

The original Bill omitted this necessary provision although a penalty is provided for the unauthorised removal of the collar from the neck of the dog. It was intended that the disc should be worn, but that provision was not made. The next clause was also inserted at the request of road board conferences. The provision which makes it necessary that stray dogs shall be seized and kept for a certain time before they are destroyed has been difficult to carry out in country centres. Extensive depredations have been caused in the South-West by neglected dogs which have been allowed to roam at will in the bush. Clause 10 amends Section 29 of the principal Act. Clause 11 was also inserted at the request of road board conferences. It has regard to dogs that are kept by aborigines. These people are allowed to keep one dog unregistered, but it is found that they can keep as many as they like. It is impossible to tell to which aboriginal a dog belongs. The proposal now is that each aboriginal must register his dog, but no fee is charged for the registration. We have excised the words "lawfully keep one unregistered male dog" and substituted the words "register one male dog free of charge." There are also consequential amendments. These do not place any hardship upon the aborigines. Clause 12 is a consequential amendment on the alterations made by Clauses 2 and 3 of the Bill. These have regard to the age and the period. Clause 13 provides a penalty which was omitted from the original Act owing to an oversight. A serious obstacle has been placed in the way of the local authorities and the police in the enforcement of the Act and the regulations made thereunder. Clause 14 is consequential on the alteration made by Clause 5, which relates to the day of registration. This also deals with the amount to be paid. It is not intended to increase the amount of the registration fee. The existing fees are contained in the third Schedule, namely 7s. 6d. and 10s., and 2s. 6d. and 5s. in the case of dogs used for farming purposes. The 2s. 6d. fee has been increased to 3s. 9d. while the other fee remains at 5s. In the case of dogs used for farming purposes a declaration had to be made, and the maker of the declaration had to affix a shilling stamp. In the one case this meant a fee of 3s. 6d., and in the other case a fee of 6s.

Hon. A. Burvill: That is for male and female dogs?

The MINISTER FOR EDUCATION: Yes. The net result is that the ordinary registration fee stands as before, but the concessional registration is 3d. higher in the one case and 1s. lower in the other.

Mr. A. Burvill: The declaration is done away with.

The MINISTER FOR EDUCATION: Yes, for the reason that it is clearly set out in the Act what shall constitute a dog kept for these special purposes.

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

*House adjourned at 9.40 p.m.*

## Legislative Assembly,

*Wednesday, 29th November, 1922.*

	PAGE
Questions: Traffic Act, speed limit ...	1887
Railways, Mullewa-Meekatharra section ...	1887
Rowley Forest Products Co., advance ...	1888
Calyx Porcelain Co., advance ...	1888
Sitting Hours ...	1888
Leave of absence ...	1893
Bills: Companies Act Amendment, report ...	1893
Western Australian Bank Act Amendment (Private), 2s., Com., report ...	1893
Jarnadup-Denmark Railway, Com. ...	1907

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

### QUESTION—TRAFFIC ACT, SPEED LIMIT.

Mr. MARSHALL asked the Minister for Works: Is it his intention to introduce this session an amendment to the Traffic Act to limit the speed of light vehicle traffic in the congested centres of the State; and also to provide a better method of indicating than projecting the arm when a driver of a vehicle proposes to turn or travel, more especially when travelling after dark?

The MINISTER FOR WORKS replied: (a) No. There have been attempts made in different parts of the globe to fix speed limits, but experience has caused the authorities to rely on Section 26 of the Traffic Act; (b) inquiries are being made in this direction.

### QUESTION—RAILWAYS, MULLEWA-MEEKATHARRA SECTION.

Mr. MARSHALL asked the Minister for Railways: 1, What is the total amount of revenue received from the working of that section of the railway from Mullewa to Meekatharra? 2, What is the total expenditure for running and maintenance of that section?

The MINISTER FOR RAILWAYS replied: 1, The information asked for is not available, as particulars of earnings and expenditure are not recorded separately for different sections of the railways, except in the case of the two isolated railways, i.e. Port Hedland-Marble Bar and Hopetoun-Ravenshorpe. 2, To compile the information re-

quired would take a considerable time and involve some expenditure, which would not be justified for the reason that the figures would be on an approximate basis only.

#### QUESTION—ROWLEY FOREST PRODUCTS COMPANY, ADVANCE.

Hon. M. F. TROY asked the Premier: 1, What amount has been advanced by way of subsidy or loan to the Rowley Forest Products Company? 2, What are the conditions of the loan or subsidy? 3, What amount of interest has been paid, and what is the amount outstanding, if any? 4, Has any part of the principal been repaid?

