

children placed in better circumstances. A mere regulation is made to prevent the postal authorities from extending the consideration I desire to the children in the outer parts of the State. That regulation is to stand paramount and be imposed to the disadvantage of the State and of little children. One can hardly imagine a Federal Department allowing, in this hard-hearted fashion, a regulation to be applied to the detriment of the rising generation. Pressure should be brought to bear on the postal authorities with a view to rectifying the position. The attitude of the Postal Department is petty and avaricious. Already the department can do the work without extra cost, and, merely for the sake of a few pounds, the State Education Department is to be forced to shoulder extra expense, or the little children in the country are to be robbed of the personal touch that means so much to them. This sort of thing shows the lack of co-ordination that exists between the efforts of State and Federal Departments. If such a regulation were to be applied to children in the city, especially to those in a city in the Eastern States, there would be an appalling outcry. The action taken by the postal authorities indicates an utter disregard for the uplift of the masses through the channels of education, and this is the only channel through which education can come to the little children I have in mind. I would remind members of what an eminent American student, Whittier, said when he wrote—

Man is more than Constitution,
Better rot beneath the sod
Than be true to Constitution,
And be doubly false to God.

That is what is being done regarding the little children in the outback centres, when they are compelled to suffer because of a postal regulation.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [6.11]: I have no objection to the motion. On the other hand, I am very pleased that it has been moved. I have the necessary papers with me and, should the motion be agreed to, I shall have much pleasure in placing them on the Table.

Motion put and passed.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [6.12]: I move—

That the House at its rising adjourn till Tuesday, the 15th August.

Question put and passed.

House adjourned at 6.13 p.m.

Legislative Assembly,

Tuesday, 8th August, 1933.

	PAGE
Electoral: Swearing-in of member	279
Question: Agricultural Bank, projected Royal Commission	279
Bills: York Cemeteries, 3a.	280
Road Districts Act Amendment, 3a.	280
Financial Emergency Tax Assessment Act Amendment, 2a.	280
Supply (No. 1), returned	289
Financial Emergency Tax, 2a.	289
Health Act Amendment, 2a., Com. report	293
Industries Assistance Act Continuance, 2a., Com. report	293
Yuna-Dartmoor Railway, 2a.	294
Returned Sailors and Soldiers' Imperial League of Australia, W.A. Branch, Incorporated, Headquarters Building, 2a., Com. report	308

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

ELECTORAL—SWEARING-IN OF MEMBER.

Mr. W. M. Marshall (Murchison) took and subscribed the oath and signed the roll.

QUESTION—AGRICULTURAL BANK.

Projected Royal Commission.

Mr. MANN asked the Minister for Lands: Does he intend to extend the scope of the Royal Commission on the Agricultural Bank to that of other mortgagees?

The **MINISTER FOR LANDS** replied No.

BILLS (2)—THIRD READING.

- 1, York Cemeteries.
- 2, Road Districts Act Amendment (No. 1).

Transmitted to the Council.

BILL—FINANCIAL EMERGENCY TAX ASSESSMENT ACT AMENDMENT.

Second Reading.

Debate resumed from the 3rd August.

MR. LATHAM (York) [4.35]: When the Treasurer introduced this Bill, together with the taxing measure which has close application to this one, it took him only nine minutes to inform the House all about these two pieces of legislation. I presume he thought the old axiom that the less said about this kind of thing the easier it is to explain, was applicable to the situation. He did not tell us all there was to tell about this legislation. Those on this side fully realise that the Treasurer will find it necessary to get additional revenue to meet his commitments for the year, but I think the outside public will be keenly disappointed at the reintroduction of this legislation, even on the amended scale. I emphatically protest against this legislation being introduced before the Estimates have been brought down. It is not fair that we should be asked to pass a taxing measure without first being informed as to how the money is to be expended. I suppose this must be the first time on record that legislation of this nature has been brought down before the Estimates were submitted. Probably the Premier will plead as an excuse the ground of urgency.

The Minister for Works: That is not an excuse; it is a reason.

Mr. LATHAM: But this revenue will be collectable for the whole of the year.

The Minister for Works: No, not on wages.

Mr. LATHAM: We will deal with that aspect later. I think the Minister has failed to realise what the legislation really is. I hope you, Mr. Speaker, will excuse me if I have to delve a little into the notes I have prepared for the taxing measure, for it is very difficult to separate the two Bills. Personally I would prefer to have the discussion of both Bills on this assessment measure. The Minister said just now that the

plea of urgency is a very sound one. We have been together in the Chamber for more than three weeks of this session, and all that the House wanted to know was the Premier's plan for financing the year's operations, what his estimated expenditure was, and how it was to be made up. There is much of that expenditure over which the House has no control as, for instance, the salaries paid to public servants; but there is the additional revenue the Treasurer will have during the year, and on that score I do not think he has justified the Bill before us. As this tax will be collectable over the whole of the year, it seems to me we should have had the Estimates submitted to us, so that we might know whether we were justified in passing the Bill in its present form. Members supporting the Government must find difficulty in reconciling themselves to a taxing measure of this nature without having any knowledge of how the money is to be used. The information available to us has to be garnered from various sources, and that which I prefer to use, for I presume it is fairly accurate, is the information that reached Western Australia from the recent Loan Council meeting. Let me point out the position of the revenue account and the expenditure of last year, and the estimated revenue and expenditure for the coming year, as gathered from the source I have mentioned. The revenue of last year was £8,332,000, and the estimated revenue for this year is £8,460,000, or an increase of £128,000. Whether or not the Treasurer can justify the Bill in face of that, is for him to explain. The expenditure last year was £9,196,000, and the estimated expenditure this year is £9,310,000, or an increase of £114,000. That is where this House ought to have some say; we should be able to determine whether we are justified in agreeing to the Bill in the light of that information. There are our industries, primary and secondary, to be considered. For the moment I am concerned about the primary industries.

The Minister for Justice: Our population is increasing all the time.

Mr. LATHAM: That is admitted.

The Minister for Justice: And the social services we render are also increasing.

Mr. LATHAM: As the population increases, those services bring into activity more workers. Whether we are reaching the stage where the workers are not going to

earn anything, I cannot say. During the last few years we have reduced expenditure on the lines mentioned by the Minister, and we were justified in reducing it, knowing what the revenue of the State was. If we are going to get back to the extravagant expenditure that previously obtained, there is nothing but chaos ahead of the State. I tremble to think what is going to happen if we do not get a grip of the expenditure. The House is not justified in giving the Treasurer additional money until we know how every penny of it is to be expended.

The Minister for Mines: This means only the amount that you expected to get from your tax, so it is not additional.

Mr. LATHAM: We expected to get £300,000.

The Minister for Mines: No, £400,000.

Mr. LATHAM: We got only seven-twelfths of the estimate, but in this instance there is going to be not less than eleven-twelfths. The Minister for Railways knows what the Bill contains.

The Minister for Mines: So do I.

Mr. LATHAM: It is to be retrospective to the 31st July.

The Minister for Mines: For one section.

Mr. LATHAM: Yes, I want to know why we should differentiate between the sections.

The Minister for Works: The others are to get concessions.

Mr. LATHAM: When the Supply Bill was before the House we allowed it to pass, on the usual understanding that the Estimates would be brought down early. There is no objection to the passing of a Supply Bill, for the Treasurer must have Supply, but there are objections to the introduction of a taxing measure before we have had from the Treasurer an explanation of his position. This tax cannot be justified to-day.

The Minister for Mines: Why not?

Mr. LATHAM: Look at the loan money the Treasurer will receive. All these payments will assist revenue. The Loan Funds this year are estimated to reach £2,670,000.

The Minister for Justice: There are interest bills to meet.

Mr. LATHAM: Yes. The relief the State has obtained by the £52,000 reduction of interest on overseas conversions is not an actual relief, because the amount will be taken off the allowable deficit, but the exchange on the money will represent a credit to the Treasurer.

The Minister for Works: We are not too sure of that yet.

Mr. LATHAM: We ought to know more about it. If the Treasurer had submitted his Budget to the House he would have told members all about it.

The Minister for Mines: Did you ever know a Treasurer to bring down his Budget at this time of the year?

Mr. LATHAM: Yes.

The Minister for Mines: Never in Western Australia.

Mr. LATHAM: When the ex-Premier came back from the Loan Council meeting last year, the first thing he did was to bring down the Estimates.

The Minister for Mines: When was that meeting held?

Mr. LATHAM: I cannot say from memory.

The Minister for Mines: The Estimates will this year come down earlier than they have ever been submitted in the history of the State.

Mr. LATHAM: We have not got them yet. The cart has been put before the horse. That is not fair to the House. I am sure members opposite will not agree to people being taxed, when they are either on the basic wage or getting very little above it, without knowing how the money is to be used.

The Minister for Mines: You did not hesitate to tax people receiving £1 a week.

Mr. LATHAM: At that time we were justified in doing so.

The Minister for Mines: We do not think so.

Mr. LATHAM: More fuss was made over that tax in the House than outside it.

The Minister for Employment: Because you came down too low.

Mr. LATHAM: And yet the House is being asked to perpetuate this form of legislation. Not only is this tax to be made retrospective, but it is to be a permanent tax. We were able to give the workers a little more than the Government propose to give them. They may be relieving people of a certain amount of taxation, but they are taking 25s. a year from them for a worker's ticket, and providing that they must pay this in order to get work. We took 19s. 6d. but the Government will be taking 25s.

The Minister for Employment: Is that where the trouble lies?

Mr. LATHAM: Let us be consistent. Last year we had in Loan Funds a sum of £1,955,000, and this year a sum of £2,670,000, according to the information that has reached us through the Press. This represents an increase of £715,000. That will perhaps justify the assumption of an increase in the revenue. Sustenance has been a big item in the Estimates, but the Treasurer will be able to save that expenditure in the case of a large number of men who have had to be provided for. It is difficult to discuss a taxing measure without knowing how the money will be spent. We are obliged to review the expenditure on a Bill of this kind. I now wish to refer to the handicaps the last Government suffered in comparison with those existing to-day. Our deficits were enormous.

The Minister for Justice: They always were.

Mr. LATHAM: They amounted to—

The Minister for Justice: One and a half millions.

Mr. LATHAM: The year after we took office the deficit was about a quarter of a million and it went up to a little over one million.

The Minister for Mines: To a million and a half.

Mr. LATHAM: Our first balance was about a quarter of a million, and next year it was—

The Minister for Mines: One million six hundred thousand pounds.

The Minister for Employment: Anyway, forget it.

Mr. LATHAM: The position in Australia became so desperate that the Premiers' Plan was drawn up. This was based on the balancing of the Budgets at the end of this financial year. Last year we were requested to reduce our deficit from 1½ million to three-quarters of a million, which was impossible, although it was reduced to £800,000. If it was possible to do that then, it ought to be still more possible to reduce our deficit this year.

The Premier: In what direction?

Mr. LATHAM: This is the first time a taxing measure has been submitted when the House has no knowledge as to the extent to which the tax is justified. In a general way, we will say it is justified, just as

it was last year, but then we had the Estimates before us. We knew what the deficiency would be for the year, and we knew that additional money was required. Compared with last year, the Premier will have a great deal more money than we had during the previous three years.

The Minister for Employment: Not necessarily.

Mr. LATHAM: It is certainly difficult to see what is ahead of us. I am sorry we are not possessed of the information we should have before being asked to discuss this important legislation. I notice that any amount over 10s. will be taxed as if it were £1, whereas under the existing Act the amount must be 15s. before it can be taxed as £1. The Government are going to relieve married men from taxation if in receipt of under £3 10s. a week, but immediately the basic wage rises another shilling they will be taxed on £4 a week. The basic wage to-day is £3 9s. 3d., and an increase of 1s. will bring them within the operations of the Bill.

The Minister for Mines: You brought people under it when they were earning £2 a week. They will be 30s. better off than under your legislation.

Mr. LATHAM: I do not know how the Minister works that out.

The Minister for Mines: They do not pay the tax.

The Minister for Employment: The Bill does not bring sustenance men into it.

Mr. LATHAM: The Government may not be taxing the man on the lower rate, but the money is being collected from him by other means. Last year, when the Bill was before the House, the Premier and the member for Guildford-Midland (Hon. W. D. Johnson) complained that there was no differentiation between single and married men, and that a man with eight children would be taxed the same as a single man without dependants. The same thing applies in this case after a man reaches £3 10s. a week. Consideration should be given to men with big families, especially when they are on the lower rate. The married man on £3 10s. a week will pay 1s., whereas he paid 1s. 1½d. under our Act.

The Minister for Mines: He did nothing of the kind. You ought to correct your figures.

Mr. LATHAM: He was taxed on £3 under our Act, and the amount had to exceed an additional 15s. before the tax was increased. He is now taxed 4d. extra when his income exceeds £3 10s.

The Minister for Mines: How much is that on the 4½d. tax?

Mr. LATHAM: The difference is 1½d. Under to-day's proposal he would be taxed 1s., whereas he only paid an extra 1½d. under the previous legislation.

