secondary industries, and backing men of the wrong sort. Men of the right sort with money and an understanding of business would not be bothered with the Government and their finances.

Hon. T. Moore: What about the Fremantle Freezing Works. They are backed by the Government, and are not getting on too well.

Hon. J. J. HOLMES: That is a long story, and I do not propose to deal with it now.

Hon. J. Duffell: It is interesting stuff.

Hon. J. J. HOLMES: I was butted out of it in the early stages, because I took up the position that the money must first be put up by the shareholders before I would be a party to the business. If they wanted Government money later they must treat for anyone and everyone. They could not have Government money and treat only for the shareholders. That is the rock on which we split. People can do what they like with their own money, and give preferential treatment to their own shareholders, but in the case of Government money everyone has a share in it. That is the rock on which I was butted out. I could go on all night upon the subject.

The Minister for Education: You are having a fair go now.

Hon. J. J. HOLMES: We do not often get an opportunity like this. If the House will not vote me as interesting as the Minister was yesterday I will sit down.

The Minister for Education: You are as long anyway.

Hon. J. J. HOLMES: We now come to the Bunbury woodworking business. The Auditor General says—

During the years 1919-20, 1920-21, and 1921-22 advances totalling £4,000 were made to the Committee of the Bunbury Returned Soldiers Industries in connection with the woodworking business. The advances were charged to the loan fund under the heading—"advances to settlers, industries, etc." Interest amounting to £238 7s. 6d. was recovered from the committee. The undertaking did not prosper, and it came into the hands of the Government. An amount of £2,000 was written off, and the business was then sold to a syndicate of returned soldiers for £2,000, a deposit of £250 being received; £150 of the deposit was used to satisfy a creditor of the original committee.

Out of that £4,000 it would appear we shall get £100 back.

The Minister for Education: I would not attack this item if I were you. It is to help returned soldiers.

Hon. J. J. HOLMES: It would have been much better to have given them £3,900, and I have no doubt the House would have voted for it.

The Minister for Education: It was thought it would help them.

Hon. J. J. HOLMES: When a man gets into difficulties and loses his own money, he will again get into difficulties when he has Government money. That is the mistake that has been made. I have finished quoting from the Auditor General's report.

Hon. A. Lovekin: You have omitted quite a lot.

Hon. J. J. HOLMES: Members will have gained an insight into the business of the country as carried on by an up to date business Government, which brought about all the reforms we heard of yesterday. I now come to the great North-West, which the Leader of the House says is full of possibilities. With

a revenue of £7,250,000, the Government propose to spend £155,000 in the North-West, which represents, roughly speaking, about two-thirds of the State.

The Minister for Education: Look at the money we spent there in other directions.

Hon. A. Lovekin: Look at the Wyndham Meat Works!

The Minister for Education: I refer to the Beadon Point jetty.

Hon. J. J. HOLMES: Let me show hon. members the way this great North-West, which is so full of possibilities, is treated by the Government.

Hon. A. Lovekin: What about peanuts?

The Minister for Education: Well, they are valuable.

Hon. J. J. HOLMES: On the 18th November I wrote a letter to the Minister for the North-West in which I pointed out that primary products such as wheat, flour, coal, etc., were permitted to pass over the Fremantle wharf, wharfage free. Meat also passes over wharfage free. On the other hand, however, meat at Wyndham is subject to the pre-war wharfage, plus 20 per cent. The meat that went out of Wyndham last year paid wharfage amounting approximately to £6,000. That amount was taken out of Loan and taken into Revenue. Had that meat been handled at Fremantle, it would have passed over the wharf without charge. Then let us turn to the position regarding pearlshell. Here again it is a case of North against South. For months past I have protested against the charge of pre-war wharfage on pearlshell, plus 20 per cent.

The Minister for Education: We reduced that charge.

Hon. J. J. HOLMES: Yes, by one shilling per ton.

The Minister for Education: Well, that is something.

Hon. J. J. HOLMES: Pearlshell handled on the wharf at Broome has to pay pre-war wharfage plus 20 per cent. If there is one industry in Western Australia that has had a trying experience since the war and requires assistance, it is the pearlshell industry. Certainly it is a luxury, perhaps not a necessity. The fact remains that the industry is a necessity so far as Broome is concerned. In my letter I pointed out that had the pearlshell been fished in the southern waters it would have been treated as a primary product, but because it was fished in northern waters it was not so classified. Cattle, sheep, and all products of the North are in the same position. If any of my constituents desire to send cattle out of Derby or Broome or Wyndham or any northern port they have to pay on cattle 1s. 6d. per head, plus 20 per cent., and on sheep 2d. per head, plus 20 per cent. If those cattle had been sent from Fremantle, the owners would have had to pay 4d. per head, plus 20 per cent., and on sheep 1d. per head plus 20 per cent. From time to time we have heard in this Chamber and elsewhere continual complaints as to the manner in which the Federal Government

have treated Western Australia. As I have said in the past so I repeat now, the manner in which Federal Governments from time to time have treated Western Australia is exactly the same as the way in which the State Government have treated the North-West.

Hon. G. W. Miles: Not so bad.

Hon. J. J. HOLMES: Why is it that Federal Governments have treated us in that manner? Why is it that the State Government treat the North differently from the South? The only answer I have been able to find—and it shows how political matters have drifted in this country—is that we have not the voting strength in the Federal Parliament and the North Province has not the voting strength in the State Parliament.

Hon. A. Lovekin: The North Province has as much representation as any other province.

Hon. H. Stewart: It has two or three times as much representation per elector.

Hon. J. J. HOLMES: Members representing other provinces are here on the spot and their electors can discuss matters with them. In the North we are isolated and separated by long distances.

Hon. H. Stewart: Isolated and impoverished!

Hon. J. J. HOLMES: We are only three members out of thirty.

Hon. J. W. Kirwan: Out of sight, out of mind.

Hon. T. Moore: The trouble is you are too far away from the seat of Government.

Hon. J. W. Kirwan: We want a subdivision of the State.

Hon. J. J. HOLMES: Yesterday we heard a lot from the Minister regarding the wool products in the northern portions of the State. Our record is one we can well be proud of. The people engaged in the sheep industry have done well. The whole of the business has been carried out without State interference. Our wool has attracted buyers from all parts of the world to Perth and Fremantle, without any Government interference. That is what we want in Western Australia. We do not want people spoon-fed into prosperity. We want them left alone to battle along and carve out their own destinies. The Government cannot take any credit in connection with the wool industry, for it has been built up entirely by private enterprise.

The Minister for Education: A very creditable thing, too.

Hon. J. J. HOLMES: As to the Wyndham Meat Works, the Minister told us that the capital account as at December 31st last, which is the end of the financial year for the works, was £1,353,000, while the assets were £896,195.

Hon. A. Lovekin: No provision was made for depreciation.

Hon. J. J. HOLMES: That shows a shortage of assets amounting to £456,805. Everyone knows that the assets will have to be written down. We know that Mr. Allen, the expert who was brought from Queensland



and to whom we have paid fees running into thousands of pounds, was required to do various jobs in connection with the works. One of these was to go to Wyndham and determine what percentage should be written off the plant and machinery. That was two years ago. To this day not one penny of depreciation has been written off the machinery or off the buildings. Mr. Colbatch admitted—I suppose he was guided by Mr. Allen—that at least five per cent. should be taken off the buildings and more than that off the machinery. By this time we should have at least £200,000 written off by way of depreciation.

The Minister for Education: A lot of revenue has been spent at Wyndham.

Hon. A. Lovekin: Yes, out of loan funds.

Hon. J. J. HOLMES: The fact remains that not one penny has been written off for depreciation. One of the principal objects the Labour Government had when they established the Wyndham Meat Works was to keep the world-wide American meat ring from Western Australia. The same attitude was taken up in connection with the Fremantle Meat Works. The object was to keep out the American combine. What has happened? It would appear—it has not been denied, although the Premier agreed to cable to London about it, and so far as I know no reply has been made public—that the American Meat Trust is represented not only in the Wyndham works but also in the works at Fremantle.

The Minister for Education: You say "it appears," but you do not say it is so.