The PREMIER replied: 1, No direct loan or subsidy has been made, but the Government has guaranteed the company's overdraft at the Commonwealth Bank to the extent of £3,000. 2, The company undertook to pay to a special account in the Commonwealth Bank by way of sinking fund £375 per quarter, commencing from 1st March, 1923. 3, The assistance being by guarantee, no interest is due to the Government. 4, No.

#### QUESTION—CALYX PORCELAIN COMPANY, ADVANCE.

Hon. M. F. TROY asked the Premier: 1, What amount has been advanced by way of subsidy or loan to the Calyx Porcelain Company? 2, What are the conditions of the loan or subsidy? 3, What amount of interest has been paid, and what is the amount outstanding, if any? 4, Has any part of the principal been repaid?

The PREMIER replied: 1, 2, 3, 4, No advance by way of subsidy or loan has been made to the Calyx Porcelain Works.

#### SITTING HOURS, ADDITIONAL.

The PREMIER (Hon. Sir James Mitchell—Northam) [4.35]: I move—

That for the remainder of the session this House shall meet for the despatch of business at 2.30 p.m. on all sitting days, instead of 4.30 as at present.

It has been usual in the closing weeks of the session to meet on Friday, the fourth day of the week. It is considered, however, that by sitting from 2.30 in the afternoon instead of 4.30, the necessity for sitting on Friday will be obviated. To sit on the fourth day would be fairly inconvenient, for the reason that there is a Federal election campaign on, in which no doubt members will require to take part, and in which it is probably desirable that they should take part. By meeting at this earlier hour we shall be able to sit six hours a week longer. During the past 17 weeks we have been sitting about five and a quarter hours every day, and sometimes longer. We have been meeting at 4.30 p.m. and have not risen before 11 o'clock, and on

a few occasions have arisen much later. The business on the Notice Paper does not include many measures that ought to take a great amount of time. The Hospitals Bill is in Committee, and I have moved the second reading of the Electoral Districts Bill. The Mining Act Amendment Bill has been introduced and the debate adjourned. These measures, with the Workers' Compensation Act Amendment Bill, which has yet to come down, and the Industrial Arbitration Act Amendment Bill may take some little time, but the remaining matters to be considered are comparatively small. If we meet at 2.30 on Tuesday, Wednesday and Thursday afternoons I think we can get through the session before Christmas. Most members will agree it is desirable that we should be enabled to give due consideration to the proposals before us. It is inconvenient to many to come back in the new year. At all events, it is a very uncomfortable time of the year to be sitting. The Licensing Act Amendment Bill took up a tremendous amount of time during the early part of the session, and it is due to this that we are not further advanced with our legislative programme to-day.

Hon. P. COLLIER (Boulder) [4.39]: It is the usual custom to endeavour to close the session prior to the Christmas holidays. To that end certain efforts are generally made to speed up the work of the House. Members of the Opposition have always been willing to assist in any reasonable way to get through the business of the session, in order that we may close prior to Christmas. If we could be assured that by meeting earlier during the next four weeks the House would rise before the holidays, members might be inclined to accede to the request of the Premier. I very much doubt, however, that even sitting two hours a day earlier it will be possible to get through the programme we have on the Notice Paper. The Estimates have not yet been finished, and amongst these are the Railway Estimates and those for business undertakings and State trading concerns. Then the Loan Estimates have yet to come forward. These will be important in view of the work of development that is going on, and the very considerable amount of loan expenditure involved. These Estimates will require full consideration. The Land and Income Tax Assessment Bill should not take very long. The Hospitals Bill, however, is a highly debatable measure, judging from the reception given it on the second reading, not only by members on this side, but from all round the Chamber. Every member who addressed himself to the subject, even those who were ready to vote for the second reading, showed his disapproval of many of its provisions. Unless the Government are prepared to agree to considerable modifications in Committee, it will take a considerable time to get the Bill through. The Electoral Districts Bill cannot pass without very serious consideration at the hands of every member, at any rate at the hands of those who have not been privileged to give any consideration to it up to date.

Mr. McCallum: That is a good shot.

Hon. P. COLLIER: The Arbitration Bill has not yet been introduced, and will doubtless be of a debatable character.

Mr. McCallum: That is not coming down.

Hon. P. COLLIER: Possibly the Minister for Mines is not serious about the Mining Act Amendment Bill. I think a Bill of that nature was introduced this session, but it was so long ago it is difficult to recollect the exact date of its introduction. Its passage through the House must take some days, but possibly he does not intend to persevere with it. We have also yet to consider the Miners' Phthisis Bill. Many Bills will come back from another place containing amendments that have been made there. I have not followed closely the work of the Council with respect to the Licensing Act Amendment Bill, but judging from the reports in the newspapers, we shall have a formidable list of amendments to deal with. All things considered, it does not seem possible that the House will rise before Christmas. I take it the Premier has moved this motion entirely with a view to completing the business before the holidays; otherwise he would have no object in moving it. If we feel that there is a reasonable doubt about being able to achieve that object, no useful purpose will be served by working longer hours. It is regrettable that no matter how the work of the session progresses we find ourselves year after year, faced with an apparently inevitable congestion of work at the end of the session.