The Minister for Mines: The tax is less than yours was.

Mr. LATHAM: I cannot understand why the Government stop at the £8 a week man. We sometimes described the last tax as a tax on a flat rate, whereas it was not so. It was a tax on a pro rata basis. The more a man earned the more he contributed. This is a graduated tax, a graduated tax on a single man from £2, and on a married man from £3 10s. up to £8 a week. There seems no logic in stopping at £8 a week. Why not increase the amount? I hope the Premier will explain why he stopped there.

Mr. Moloney: He might do that if you press him very hard.

The Minister for Justice: You do not want us to get in more tax than is necessary, do you?

Mr. LATHAM: If the Government can get in £400,000, why not lighten the burden and increase it on the man who can afford to pay?

The Minister for Mines: It is wonderful, you did not think of that last year.

Mr. LATHAM: We imposed a small tax.

Mr. Raphael: You certainly imposed it on small wages.

Mr. LATHAM: I admit that.

The Premier: Your tax was designed to bring in the greater amount from the lower-paid wages man, and now you are talking of getting it from the higher-paid man.

Mr. LATHAM: Collectively it was a fair amount of money, but did not greatly hurt the individual. The objection to this taxing measure is that it is to be retrospective.

Mr. Raphael: Hear, hear!

Mr. LATHAM: The man who receives a monthly salary will have been paid up to the end of July, and the man who receives it fortnightly, as the civil servants do, will be taxed for some of the days in July.

Mr. Wansbrough: There are some men, the postal officials for instance, who are paying your tax retrospectively on their incomes at 3d. in the pound.

Mr. LATHAM: The Premier will be pleased to know that. I did not think any tax was being collected now. It must be illegally collected.

The Minister for Employment: You did not hesitate to make the 22½ per cent. cut retrospective.

Mr. LATHAM: That was a different thing. I presume the House will have an opportunity of discussing that later. The Minister knows we were carrying out the Premiers' Plan.

The Minister for Employment: You did not hesitate to collect the money weekly from the wages staff.

Mr. LATHAM: No. Everybody knew what was going to be done, and all agreed as to the necessity of it.

The Minister for Mines: Your Government did not carry out what was agreed to by the Premiers' Plan.

Mr. LATHAM: We went as near to it as we could.

The Minister for Mines: With a little extra added.

Mr. SPEAKER: Order! Members cannot discuss the Premiers' Plan under this Bill.

Mr. LATHAM: That retrospective clause will hit the man who happens to get his pay at any odd time, particularly men in the country, men on farms and stations, and numerous men who draw their money, not monthly, but just as they require it. All these will be taxed as from the 1st July. If they cannot pay the taxation in one sum, it is to be collected from them in accordance with the wishes of the Treasury officials.

The Premier: Under the Act that your Government passed, that was very much more so.

Mr. LATHAM: No; not so.

The Premier: Yes. Your legislation was retrospective to the extent of five months.

Mr. LATHAM: Not in the case of this particular legislation.

The Premier: Similar legislation.

Mr. LATHAM: The Speaker will not allow me to discuss other legislation. However, I think a fairly reasonable case could be put up. The Premier will, I hope, agree to delete the retrospective clause, which will

not yield a great deal of revenue but will bear unfairly on some workers.

The Premier: Your Government, I repeat, collected taxation for five months retrospectively.

Mr. LATHAM: Not under financial emergency legislation.

The Premier: Something similar.

Mr. LATHAM: No. We reduced salaries after they had been paid.

Ministerial Members: Oh!

Mr. LATHAM: I know that Mr. Speaker is allowing me a fair amount of latitude, but it would be courting disaster to proceed on these lines. Retrospective legislation is wrong in principle.

The Premier: You were a member of a Government that imposed retrospective taxation.

Mr. LATHAM: The measure alluded to was not a taxing measure. It was a case of overpayment of salaries and wages.

Mr. Raphael: That's a goody!

Mr. LATHAM: I am sorry if hon. members disagree with my statement.

The Minister for Mines: Still, you are not surprised at our disagreeing.

Mr. LATHAM: The two sides of the Chamber cannot be expected to agree on every point. Those who will be hit hardest by the tax are the civil servants. Because I happened to see something in the Press, it is not to be inferred that I am in the slightest degree influenced by it. I am stating the case for the civil servants because this House reduced their salaries.

The Premier: Your Government reduced their salaries, and not this House.

Mr. LATHAM: I acknowledge that members of the then Opposition did not support the proposal.

The Premier: The reduction was made by your Government, and that is not the House.

Mr. LATHAM: But the House has to accept responsibility for it. The majority of members of the House made the reduction. On top of that reduction civil servants were taxed to the extent of $4\frac{1}{2}$ d. in the pound on their salaries. Under this Bill many of them will be taxed up to 9d. in the pound, and thus will be hit much harder than outsiders who have not had their salaries reduced.

The Minister for Mines: It was no fault of your Government that their salaries were not reduced. Outside employees had their salaries reduced everywhere except on the goldfields.

Mr. LATHAM: Our Government did not do that.

The Minister for Mines: They did.

Mr. LATHAM: Apart from that aspect, this tax will affect the salaries of civil servants as from the 21st July, the date on which the last payment was made.

The Premier: That is a month back, is it not?

Mr. LATHAM: It will be a month back.

The Premier: But your Government made the tax retrospective for five months.

Mr. LATHAM: No. I disagree with the Premier on that point. In any case, it is difficult for the House to agree to a taxing measure without the Estimates before us. It is an unfair proceeding. We ought to have some knowledge of revenue and expenditure anticipated for this financial year. We should be placed in a position to judge for ourselves whether or not it is justifiable to impose this particular taxation any longer. With the information I have before me as to increased revenue estimated by the Premier and the large amount of £715,000 additional loan funds to be made available, I claim that the Government are not justified in imposing the amount of taxation for which the Bill asks.

The Minister for Justice: Does not this taxation represent part of the anticipated revenue?

Mr. LATHAM: The £114,000 may be made up from taxation which we imposed last year; I do not know. However, there will be five or at least four twelfths more available.

The Minister for Mines: It is merely estimated on the basis on which you estimated.

Mr. LATHAM: I do not know where this estimate comes from. I have tried to work it out, but have not succeeded in arriving at any figures which enable me to guess even roughly the amount to be expected. I do not know how differentiation is made between single and married employees. I trust the House will give fuller consideration to imposing more taxation on higher officials with a view to relieving some who are suffering to-day. Under the Bill single men will be taxed as follows:—

On £2, pays 8d. per week; £1 14s. 8d. per year.

On £3 10s., pays 1s. 3d. per week; £3 15s. 10d. per year.

On £6, pays 3s. per week; £7 16s. per year.

On £7, pays 4s. 8d. per week; £12 2s. 8d. per year.

On £8, pays 6s. per week; £15 12s. per year.

For each additional £100, £3 15s. per year.

Under this measure married men will be taxed as follows:—

On £3 10s., pays 1s. per week; £3 0s. 8d. per year.

On £4 10s., pays 1s. 8d. per week; £4 17s. 6d. per year.

On £6, pays 3s. per week; £7 16s. per year.

On £7, pays 4s. 8d. per week; £12 2s. 8d. per year.

On £8, pays 6s. per week; £15 12s. per year.
For each additional £100, £3 15s. per year.

On top of that, the higher-paid men will have to meet a Federal and a State income tax.

The Minister for Justice: And you are asking that under this Bill the rate for them should be raised.

Mr. LATHAM: No. I want the taxation spread more evenly. The man on £6, £7 or £8 a week is not as well able to pay this tax as is the man on £3,000 or £4,000 a year.

The Minister for Mines: But your Government taxed sustenance workers, men on 25s. a week. They were made to pay the 4½d.

Mr. LATHAM: Yes; and our Government gave them additional work for the 4½d.

Ministerial Member: You gave them plenty of work, but dashed little to eat!

Mr. LATHAM: The workers were as well off then as they are now. I do not support the Bill as it stands, and I protest against its introduction when the Estimates are not before the Chamber. If the measure is to be retrospective for three or four weeks, it might as well be retrospective for six weeks; I would not have minded that. However, I acknowledge that one would not be justified in asking that the Estimates should be passed before such legislation as this is enacted. On the other hand, we certainly ought to know how the money is to be expended.

The Minister for Mines: Your Government had a continuous sitting of the House for 12 months, and were your Estimates down at this period of the session?

Mr. LATHAM: No; but I do not think any of our taxation proposals were submitted before the Estimates had been brought down.

The Minister for Mines: I have been here for 21 years, and I can say that the Estimates have never been down at this stage of the session.

Mr. LATHAM: Had the Premier approached me, this side would have assisted him by dispensing with the Address-in-reply debate on this occasion.

The Premier: The Address-in-reply is governed by the Standing Orders of this House, and not by my desires.

Mr. LATHAM: That is so; but, at the same time, hon. members are amenable to reason, and no doubt they would have assisted in the direction indicated. Not much is gained from a debate on the Address-in-reply. I disagree with the old story that the debate is a safety valve. At any rate, not much of a safety valve is needed three years before a general election. I think the debate is a waste of time and money.

The Minister for Mines: We will see if it cannot be cut out next time.

Mr. LATHAM: We will favourably consider that.

Mr. SPEAKER: Order! I ask the hon. member to address himself to the Bill.

Mr. LATHAM: The objectionable clauses of the Bill I propose to deal with in the Committee stage. I cannot support the second reading of the measure.

MR. STUBBS (Wagin) [5.12]: I wish to compare the Government's Bill with the measure on the statute-book, which expired by effluxion of time on the 30th June last.

Mr. Latham: That is the taxing measure.

Mr. STUBBS: However, the point I wish to make clear is that this Bill does not provide, as the lapsed Act did, for persons in the position of commission agents or auctioneers. How does the Premier propose to deal with them under this measure? Let me point out that people engaged in such occupations do not earn their money week by week. How is the tax to be collected from them? I see no provision in the Bill for the case of an auctioneer or commission agent in the city doing business with perhaps half a dozen different people in the country. In order to earn his commission, the agent, for instance, has to lay out a considerable sum of money in prosecuting his business.

The Premier: In that respect the Bill does not differ at all from last year's Act. There is no alteration whatever on that point.

Mr. STUBBS: Then, presumably, the tax will be collectable in the case of those persons at the end of the year, when they make up their accounts.

The Premier: The tax under this Bill will be collected in the same way as the tax under last year's Act.

The Minister for Justice: The tax will be collected on the man's income for the previous year.

Mr. STUBBS: Those explanations clear up the doubt I felt. Notwithstanding the probability that hon. members opposite will differ from me regarding the position of a man earning £8 or £9 per week, most likely a man with a large family, I contend that such an individual will be called upon to contribute a much larger sum, proportionately, than men earning £1,000 or £1,200 a year; and of these latter there are a good many in Western Australia. The returns of the Commissioner of Taxation show the number of taxpayers earning £1,000 a year or over. With all due respect to those who may differ from me, I hold that opinion regarding the man on £8 or £9 per week. The salary of members of Parliament is supposed to be £600 a year. Under the financial emergency taxation legislation, 22½ per cent. has been cut off our salaries.

The Premier: No, 20 per cent.

Mr. STUBBS: Yes, that is the percentage. On top of that, members have to pay the Federal taxation, and now they will have to pay the increased rate of 9d. in the pound under the measure we are discussing.

The Premier: So will every other citizen in similar circumstances.

Mr. STUBBS: Yes, but a member of Parliament is in a totally different position from that of a civil servant or any other person in receipt of a salary of £600 or £700 a year. Once every three years, members of Parliament have to face their constituents and each week when they open up their mail, they find some appeal on behalf of distress in their district, and they have to contribute towards the relief of those concerned. He gets no consideration on that score, when it comes to paying this tax.

The Premier: I would consider an amendment to exempt members of Parliament!

Mr. STUBBS: I would not ask for anything of that description, but I am merely pointing out the difference between the position of a member of Parliament in receipt of £600 a year, less the deductions I have indicated, and that of any other person who is in receipt of £1,000 or £1,600 a year. The

latter is in a much better position to pay an increase in the rate of taxation, under this legislation, from 9d. to 1s.

Mr. SPEAKER: Order! The conversation of members would indicate that too many meetings are being held on the floor of the House, and I cannot hear what the member for Wagin is saying.

Mr. STUBBS: In my opinion, the scale of taxation proposed in the Bill will hit a certain section of the community in a drastic fashion, much more so than many members seem to realise. The necessary money could be raised if the burden were imposed upon those more able to shoulder it, particularly those who are in receipt of £1,000 or more. I regret the position of the State to-day, due to the primary industries being in such a parlous condition. Because of that, it is necessary to levy taxation in the manner proposed in the Bill. The interest on our loans overseas requires that the Premier should make every effort to keep the State solvent. Unless the prices of primary products rise, it will, in my opinion, be a matter of time only when the State will not be in a position to pay the interest on its loan indebtedness. The population of the State is so sparse, and such a huge area has to be governed, involving heavy expense in the provision of hospitals, education and other facilities necessary to keep the people contented in the country, that the burden will be found unbearable. Unless the stabilisation of the primary industries is effected, the State may find itself unable to pay its interest indebtedness. It has to be remembered that the city and every other town depends upon the country industries for their very existence. Farmers and graziers will not be called upon to pay much under the provisions of the Bill now before the House, because they have not the money with which to pay. On the other hand, those who are in receipt of £500 or £600 a year and have large families to maintain, will find that the increased rate will represent a heavy burden for them to shoulder. Even at this late stage, I ask the Premier to consider whether it would not be possible to increase the rate to be levied upon those who can well afford to shoulder the extra financial burden, much more than those who are in receipt of £400 or £500 a year. I shall not oppose the Bill, because the Premier is justified in introducing it. I shall support it, but I would like to see the retrospective clause omitted.