Hon. J. J. HOLMES: A communication has been received from London showing that the share list of Messrs. Sheed, Thomson and Co. discloses that the nominal share capital is £250,000, with a subscribed capital of 175,000 shares at £1. Of those 175,000 shares, 105,000 are held by Messrs. William Davis and Co. of Chicago, 46,000 by Sheed, and the balance of 24,000 by Thomson. So Messrs. Sheed and Thomson hold 70,000 shares, while Messrs. William Davies and Co., of Chicago, hold 105,000. The chairman of directors of Messrs. Sheed, Thomson and Co. is Mr. Edward Carey Fox, who is also chairman of directors of Messrs. Wm. Davies and Co. of Toronto, one of the arms of the American Beef Trust. That communication was produced in another place, and I present it to members here. The Premier promised to cable to London in connection with this matter, and I have asked if the agreement with Messrs. Sheed, Thomson and Co. has yet been finalised. I am told that it has not been.

The Minister for Education: That is so.

Hon. J. J. HOLMES: I am also told that when it is finalised the House will have an opportunity to consider it.

Hon. H. Stewart: If we can judge by past experience, even if the agreement is not finalised the Government will have to pay a large sum for the privilege of not completing it!

The Minister for Education: Certainly not.

Hon. J. J. HOLMES: The fact remains that the handling of the meat is apparently in the hands of these people.

Hon. A. Lovekin: Part performance of the agreement has taken place.

Hon. J. J. HOLMES: The Government are financing the Wyndham works and someone else is supposed to be financing the Fremantle works. It is not denied, however, that Messrs. Sheed, Thomson and Co. are handling the products from these works. The cable I have quoted is an authentic extract from the head office records in London. It will be seen, therefore, that instead of keeping the American ring out of our meat industry we have put them in.

Hon. T. Moore: Put them in charge, too.

Hon. J. J. HOLMES: That is a serious matter.

The Minister for Education: It would be serious if true.

Hon. A. Lovekin: It is weeks since the cablegram was brought before Parliament and you should know something about it by this time.

Hon. J. J. HOLMES: I have previously mentioned the name of Sir James Connolly in connection with this matter, and I regret that duty compels me to make reference to it again. It was suggested, I understand, that while Sir James Connolly was still Agent General he should take a seat on the board of Messrs. Sheed, Thomson and Co. The Premier wisely disagreed to that course being followed. I do not know what has happened now that Sir James Connolly is a free agent. I do not think it is proper to suggest that the Agent General at any time should take a seat on such a board. That practice should not be countenanced for one moment. I do not think Mr. Colbatch would dream of anything of the kind. As to the North-West, the Minister has said quite a lot.

The Minister for Education: I did not decried the North-West as you have been doing.

Hon. J. J. HOLMES: In what way have I decried the North? Shortly after Sir James Mitchell came into office he showed a desire to promote the interests of the North-West, particularly the country between Derby and Wyndham. The area represented some millions of acres, with 2,000 miles of coast line. A committee was appointed to consider the matter. It consisted, in addition to myself, of Mr. M. P. Durack, who was an early pioneer of the Kimberley areas, and Mr. Percy Hutton, who came from the Eastern States to manage Hutton's bacon factory. He went to the Kimberley district and saw it was good enough for him, with the result that he took up a station and is now living in affluence. Then there was Mr. Charles Glyde, whose father went to the Kimberleys 40 years ago as a pioneer. I do not know how many thousands of pounds this man's family made out of Kimberley. Their latest station was sold for £60,000. The committee sat night and day because

they were told that as soon as the report was presented the question would be dealt with. I was chairman of that committee, and it was composed of practical men. What happened to the report? It reached the waste-paper basket, because nothing whatever was done. Just to show the urgency of the matter. We had evidence to the effect that in the year 1800, some thirty years before there were any white people settled in this State, French navigators sailing around the coast between Derby and Wyndham came across 22 small Malay vessels slave trading and fishing. This fact was mentioned in our report. We suggested in the report the advisability of settling people in that part of the State in groups because the natives were more savage there than in any other part of Australia, due to the fact that no doubt they remembered the Malay visits that had been made in the early days. Nothing has been done. These are matters that have to be faced, problems that must be dealt with, and yet we find that though we have a revenue of seven and a-quarter millions we are spending a paltry £155,000 in the development of the great North.

The Minister for Education: You surely do not make that statement seriously?

Hon. J. J. HOLMES: When I was a good little schoolboy I used to have this told me, "The parson told the sexton and the sexton tolled the bell." Here is the position in the North: we have a Commissioner for the North-West and a Minister for the North-West.

Hon. H. Stewart: And a secretary for the North-West.

Hon. J. J. HOLMES: Before the North-West Department was created, if a telegram came to me relating to North-West matters, I went straight to the Minister and had it dealt with promptly. To-day one must go to the Minister, who communicates with the Commissioner, who in turn communicates with the secretary, and so the thing floats on until sometimes it rectifies itself before the matter is determined by the department.

The Minister for Education: Is that what you find you have to do now?

Hon. J. J. HOLMES: Yes, that is what happens. We have appointed a tropical expert, who is not under the control of the Minister for the North-West, nor the secretary for the North-West. He has a roving commission and has to report to the Minister for Agriculture. I will leave the North-West for a moment and return to the South. I am pleased to note that the estimated wheat yield this year will be in the vicinity of 19 million bushels. The Premier's immediate objective is 30 million bushels. Anybody who has studied the Australian tariff and the world's wheat market will come to the conclusion that wheat farming on its own will not be profitable in this State. There must be wheat and sheep. The price of wheat is coming back. The high tariff upon everything that the wheat grower requires is squeezing him to such an extent that there cannot be any profit. He must have sheep and wool to assist him, and,

in addition, water must be found for the wheat belt.

The Minister for Education: The Government are doing that.

Hon. J. J. HOLMES: Regarding the fruit industry, I resent the Minister's attempt to sidetrack the question by throwing the responsibility on to the Federal Government in respect of matters that should be dealt with by the State. The Minister pointed out last night that the Federal Government had given a bonus for canned fruit in the Eastern States. That bonus also applies to Western Australia and the Minister declared it was intended to approach the Federal Government to see if it would be possible to get another form of assistance for Western Australia. The Minister knows well that no other system can be put up for this State, that the Federal authorities cannot discriminate between the States. If there is anything to be done in the fruit industry, it must be done by the State Government. With regard to mining and the assistance being given to it by the State Government, I hope that the mining vote will be used for legitimate prospecting. The system of providing men with money to put into abandoned shows is not sound. If there is a loss, the Government have to stand it, and if there is a profit over and above the advance made, the Government derive no benefit from it. It is a case of heads the mining man wins and tails the Government lose. There are instances of the Government having backed wild cats and no attempt made to recover the money which, in some instances, could have been paid. On the subject of a water supply for the metropolitan area, I note the proposal to spend three millions. I am emphatically of the opinion that no city or town should be without an adequate water supply, which is the first essential. For fully 10 years I have been battling for a water supply for northern ports, including Port Hedland, one of the important ports of the North-West.

The Minister for Education: There is an amount on the Estimates for it.

Hon. J. J. HOLMES: A small amount that will probably be enough to put down a bore, and then the matter will be allowed to remain in abeyance for another 10 years. I cannot conclude my remarks without making some reference to the State trading concerns. According to the Minister the loss to date is approximately £400,000. Of that amount £100,000 must have been the loss of last year, because according to the figures submitted by Mr. Colbatch in this House on the 23rd January last—figures dealing with the year ended in the previous June—the loss was then £300,000.

The Minister for Education: The amount includes £96,000 written off the implement works, which he did not include.