The Minister for Mines: That is common to all Parliaments.

Hon. P. COLLIER: That may be so, but it is highly undesirable. If any person in private business conducted his affairs in this way, that is to say, for a greater portion of the year made but little effort to attend to his business, and rushed it along for the remaining three or four weeks of the year, and made an attempt to concentrate the whole of his efforts into that short space of time, he would not be looked upon as a good manager. The result must be that the work will be indifferently done. We will be faced with late sittings in addition. There is important work to be done and it is safe to say that a considerable number of members will not have the time, nor yet the opportunity, to examine closely the contents of the various Bills.

The Premier: They are practically all here now.

Hon. P. COLLIER: We know from experience that a fair proportion of our time is taken up by amending Bills passed in a previous session, largely due to the fact that the measures were rushed through without proper consideration. The Opposition have met the Government fairly and reasonably throughout the session regarding the conduct of business. No obstacle has been placed in the way of the Government from this side of the House. We would be willing to continue that co-operation if we felt that we could rise before Christmas. I do not think we can do so, and it does not seem that any good purpose can be served by increasing our hours of la-

bour if we are to be compelled to come back again after the Christmas holidays.

Hon. M. F. TROY (Mt. Magnet) [4.47]: I support the objection raised by the Leader of the Opposition to the terms of the motion. Parliament started on the 27th July and although four months have elapsed since then, very little has been done. Now the Premier proposes to rush the business through, and finish up in a month's time.

The Premier: A good deal has been done.

Hon. M. F. TROY: No business of consequence has been transacted.

The Minister for Mines: We have spent a lot of time here.

The Minister for Works: With too much talk.

Hon. M. F. TROY: The Minister for Mines was away for a good bit of the time and he was away when the Railway Estimates might have been considered. He was in Melbourne seeing the Cup.

The Minister for Mines: It is nothing to do with you, if I was at the Cup.

Hon. M. F. TROY: The Minister has been out of the State for a good bit of the time.

The Minister for Mines: You can go away if you want to.

Hon. M. F. TROY: Of course I can, but I do not go away to the Melbourne Cup at Government expense.

The Minister for Mines: The business would not be stopped if you went away.

Hon. M. F. TROY: I think the time has arrived when a return should be called for, showing the cost of these trips when Ministers have been out of the State. Now the Government ask us to sit here for longer hours to meet their convenience, so as to close the session at the end of next month. Taking the Bills appearing on the Notice Paper, they comprise a number which might well be dropped. The Premier says that a Workers' Compensation Act Amendment Bill will be brought down. That is a desirable measure and has been asked for by the members sitting on this side of the House. I guarantee that, although the Premier may introduce it, it will be one of the slaughtered innocents, and so will the Arbitration Act Amendment Bill.

Mr. McCallum: Let us hope that one will be!

Hon. M. F. TROY: Some Bills are brought in and the Government make a pretence of desiring to have them passed, whereas, as a matter of fact, two-thirds of them are always dropped. The least the Premier could do at this juncture would be to tell the House what Bills he proposes to drop and what Bills he desires to go on with. That is the course that is generally pursued. The Premier knows what Bills he considers are urgent and he should tell the House what is in his mind. We have a month before Christmas within which to get through the business. In face of the Premier's desire to conclude the session, we have the Companies' Act Amendment Bill, which is of no great value although mem-

bers were asked to spend their time on it last night. Then there is the Western Australian Bank Act Amendment Bill, which no one has demanded except perhaps the shareholders.

Hon. T. Walker: But they have to pay for that Bill.

Hon. M. F. TROY: I do not care. My constituents have not asked for that!

Mr. Latham: Some of them may be shareholders.

Hon. M. F. TROY: That is a Bill which has not been requested by the people and yet it is one which burdens the Notice Paper in preference to Government business. We have the Perpetual Trustees, Executors and Agency (W.A.) Ltd. Bill, which is, to be frank, purely a hoodling Bill. It is brought forward merely to make it possible for a number of people to combine together and utilise the resources of the State for the purposes of their own personal gain and profit. The Bill has no other object and confers no benefit on the people. It has not been asked for and yet it finds a place on the Notice Paper. We find that the Premier has the impertinence to come forward with a motion such as that he has moved.