HON. N. KEENAN (Nedlands) [5.20]: I anticipated that something would be said on the Government side of the House in support of the Bill, and that it would not be left to be debated entirely by members of the Opposition. There can be no sound objection whatever to taxation that is designed to supply the legitimate wants of the Crown, even though the taxation be severe. That may be objectionable to the individual, but if the Crown wants legitimately the money which is in the taxpayer's pocket, there is no question about the right of the Crown to make that demand upon the taxpayer. That is incontrovertible, and, pursuing it to the whole length, that fact would justify the taking by the Crown from the taxpayer every single penny-piece he owned, should the necessity arise. But before any taxation, however light, can be imposed upon the subject, it is necessary for the Crown to show, first of all, that the taxation is required for the proper wants of the Crown, that there exists some absolute necessity to collect taxation for some proper existing want of the State. Secondly, it is necessary to show the amount it is necessary to raise by means of the taxation. It must not be left indefinite. The burden to be imposed is definite and ascertainable, and that must be put clearly forward when the taxation measure is introduced. Lastly, it is necessary to justify the method by which it is proposed the tax shall be collected, to show that it is equitable and fair and imposes only a due burden on each subject. The Bill before the House does not attempt, nor did the Treasurer attempt, in justification, to suggest any one of those points I have mentioned. The Bill has been thrown on the floor of the House. The only explanatory matter offered when the Bill was introduced was the reading of what every hon. member can find in the Bill itself—nothing but that. No explanation of any kind was given to the House. We were told that the explanation or justification for the measure would be made at some other time. The only proper time for that explanation and justification is at the second-reading stage of a taxation measure, when the Bill is introduced to hon. members and it is open for debate. That explanation and justification should be made then so that members might understand the reason for the bringing forward of the taxation measure, and appreciating that, either agree with or dissent from its provisions. We are in the dark.

Nothing except the measure itself is before us, and we have had no explanations under the three heads I have mentioned, which undoubtedly are applicable to every taxation measure. Since the measure is allegedly necessary to recoup Consolidated Revenue for expenditure incurred in unemployment relief, this House might well, in the absence of any statement from the Premier of the amount necessary to recoup Consolidated Revenue under that heading during the present financial year, claim that there was no justification whatever for the Bill. Until it can be shown to the satisfaction of the House, not to any one part but to the whole House, that there is the necessity to recoup Consolidated Revenue by this means for expenditure of a certain definite ascertained amount, or even an amount estimated with some degree of accuracy, to be spent during the forthcoming financial year on unemployment relief, how can members discuss the measure and give their considered judgment on the provisions of the Bill? During the current financial year the expenditure on unemployment relief will be far less than it was during the last year.

The Premier: How so?

Hon. N. KEENAN: It will be reduced by the fact that a considerable sum—the exact sum has been challenged—of over £700,000, excess loan money is to be spent in providing employment. A large number of men have been taken off sustenance and placed at work by the expenditure of the additional loan money. That is beyond question; it is mere common sense. The change was clearly illustrated in the figures furnished by the Treasury for the July expenditure, which showed that £28,453 had been expended on unemployment relief whereas the corresponding expenditure for July, 1932, was £45,385.

The Minister for Employment: Does the hon. member complain about that?

Hon. N. KEENAN: No; I am pointing out the reason for the decreased expenditure. There are fewer men on the sustenance list because there are more employed on work financed from the additional loan funds. In other words, there is not much more than half the expenditure that was chargeable last year against Consolidated Revenue.

The Premier: That is a tin-pot comparison.

Hon. N. KEENAN: But it is the only comparison we can make. We do not know

of any other amount involved. Does the Premier suggest there is no comparison.

The Premier: You know that expenditure fluctuates from time to time.

Hon. N. KEENAN: Then let the Premier give the House the reason for the fluctuations. We have nothing before us. Everything is held back. We are in the dark. The Bill was merely thrown on the floor of the House. In the light of the only information we have, which is the expenditure for the month of July, and the fact that additional loan funds have been made available to go in relief of sustenance expenditure, are we not justified in asking the Premier what reasonable expectations has he of raising the amount it will be necessary to recoup to Consolidated Revenue. We are not told anything, and what we have been told has been of the most vague description. In the absence of any information showing the necessity for the Bill, it is impossible for any private member to say how far the measure is necessary, because no private member is in possession of the facts that the Premier must have, in view of the ample staff he has at his disposal to gather the information for him. Neither have we had any explanation for the necessity for the Bill, nor any intimation of the amount estimated to be raised by means of the tax to be imposed. That should be the second necessary justification for the imposition of the taxation. There is no sound ground for objecting to taxation, provided it is shown to be necessary; and that necessity would involve a statement of the amount required. On this occasion we have had no statement whatever of the amount it is expected this tax will yield. Lastly, there has been no explanation of the particular divisions of the rate of the tax. There may be very good reasons for the particular divisions indicated in the Bill, but we know nothing about them. Neither Parliament nor the country knows anything whatever about them. I do not question for a moment that the Premier has good reasons to advance, but he has not given a single one of them to the House. We are entirely denied any knowledge of them, and so we have the farcical position of discussing a Bill in the entire absence of important information that we should have to enable us to discuss it intelligently. In those circumstances no one is possessed of

any keen wish to take part in this debate, no matter in what part of the House he may sit. It is, of course, a mere truism that every penny extracted from the taxpayers by taxation necessarily leaves the taxpayers so much less to spend on the purchase of the products of our industries, or to support industries by creating a fund to enable them to be carried on. Therefore it is essential to examine all taxation proposals carefully and see that they do not deprive the people of any money unless the necessity for taking it is the justification that exists. We have no evidence of the need for the tax, and therefore there is an entire absence of any ground on which we can address ourselves to debate the question. I refuse to take part in what is an absolute farce, and I express no opinion whatever on the Bill.

The Premier: New-found virtue on your part!

MR. J. H. SMITH (Nelson) [5.32]: I rise with a certain amount of diffidence because I have been wondering whether it would be advisable for the House to reject the Bill on the second reading. We should be told what is in the Treasurer's mind and what amount he expects to raise under this scheme of emergency legislation. I, in common with other people, was lulled into a sense of false security when the change of Government took place, because I anticipated that emergency legislation of this kind would cease. We were told last year that it was bad, unfair and inequitable legislation, and I fully expected that it would be allowed to expire on the 30th June and would not be renewed. Unfortunately, it is being revived in a different form. As it applied previously, so it will apply in future. True, a graduated scale has been introduced, starting at 4d. in the pound for the single man receiving £2 per week, and 4d. for the married man receiving £3 10s. a week. If the basic wage were raised to £3 11s., however, the married man would suffer. If a man receives £8 a week, he is to pay a tax of 9d. in the pound, but what about the man receiving £9, £10, £20, or £30 a week. Such a man would still pay the same rate in the pound. Surely the highest rate should not apply to all salaries over £8 a week because it amounts to a flat rate. Consider the position of members of Parliament, who have suffered a reduction

of 20 per cent. in their allowance and who have to pay the hospital tax of 1½d. in the pound as well as Federal and State income tax. A member's hand is always in his pocket to meet demands made upon him, and he has to fight an election every three years. His salary is thus reduced to about £5 a week, and yet he has to pay 9d. in the pound on £9 a week. I listened with interest to the speeches of new members on the Address-in-reply debate, quite expecting that some of them would address themselves to the question of taxation. However, they did not do so. Taxation will not bring the country back to prosperity. Every penny taken out of circulation reduces the spending power of the people. We cannot hope for prosperity until the spending power of the people is increased. I regret that the Premier did not tell us what amount he expected to raise by the tax.

The Premier: I did; I said £400,000.

Mr. J. H. SMITH: But why did not the Premier give some explanation on the second reading. I hope he will do so in Committee. I shall have to support the second reading, but I consider that the tax should be graduated differently to apply to people more fortunately circumstanced.

MR. GRIFFITHS (Avon) [5.36]: I intend to support the Bill, because I believe that the people on the lower rungs of the ladder were too heavily taxed. Every ½d. taken from them would mean more to them than would a shilling or two taken from other sections of the community. I feel that additional information should have been given by the Premier. Possibly he will do so when he replies. I have been plied with questions from many classes of people—civil servants, merchants, and business people—as to the amount the Premier expects to raise by the tax. I was under the impression that the Premier said he expected to get £400,000, which was the amount required to balance the receipts under the previous tax. The people who are going to be taxed should be informed of the amounts to be raised under the different gradations. At first I thought that no provision had been made to limit the duration of the measure, but I see that such provision has been made. I would oppose the continuance of the tax indefinitely because, once a tax is authorised by statute, it is difficult to get it removed.

I consider that the incidence of the tax should be spread more evenly and that the higher incomes should be taxed a little more, rather than make the burden so heavy for sections like our own who are hard-hit in all directions.

Question put and passed.

Bill read a second time.

BILL—SUPPLY (No. 1), £1,500,000.

Returned from the Council without amendment.

BILL—FINANCIAL EMERGENCY TAX.

Second Reading.

Debate resumed from the 3rd August.

MR. LATHAM (York) [5.40]: Very little can be added to what has been said on the previous Bill. Additional taxation taken from the people means less money in circulation. There has been a tremendous falling-off in the number of taxpayers, as compared with three or four years ago.

The Premier: This Bill will not impose any additional taxation. It provides for the same amount of taxation distributed in another manner.

Mr. LATHAM: It affects the individual in that some people will be paying £17 a year as against £5 or £6 last year.

The Premier: It does not provide for any additional taxation.

Mr. LATHAM: Not in the aggregate, but it will be a much higher tax for many people than that imposed under the Land and Income Tax Act.

The Premier: No, it takes more from some taxpayers and exempts other taxpayers. That is the only difference.

Mr. LATHAM: It practically taxes everybody who is liable to pay income tax.

The Minister for Employment: It exempts the people whom we wanted to exempt last year.

Mr. LATHAM: Yes, and it limits the tax when the salary reaches £8 per week.

The Premier: No, it only limits the graduation there.

Mr. LATHAM: That is so. I thought the Premier would have replied to the discussion on the previous Bill.

The Premier: Nothing was said that called for a reply.

Mr. LATHAM: It is hardly fair of the Premier to say that. He was asked to say why he limited the graduation when a salary of £8 a week was reached. Yet the Premier says there was nothing to answer. Is it intended to present Bills to the House without explanation?

The Premier: The Government with which you were associated had no graduation at all.

Mr. LATHAM: That is admitted. The Premier's view differed from ours. He has set up a graduated scale, but the maximum of 9d. is reached on a salary of £8 a week.

The Minister for Employment: We put up our arguments for exemption last year.

Mr. LATHAM: I did not hear the Minister explain why the maximum rate should be reached when the salary was £8 a week.

The Premier: You are swimming in deep water, insofar as your Government were concerned.

Mr. LATHAM: If the House is not to be given any information, it is of little use to talk. Pertinent questions were asked during the debate, and the Government have neglected or refused to answer. That may be contempt for the Opposition. The Opposition may be weak numerically. That is not the fault of the Opposition; it is the fault of the people, but even the Opposition are entitled to some consideration. The public have a right to know.

The Premier: Now we find the Leader of the Opposition arguing in a way directly opposite to that of 12 months ago.

Mr. LATHAM: Nothing of the sort; I justified the imposition of the tax when I spoke last year. It was required because of the fall in revenue. That does not apply now because the Treasurer will have £715,000 more to spend from Loan Funds. When we raised money from the tax last year we were able to remove a number of people from sustenance.

The Premier: You did it for a few months.

Mr. Latham: I contend that the Premier has not made out a case for the imposition of this tax.

The Minister for Employment: We have improved the position of men who have been waiting for years.

Mr. LATHAM: There has not been much improvement up to date.

The Minister for Employment: That shows the hon. member does not know anything about it.

Mr. LATHAM: The improvement may have been in compelling men to take out union tickets before being able to get work, compelling men to find 25s. for union fees, or compelling them to make arrangements for the payment of that amount.

Mr. Wilson: That is not correct.

Mr. LATHAM: I am going on information published in the Press and I have not seen any contradiction. The Bill proposes to make the tax permanent until Parliament otherwise orders, and it also makes the tax retrospective on all increments to the 1st July and on wages and salaries paid after the 1st August, although they may have been earned from the 1st July. We have the acknowledgement now that the Labour Government at the present time admit they are in favour of taxing at the source. Last year they were definitely opposed to that.