Hon. J. J. HOLMES: I have stated repeatedly that I do not think we will ever get out of the trading concerns with a loss of anything less than a million. I propose to amend that figure now and say that the loss

will be a million and a quarter. We must lose anything from £750,000 to £850,000 on the realisation of the assets, and that loss must be added to the trading loss of £400,000. Take Wyndham: we must write off half a million there, and in regard to the State Shipping Service a quarter of a million will be the figure in connection with that trading venture. It will be remembered that the "Kangaroo" could have been sold for £270,000. That sale, however, much to Mr. Colebatch's disgust, was blocked, and the State spent another £200,000 on the vessel, though the Board of Trade endeavoured to prevent it. Now we have a ship capitalised with the alterations to the extent of £200,000, to which must be added the original cost. What is the vessel worth to-day? Not more than £50,000. Then, in regard to the Implement Works, we cannot get out of that concern except with a loss of at least £150,000. That million and a quarter must ultimately be added to the deficit, and the sooner we face the position the better. Reference was made last night to the deepening of the Albany harbour. I raised the question last year. Mr. Colebatch said he would reply, and when he did he replied to every point except that relating to the dredging. A Commonwealth dredge has been at work at Albany deepening the inner part of the harbour to a depth of 34 feet. At the same time the depth at the entrance to the harbour is 33 feet, and the maximum that vessels entering that harbour draw is 31ft. 6in. Therefore we shall have vessels having a clearance of 1ft. 6in. at the entrance to the harbour and 2ft. 6in. inside, the idea was to deepen the harbour while the political opportunity to do so existed. A glance at the chart, however, shows that it will be necessary to go out to sea a considerable distance in order to make the depth of 34ft. uniform. I agree with the Minister that the success of Western Australia or indeed of any country depends upon proper administration. I have given sufficient evidence of the manner in which the affairs of this State are being administered. Coupled with proper administration, it must be possible to raise our primary products and market them profitably, and the figures I have quoted will indicate, I think, that our products are barred from the world's markets. We must also have cheap transit. I do not say one word against Collie coal, but I do not think that we in Western Australia can ever have cheap railway transport while we have to pay the present price for coal. One big item in the railway policy of any country is the coal supply. I am informed that coal at the pit's mouth in New South Wales costs about 11s. 3d. and here the price is between 17s. and 18s. On top of that Newcastle coal is worth 33 per cent. more than is Western Australian coal. Therefore in our country of long distances, over which our products have to be hauled, if we are paying too much for our coal, this handicap must be reflected right through the country. Every day we see motor cars and charabancs conveying passengers between Perth

and Fremantle, Belmont, and other places much cheaper than they are carried by the railways, and we can come to one conclusion only, that something is wrong somewhere. We have to people this State. We have to people the South-West portion as well as the North, but it is an Empire problem, not a State problem. A State loaded with such a liability as we are cannot hope to solve an Empire problem.

Hon. J. Duffell: It is a problem for the Empire in conjunction with the Commonwealth.

Hon. J. M. Macfarlane: Do you suggest that the State should do nothing?

Hon. J. J. HOLMES: The State is concentrating all its efforts in the South-West.

The Minister for Education: And spending a lot of money in the wheat belt as well.

Hon. J. J. HOLMES: It is the assistance of the Empire that should be concentrated there and in the North-West, and the Government should be free, as they were prior to the inauguration of the settlement scheme, to develop all the other portions of the State.

Hon. C. F. BAXTER (East) [8.49]: I compliment the Leader of the House on the length of his speech, though not on the substance of it.

The Minister for Education: Very generous of you.

Hon. C. F. BAXTER: I do not know whether he desired to establish a record or whether he was indulging in what is commonly termed stonewalling, but certainly his speech was very long. Since the hon. member crossed from his seat on this side of the House to the Ministerial bench, he finds very many virtues in all the Ministers from the Premier down, and in all the officers of the departments. All the different officials to whom he refers appear to have suddenly acquired such wonderful genius that they are going to pull the State out of its many troubles. It must be gratifying to the House and to the public to know we have such wonderful men both amongst the Ministers and the Government officers.

Hon. T. Moore: Did not you find them like that when you were in charge?

Hon. C. F. BAXTER: The hon. member knows quite well I did not. I agree with the policy of developing the South-West, but I do not agree with the administration. This may sound an old story coming from me. Fifteen months ago I voiced a very strong protest on the same subject. During the course of Mr. Holmes's speech one member said "You must be very gratified to hear what Mr. Holmes is saying. He is supporting your statements." I was far from being gratified. There is nothing gratifying in hearing statements I made a considerable time back being substantiated. Those well acquainted with me know that I do not speak without cause. I give the Leader of the House credit for being sincere, but I advise him that those things affecting the South-West, of which he appears to be so sure, demand his closest

consideration. I trust that when Parliament goes into recess the Minister will devote a good deal of time to considering the South-West. If he does so, he will come to the conclusion that things are not turning out quite so well as he gives us to believe. I called for papers dealing with the retirement of Mr. A. R. Richardson. The Minister remarked that Mr. Richardson had retired on account of age. I felt it was not so, and a glance at the papers showed that I was correct. Mr. Richardson retired on account of what he termed political influence interfering with his doing his duty as a trustee of the Agricultural Bank.

The Minister for Education: Did he say that in his letter?

Hon. C. F. BAXTER: If the Minister disputes it, I shall read the letter and leave the House to decide. The letter addressed to the Premier on the 6th June, 1923, states—

As indicated in a previous semi-private letter of a few months back, the time seems to have arrived for my retiring from the position of trustee of the Agricultural Bank, and chairman of the Industries Assistance Board. My reasons for this step are somewhat composite. Increasing years is one of them. I also contemplate spending a few months travelling, while added to these, it has gradually grown on me that owing to the greatly increased functions of the board and the bank, and the extremely complex character of the many problems gradually being added to these institutions, and which are now assuming a more important element in the political, national and financial policy of the State, that it seems to be borne in upon myself that it is becoming more and more difficult, if not impossible, to detach the duties and the responsibilities of both the board and the bank from the political and national life of the State.

The Minister for Education: There is nothing in that. You made a wrong statement.

Hon. C. F. BAXTER: Do not be too sure about that; wait until I have finished the letter.

We have frequently voiced the desirability and even introduced legislative enactments with the object of removing the bank and board from political influence—I hope the Minister is not so dense now.

The Minister for Education: I am not so dense as you are.

Hon. C. F. BAXTER: The letter continues—

and possibly in the matter of some executive details, these may have created some outward barriers, but it must be obvious to anyone that thinks or studies the position that some very important planks in the political and also the financial policy of both Government and State are bound up with and interwoven into the operations and many important functions of the bank and the board. To this it may

be replied: Why should this not be so? Well we may put it this way: The trustees of both the bank and board are supposed to use and exercise their best judgment, and apply their practical experience in order to safeguard and protect the financial solvency, as also the commercial soundness of the various enterprises and undertakings, to assist which they sanction loan advances to carry them on, but, if they should hold an honest belief that any considerable proportion of the advances they are granting had but a doubtful chance of being repaid, or of building up a valuable asset, and under this conviction should decline to sanction such advances on any large scale, and were to maintain this attitude, they would quite possibly defeat the policy of the Government, or some important planks in it, and it is even conceivable might wreck it. But, if yielding to these rather weighty political considerations they consented to such advances, and which collectively amounted to a large capital sum, thus creating a heavy liability greatly in excess of the asset created, and if to justify their actions they quoted the political necessities of a national policy, then the public and the commercial community would have a perfect right to pass strong censure on them, reminding them that they had been appointed for the very purpose of safeguarding the public purse and protecting the taxpayer, and if in their honest judgment propositions were brought before them which they believed would result in future loss of public funds, their plain and honourable course was to decline their sanction, and if pressed by any high Government authority to yield rather than obstruct the Government policy, then they should have resigned and given their reasons.

There is more about taxation that does not affect the position. The letter shows clearly what was in Mr. Richardson's mind. It is regrettable to find that a man so long connected with the advancement of agriculture, so wonderfully successful and such a tower of strength, should, at the crisis of our history, retire from office and leave it for some new man to come in and try to carry on the duties.

Hon. J. Mills: What age is he?

Hon. C. F. BAXTER: Probably over 60.

Hon. J. Mills: Nearer 70 I should think.

Hon. C. F. BAXTER: But with his experience, energy and ability, he is worth more than a lot of men of 50.

The Minister for Education: That is right. Suppose he could not carry on?

Hon. C. F. BAXTER: I do not think it is right. It shows plainly there is a certain amount of political push behind the men that have to safeguard the interests of the country.

Hon. T. Moore: Who has taken his place?

Hon. C. F. BAXTER: I do not know. That is a small matter compared with the loss of

one of our best men. We cannot estimate how great is his loss to the State.

The Minister for Education: The Premier said that in his letter in reply. He was very sorry to lose Mr. Richardson.

Hon. C. F. BAXTER: When the Leader of the House is as well acquainted with the Premier as I am, he will take such statements for what they are worth.

The Minister for Education: I would take more notice of him than of you.

Hon. C. F. BAXTER: I am aware of that. That is why the Minister is in his present position.

The Minister for Education: Nothing of the kind.

Member: Jealousy?

Hon. C. F. BAXTER: It is highly amusing to hear one member suggest jealousy on my part. If ever there was a good day for me, it was the day when I was put out of the Government.

Hon. R. J. Lynn: You were put out, were you?

Hon. C. F. BAXTER: I was dropped; there is nothing like being candid, but I should be extremely sorry to have to take on the worries of office to-day. Mr. Holmes has dealt with a very serious matter. I have voiced my opinion before not in a spirit of criticism, but in an endeavour to make Parliament and the public realise just where the State is drifting with regard to its settlement scheme.

The Minister for Education: Mr. Holmes was very nice about it.

Hon. C. F. BAXTER: Nice! He said the group settlements are over-capitalised and impossible. He said the land was good, but he complained of the administration. In answer to my question the Minister said the expenditure on the Peel estate had been £518,735. Over half a million sterling! On top of that there is an amount of approximately £40,000 for the purchase of the estate. Then there are Agricultural Bank advances of £48,000. This means a total expenditure on the Peel estate, apart from soldier settlement, of over £600,000. I understand that the expenditure on soldier settlement in connection with the estate amounts to about £300,000. So we have close on a million expended on an estate of 80,000 acres, a great part of which is white sand of very little value for closer settlement.

The Minister for Education: You advertise the State well.

Hon. C. F. BAXTER: I like that. Is the position that we are to sit in our chairs and say everything is well, while the Government are going in for such schemes as this? There are enough hero-worshippers in this State who will accept all the Press gives them in support of the Government. Let me also refer to the item, "Advances for implements, horses, carts, machines, etc., £3,218." I did not know the Government had many horses on the estate. I do know they have been hiring horses there, and the hire runs to as much as £30 per horse. The horses could have been bought for that amount, and yet the

Government do not own a hoof of them. The huge expenditure on drainage of the Peel estate has not proved effective. Two swamps were supposed to have been drained, but they were flooded last year, and large quantities of superphosphate and potatoes were washed away. In reply to a question I was informed that the damage amounted to £250, but I understand it is in the neighbourhood of £500. Further, I understand that when the two swamps are drained into another one, there is no certainty that the drainage will be effective.

The Minister for Education: Where did you get hold of that information?

Hon. C. F. BAXTER: The Minister knows perfectly well. At any rate, the information has not come from inside the department, as suggested by a Minister.

The Minister for Education: I did not suggest that.

Hon. C. F. BAXTER: There are six Ministers in the Cabinet, and one of them has suggested that this information came from inside the department. I do not go into the departments for information: I go to the Ministers for it.

The Minister for Education: Quite right. You would get it from the Ministers every time.

Hon. C. F. BAXTER: Speaking here 15 months ago, I said the time would come when the Government would have to pay sustenance to the settlers on the blocks. For that statement I was ridiculed in this Chamber and in the daily Press. One newspaper wrote that I was a traitor to the country. Members now agree with what I then said, but it is rather late in the day after the losses which have been made. There are 68 settlers now on the blocks, and 21 of them are receiving Agricultural Bank advances, while the other 47 are in receipt of sustenance at £2 10s. per week; and this after all the expenditure on the blocks. We were told that the settlers would do wonders and would flood the markets with produce, and now we find that the Government have to pay them £2 10s. per week to remain on the blocks. What are they doing? We do not hear of much produce from the Peel estate. There is another aspect of the question to which I wish to refer. Other members besides myself have consistently advocated the doing of development work by contract. It is rather peculiar that recourse to day work should have been taken by the National Government, who always talked of the advantages of the contract system, and of doing away with State trading concerns. Indeed, in that direction things have gone rather further with the present Government than they did with the Labour Government. The development work on the Peel estate, instead of being done by contract, is being carried out by large numbers of men receiving 14s. 4d. per day. Probably after completing the development work these men will go on to blocks and get £2 10s. per week sustenance. As Mr. Holmes said, why should not the settlers be happy,

having all they want? I hope the Government will take note of my advice that in order to make a success of the development of the South-West they must appoint a board of practical men. Can they expect Government officials without practical experience to make a success of a scheme of this magnitude? It cannot be done. Some of the Government selections have been most unfortunate. Our South-West cannot be developed without the Government making some loss. But it is a very good thing for the Government to make a reasonable loss in developing the South-West, because the State soon gets back that loss in revenue.

Hon. T. Moore: Don't you think private enterprise should develop the South-West?

Hon. C. F. BAXTER: Yes, but private enterprise has been developing the South-West ever since I came to this State, without making much of a success of it so far. With a board of practical men, there would be hopes of the Government scheme succeeding; but now it is going to cost very much more than it should have done. That is an opinion I have held for some considerable time. A grave mistake was made in not accompanying the development of the South-West with a further expansion of settlement in the wheat and sheep areas. I admit that the Government are doing good work there, but they should go further. If half of the amount spent on the South-West had been put into the wheat and sheep areas, and especially into the purchase there of estates which until recently could have been obtained for less than the value of the improvements, we could have had settlers with capital in the wheat and sheep areas, instead of paupers as we have in the South-West. In the wheat and sheep areas settlers with £500 or £1,000 could have been obtained to carry the responsibility. Those settlers would have returned revenue after the first year, whereas we shall have to wait a number of years for returns in the South-West. As regards water supply, I was absolutely astounded on looking at the Appropriation Bill to find that so small an amount had been provided for water for agricultural purposes. The amount of £30,000 is allocated not to water supply alone, but to drainage and irrigation as well. Suppose fifty per cent. of it is applied to drainage and irrigation, then there is only £15,000 to provide water for the wheat areas. I understand the cost to the Railway Department of carting water is more than that each year. I have heard again and again that the Government were going to extend water supplies in the wheat areas. They were going to introduce a system of key dams. Why has it not been done? Hundreds of settlers are carting water during summer time, some of them spending from a third to a half of their time on that work.

The Minister for Education: Where is the worst part?

Hon. C. F. BAXTER: On the Powerin-Merredin line, and also on the Wongan Hills line. As Mr. Holmes said, wheat growing is

not going to prove a success if carried on alone. After land has been farmed for a few years, it becomes very weedy; and that is where the profit comes in, by feeding sheep on the weeds. But the man without water cannot carry sheep. Thus water supply means all the difference between success and failure. In many places water cannot be got by sinking, and the ground is too flat to allow of dams being made. The only solution is key dams.

Hon. J. Mills: Key dams of what capacity?

Hon. C. F. BAXTER: They would need to be fairly large. It depends on the catchment and on the area. It is absurd that the wheat areas should get only £30,000, while the metropolitan area gets £700,000 for water supply. I do not object to the borrowing of money for which the metropolitan area will have to pay interest and sinking fund, but still the proportions are ridiculous. It is tantamount to a farmer with limited capital building a £2,000 house and having nothing left for the development of his land. What is the use of a water supply to the city if development does not take place in the country to keep the city going? That aspect is absolutely lost sight of. I know it is almost useless to discuss many of these matters, but one thing I wish to refer to before closing is the unfortunate outbreak of disease among our cattle. The only feature of the outbreak with which I propose to deal at this late hour is that there is nothing to show whether the disease is rinderpest or not. We find sensational articles in the Press. The Press is not altogether to be blamed, because the matter is supplied to them. Ministers and members of Parliament rush off to Fremantle, telling the Press where they are going and that rinderpest has broken out. Then we find in the newspapers a discussion headed by the Premier, the Minister for Agriculture and prominent members of Parliament, who tell the world that Western Australia is the last place on God's earth in which to invest money.

The Minister for Education: Who said that?

Hon. C. F. BAXTER: Do you want more than has appeared in the Press?

Hon. E. H. Gray: They never said that at Fremantle.

Hon. C. F. BAXTER: It has been published broadcast, and cabled to Melbourne and London. Of course the thing is not said directly, but that is the only meaning to be placed upon it. I have come to the conclusion that the Government were made by the Press for the Press. Every little thing is published in the Press. Matters like that should not appear in the Press.

Hon. G. W. Miles: It was not in the whole of the Press; it was in the "Daily News" alone.