The Premier: Not so; it was the basis on which the tax was levied that we objected to.

Mr. LATHAM: The Government did oppose the tax at the source.

The Premier: No, the basis.

Mr. LATHAM: It was not the basis altogether; I am not saying that the Premier himself opposed it, but other members of his party did. I remember a prediction by the Minister for Justice that the tax would be established and retained in perpetuity. He must have had some expectation of a change. He took the advice of the present Premier, who definitely told the Premier of the day that he was deliberately introducing the legislation for the purpose of being defeated at the poll, that he did not want to carry on.

The Premier: I did not say that.

Mr. LATHAM: It is in "Hansard."

The Premier: If I did say it, it must have been said in a facetious mood.

Mr. LATHAM: The Minister for Justice predicted it would be a permanent Act and the present Premier said it would go on for a long time after the emergency had passed. I hope it will not; I hope we shall be able to limit it. We have no right to make it any more permanent than the land or income tax.

The Premier: No tax is permanent. Every year Parliament can amend it. No legislation is permanent.

Mr. LATHAM: I agree with the Premier that there is no such thing as permanency in regard to legislation. It is usual, of course, for the House to have the opportu-

nity to pass a taxing measure, but the proposal before us is going to take away that right.

The Premier: This will remain in force so long as Parliament agrees.

Mr. LATHAM: Parliament will have no say.

The Premier: Of course Parliament will have a say.

Mr. LATHAM: We cannot introduce a Bill to repeal the Act.

The Premier: The majority of this House can decide anything.

Mr. LATHAM: The majority will decide something that is wrong. It is wrong to make this kind of legislation permanent.

The Premier: It is not permanent.

Mr. LATHAM: When we get into Committee, I will read what was said.

The Premier: It is no more permanent than any other Act of Parliament.

Mr. LATHAM: I presume that the money to be derived from the tax will go into Consolidated Revenue. Last year there was a good deal of opposition shown to that by members who were then sitting on this side of the House; they wanted it earmarked for unemployment. This year, we know very well, it will have to be paid into revenue, and will be used to keep the deficit down. I have already told the House that the Premier has not justified the imposition of this tax because he has additional Loan Funds.

The Premier: What have Loan Funds to do with this tax?

Mr. LATHAM: The more Loan Funds the Premier has to spend, the greater will be his revenue. It is exactly the same as the levying of Customs duties, which bring money back into the coffers of the Federal Government.

The Premier: What is the difference between the Loan Funds I expect to receive this year and the Loan Funds you had last year?

Mr. LATHAM: The amount is £715,000 greater this year.

The Premier: No.

Mr. LATHAM: Yes. The Premier expects to receive £2,670,000.

The Minister for Works: You had your deficit on top of your Loan Funds.

Mr. LATHAM: Of course we are in the dark at present, but it is expected that the

Premier will budget for the same amount as was budgeted for last year.

The Minister for Mines: And we shall be nearer the goal than you were.

Mr. LATHAM: The plan of the previous Administration was to endeavour to balance the Budget this year, and last year we reduced our deficit by about £700,000, as compared with that of the year before. If the Premier had followed that down this year, I would not have the same objection to the present tax.

The Minister for Justice: You are like the individual who can go without clothes for a few months but not forever. That is what you did for this State.

The Premier: You left the State naked.

Mr. LATHAM: We did not have the money.

The Minister for Justice: Have we any more money?

Mr. LATHAM: The Minister is aware of the small amount of Loan Funds we had. In 1930-31 we had £1,759,263. That was the year when our deficit was £1,420,000.

The Premier: Most of the money that is required now will not come from Loan Funds at all.

The Minister for Justice: You starved the railways and now we have to find money for them out of revenue.

Mr. LATHAM: It will be the first time it has been taken from revenue.

The Minister for Justice: We are effecting repairs everywhere that were neglected by you; Parliament House has had to be repaired.

Mr. LATHAM: I know that the conditions are bad, but we do not make them any better by exaggerating. In 1931-32 our Loan Funds totalled £1,380,225, or about half what the Premier is to receive this year. The Premier will receive £2,670,000 plus the deficit of £850,000, making a total of £3,520,000.

The Minister for Employment: The fact remains that you did not do the work that we now have to do.

Mr. LATHAM: Some of this money will go back into revenue. If, for instance, sleepers are required at Mullewa or at some other place, the cost of their conveyance over the railway will go into railway revenue.

The Premier: The hon. member must know that the Commissioner of Railways

requires half a million to put into repair railways that his Government neglected.

Mr. LATHAM: If the Premier went to the head of every department in the most prosperous times, he would be told that money was required for improvements.

The Premier: But the railways have reached a point where they cannot carry on as they are doing.

Mr. LATHAM: The Premier, with all his ministerial experience, has never seen the time when his departmental heads would not have spent every penny he could give them.

The Premier: One can wear a garment until it is almost worn out, but there comes a time when he can wear it no longer.

Mr. LATHAM: Even if the Commissioner of Railways wants so much money for repairs, it does not affect my argument. If he demands £100,000 per annum for five years, at the end of that period there will be more railway equipment and replacements required, and so the expenditure must go on indefinitely.

The Minister for Mines: We do not side-track our railway trucks needing repair, as your Government did.

Mr. LATHAM: When a man presents good arguments they are sure to be broken down by members interjecting instead of rising and trying to justify this proposed tax. There should not be a taxing measure brought down before the Estimates are submitted: I do not think this has ever been done previously in this State. We have never had a taxation measure but we were able to see exactly what was to be done with the money.

The Premier: We have just been seeing the operations of your Government.

Mr. LATHAM: That is very weak, and does not justify the bringing down of this taxation measure without a full exposition of the finances. In view of the prospects submitted to the Loan Council, with the additional assistance to come from the Federal Government—

The Premier: There is no additional assistance.

Mr. LATHAM: There is that £100,000 to come. Last year we got £500,000 as a special grant, and now the Premier is to get £500,000 plus £100,000.

The Premier: To keep the amount as it was last year.

Mr. LATHAM: I understood the arrangement was for £100,000 to be handed to the Treasurer to bring the deficit back to the amount agreed upon by the ex-Treasurer, and another £100,000 this year to maintain the deficit of last year.

The Minister for Justice: No, we do not get two such amounts.

Mr. LATHAM: Yes, one to reduce the deficit of last year, and another to keep it down this year.

The Premier: What we got was merely £100,000 to make good the deficit of your Government.

Mr. LATHAM: And this year you are to get £600,000, being a special grant of £500,000, and another £100,000 if you will be a good boy and keep the deficit down to the sum agreed upon.

The Premier: To the amount of last year.

Mr. LATHAM: The only information this House gets is that which filters through from Press reports. It is not fair to the House. I could imagine what the Premier would say if he were Leader of the Opposition and the Government of the day dared to do what he is doing now, dared to take not more than nine minutes in introducing two important financial measures. If the Premier had first submitted the Estimates and explained that there were certain taxation measures to come, I would not have objected.

The Premier: Indeed you would have supported it.

Mr. LATHAM: I have always supported taxes introduced by the Premier, except when he varied them from the usual thing.

The Premier: But so complete is the change which has taken place during the last three months, that the hon. member is not able to understand the position.

Mr. LATHAM: The Premier has not justified these Bills, nor has he justified the differentiation between the man paid up to the last day of July and the other man who is not paid up to that date.

The Premier: Do not attempt to adopt the virtuous attitude of certain other members.

Mr. LATHAM: The member for Nedlands rightly pointed out that taxation is necessary.

The Premier: In effect he pointed out how different a man he is now from what he was when over here a few months ago.

Mr. LATHAM: We can all apply that; I could apply it to members on that side equally well. I hope the Premier will give us some information about these Bills before they go through. He must have some reason in his mind for the determination to set up a graduated tax from £3 10s. to £8, and I hope he will tell us what it is.

Question put and passed.

Bill read a second time.

BILL—HEALTH ACT AMENDMENT.

Second Reading.

Debate resumed from 3rd August.

MR. SAMPSON (Swan) [6.8]: This amendment of the Health Act should have a speedy passage. It gives local authorities power to exempt from certain charges any land on which septic tanks or other approved sewerage systems have been installed, and it provides for the making of an annual charge for dealing with such refuse as remains after treatment by the septic tank system. In another part of the Bill the Minister is given power to increase payments for the cost of treatment of infectious diseases in indigent cases. This is a very desirable amendment. As a matter of fact it has been carried into effect already, and the Bill will now legalise it. An epidemic might seriously increase the health rate, and if effective measures were not taken, the epidemic might become State wide. From that point of view the amendment is essential. I regret that every year it appears necessary to bring forward amendments of the Health Act. Only in 1931 was the Act consolidated. In 1932 we had the Act amended, and now in 1933 it is again to be amended. Presumably it will not be long before a further consolidation will be necessary.

Question put and passed.

Bill read a second time.

In Committee.

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

Sitting suspended from 6.15 to 7.30 p.m.

BILL—INDUSTRIES ASSISTANCE ACT CONTINUANCE.

Second Reading.

Debate resumed from the 3rd August.

MR. FERGUSON (Irwin-Moore) [7.30]: There can be no valid objection at this stage to the Bill, which provides for the continuance of the Industries Assistance Board. We had all hoped that the affairs of the board, which was brought into being by the Act as a result of the drought that overtook the wheat-growing areas in 1914, could have been wound up much earlier than the present time. If it had not been for the depression which has overtaken us during the last three or four years, and had the prices we had been obtaining, particularly for wheat, during the post-war years, continued for a little longer, I venture to say there would have been no difficulty in winding up the operations of the board. Due to the tremendous drop in price, mainly of wheat and to a lesser extent of wool, it will be necessary, unfortunately, to continue this legislation for a further period. I am afraid that unless there is an appreciation of prices during the next few years, the number of clients of the board will have to be increased considerably. I do not know of any industry, other than agriculture, that could have carried on so long and so satisfactorily under the conditions that have prevailed in connection with the Industries Assistance Board. It is a fact that, since the board came into being, over £13,000,000 of clients' money has been redistributed amongst the clients of the board. Those are large figures, which indicate the extent to which the operations of the board have been utilised by the 3,370 farmers who, at some time or other, have come under the board. Among the 3,370 farmers, I understand, are nearly 1,000 returned soldiers. The Minister, when introducing the Bill, mentioned that something like £344,000 had been written off. That is a tremendous sum. I am afraid it was not possible to obviate that loss. Although that amount has been written off, the assets of the board to-day, on a reasonable valuation, I understand, are greater than their liabilities. The number of settlers assisted, 3,370, has, according to the figures supplied by the Minister, been reduced to 1,418. If the present prices of wheat and wool continue, there is not likely to be of any immediate prospect of reducing

that number appreciably during the next year or two, but, with the Minister, I look forward to the time when the whole of the affairs of the board may be transferred to the Agricultural Bank as ordinary bank business, and the work of the board wound up. Given better times and a termination of the financial depression with which we are at present faced, I think we can reasonably look forward to that. The House might well agree to the Bill. I commend those who have been in charge of the operations of the board for the efficient manner in which they have administered its affairs.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—YUNA-DARTMOOR RAILWAY.

Second Reading.

Debate resumed from the 3rd August.

MR. FERGUSON (Irwin-Moore) [7.37]: I have much pleasure in supporting the Bill. While at the present time the industry of wheat growing is more or less under a cloud, if there is to be any future for the industry in Western Australia I think we would not be justified in calling a halt in ordinary development in a new country like this. During the course of the Address-in-reply debate, I mentioned that in my opinion two railway propositions that were justified at present were the one provided for under this Bill and the Kalannie northward line. I have noticed that there is a disposition on the part of members to think that, when a railway is authorised by Parliament, they have every right to expect it to be built, and that it should be built in the order in which it was authorised. I fail to see any justification for that viewpoint. It is the duty of the Government and the State to construct those railways, which, in the present condition of our existence, are the most important. It does not follow that, because a railway was authorised by Parliament, say, 10 or 15 years ago, there is any more justification for its construction now than

for the construction of a line authorised by Parliament to-day. In my opinion and in the opinion of many members, there is no more important railway project before the country than the Yuna-Dartmoor line. Some members think that when a railway is authorised there is either an expressed or implied promise on the part of Parliament that it will be built forthwith. During my experience in Parliament, I have never yet heard a Minister, on behalf of the Government, promise that a railway under discussion would be built at any particular time.

The Minister for Works: The Wiluna line was in order to take the machinery to the mine.

Mr. FERGUSON: I do not think it was given precedence over other railway authorisations, but in view of the activities of the mining company at Wiluna, it was more or less promised that the construction of the line would be expedited. I was referring particularly to agricultural railways. The previous Government, as a result of the inspection of the country north of Geraldton by almost every member of the Ministry, were definitely of opinion that the construction of the line was warranted, and with that object in view, the Railway Advisory Board were instructed to visit the country and prepare a report. The report has been tabled, and those members who have read it will appreciate that in the board's opinion ample justification exists for the building of the line. I have had an opportunity of going over the country and have seen most of the land to be served by the railway, and I believe there is every justification for its construction. I suppose there is no district in the State, with the possible exception of the Midland district, where the settlers have developed their holdings to such an extent with their own capital. In the Midland districts, of course, the settlers have not had available to them the aid of governmental institutions such as the Agricultural Bank, and have had to develop their holdings mainly with their own capital, but in the Yuna-Dartmoor locality, which has been developed during recent years when the Agricultural Bank has not had much financial assistance to offer for the development of a new district, the farms have been developed by their individual owners. There is a wonder-

fully progressive type of settler in that locality; in fact they had to be men of stout heart to go so far away from railway communication to carve out farms in a territory that in its natural state looked uninviting. But there is something attractive about that northern country, something which appeals to a man who wants to make his home in it and develop a farm there. I believe the result of the development in recent years amply warrants the expenditure necessary to build the railway to enable the settlers to get their supplies to the district and their produce away from it. The crops that have been harvested in that territory since its settlement have been, so far as I can gather, heavier than in almost any other district opened up in the State. At Wandalong, where they have been operating for something like five years, the average has been about 25 bushels. That is a wonderful performance for a new country.

Mr. Doney: How many years have they been operating?

Mr. FERGUSON: Five or six years. Very little in the way of up-to-date farming has been done. Pioneering methods have been adopted in cultural operations generally throughout the district, and yet the crops have been universally good. The soil in that locality is of a peculiar type, not similar to that in any other wheat-growing country I have seen in Western Australia. It is of a peculiar texture or formation, and there is something in it that enables it to retain moisture, although the climate is somewhat hot, to a greater extent than is evident with most other soils in the State. There is something about the sandy surface which constitutes a natural mulch, and I think that is added to by a thin veneer of sand or loose soil surface. The farmers in the locality are absolutely independent of any September rainfall.

The Minister for Lands: It is the nearest approach to coastal conditions.

Mr. FERGUSON: It is fairly close to the coast, and there is a certain humidity in the atmosphere. The land is easily cultivated and is not of a heavy type. The secret of the success that has attended the development of the district, and will stand to it for all time, is that, being situated several hundreds of miles north of Perth, there is no stagnant mid-winter period associated with it, such as we have experienced in other parts of the wheat-growing areas. Immediately the crops begin to grow, they con-

tinue to grow until harvest time without showing the presence of any stagnant period. That means that a much shorter growing period is necessary. In most of the wheat-growing areas our winter is too long, but this particular locality is ideal for wheat-growing. I believe heavy cropping will continue there for all time. Another fortunate thing about the district, already proved by the investigations of the plant nutrition officer of the Agricultural Department (Dr. Teakle), is that there is an almost entire absence of salinity in the soil. In many of our drier areas, having a similar rainfall to that of the Dartmoor belt, the salt trouble is one of the greatest problems. The Minister for Lands knows the anxiety he experienced in connection with another district with a somewhat similar rainfall. It is fortunate that the further north we go, the less evident becomes the salt content of the soil. In this particular locality it is almost entirely non-existent. I have seen experimental crops north of the area where the railway is to go, that is near the No. 3 rabbit-proof fence. It is situated in a spot rejoicing in the euphonious name of Babbishadonga, a native name by which the district is known. When I saw that crop, the cockatoos were playing havoc with it, and all around the outside of it, the wheat had been stripped by the birds. A man was doing nothing else but shooting cockatoos. Notwithstanding this attack, the area yielded an average of 21 bushels to the acre, although it was estimated that between 10 and 15 per cent. of it had been knocked down by the cockatoos. I doubt whether such a result could have been achieved in other parts of the State. What appeals to the experienced farmer is the large areas that are available for cultivation and the uniform type of soil. The land can be easily and continuously worked. It can be worked in large areas, where large teams and large machinery can be made practical use of. I believe wheat can be produced there possibly more economically than anywhere else in Western Australia. The district is in close proximity to Geraldton, where a large sum of money has been spent in equipping an up-to-date port. The land is, therefore, too valuable to be allowed to lie idle, and should be utilised for the production of those commodities which nature has fitted it to produce. I understand from the Minister it is intended to use the old Horseshoe rails, and that the cost of construction will be lower

than is usual in similar undertakings. This will keep the capital cost of the work within reasonable bounds. I hope the Government will not unduly delay the construction of the line after Parliament has sanctioned it, because I believe there is ample justification for it. With the advent of better times, this should be one of the most flourishing wheat-growing districts in the State. I cordially support the second reading of the Bill.

MR. J. H. SMITH (Nelson) [7.52]: I am not opposing the construction of the line. I listened with a good deal of interest to the remarks of the Minister. I wonder, however, whether the construction of the railway is warranted under present conditions, and whether the Government are justified in going ahead with it when other railways, which were promised many years ago, have not been built, because, as the previous Government put it, there were insufficient funds for the purchase of material. I am pleased the present Government have had the courage to do something that the previous Government did not do, namely, to take up the rails of the old Horseshoe line. Now that three Ministers are representing the part of the State concerned, the Government immediately realise that the Yuna-Dartmoor railway is urgently necessary and must be built at once. There are two railways that were promised in the South-West, and approved of by the party now in power. I refer to the Boyup Brook-Cranbrook railway, and the line from Manjimup to Mt. Barker. It was a Labour Government which 10 years ago brought down a Bill which led to the authorisation of these railways. After years spent in holding deputations, and after the expenditure of much money, time and effort, the previous Government were prevailed upon to make a start with these works. The earth works and culverts were constructed and the land cleared along the route of the Boyup Brook-Cranbrook railway, but I do not know yet whether the present Government intend to carry out the undertaking. If they are going to build the Yuna-Dartmoor railway, they should certainly utilise the balance of the Horseshoe rails to complete the Boyup Brook-Cranbrook railway. We should all then be satisfied. Many men in the South-West are out of work, and now that the earth works are practically complete, and the culverts have been built, I hope the Government will finish the job. Then there is the route from

Pemberton to Denmark. The line was approved of, and the money set aside for it 11 years ago. A new settlement has been started 15 miles from the end of the railway. A portion of the line at each end has been laid down, and I now want the Government to continue it from Nornalup into the Walpole Inlet settlement. In my view no new railways should be built until those previously authorised have been completed. I want to see every part of the State developed, but in some cases we do not know whether a railway will be the right means to adopt, or whether some other method should be followed for opening up the country. The previous Government told us they were going to introduce road trains, and we gathered that earth works were being constructed for that purpose. I have never heard any more about them, although they were supposed to be on the water at the time, en route for Western Australia. They should have been in running order by now. I have given up all hope of seeing a road train, but I do trust the Government will not forget the Boyup Brook-Cranbrook railway. This is of great importance to the people who have been settled in this locality for many years.

MR. GRIFFITHS (Avon) [7.57]: I would remind the House of the resolution that was passed some time ago that railways should be built in the order of their authorisation. We now understand that the rails constituting the Horseshoe-Meekatharra line are to be used for the purpose of constructing the Dartmoor railway. I gather that there are something like 51 miles of rails to be pulled up. Apparently, things have not gone well with the manganese deposits, and they are likely to lie idle indefinitely. I am not opposing the construction of the Yuna-Dartmoor railway. In common with other members on this side of the House, I feel that wherever facilities are needed they should be provided. I do, however, protest against the Yarramony railway being put in the background once more. In 1908, an ex-Agent General collaborated with Sir James Mitchell in a scheme for land settlement at Yorkrakine. The people were told that none of them would be more than seven miles from a railway, but to-day some of them are 22 or 23 miles away. That railway has been the subject of countless deputations. In fact, it is known as the

deputational" railway. We are still waiting for it, notwithstanding the resolution that railways should be built in the order of their authorisation. Once more that resolution has been ignored, the will of the House flouted, and a new railway is to be given preference. It is always the same when it comes to a question of the Yorkrakine railway. People have been settled in that district for 25 years. In the very first place they were victimised through the scandalous manner in which the line was moved to the north. Many of these people have grown old in the district. When I first visited it in 1910, I saw many young fellows who had gone there full of hope and ambition. They went there on the promises made to them, and as a result of evasions and equivocations they have remained to see the promises broken. We are now asked to approve of the construction of another line and of the Yorkrakine line being pushed aside. I have a high opinion of the Victoria district and I think it should have railway communication. In common fairness and justice, however, to the other settlers I am speaking of, their claims should have first consideration. The Premier, in answer to a question with regard to the utilisation of the Horseshoe rails, replied that the Yorkrakine, the Dale River and other railways, would be considered. I suppose that is as far as the matter will go. It is on all fours with everything that has happened in connection with the Yorkrakine railway. I object to this line being relegated to the background at every opportunity, and to the promises made to the settlers being so frequently broken.

MR. MANN (Beverley) [8.0]: I support the Bill. From remarks made during the course of the debate as to the possibilities of the area and its proximity to seaport, it appears to be an ideal new area. I trust, however, that the Government will not extend the railway to its full length immediately, in view of the financial question involved. The first portion of the line should be built at an early date, as the proposition is most favourable. Now, however, I desire to call attention to the position of men who have gone out many miles from railways on the promise of facilities of communication. There are the settlers east of Narembcen on towards Southern Cross for a distance of 60 miles, and there are the

settlers out from Karlgarin. These have no earthly hope of helping themselves without railway facilities. True, a carting bonus has been paid for the last two or three years; but if these settlers cannot be given railway facilities, they should be brought in. The present position, while tragic, is almost ridiculous. The settlers in question went out, on the promise of railway communication, to pioneer those districts; but situated as they are now, they have no chance whatever of succeeding. The railway proposed by the Bill is warranted, because there is settlement now for a distance of 20 miles out, as the Minister said when moving the second reading of the Bill. I repeat, however, that in my opinion the whole distance of 30 miles should not be constructed immediately. I urge emphatically that consideration should be given to the unfortunate settlers pioneering in the far eastern areas. If the Government do not intend to help those men, they should adopt a policy of vacating the area and bringing the settlers in—and the sooner, the better. I shall not refer to the Brookton-Armadale railway at this juncture, because I consider it unjust to attach to the present Government the responsibility for that line. Moreover, they have now the possibility of building a more payable railway. I am hopeful that when the depression lifts and the State comes into its own again as regards wheat-growing, the Brookton-Armadale railway will be built. Meantime I congratulate the Government on the introduction of the present Bill, and in conclusion urge again the need for extending consideration to the pioneers of the eastern wheat-belt.

MR. DONEY (Williams - Narrogin) [8.4]: With all due respect to the member for Avon (Mr. Griffiths) and the Yarramony railway, I personally see little justification for the plea that railways should be constructed in the order of their authorisation. I prefer that they should be constructed in the order of their apparent urgency. I am entirely at one with all the submissions of the member for Irwin-Moore (Mr. Ferguson) except that one which was embodied in his opening remarks. He then indicated that the two railways crying most loudly for construction were the line under discussion at the moment and a line from Kalannie northward. The latter may be to some extent urgent, but I do not want the hon. member's references to it to coax the attention of the House from the needs of that

portion of the 3,500-farms scheme which lies south-east of Karlgarin and east of Newdegate. If a comparison between the respective railway needs of the two districts were permissible, I would say that the needs of the Lakes area south-east of Karlgarin entitled it to the first attention and sympathy of the Chamber; but I am given to understand that the construction of one line is not contingent upon that of the other at all, that irrespective of what may happen to the project before the House the other line will not be proceeded with for some time. If the question is put whether the Dartmoor project is justifiable, I unhesitatingly answer in the affirmative. I am one of those who about 18 months ago paid a visit to the area in question; and never in all my experience of soils and agricultural outlooks in Western Australia have I seen anything to make me so enthusiastic as did this particular piece of country. In my opinion, there is no other tract of country in Western Australia where at present a railway is so plainly justified. At the time of my visit the crops happened to be growing. I think it was mentioned by the member for Irwin-Moore that in the centre of the Dartmoor area the crops, with a rainfall of only a little over nine inches, produced a return of over 26 bushels to the acre. I believe that the district during the whole period of its existence as an agricultural settlement has managed to maintain that high average. The member for Irwin-Moore made a fairly copious reference to the Government experimental plot some 20 miles north of Dartmoor, and also mentioned the rather striking feature that despite the paucity of rainfall there nevertheless was always a sufficiency of moisture in the soil to give rise to those wonderful crops. At the time of my visit it was remarked that the mulch to which the hon. member referred arose from the extremely fine nature of the top half-inch of sand, and also from the fact that that sand was constantly blown to and fro by the winds. Thus this natural mulch and the resultant moisture are retained throughout the growing period. I am in favour of the proposed line for numerous other reasons. There is the comparative cheapness of construction, only about £3,000 per mile. There is the nearness to the coast. There is the fact that the building of the line will absorb a great deal of labour. From the report of the Railway Advisory Board, which

recently inquired into the project, it appears that the outlay entailed for the construction of 50 miles is £162,500, that the earnings are estimated at £23,000 and the working expenses at £17,000, leaving a balance of £6,000 towards interest. On £162,500 about £8,000 would be required to meet interest at 5 per cent.; and this would seem to indicate an annual loss of £2,000. However, a private company laying out that sum of money for such results would not say that there had been, in the circumstances, a loss of £2,000, but rather that after meeting all costs there remained £6,000, or sufficient to pay a dividend of nearly 4 per cent. Looking at the project in the same way, we must regard it as a desirable work. I merely wish to add an expression of my hope that at present there is no intention to carry the railway beyond Dartmoor. I agree with hon. members who have said that in the circumstances existing to-day any construction beyond Dartmoor would be unjustified.