Hon. C. F. BAXTER: I think it was in both papers. Ministers should be careful not to let out any information until they know the real position. Even to-day it is not known whether the disease is rinderpest. Neverthe-

less it will take 20 years to wipe out the blot that has fallen on the State. I trust the Government will not continue in their blind belief that everything is going well in the South-West. If they are in office after next March they should realise by that time that not all is right in the South-West. Then, I hope, they will alter their administration down there and, perhaps, prove more successful.

Hon. T. MOORE (Central) [8.18]: Mr. Holmes dealt exhaustively with things as he sees them, and the way the Government are carrying on the affairs of the State. Now an ex-Minister, in Mr. Baxter, has also sounded the dissatisfied note. As a matter of fact we did not make much progress while Mr. Baxter was a member of the Ministry; indeed we were slipping back the whole of the time. I may have to refer to that later. The Minister for Education touched upon a question that has been touched upon very frequently of late, namely, the populating of the State. By interjection it was said we were not populating the State as fast as we might be doing. We have been told that to get out of our financial difficulty we should bring out more people to share our load. Whether or not the newcomers are to bring money with them does not seem to have been taken into consideration. The result of the Government's immigration policy thus far is by no means reassuring. During the past nine months we have received 4,800 assisted and nominated migrants, practically 5,000. Yet at the end of that term only 1,534 remain with us! In other words, the excess of arrivals over departures for that period is 1,534. If the Government have really thought to lighten our load by their immigration policy, it can only be said they are failing in their object.

Hon. G. W. Miles: Can you tell us how to keep the migrants here?

Hon. T. MOORE: While we are bringing out migrants and putting them to work at 25s. a week we are pushing good Australians out of the State. In the Old Country the Government are prepared to give a farmer a bonus of £1 per acre if he will work his land, provided he pays his hands 30s. per week. In view of that, what sort of men can we expect to get to come out here and work for us at 25s.?

Hon. G. W. Miles: Is that 30s. a week and keep?

Hon. T. MOORE: Of course! The hon. members does not suggest that a man could live on less.

Hon. G. W. Miles: But in England men are living on less.

Hon. T. MOORE: A million and a quarter of them are living on doles.

The Minister for Education: We want to get them out here.

Hon. J. J. Holmes: The men coming out here are not cheap at 30s. a week.

Hon. T. MOORE: I do not suggest that they are. I would rather employ an Australian at double the amount. But while these men are being brought out here, three or four

men are travelling around the country in Government motor cars asking the farmers to place the new arrivals at 25s. a week. Some of the farmers are prepared to pay them even less than that, and push good Australians out to make room for them.

Hon. W. Carroll: They lose money every time they do it.

Hon. T. MOORE: Yet in the hon. member's district there are men working for less than that. The Government of the country from which these Englishmen come say they should be paid 30s. per week; yet out here where, we have told them, everything is rosy with great possibilities, they are paid 25s. per week.

Hon. C. F. Baxter: Do you advocate that they should get more than they could earn?

Hon. T. MOORE: I do not approve of many of the positions they are filling to-day. But they are not going on the land. They are drifting back to the city. The good Australians have been pushed out from their positions in the agricultural districts, but after all, the newcomers are drifting into the city.

Hon. J. M. McFarlane: What are they brought out for?

Hon. T. MOORE: To cut wages, in order that we shall have plenty of cheap labour in the country.

Hon. G. W. Miles: The wage they get at Home is 30s. a week without keep, not with keep.

Hon. T. MOORE: I do not believe it. For this reason: There a man doing nothing at all gets 15s. a week, as the hon. member knows. Having been in the Old Country, I know that farm labourers here are not so well cared for as they are in England. Mr. Miles knows that the farm labourer there has a cottage to himself, not a shack such as he gets here. Out here he would take his wife with him on to the farm, but that our struggling settlers are not in a position to build houses for the wives of their farm hands. We should tell those men exactly what they are coming to, so that when they do come they shall not be dissatisfied and drift back to the city. As to decreasing our net indebtedness by bringing out migrants, I find that even with the natural increase and the 1,534 excess of arrivals over departures during the last nine months, our net indebtedness, instead of decreasing, is increasing. Of course the Minister will say, we must take into consideration our sinking fund. Well I have taken that into consideration, and I find that in spite of it our net indebtedness is going up by leaps and bounds. According to the last return, our net indebtedness per head was £137 4s. 6d. That is after allowing for the sinking fund. I can give only last year's figures.

Hon. J. W. Firman: It is now £142 10s.

Hon. T. MOORE: Instead of the Minister for Education coming here and painting a glowing picture, quoting the amount of money being spent but neglecting to explain that it is all loan money, he should endeavour to give us the true position. The Government

are unfair in their attitude, and the Press is unfair in keeping silent when it knows we are drifting back as fast as we can.

The Minister for Education: What do you suggest?

Hon. T. MOORE: Instead of rushing in as they have done in the South-West after years of inactivity, and launching out with a scheme that has not yet been fully tried, I advise the Government to look after the people who are already there, and assist them to market the produce they are going to raise. The capital expenditure is going up at such a rate that the Government will have to carry the baby. What sort of baby is it they will have to carry? We must see that it is not too big.

The Minister for Education: It is a well nourished baby.

Hon. G. W. Miles: Why have the Opposition in another place kept so quiet on the subject?

Hon. C. F. Baxter: The hon. member knows their attitude to-day.

Hon. T. MOORE: Nothing of the kind. We are leaping ahead. The Government find they can get plenty of money, and there is no outcry on the part of the Press against the expenditure of loan funds.

Hon. C. F. Baxter: Has not Mr. Angwin given the immigration scheme his blessing?

Hon. T. MOORE: I think not. The Opposition are not in control of the Treasury benches, and I am not criticising them.

Hon. C. F. Baxter: They favour the scheme.

Hon. T. MOORE: I was in the South-West for many years, and would not recommend the Government to rush in, in the wholesale way they are doing. We know what they have done with the Peel Estate. Many things were brought to light by the Royal Commission on soldier settlement. Even the god Mr. Baxter worships, contract, was introduced in the clearing operations. The expenditure ranged from £30 to £45 an acre. This has occurred quite recently. We must be careful where we are drifting. We went too far south when we went beyond the region of railway communication in order to start our group settlements. There were many other places that could have been chosen much closer to a railway. Within a hundred miles of those places there is plenty of country that could have been utilised for the purpose.

Hon. G. W. Miles: The Government could not get power to buy these places.

Hon. T. MOORE: They are Crown lands, held up as timber concessions, quite close to Perth, and many groups could have been settled there. The Minister for Education has said that the teachers in the metropolitan area are endeavouring to inculcate into the minds of the children a desire to go into the country.

The Minister for Education: Do you not believe in that?

Hon. T. MOORE: People have asked me where they can get land, and I have replied,

"You can go to the group settlements in the South-West."

Hon. C. F. Baxter: Did you advise them to go there?

Hon. T. MOORE: I have only said they could go there. Does anyone believe that land settlement in Geraldton is at an end? There are many young fellows in that centre who should be able to get land adjacent to that port without having to go to some other centre. It is possible to place many more people on the land in that district.

The Minister for Education: Thousands of men can be placed there.

Hon. T. MOORE: Yes.

Hon. C. F. Baxter: Why not place them there?

Hon. T. MOORE: The Government introduced a Closer Settlement Bill, which was one of the poorest I have ever seen. They said it was necessary they should have it, but it was defeated in this Chamber.

Hon. H. Stewart: It was amended here.

Hon. C. F. Baxter: And dropped in another place.

Hon. T. MOORE: It met with a lot of opposition, and it was suggested that amendments could be made in Committee. These amendments would have tended to make it worse.

Hon. G. W. Miles: They killed it.

Hon. T. MOORE: This House appointed a select committee to inquire into land settlement. In another place select committees were appointed to inquire into the Licensing Bill, the Hospitals Bill, and others. When the session closed the Government did not make the select committee appointed in this House an honorary Royal Commission, in order that it might ascertain how much land was available for settlement. At the time there was a great outcry on the part of the principal newspapers of the State, and by the people, for some sort of unimproved land tax. Two parties were wedded to it. As I have said, the Closer Settlement Bill was referred to a select committee in this Chamber, but that committee was not turned into an honorary Royal Commission. If that had been done much more valuable information would have been acquired than was the case either with the Licensing or Hospitals Royal Commissions. Every time the land question is brought up in this House it is said there is no good land in large estates adjacent to railways. I contend there are many such estates which could be cut up.