MR. LAMBERT (Yilgarn-Coolgardie) [8.10]: I do not know that I can wax especially enthusiastic about the building of this suggested railway. Probably it is unnecessary to go further than the statements of the Minister in justifying the construction of the line.

Mr. Latham: Is that statement in this session's "Hansard"?

Member: No; in the Press.

Mr. SPEAKER: Order! The hon. member would be out of order in reading from this session's "Hansard."

Mr. LAMBERT: But I may quote from memory. In moving the second reading, the Minister stated that 4,500 acres were under cultivation in the district. He justified an estimated expenditure of £3,500 per mile, or a total of £175,000 for the construction of the entire railway. I do not know that I need bother particularly whether the line is built or not, but the Minister has justified the pulling-up of one line merely because its working represents an economic loss, a loss of portion of the interest on the cost of construction. When the Minister claims to justify the pulling-up of one line in order to build another line to serve 4,500 acres of cultivated land, it is time the House sat up and took notice. Moreover, it is time this Assembly obtained a fairly

clear idea of the personnel of the Railway Advisory Board. Before the country is committed to heavy expenditure of this description, there should be a close scrutiny of the possibilities of the district into which it is proposed to build a railway.

Mr. Withers: It was somewhat hasty to pull up the Peak Hill railway.

Mr. LAMBERT: I fail to see justification for the pulling-up of that railway. However, I neither desire to discuss that phase of the subject nor am I greatly interested in it. We ought, however, to fortify and buttress the heavy expenditure which has taken place throughout the country to serve people already settled upon the land, especially as the State has over £14,000,000 lent, through the Agricultural Bank, in an endeavour to enable our people to produce wheat economically. We all know that to-day wheat cannot be produced economically without many aids which just now I need not specify. Let me say, however, that with such aids the minerals for the production of which the Peak Hill railway was built at a cost of £150,000 could be won just as economically as, with such assistance, it is possible to produce wheat. But that does not matter. If it is the policy of the Government to pull up railway lines, the Minister for Railways should realise that the Sandstone railway, over which I understand a train is run once a fortnight, is a most uneconomical line and it is uneconomical to allow it to remain. It is just as uneconomical to allow the Port Hedland-Marble Bar line to remain and, in fact, that applies to most of the subsidiary spur lines to the trunk railways throughout the State.

The Minister for Railways: Does the line you are speaking of serve anyone?

Mr. LAMBERT: If an honest attempt had been made to use the railways—

The Minister for Railways: Whose fault was that?

Mr. LAMBERT: That is not a matter for me to discuss. If the Commissioner of Railways says that, for the conveyance of minerals over the Meekatharra-Horseshoe line, he requires so much per ton that represents 50 per cent. of the world's parity price for the mineral, the value of which has fallen by more than 50 per cent., the fact must be patent to everyone that the mineral cannot be worked economically. No

other mineral deposit could be mined under similar circumstances if the Railway Department adopted the same attitude as they did to the manganese interests.

[*The Deputy Speaker took the Chair.*]

The Minister for Railways: The Government are not to blame because the deposit is 400 miles inland from the coast.

Mr. LAMBERT: Nor are the Government of India responsible for the deposits in that country being 600 or 700 miles from the sea coast; yet they are able to levy reasonable rates for the conveyance of the mineral. The Minister for Railways will possibly remember the specious explanations that were put up, somewhat surreptitiously, for the lavish expenditure on the harbour works at Geraldton. That expenditure has not been justified so far. The main objects advanced in favour of that expenditure was the wheat producing country in the hinterland that would be served and also the great manganese deposits. Quite £2,000,000 worth of manganese is there merely waiting to be quarried and transported to the coast.

The Minister for Railways: You admit that it is not a commercial possibility at the present time.

Mr. Marshall: Nor has wheat been a commercial proposition for the last two years.

Many members interjected.

THE DEPUTY SPEAKER: Order! Hon. members must allow the member for Yilgarn-Coolgardie to proceed.

Mr. Marshall: You are all picking at the mining industry, and it is the only one that is helping the State at present.

Mr. LAMBERT: Now we have this proposal to pull up a line in which private capital, to the extent of £150,000, has been invested. For the construction of that line, the Railway Department charged 2s. 6d. for the conveyance of every sleeper required for the work.

Mr. Marshall: If the Government charged the wheat producers correspondingly, there would be no farms anywhere.

Mr. LAMBERT: If the same interest that is shown in the farmers had been displayed in connection with many of our mineral deposits, the State would be in a different position today. Those minerals do not have to rely on rainfall for growth. All that is required is a commonsense railway transport policy.

The Minister for Railways: Who pays for the transport.

Mr. LAMBERT: I am not particularly criticising the attitude of the present Government but rather that of the previous Administration, when I say that had the same solicitude been shown towards the interests of the manganese deposits as was displayed in the expenditure of money for the Geraldton Harbour works, on which was lavished funds at the expense of harbour works at other ports, the position today might have been different.

The Minister for Railways: The railway would never have been constructed had it not been for the assistance of the Government.

Mr. LAMBERT: Rails would have been there.

The Minister for Railways: The Government found the money.

Mr. LAMBERT: And it may be news to the Minister that the Imperial Government would have found the money for £50,000 less; but that was not my fault.

The Minister for Railways interjected.

The DEPUTY SPEAKER: Order! The Minister will have the right to reply and the member for Yilgarn-Coolgardie will proceed.

Mr. LAMBERT: I do not want the Minister for Railways to believe for a moment that if the money had not been found, the line would not have been built.

The Minister for Railways: The Government were told that if they could not have the assistance, the line would not be built.

Mr. LAMBERT: And there was every justification for the assistance that was rendered. I can read the Executive Council minute cancelling the Manganese Company's concession to show that one of the reasons was that the company had not carried out the survey for the line. The Minister was not responsible for that; it was the last, inglorious act of the previous Government.

Mr. Stubbs: Could not the present Government cancel the Executive Council minute if they desired to do so?

Mr. LAMBERT: It will serve no useful purpose to discuss that phase. I am drawing attention to the last act of the previous Government, which was the signing of the Executive Council minute cancelling the company's concession. One of the most miserable and specious excuses set out in

the minute was that the company had not carried out the preliminary survey in connection with the construction of the railway. Fancy a Government, after £66,000 had been furnished for the construction of a railway, and it had been completed for five or six years, discovering that a reason for the cancellation of the concession was that the preliminary survey for the line had not been carried out!

Mr. Latham: What were the other reasons?

Mr. LAMBERT: The Leader of the Opposition must have participated in the funeral ritual, which I have referred to, prior to the dismissal of the Government with which he was associated. He knows the particulars of that last infamous act of that Administration. The other reasons embodied in the Executive Council minute were as superficial as the one I have particularly referred to. At a time when the Minister says it is uneconomical to allow the Meekatharra-Horseshoe railway to remain, we are discussing the problem of peopling the Far North. I hope the member for Pilbara (Mr. Welsh) will use his influence in protesting against the tearing up of the line. The agricultural spur lines have always represented so much economic loss to the State, and now we have the Yuna-Dartmoor railway proposal. I am confident that the main reasons why the Railway Advisory Board has reported on the line in question and for the great haste with which the Bill has been presented to Parliament, are due to the agitation of a few interested land-owners and others at Geraldton.

The Minister for Railways: Will you say the same next week when we introduce a Bill for the construction of a line from Southern Cross?

Mr. LAMBERT: No, of course not.

The Minister for Railways: Why not?

Mr. LAMBERT: A totally different set of facts and circumstances apply. I will show the difference later on. I am pleased to know what is at the back of the Minister's mind with regard to the construction of a line from Southern Cross.

The Minister for Railways: It is in the mind of the Government to provide railway facilities for the people south of Southern Cross.

[The Speaker resumed the Chair.]

Mr. LAMBERT: I am pleased to know it, but there is a great difference between the conditions that operate in the districts concerned. In fact, I am surprised that the Yuna-Dartmoor railway has been shown preference in the programme of railway construction work that the Government intend to carry out.

The Minister for Railways: We are discussing the passing of the Bill, and your railway may be the first to be constructed.

Mr. LAMBERT: That may be so.

The Minister for Railways: It will not be constructed if we cannot get the rails.

Mr. LAMBERT: The Government may be able to secure the rails unless the Manganes Company secure an injunction to prevent them from doing so. Before Parliament agrees to proceed further with the construction of railways, I think the preliminary investigation should be on a very different basis. I have nothing whatever to say against Mr. Ellis who, I understand, is a very fine railway engineer. I understand the other members of the Advisory Board are Mr. Camm, the Surveyor-General, who is chairman, and Mr. Sutton, the Director of Agriculture.

Mr. Stubbs: What is wrong with that personnel?

Mr. LAMBERT: I will leave it to the House to say whether we are to rely upon Mr. Sutton and Mr. Camm as to what railways we shall build beyond those that are already in existence.

The Minister for Railways: They report only on the quality of the land.

Mr. LAMBERT: I see that in the district to be served by this railway there is an area of 7,000 acres under cultivation. What an enormous acreage on the strength of which to launch an expenditure of £175,000 at this juncture, when the Agricultural Bank is almost without a shilling, and when we have to protect what we once thought to be a tangible asset in which we have invested £14,000,000, and which brought down our State Savings Bank and would bring down every other bank if the present policy were pursued. If there is one duty the House should perform, it is to make a reasonable attempt to buttress this supposed asset on which we have lent so much money in Western Australia. It is not only the Agricultural Bank, for one can see the same thing reflected in our railway returns. It would be difficult to compute the enormous sum

we have spent in trying to foster wheat growing in Western Australia. It is not fostering it to come before the House with a Bill authorising the expenditure of £175,000. Some members surely must realise that the blunders of the past cannot be perpetuated, that before we authorise expenditure on railways we must have a thoroughly competent body to make a searching inquiry into the proposed railways. This will not be the only railway to show an economic loss. Of course all our railways are economic losses, and if it were not a matter of public policy we would sell our railways to-morrow. The Midland railway is the only one in the State operating at a profit. It is not public policy to sell our railways, but equally it is not policy to start pulling up our railways. The position of Kalgoorlie six or seven years ago, when the Great Boulder mine, according to the general manager, had only six months' lease of life, would have justified the pulling up of the line to Kalgoorlie, at all events to the extent that the pulling up of other lines is justified. I hope the Government will give consideration to the railway facilities required in the Yilgarn district. There is there a large number of settlers who have made a gallant fight to carve out new homes for themselves, they having been displaced in the mines.

The Premier: It is relevant to discuss the Yilgarn railway on this Bill, because this line possibly will lead down there.

Mr. LAMBERT: I am discussing it only by way of comparison. However, seeing that the traders of Geraldton have decided upon the building of the Yuna-Dartmoor railway, I do not know why we should offer any very vicious opposition to it. A few years ago they displayed the same enthusiasm for another railway that was built, and also for the expenditure of public money, countless decades before it was justified, on the building of the harbour at Geraldton.

The Premier: Would not the question of building railways generally be a subject for the Address-in-reply discussion?

Mr. LAMBERT: This is not the Address-in-reply.

The Premier: No, but these wider grounds would have been covered in the Address-in-reply debate.

Mr. LAMBERT: I hope before we are seriously called upon to consider a report by the Railway Advisory Board as to the neces-

sity for building railways, we shall look very closely into the personnel of that board.

Mr. Ferguson: It is a very practical board.

Mr. LAMBERT: I can quite understand the hon. member's appreciation of the board.

Mr. Ferguson: Could you get a more practical board?

Mr. LAMBERT: In the other States they have advisory boards comprising people very different from those on the Railway Advisory Board in this State. We can all see the monuments to the folly of public expenditure in this State.

Mr. Patrick: And in the other States also.

Mr. LAMBERT: As the Premier previously said, you apparently have a tale from the other States, and want to drag it into this. In every direction where public expenditure is contemplated, before it is actually embarked upon we should have a board capable of advising Parliament as to what extent we are committing the future finances of the country.

The Premier: Fortunately this railway is not subject to the influences that depreciated the value of another railway.

Mr. LAMBERT: But that other railway was subject to a report by an equally responsible officer that there was £13,000,000 worth of ore above the surface there to be shifted. That was the report of one of the most responsible Government officers in the State.

Mr. SPEAKER: The hon. member is not entitled to make a speech based on an interjection. Let him return to the subject of the Yuna-Dartmoor railway.

Mr. LAMBERT: I hope the authorising of this railway will be held up until we have had a searching inquiry into it. Everywhere throughout the State are to be seen reminders of the reckless expenditure of public money upon enterprises that it is not my wish at this juncture to discuss. The time will assuredly come when people will see the foolishness of tearing up railways that may yet serve a very useful national purpose. Only a few years ago, when the people were waving flags and this country was liable to attack, ore that to-day is worth only £2 10s. a ton was then worth £20 per ton. I only hope that if the Minister for Railways is determined to pull up lines, he will not use all the rails thus released to run little tributaries into the port of Geraldton.

The Minister for Railways: Or into Southern Cross either.

The Premier: The real question is, not the pulling up of a railway, but the wisdom of laying down one.

Mr. LAMBERT: I do not know why the Premier should keep reminding all of us of all our indiscretions, nor do I know that all our indiscretions are centred in me. While the Minister proposes to spend £175,000 on this new railway, I hope that those settlers at Southern Cross, who have shown a capacity to grow wheat, and that in a comparatively dry area, will be given some consideration for the lack of transport facilities in their district.

MR. SEWARD (Pingelly) [8.43]: I am pleased to know that some more of our wheatgrowers are to be given railway facilities. I intend to support the Bill, not so much because the number of settlers at present engaged in that district will get railway facilities, but because the coming of those facilities will bring other settlers into that area to carry on the industry. A previous speaker said the railway would serve something like 4,000 acres. However, that is merely the area being cultivated at present. I think the Minister said there would be something like 800,000 acres within the district served by the railway, of which over 200,000 acres represented first-class land. That there should be only 4,000 acres under cultivation at present is due to the lack of railway communication. I should like to remind the Government that there are other areas to which I hope they will give consideration, particularly that comprising the Lake Varley, Lake King and Lake Carmody country. The settlers there are producing wheat up to 10 bags to the acre, and the settler nearest to the railway is 30 miles from it. They are carting wheat anything from 30 miles to 60 miles. At the present price of wheat that cannot be done profitably, and so the Government have to give a carting bonus, which last year cost the State £10,000. That money is paid away and we have not a pennyworth of assets for it, whereas if the sum were capitalised and spent in laying down a section of railway, we would have the asset, the settlers would be brought into closer communication with their market and would have a chance to carry on their in-

dustry profitably. I hope the Government will consider the matter of giving railway communication to that area because it contains some very good land. True, it has not received the eulogies of Dr. Teakle, and there is a doubt about it, but those settlers have been placed there by the State, and the State has an obligation to them. There is also the matter mentioned by a previous speaker of constructing railways in the order sanctioned by Parliament. I hope the Brookton-Armadale, sanctioned many years ago, will be constructed in the near future. There is also the matter of the duplication of the main line to Northam, on which I may have something to say when the Estimates are being considered. I congratulate the Government on proposing this railway.

MR. STUBBS (Wagin) [8.47]: The Bill before the House commends itself to every member who knows the district, and I do not think it will have anything but a smooth passage through both Houses. I ask members on the Government side, including Ministers, to remember that some years ago a 3,500-farms scheme was launched and a large number of people with a little capital, some up to £1,000, started life in those areas east of Newdegate, to which the member for Pingelly referred, namely, Lakes King, Camm, Carmody and Varley. Between those lakes and Southern Cross there is a fair amount of very good agricultural land. During the last four or five years, to my knowledge, every one of the settlers, at any rate in the area within the boundaries of my district—Lakes King and Camm—right down nearly to Ravensthorpe, have done wonderful work. Last year in the Lakes King and Camm areas they produced something like 75,000 bags of wheat. During the last three years the Government have subsidised those settlers by paying a bonus for wheat carting. Now they have reached the stage when they must have better communication with the nearest port or get out. The Minister for Lands has promised the settlers to pay a visit to that area at an early date. I remember some five or six years ago, when he and members of the Migration Commission traversed that area, we saw evidence of the possibilities of the soil for the production of wheat on a large scale, but when the Minister arrives on the scene again he will find such a transformation that, when he returns to the city, he will

inform his colleagues that a railway is justified. I ask the Minister to endeavour to keep faith with those settlers by visiting them in the near future. In offering my full support to the Bill, I should like to support the member for Nelson in his statement regarding the Boyup Brook-Cranbrook railway project. Portion of the way has been formed, but owing to national stress and the high price of rails, there is no intention of laying the line. May I appeal to the Government that if there are any rails over from the Horseshoe line after providing for the Dartmoor section, they will be utilised to keep faith with the people in the Boyup Brook-Cranbrook area who have been waiting 10 years for a railway.

Mr. Wansbrough: The rails in the Horseshoe line are practically tram rails.

Mr. Marshall: Nothing of the sort.

Mr. STUBBS: It is nearly 10 years since the line was authorised and it is time it was built. I ask the Minister to give favourable consideration to the settlers in that area.

MR. LATHAM (York) [8.51]: I do not intend to oppose the construction of the line, but I should like to see a limit of 30 miles stipulated.

The Minister for Railways: That is all we propose to build.

Mr. LATHAM: The Minister is asking for authority to construct 50 miles, notwithstanding that many other districts require the few miles of rails available. I am concerned about what will happen when the 30-mile section is constructed. There will be an agitation to build the other 20 miles, and it is difficult for a Minister to refuse. Admittedly, the best wheat lands left to the Crown are in that area, and all are within 100 miles of the port of Geraldton. There are other people settled in wheat areas that are entitled to urgent consideration, and it is in support of them I wish to say a few words. It is a desperate thing when people have sunk their all in the venture in which they are engaged, and when the Crown has spent much money, that some of them should be carting wheat 45 or 50 miles. What rails are available from lines pulled up should be used for those areas now requiring railway communication.

The Minister for Railways: That is the proposition.

Mr. LATHAM: I know of no better land in the State than the Dartmoor area.

The Minister for Railways: There is no idea of building more than 30 miles of the line.

Mr. LATHAM: The Minister will have to stand up against an agitation to build the rest.

The Minister for Railways: Ministers have to stand up against a lot of things.

Mr. LATHAM: Sometimes they cannot.

The Minister for Railways: That does not apply to us.

Mr. LATHAM: I have found that out. I have been able to profit by the experience of Ministers who preceded me and who had to give way.

The Minister for Lands: We did not settle that country.

Mr. LATHAM: I am not complaining. I wish to make a suggestion that has not been previously offered. The State must give serious consideration to the cost of building railways and the inevitable tax on the taxpayers. I suggest that the Government place the money received from the sale of the land in a trust fund to pay off the capital cost of the line.

The Minister for Lands: That is the old "Bulletin" policy.

Mr. LATHAM: It is a good policy, particularly in these days when we have road transport competing with the railways.

The Minister for Lands: It is too late to introduce it now.

Mr. LATHAM: I have taken the figures supplied by the Minister that there are 840,000 acres of Crown land of which one-half is first-class. The proceeds would provide a substantial balance over and above the cost of constructing the line.

Mr. Marshall: Bear in mind that there will be motor transport in competition with the railway.

Mr. LATHAM: That point gives me concern.

Mr. Marshall: We will carry the wheat and the super. on this line and motor transport will carry the rest.

Mr. LATHAM: If oil were found in the northern part of the State to-morrow, our railways would be obsolete and would have to be content to carry the commodities mentioned by the hon. member. Wheat and super. would be the only goods carried over the railways.

The Minister for Railways: It is too much to hope that oil will be found to-morrow.

Mr. LATHAM: I think it is a sound proposal to set aside the money received from the sale of Crown lands to pay for the construction of railways. It would enable us to reduce the cost to the people using them and freights could be lowered. The Minister stated that Hyden Rock was 350 miles from the port. I think he must have struck a very rough road.

The Minister for Railways: I meant from the port of Fremantle.

Mr. LATHAM: I cannot see how the Minister makes up that mileage. Taking the route via Naremben it is 282 miles, and I doubt whether it would be 70 miles further by the other route. In any event, the natural port is Bunbury.

The Minister for Lands: Albany.

Mr. LATHAM: I believe Bunbury is the nearest port. However, I believe the mileage quoted by the Minister was exaggerated. I do not want the impression to gain ground that those settlers are so far distant from a port. It will put them in an unfavourable light as compared with the country that we are now asked to open up by railway communication. I accept the assurance of the Minister that only 30 miles of this line will be constructed—

The Minister for Railways: That is so.

Mr. LATHAM: —at any rate, until such time as other settlers can be given railway communication. The Minister for Lands will put up a fight for the people mentioned by the member for Wagin. The Minister knows more about that area than does any other member. He knows the development that has taken place and he knows that those settlers have done their part of the work. Last season they had a record harvest, and it is heart-breaking to them to be kept so far from railway facilities and uncertain when they will get a line.

The Minister for Railways: You are referring to the Lake Carnody country?

Mr. LATHAM: Yes, a line from Hyden Rock to tap the country east and south-east. The construction of the earthworks would be useful employment for men. It is often difficult for the Government to find useful work on which to employ men. On the assurance of the Minister that only 30 miles of the Dartmoor line will be built, I will support the Bill.

The Minister for Railways: You can accept that as absolutely definite.

HON. J. CUNNINGHAM (Kalgoorlie) [8.58]: It is not my intention to oppose the Bill, but I think that, as the Leader of the Opposition has an assurance that only 30 miles of the line will be built, I might be justified in opposing it. The Minister did not tell the House that the first 20 miles of the proposed railway will traverse sandplain upon which no wheat can be grown. That is a well-known fact.

Mr. Ferguson: It is not correct.

Hon. J. CUNNINGHAM: It is.

Mr. Marshall: It is much nearer to being correct than is the statement that the line, when constructed, will pay.

Mr. SPEAKER: Order!

Hon. J. CUNNINGHAM: I disagree with the remarks of the Leader of the Opposition when he suggests that the line should terminate 25 or 30 miles from Yuna.

The Minister for Railways: Other railways in the State run through some sandplain, such as the Perth-Kalgoorlie, and the Perth-Mullewa lines.

Hon. J. CUNNINGHAM: Not sandplain like this, which is pure sandplain. If the line is to terminate 30 miles from Yuna, I should advise the House to reject the Bill. At the Dartmoor No. 1 there are 2,000 acres of good country, and at the Dartmoor No. 2 there are 10,000 acres of good country. I should advise members not to give too much heed to the remarks of the Leader of the Opposition. If the construction of the railway can be justified, it must go the whole length of 51 miles. I am disappointed the Minister did not provide for an extension of the line to connect up from a point near Dartmoor, going to Mullewa, in order to serve the Greenough River country. Settlers have been stationed there for many years and suffered just as many disabilities as those referred to by the Minister and the Leader of the Opposition.

The Minister for Railways: The Railway Advisory Committee have been through that country twice.

Hon. J. CUNNINGHAM: We have some commonsense, and it is not necessary to swallow all the advice of the Advisory Board. While I was Minister for Water Supplies, I put this country on the map because of the water

facilities I gave it. I therefore know something about the district. I ask the House to be careful before it comes to a decision on this matter. I do not want to see the line terminated 25 miles from Yuna. It will travel through 20 or 30 miles of sandplain from which no revenue can be derived. That country will not even carry sheep. The line should not terminate at the point proposed. Even if it went on the full length, the job would not be completed. It would still be necessary to have a spur line through to the Greenough River country. That would ensure success for the new railway.

MR. SAMPSON (Swan) [9.4]: I do not know this country, but all that I have heard of it is to its credit. Now is not the time to indulge in railway extensions. Our first duty is not to provide additional railways, and thus add to the indebtedness which the system imposes upon the State finances, but to care for those farmers who at present cannot care for themselves. The Minister says that about 4,500 acres of this district are under crop. Even if that averaged 18.16 bushels to the acre, there would be no justification for the construction of the line.

The Minister for Railways: People are waiting for the railway in order to open up the balance of the country.

Mr. SAMPSON: I know the land is wonderfully good. On the other hand, many existing farms have been abandoned, settlers have been forced off their holdings because of the economic conditions, and in my view it would be much better to put people on those farms than to provide facilities for transport elsewhere. Living as we do in an age when motor transport is becoming more efficient, and having in view the fact that the quantity of wheat produced in the Dartmoor area amounts to less than 90,000 bushels, it would pay the Government to make a special grant for the transport of this produce, even to paying all the charges necessary to bring it to the rail-head, rather than to embark upon this new railway. I am sorry to have to speak against anything that means new development, but in all the circumstances I should be failing in my duty if I neglected to do so. Vast areas of our lands are already served by railways; many farms are already untenanted and are reverting to nature, and many

others are awaiting settlers. It would therefore be wise to withdraw the Bill until the position improves. When that improvement does occur, I gather there would be ample justification for the construction of this line, but I regret I cannot see my way clear to supporting the Bill now. The circumstances and economic condition of the world do not justify it.

MR. PATRICK (Greenough) [9.8]: I am well satisfied with the reception accorded to the Bill. The remarks of the member for Yilgarn-Coolgardie (Mr. Lambert) hardly call for a reply. It is interesting to note in connection with metals which are not now of economic value that the first railway built in the State ran from Geraldton to Northampton, and was constructed specially for the lead and copper mining industries. Probably the rails would have been pulled up long ago but for the development of the agricultural industry. To-day the lead mines in the district are closed down, for, like the manganese, they are no longer an economic proposition.