The Minister for Education: You are right.

Hon. T. MOORE: There are many in the Geraldton district, which could carry more settlers.

Hon. V. Hamersley: Are they freehold or C.P.?

Hon. T. MOORE: They are freehold. If the Government had been honest they would have appointed the select committee as an honorary Royal Commission, and asked them to make an exhaustive inquiry into the subject.



Hon. C. F. Baxter: You think the Government are not sincere?

Mr. T. MOORE: In the face of the facts, they cannot be sincere.

Hon. G. W. Miles: You ought to know.

Hon. T. MOORE: Two years ago they said the Bill was a vital one, but they have gone on ever since without saying a word about it.

Hon. V. Hamersley: Why blame this House?

Hon. T. MOORE: I blame this House for many of the tactics that have been adopted.

Hon. J. J. Holmes: The present Agent General has gone to London to tell the people they can have an undisputed title to their land from generation to generation.

Hon. T. MOORE: That gentleman told us many things we could not follow.

The Minister for Education: They were generally correct.

Hon. T. MOORE: He could paint a fine picture, but we could seldom see it. I suppose he will do the same thing in the case of the people of the Old Country.

The Minister for Education: He will not tell them.

Hon. T. MOORE: Many young men have left the Geraldton district because they cannot get land there. The port exists largely upon its surrounding districts, and if the land is held up in large estates what else can the young fellows do but drift away. When the Government brought down the Closer Settlement Bill they said they wanted to make the railways pay by this means. They wanted to get more production from land within 12½ miles of the lines.

Hon. J. J. Holmes: They have put up the freights.

Hon. T. MOORE: Why have they not raised an outcry that they cannot do what they wanted? They now say everything is all right, and that there is a great improvement in the railways.

The Minister for Education: The Freights have not been raised recently.

Hon. T. MOORE: They are continually being raised.

Hon. V. Hamersley: They put on a thousand more hands to handle the same produce.

Hon. T. MOORE: The figures on that question would be interesting.

Hon. H. Stewart: The railway reports could show the position.

Hon. T. MOORE: I hope the bountiful harvest will absorb many men in the railways. Last year we spent nearly £4,000,000 of loan money. Where has the money gone? If the Labour Government had been in power the Press would have wanted to know all about it. To-day everybody is satisfied. We have an optimistic gentleman at the head of the Government, and a member of the Government in this Chamber who is wonderfully optimistic to-day, as compared with what he was before.

The Minister for Education: I have always been optimistic.

Hon. T. MOORE: He found fault with the Government before he became a member of it.

The Minister for Education: Not with their policy.

Hon. H. Stewart: Not within six months of becoming a member.

The PRESIDENT: I ask the hon. member to address the Chair occasionally.

Hon. T. MOORE: The Government set out to do two things. They were going to lighten the load of those already in the State by bringing numbers of others into it. They were going to settle those people on the land. They have signally failed in this so far as the Geraldton district is concerned.

Hon. V. Hamersley: There are millions of acres there.

Hon. T. MOORE: I suppose the hon. member holds enough land for two or three persons. He holds more than he is entitled to.

Hon. V. Hamersley: No one will take it up.

Hon. T. MOORE: The hon. member has not offered it at a fair price.

Hon. V. Hamersley: Has he not?

Hon. J. W. Hickey: The remarks of Mr. Lefroy are interesting in that respect.

Hon. T. MOORE: In the course of argument here it has been stated that Ministers are overworked.

Hon. G. W. Miles: That is because they are administering the State trading concerns.

Hon. T. MOORE: I have noticed that. As to Ministers being overworked, it should not be forgotten that they had experience with eight men in the Cabinet and found it possible to dispense with two of them.

Member: They were nuisances.

Hon. C. F. Baxter: I was one of them.

Hon. T. MOORE: To-day we find we are in the same position as in the past, and concerning which we have complained so many times. Here we find one Minister carrying on and attempting to reply to all the questions we fire at him. It is not fair to him. It is not fair to place the whole responsibilities on the shoulders of one Minister in this Chamber.

Hon. V. Hamersley: But you sit behind him and give assistance.

Hon. T. MOORE: I do not believe the Minister, or anyone else, could reply to all the questions we put to him. In the other House, there are five Ministers to reply to questions put to the Government, and only one Minister here. We would not ask too much if we suggested that another Minister should be appointed in this Chamber. That is by way of reply to Mr. Holmes, when he suggested that Ministers were so busy with the State trading concerns that they could not look after the finances of the State. The position is in the hands of Ministers themselves. I do not think the country would quibble if we were to pay another Minister or two. We know what has happened in the past. One Minister who was so overworked signed an agreement in his

hurry and it cost this country £70,000. That amount would have paid for another Minister for some years to come. It was Mr. Colebatch who did that, although he went away from the State with such glowing eulogies. While they say they are over-worked, I remind the Government that they found it possible to get rid of two Ministers.

The Minister for Education: No one has complained.

Hon. C. F. Baxter: The country is complaining.

Hon. T. MOORE: To my mind the Government have not a thorough grasp of the finances of the State. If I had the time and the inclination to go into the matter, I could point out numerous instances of expenditure throughout the State that could have been avoided if Ministers had been more closely in touch with their departments.

Hon. A. Lovekin: That is the point.

Hon. T. MOORE: I will not deal with these small things, but there are so many of them that they should be looked after, and it would pay the State to have another Minister in this Chamber. It has been suggested by some members that the State trading concerns constitute the explanation of the financial difficulty we are in. I do not think those hon. members really believe in that contention although they are fond of making the statement when they have no other argument to advance. On the figures produced the whole of the State trading concerns, operating over a number of years, have not yet lost £400,000.

Hon. G. W. Miles: But no depreciation has been allowed.

Hon. T. MOORE: Mr. Holmes is prepared to point out mistakes that have been made and quotes the Auditor General's report in support of his contention. I am prepared to base my statements on figures submitted by a competent accountant.

Hon. G. W. Miles: No depreciation has been allowed.

Hon. T. MOORE: Mr. Miles has one thing in his mind when he refers to depreciation. He is thinking of the Wyndham Meat Works. I do not know if he was a member of this Chamber when the war was in progress. If he was, I have no doubt that he was a patriotic member of the House. As such he would know that the Imperial authorities asked the Government to push on with the works at all cost, in order to provide food for the Empire. If he did not raise an outcry then he should be prepared to say now that the Government did the right thing. The works were started with one object in view, but members of the select committee who investigated this question ascertained the fact I have referred to from a perusal of the files. Had I been a member of the Government at the time and known that the British Government foresaw a shortage of foodstuffs and, knowing that the war would last for some time, required supplies for the troops abroad, I should have done as the Government did and incurred

this expenditure. It has to be remembered, too, that the works were constructed at a time when building costs were high.

Hon. J. J. Holmes: We agree with you on that point.

Hon. A. Lovekin: You know that floors were pulled up and walls taken down and then replaced. You know that all sorts of things were done.

Hon. T. MOORE: Mistakes have occurred in connection with the trading concerns. Hon. members are not honest in their opinions. They know that the cattle owners in the North were pleased that the works were operating this year. The pastoral industry could not have been carried on otherwise. The cattle would have died from old age if we had not made use of them through the works. Hon. members must remember that the meat works at Darwin have been a white elephant. Those works were built by private enterprise.

Hon. G. W. Miles: What killed those works?

Hon. T. MOORE: Had it not been for the Wyndham works, people in the North could not have sold any of their cattle last year. Are people living in that part of the State not to be allowed some consideration because they are so far from the metropolitan area? Those people, by living there, are attempting to maintain a white population in that part of the State.

Hon. J. J. Holmes: According to reports the American Trust is handling the meat from those works now.

Hon. T. MOORE: I am prepared to believe that if the Government find out that the position is as has been suggested, Sheed, Thomson and Co. will no longer be employed in that capacity. I am not here to defend the Government. I believe that they are only playing with the State trading concerns. The enterprises are not carried on in accordance with the policy we advocate.

Hon. G. W. Miles: The Government will not carry out their own policy.