Mr. Marshall: And the wheat areas would not have been so advanced but for the gold-mining industry.

Mr. PATRICK: Another point is that these copper mines were right on the seaboard, and were not hundreds of miles inland. The mines in the Upper Chapman district are only about 16 miles from Geraldton. That railway would have been of no value to-day if agriculture had not followed in the footsteps of mining.

Mr. Marshall: Do you think that the Horseshoe line, if put into good condition, would only serve the manganese deposits? Do you not know anything about the State?

Mr. PATRICK: It would probably serve the pastoral industry to a small extent.

Mr. Marshall: Whose votes you were glad to claim at election time.

Mr. PATRICK: No one would build a railway specially for the pastoral industry, because it does not provide sufficient freight to make a railway pay.

Mr. Marshall: Does wheat do that?

Mr. PATRICK: Yes. In our railway policy, when it is put into force for the development of the mining industry, we should establish a sinking fund so that the costs of the undertaking may be paid off within a definite period. It does not matter how payable a mining field may be, there is a definite period to its life. When a mine

is worked out, there is nothing left but a hole in the ground.

Mr. Marshall: You are speaking of one mine. In this case there would be hundreds of mines.

Mr. PATRICK: Once an agricultural railway is put down, it is there for all time because production is permanent.

Mr. Marshall: On the figures we have to-day, the line is a permanent liability upon the State.

Mr. PATRICK: I know that interjections are disorderly.

Mr. SPEAKER: It is disorderly to reply to disorderly interjections.

Mr. PATRICK: The member for Yilgarn-Coolgardie suggested that as manganese had come down in value, the railway freights should have come down too, and that the manganese should have been carted over the railways even at a tremendous loss. Consider that policy in regard to wheat. The freights on wheat were the same last year when that product fetched only a little over 2s. a bushel as they were when it was worth 5s. a bushel. Freights have not followed down the price of wheat.

Mr. Marshall: The mining industry has had to carry all the burden of the wheat-growing industry.

Mr. PATRICK: People settled in the northern wheat belt consider they have a just grievance. During the last 20 years other areas have been criss-crossed with railways, but it is more than 20 years since any line was built out from Geraldton. I think the last extension was to Yuna. This may be due to the existence of the Midland Railway Company. If the Midland railway had not been a private line, no doubt other lines would have been built, such as one between Mingenew and Mullewa, which would have opened up a lot of new country. Some day that line will have to be built, because there are settlers in the district who have to cart their wheat up to 30 miles. There is also country east of Yuna out towards Mullewa. The member for Kalgoorlie was mistaken in saying that this country would be served by a spur line from the Dartmoor line. It would have to run in a north-easterly direction from Mullewa, and probably would link up with East Yuna. The hon. member also referred to 20 or 30 miles of sandplain. There would be a certain amount of light country on the first part of the line, but it would be nothing like 20 miles

in length. Most of the district is in occupation.

Hon. J. Cunningham: To what extent is it occupied?

Mr. PATRICK: People have settled on farms there covering about 10 miles of good country before one reaches the sandplain.

Hon. J. Cunningham: I say this line would pass through 20 miles of sandplain.

Mr. PATRICK: Knowing the country as I do, I disagree with the hon. member.

Mr. F. C. L. Smith: How many miles of sandplain do you say there are?

Mr. PATRICK: I cannot give the extent in miles. It is mixed country with belts of timber and belts of light land. The fact that the country is in occupation shows that it is not the worthless white sand the hon. member suggests it is. It is correct to say that the line should go out to the full distance. The area of land actually selected in the Dartmoor district is 132,000 acres. This extends out about 30 miles. From then on there is a huge belt of Crown land that is ready to throw open for selection when the economic conditions improve. It is some of the finest land in the State. It will all be served by the line when fully constructed. The Leader of the Opposition said water had to be found. However, in one of the finest areas in Western Australia, Yuna, the same difficulty was originally encountered; and the Government put down bores, pulling them up when they were down about 100 feet. At Dartmoor, 30 miles north of Yuna, bores have been put down approximately 250 feet, and an excellent quality of sub-artesian water has been struck. Towards Dartmoor the boring operations have shown that there are ample supplies of water if one goes down deep enough. References have been made to the quality of the soil. Most of the land carries heavy timber, and is therefore expensive to clear; but nevertheless the quality of the land is different from that of the land further south, which is of extremely light texture, with sandy loam to great depth. The land here always has moisture, because it carries an excellent mulch. The so-called fallowing that was done to produce the excellent yields which have been mentioned, was done with one-disc ploughing in June or July, and the seeding merely consisted of running a disc drill over the land. The returns for the last three years have been 26, 27½ and 25 bushels; so there is nothing wrong with

the quality of the land. The Railway Advisory Board have declared the line to be amply justified; and from a railway point of view their report appears to be of a highly conservative nature, since it takes into account merely the freight which, according to the member for Murchison (Mr. Marshall), is the only freight left to the railways—wheat and super. Little outside those two items is taken into account by the board's report, apart from a small quantity of wool and some stock. No account whatever is taken of expensive freights in the way of agricultural machinery and so forth, which will be carried when the district is developed. On the basis of the board's estimate the Government would lose £2,000 a year, but every railway must lose money for the first year or two. Country cannot develop in 12 months.

Mr. Wise: Is it economically sound to encourage the production of more wheat?

Mr. PATRICK: That argument has been advanced; but if it is not economically sound to encourage wheatgrowing in Western Australia, what is going to happen to this State? Unquestionably Western Australia's future must depend largely upon wheatgrowing, whether that industry is or is not economically sound. Moreover, if it comes to a question of economics, country such as this will not go out of production, having regard to its nature and suitability. Then there is the argument that it is not good economic policy to build railways at present. But there is the question, on what reproductive work are we to spend our loan funds? The Minister for Works has stated that his department found it extremely difficult to select works of a reproductive nature for such expenditure. Certainly a more reproductive work than this railway could not be found in Western Australia.

The Minister for Lands: We shall get some result from this expenditure.

Mr. PATRICK: Yes.

Mr. Marshall: How many farms have the Agricultural Bank on their hands now?

Mr. PATRICK: I am well satisfied with the reception of the Bill at the hands of hon. members. From my knowledge of the country to be served and my knowledge of farming I can heartily commend the measure to the House.

On motion by Mr. Nulsen, debate adjourned.

BILL—RETURNED SAILORS AND SOLDIERS' IMPERIAL LEAGUE OF AUSTRALIA, W.A. BRANCH, INCORPORATED, HEADQUARTERS BUILDING.

Second Reading.

Debate resumed from the 3rd August.

MR. LATHAM (York) [9.21]: I offer no objection to the Bill, but it involves a principle to which serious consideration should be given. The measure presents to the Returned Soldiers' League a very valuable piece of land in the city of Perth. I do not think any member will disagree to giving the returned soldiers a piece of land on which to build a permanent home for their organisation; but there is the danger, in giving power to mortgage, of handing over the land to somebody else. Therefore I hope the Minister will exercise with great care the right given him by the Bill to prevent the league from mortgaging the land except with the approval of the Governor. Apart from that, I think the Minister's approval should be required before there can be a transfer of any mortgage. Presumably the mortgagee would be one of the banks; and knowing the returned soldiers as I do, I believe they would have in hand a considerable portion of the money needed to build the club premises. If that is the case, no great danger is involved in granting the right to mortgage. However, the Bill sets up a principle not previously admitted in Western Australia. While I was Minister there arose the question of an old grant made to the Sailors' Home of Rest. Repeated efforts were made to get me to agree to the mortgaging of the land and building for the purpose of extending the premises and paying off some debts. However, the Government withstood the pressure exercised by the organisation, and a means of meeting the situation was found. I am not opposing this Bill in any way, and I wish it to be understood by the Returned Soldiers' League that I am offering no opposition; but I trust the Minister for Lands will give consideration to the points I have raised. In the event of a transfer of the mortgage—and we have to bear in mind that pressure might be brought to bear at any time by the mortgagee if not a bank or a financial institution of standing—there is the danger that a valuable piece of land given by the State to the Returned Soldiers' League might be utterly diverted from its purpose. I am

aware that the building is to be put in hand shortly. Though not in any way opposing this measure, I think it should be regarded as an isolated case and not as establishing a new principle.

HON. W. D. JOHNSON (Guildford Midland) [9.26]: While we all desire to encourage the Returned Soldiers' League in their ambition to set up headquarters, we should not depart from principle because of that desire. The House has no guarantee that this valuable piece of land will be held in trust for all time in behalf the Returned Soldiers' League. Nothing in the Bill guarantees anything of the kind. As the Leader of the Opposition has pointed out, the Bill makes it possible for the league to raise money on the security of the land. There is a minor protection insofar as the Minister must approve of the mortgage; but it does not follow that the Minister would, under the measure, have the right to require the insertion in the mortgage instrument of a provision for the protection of the league against foreclosure. The mortgagee has power to foreclose. Possibly, in years to come, the league might not be able to fulfil the obligations under the mortgage. Then the mortgagee would step in, and immediately he did so the land could be sold. In fact, the Bill provides that covenants, provisos, and conditions may be entered into; and these most likely would contain a stipulation that in the event of interest payments not being met as required, the mortgagee could step in and sell the land, which could then be utilised for other purposes. Therefore, the measure does not protect the best interests of the returned soldiers. Again, though the Bill mentions that the land is to be used for headquarters of the league, it is not limited to that purpose, but can be used for other purposes. Some of those other purposes might not be a sound proposition from a financial and economic point of view, and might lead the returned soldiers into difficulties. Therefore I warn the returned soldiers—though I do not think they need much instruction or advice from me—to be careful in this regard. It is all very fine to come to Parliament for a special Act, but a special Act of this nature does not give protection; on the contrary, it takes away from the character of the trust under which the land is to be held for the purposes of the Returned Soldiers' League for all time. The Bill involves grave

dangers, and I regret that it provides for mortgaging of the land. Parliament is being asked to do something which does not ensure that the land will always be under the control and in the ownership of the Returned Soldiers' League, to be used for the purposes of headquarters of the league.

THE MINISTER FOR LANDS (Hon. M. F. Troy—Mt. Magnet—in reply) [9.29]: The Bill involves no new principle, for similar powers have been given to other organisations; for instance, the Trades Hall in Fremantle.

Mr. Latham: But there is not power to mortgage.

The MINISTER FOR LANDS: Yes. When a Crown grant is given, the grantees can do as they like with the land.

Mr. Latham: But not in the case of a trust. There was a trust in the original grant.

The MINISTER FOR LANDS: I know there was a trust.

Hon. W. D. Johnson: There is no trust in this case.

The MINISTER FOR LANDS: I say again that no new principle is established. In the case of the Fremantle Trades Hall there was a grant under similar conditions. The Bill was introduced at the request of the Returned Soldiers' League and if that body is not accorded protection it is because the league did not require it.

Hon. W. D. Johnson: The returned soldiers may not have realised the danger.

The MINISTER FOR LANDS: They realised the danger, but they also knew there was no possible hope of getting the money unless the power objected to by the hon. member was embodied in the Bill. I understand the hon. member's point of view, but if the guarantee he desires were embodied in the Bill, then the league would not be able to secure the money necessary for the erection of their headquarters. I admit the point the hon. member makes, but if there is any guarantee included in the Bill, the bank will not provide the necessary funds.

Hon. W. D. Johnson: The Bill embodies a departure from the usual practice. In practically every instance land so made available is held in trust.

The MINISTER FOR LANDS: I will not quarrel with the hon. member on that

point, for I do not like the principle myself. I do not like giving the power to foreclose on the property, but there is no escape. The Returned Soldiers' League cannot raise a single shilling from the bank unless that provision is embodied in the Bill.

Hon. W. D. Johnson: Then it would be better for the league to wait a while.

The MINISTER FOR LANDS: The position to be faced is that if any guarantee against foreclosure is included in the Bill, the bank will not provide the necessary money. The Returned Soldiers' League desire their headquarters and, taken all in all, I think it is better for them to raise the money and build the headquarters as they wish. The executive of the league know exactly where they stand and have asked for the Bill in the form presented to Parliament.

Mr. Doney: The position has been examined carefully and there is no other way.

The MINISTER FOR LANDS: That is so. If any exception can be taken in regard to the league having the right to erect the headquarters, it is that they have been given such a valuable block at all. In my opinion, it has severed from the Crown a piece of land that would have been available for the erection of public buildings. The House would not help the R.S.L. if the power to raise the money by mortgage on the fee simple were withheld. The league have the block, which fact cannot be altered, and it is essential that they should raise the money. They know the full facts of the position, and it is necessary for the Bill to be passed in its present form.

Mr. Marshall: They could have been given Government House and the adjoining land without harm to the State.

Question put and passed.

Bill read a second time.

In Committee.

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

House adjourned at 9.37 p.m.