Hon. T. MOORE: The select committee that inquired into the State Shipping Service found that the Government had no policy regarding that branch of State enterprise. If hon. members are to condemn the State trading concerns, with which the Government are only toying, and claim that State enterprise has failed, I do not consider they are logical in their arguments. If Mr. Holmes were in charge of a department in which he was not interested, but was concerned with other avenues, he would not push the business of his department forward.

Hon. J. J. Holmes: If the Labour Party come back to power after the general elections, you can carry on State enterprises, and you will not get any opposition from me. I object to our party carrying them on.

Hon. T. MOORE: Hear, hear! I believe that in the past Mr. Holmes has stood up for some of these trading concerns. I believe he is inclined to be fair.

The Minister for Education: Can you give me an instance?

Hon. T. MOORE: He does not believe in the methods adopted now, under which Ministers are in charge of concerns with which they do not agree—

Hon. J. J. Holmes: I do not think these concerns should be controlled by unsympathetic Ministers.

Hon. T. MOORE: As to the State Implementation Works, the loss on that concern is practically nothing when we take into consideration the amount of work done there and the number of people employed making machinery for use in this State. When hon. members say that if we were not to interfere in these avenues, private enterprise would step in, they should realise that there is plenty of room for private firms to operate. Over £300,000 worth of agricultural implements were brought into the State last year. That being so, why does not private enterprise come here and manufacture these things? I do not believe that firms already established in the Eastern States, where they have big works and can turn out machinery in great quantities, more expeditiously and cheaper, would contemplate coming to Western Australia to manufacture their goods on the spot. If that were not so, why are not Jones and Co. manufacturing jam in Western Australia?

Hon. A. Burvill: Quite right.

Hon. A. Lovekin: Jones and Co. offered to come here and do so.

Hon. T. MOORE: I do not know anything about any such offer, but I do know that firm was prepared to kill the small works operating here.

Hon. W. Carroll: That is the point.

Hon. T. MOORE: Why does not McKay come here and start manufacturing his agricultural machinery? We know the reason—more expeditious and more economical working can be carried out in the big workshops in the Eastern States. In such circumstances they are not likely to come here.

Hon. A. Lovekin: But they have already offered to come here.

Hon. C. F. Baxter: Jones never intended to open up in Western Australia.

Hon. T. MOORE: Of course not. Do hon. members believe that we can carry our population without secondary industries? Private enterprise was not prepared to establish these works when it was possible to do so. You, Mr. President, know that what I say is correct. We want secondary industries established here, and we want machinery used by the farmers of the State to be manufactured within the State. We want other avenues of employment for our boys than the one of going on the land.

Hon. G. W. Miles: You will not allow apprentices to enter trades.

Hon. T. MOORE: The hon. member does not know anything about that question. We want apprentices, but the employers will not put them on, for the reason, they say, that they have to employ them for the whole time. Employers want to have men that they can put off and take on again as they like. I would

recommend Mr. Miles to look into the question, for he is entirely wrong.

Hon. G. W. Miles: I will take your word for it.

Hon. T. MOORE: I am pleased to know that the State Sawmills have shown a profit, which amounts to something like half the capital cost, during the time they have been in operation.

Hon. J. J. Holmes: The sawmills are in the association!

Hon. G. W. Miles: Yes, part of the combine.

Hon. T. MOORE: Hon. members complain that other firms cannot compete with the State trading concerns, because the latter do not pay rates and taxes. Now, when I point to one showing a profit they complain that it is in the combine! What do hon. members want? I do not see the logic of their arguments. As a matter of fact, it was not for this purpose that the Labour Party introduced State trading concerns. The present head of the Government, Sir James Mitchell, instead of erecting sawmills in the South-West and getting Powellised karri placed on the markets, started in to ring one of the greatest assets of the State. All the karri trees in the South-West would have been dead by now had the policy of Sir James Mitchell been carried out in years gone by.

The Minister for Education: When did he do that?

Hon. T. MOORE: I am surprised that the Minister does not know when that was done.

The Minister for Education: I know that it happened, but when was it?

Hon. V. Hamersley: In any case, that was done to find work for the unemployed.

Hon. T. MOORE: If the Premier's policy had been carried out, it would have meant that there would have been a great army of unemployed, as there would be no work for the timbermen to do. In fairness to the Minister in charge of the State trading concerns, I must admit that he has been doing well.

Hon. A. Lovekin: That has only been done by exploiting the people.

Hon. T. MOORE: If the combines exploit the people, is it not a fair thing that we should get into them, and secure something back for the people of the State. Much of the timber used to-day for building homes in the group settlement area is secured at a cheap rate.

Hon. A. Burvill: Those houses are not being built with timber procured from the combine.

Hon. T. MOORE: I have indicated that the timber is procured from the State Sawmills, but it is not paid for at the combine rate.

Hon. A. Burvill: It is not State timber at all.

Hon. T. MOORE: The timber is coming from Dwellingup. The settlers are reaping an advantage, because the State is in a position to sell them at a cheaper rate scantlings with which to build their homes. I suppose

there is a mill that supplies the settlers in the hon. member's electorate. Down at Jarnadup, however, the timber is sent to the settlers from the State mill. If that were not done, it would be a disgrace, because the mill is only some 10 or 15 miles away.

Hon. J. J. Holmes: The State called tenders for 1,000 houses for group settlers and the price submitted by the State mills was £10 above that of private enterprise.

The PRESIDENT: The hon. member had better go on with his speech.

Hon. T. MOORE: Mr. Holmes could have told us in his speech what he has just said by way of interjection. I have practically finished. The Government told us when they came into power how they were going to get us out of the difficulty we found ourselves in. The present and the preceding Government, which succeeded the Labour Government, told us they were going to carry on without additional taxation. They failed to do that; their migration policy has failed, since our net indebtedness is greater than ever. Their land settlement policy consists of the building of more railways in spite of the fact that we have a greater railway mileage per head of the population than any other country in the world. The Government stand condemned by their own administration. They talk much of what they propose to do and glowing accounts are presented to us. All their energies are being expended in the South-West. I disagree with that policy altogether. There are other parts of the State that should receive attention. The land settlement policy must be extended around Geraldton. That is one place only. There are many others. Regarding the treatment of the settlers, we find that the men down South receive 10s., while the men under the Industries Assistance Board are given 9s. a day, and the inspectors make sure at the end of the month that the work has all been done. Lastly I wish to refer to key dams in the wheat areas. We must have them to carry us over a drought period if it should overtake us. No provision whatever has been made in this direction, despite the fact that there has been much talk about it. I hope the Minister will tell us, instead of saying it is going to be done, that it is being done. That is all I have to say regarding the affairs of government as administered by Sir James Mitchell to-day.

On motion by Hon. H. Stewart, debate adjourned.

#### BILL—GENERAL LOAN AND INSCRIBED STOCK ACT CONTINUANCE.

##### *Second Reading.*

Debate resumed from the previous day.

Hon. A. LOVEKIN (Metropolitan) [10.5]: This Bill will enable the Government to offer 6 per cent. interest on local inscribed stock. Whatever private individuals may be able to do, it is quite im-

possible for a Government to borrow money at 6 per cent. and employ it profitably. A great deal of the money that is borrowed is not used reproductively, as Mr. Holmes has pointed out. Much of it finds its way by some means or other into revenue. There is no doubt, at the present moment, that the offering of the high rate of 6 per cent. has to some extent been forced upon the Government by reason of the shortage of money in Australia, and especially in Western Australia. The banks have been paying 30s. per cent. for transfers of money from London, and the Government have been paying one per cent. for transfers. To my mind there are three reasons responsible for the existing position. The first is that the exports from Australia during the past two years have largely exceeded the imports, with the result that the balance of money is in London and not in Australia. That is something we should be glad to hear of. The second reason is not so good; it is on account of the taxation we have here. Go to the banks and other financial institutions and you will hear it generally expressed by those in authority that this State is being depleted of its money by reason of the heavy taxation existing here. Whenever it is possible for anyone to invest, they do so where they can get the best return for their money. It is obvious that the State that asks 4s. 7d. in the pound on profits will not offer the same attraction for investment as the State that asks only 6½d. There is another reason why money is short, especially here. I am advised that money can be obtained at a lower rate than 6 per cent., especially in Victoria where taxation is low. This is where the financial mismanagement of the Government comes in. The Minister interjected a little while ago that he thought the Government were doing good work. I do not wish to cast a reflection on any individual Minister, but I do say that there is too much work for six Ministers to do. I do not care how capable they may be, we cannot fail to recognise that with the trading concerns, and financial and other matters, as well as the huge territory we control, Ministers must be overworked, and therefore are unable to look after their jobs properly. I am in agreement with Mr. Moore who said that the State could well afford to pay for the services of a couple more Ministers. If such assistance were obtained, the State would reap the advantage by the work of Ministers being better done. In making these remarks, I repeat that I have no desire to cast any reflection on the ability of the present Ministry. Let me give one example by referring to the Treasurer, Sir James Mitchell. Some little time ago the Commonwealth was asking for money. South Australia came in and also attempted to raise money by offering 5½ per cent. Our State Savings Bank was offering up to 4 per cent. on deposits. At the same time our own Treasurer was offering 5 and 5½ per cent. on Treasury bills. It did not

matter whether the State paid 5 or 5½ per cent. at the Savings Bank or at the Treasury, but the rate of interest was kept at 4 per cent. at the Savings Bank, where the money was. The result of that was that Savings Bank funds were attacked. Depositors withdrew their money and whilst some put it into the Commonwealth loan, others put it into the South Australian loan. The ordinary banking institutions were alive to the position. They were not going to have their deposits withdrawn. They saw what was happening and they increased their rates. Then the Government are surprised because money is dear, and they introduce a Bill such as the one before us in which they seek permission to borrow money at the high rate of 6 per cent., which, I say, is not a profitable rate. Another point arises in connection with this Bill. A good deal of odium is cast from time to time upon what is called the fixed deposit man, he who invests his money in banks or gilt-edged securities. Those who abuse and cast odium upon the thrifty are not thinking around the subject, because if there were no people to make deposits in banks, the banks would not be able to advance to anyone on overdraft, nor would the Government be able to get money. What really happens it this: that thrifty people, incapable of employing money profitably themselves, are content to take a low rate of interest with a safe security, leaving it to the bank or to the Government to employ the money more profitably. If there were no thrifty people and no fixed deposits, we should be hampered financially and most of our development would cease. Now the Federal Parliament have declared that there are to be no more non-taxable loans. If we say to the man who is careful and thrifty, and who knows how to take care of his money, "We offer you 5 per cent. but we are going to tax you 1, 2 or 3 per cent.," that man will reply "I shall invest my money somewhere else where you cannot impose such a tax on me." Then the money will go out of the country in exactly the same way as it has been sent out for some years past, until the Federal and State Governments are compelled to alter the Act and relax, at any rate, the penal impost on absentees. To show how this works out, the Perpetual Trustees Building, in which Mr. Holmes is interested, was owned by Emanuel & Co. They are absentees and until recently were charged 50 per cent. extra tax. They were quite satisfied to pay the same rate as other people paid, but the time came when they could not afford to be penalised. Therefore they sold their property. Mr. Holmes and others found the money to buy it. That money was taken out of circulation; it was money that might have been used to open up some other industry in the State. It was taken away for this investment and the money paid was sent to London. The State, instead of getting the tax and a half does not get even the ordinary tax. If we offer 5 per cent. for a loan and

tax it 1½ or 2 per cent., capital will be withdrawn from the country. People often look askance at 16 millions of money being paid each year by the Commonwealth for interest, upon which there is no tax, but is it not better for the community in Australia to be self-contained? If we have this 16 millions of money it is circulating amongst ourselves. The moment a tax is imposed upon it, it will be largely withdrawn from the country, and that means paying the foreigner the full rate of interest and losing the benefit of the circulation of the money. The more we have invested from our own people, the better it is for Australia, and I regret that the Premier has entered into a compact that after the 31st December there shall be no more non-taxable loans. For this State especially the position will be made extremely difficult, because anyone who has any money will send it away where a fair rate can be obtained for it without subjection to tax.

The Minister for Education: That means it will go out of Australia.

Hon. A. LOVEKIN: Naturally. The best policy the Treasurer could adopt, having regard to the Federal Act which provides that after the 31st December the Commonwealth are going to tax any new issue and the States may do likewise—that is, both will tax these loans—would be to decline to have anything to do with the arrangement. If between this and December 31 we could issue at a low rate of interest a substantial loan and keep outside the Federal Act, we should do well. Very little would of course be taken up at present, but the loan having been issued, we could wait until 1925, when the first lot of the 38 million pounds of 4½ per cent. non-taxable Federal loans became due and then, with people wanting investments at a low rate of interest without tax, we would have an inclined plane for money towards this State instead of the steep grade that exists to-day. This steep grade must become still steeper if the Government persist in following in the wake of the Federal authorities and taxing interest on future loans. Capital is very timid, but generally it knows how to look after itself, and as sure as I am here, money will flow out of Australia and out of Western Australia particularly as a result of the taxing of interest. To show how keen other people are to get capital, I received by the latest mail from America a circular from a financial institution enclosing a copy of the American Revenue Acts, and pointing out that interest paid by the American Government to aliens is non-taxable. On Government securities it is possible to get 5 per cent. free of all tax. If I had money and it was to be taxed here, I could send it to America where I would obtain the full interest, and the State could not tax it. The State would thus get no revenue from the tax and would be disadvantaged by the fact that the capital would not be circulating here, and would not be available to assist to develop

the State. One of the reasons why we are called upon to pay a high rate of interest at the present time is because we are largely overtaxed. Some time ago the Premier tried to show that we were taxed to no greater degree than were the people in other States. A week or ten days ago the "West Australian" published a leading article, in which it supported the Premier's contention, and proceeded to show how it was that we were not taxed more than the people of other States. The writer took from the Commonwealth Year Book the taxation per head in each of the States, and on those figures, it appeared that we were not taxed appreciably more. But one has to look at the method by which those figures are arrived at. We know as an absolute fact that the tax on the highest incomes in Victoria is 6½d., whereas here it is 4s. 7d. Yet on those figures it is shown that our taxation is about the same as that of the other States. How is that brought about? The "West Australian" says that, first of all, the other States pay a lot more in probate and death duties than do we. That is not a factor. It is not a question of how much a dead man is called upon to contribute in taxation. It is a question of how much the live man is contributing. The dead man has had his innings. He has been lightly taxed during his life and has been able to build up his business and make a competence, and when he dies there is something to tax. The "West Australian" takes one year's probate duties and adds the amount to the tax. To make a fair comparison it should add the tax that a person pays here year by year and set that against annual payments and the probate tax of Victoria. There a person is paying practically once, while here a person is paying a high rate all the time. It is the living man that is helping to develop the country. He wants all the margin of income possible to enable him to assist development and increase employment. The dead man counts for very little. The writer says that another factor is the stamp duty. That is not a sound argument. Victoria has properties of high value due to great development over many years. When those properties change hands, high stamp duties are paid. In a State like Western Australia development has not been very great so far; land values are not high and stamp duties consequently do not amount to much. That factor cannot be taken into account. Another factor is that the average tax per head is calculated upon the whole of the population. Before one can make an equitable comparison on that basis, he must first inquire what proportion of people in each of the State pay taxation. Here a very large number of people are exempt from taxation altogether; very few people foot the bill. If we divide the total by the population, the average is comparatively low. In the Eastern States, where there are not exemptions to the same extent, the average shows to better advantage. Really it comes back to this: what is the real

amount we have to pay? That is obtained by comparing the rate of tax. When that is done, taxation in this State is found to be very much higher, double, treble, quadruple that levied in the State of Victoria.

Hon. J. W. Kirwan: The per capita revenues and expenditure figures show that clearly.

Hon. A. LOVEKIN: We are almost bound to pass this Bill, but I would like to impress upon the Government that they should borrow and spend as little money as possible at this high rate. If I could get any support on the Loan Bill, I would be prepared to move to reduce the amount and so limit the expenditure of the Government so long as this interest remains as high as six per cent. Money at that price cannot be profitably employed.

On motion by Hon. V. Hamersley, debate adjourned.

*House adjourned at 10.38 p.m.*

## Legislative Assembly,

*Wednesday, 5th December, 1923.*

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

### BILLS (5)—RETURNED.

- 1, Flinders Bay-Margaret River Railway Deviation (No. 1.)
  - 2, Permanent Reserves.
  - 3, Public Institutions and Friendly Societies Lands Improvement Act Amendment.
- Without amendment.