Mr. SPEAKER: The hon. member is out of order in imputing impertinence to the Premier.

Hon. M. F. TROY: No, it is not a matter of impertinence. The Premier, I shall say, has the courage to come forward with his motion.

The Minister for Works: Make it "his calm assurance."

Hon. M. F. TROY: I will accept that.

The Minister for Works: You have a stock of it yourself.

Mr. SPEAKER: Order!

Hon. M. F. TROY: The Premier asks us to weary ourselves discussing these measures, while other important Bills await consideration. If the Premier is sincere, he will drop these measures and get on with the important business. If he does so, we will help him to get through. We are told by the Country Party members, when they are in the country, and by the Press, that the Opposition are always coming to the aid of the Government, and we are beginning to think we are being badly used by Ministers. Although four months of the session have elapsed, nothing of any consequence has been done. If the Premier shows a ready desire to do away with the unimportant matters and get along with important public business, the Opposition will give him every assistance.

Mr. LATHAM (York) [4.53]: I hope the House will agree to the motion. I think it right that we should devote more time to the business of the State. We asked for a similar provision in the early part of the session.

Mr. MacCallum: Where were you last week?

Mr. LATHAM: Where the hon. member should have been, and perhaps had he been there it would have been of advantage to the State.

Mr. MacCallum: This is your first appearance for a fortnight!

Mr. LATHAM: I was here yesterday and I have been absent from only three sittings. It would be advisable, from the Premier's point of view, if some hon. members were away from the House for a time. Less of the time of the House would be taken up with talk.

Mr. Willcock: Is that what we were elected for, to stay away?

Mr. LATHAM: Had the Premier accepted the motion moved by the then Leader of the Country Party, we would probably be much further ahead with the business of the House than we are to-day. If only from the point of view of the staff, it is hardly fair to sit till late hours and to ask them to stay here all that time.

Hon. P. Collier: But this means longer hours!

Mr. Munsie: You will not get away any earlier under the proposal.

Mr. LATHAM: I think it will have that effect, even if the Leader of the Opposition does not think so.

Hon. P. Collier: This is not a proposal to rise earlier; it is a proposal that will increase sitting hours.

Mr. SPEAKER: Order!

Mr. LATHAM: When the hon. member starts sitting from 2.30 p.m. he will not be so anxious to go on to 2 a.m. or 4 a.m., and we will be able to rise before Christmas. I hope the House will accept the motion.

Hon. W. C. ANGWIN (North-East Fremantle) [4.56]: I am rather surprised at the remarks of the member for York (Mr. Latham). They show his inexperience.

Mr. Marshall: It is a case of "an innocent abroad."

Hon. W. C. ANGWIN: When we make an early start, it generally means that we get home at an early hour in the morning. As to the staff, it will merely extend the hours of their work.

Mr. Latham: I notice them here at all hours of the day.

The Minister for Works: That is more than can be said of some members.

Hon. W. C. ANGWIN: At the present time, there are a dozen select committees or Royal Commissions sitting and it will mean that the hours of the staff will be still further increased and the work will not be curtailed. They will be working all day and all night. I do not contend that there is too much business on the Notice Paper. My opposition to the motion is that it is tantamount to refusing to come here to do the business which we are paid to do. That is the meaning of the motion.

The Premier: You need not talk all the time.

Hon. W. C. ANGWIN: The Premier knows that early sittings have never been successful. He puts up that argument himself at the start of the session.

Mr. A. Thomson: The Federal Parliament does it.

Hon. W. C. ANGWIN: The hon. member knows that early sittings have never been a success. They are like late sittings. It is amusing to hear some hon. members who interject from the cross-benches, particularly when one knows that they are so often away. I can assure hon. members that the Opposition have had to sit here for hours on end to keep the House together and to save the Government.

Hon. P. Collier: There have been empty cross benches for hours.

Mr. Heron: There have always been two on our side to one on the Government side.

Hon. W. C. ANGWIN: That is the position.

Mr. Latham: I remember one occasion when not a single member of the Opposition was present.

Hon. W. C. ANGWIN: Yes, that was three minutes after the bells had rung.

Hon. M. F. Troy: And there was a paragraph in the Press about it!

Hon. W. C. ANGWIN: Yes, the Press drew attention to the fact although it was only three minutes after the bells had rung.

Mr. SPEAKER: Order!

Hon. W. C. ANGWIN: I know it is out of order to take notice of these interjections but on very many occasions the cross-benches have been quite empty.

Mr. Heron: For hour after hour, especially when the Mining Estimates were being considered.

Hon. W. C. ANGWIN: I cannot agree with the member for Mt. Magnet (Hon. M. F. Troy) that private Bills should not appear on the Notice Paper. Those Bills are paid for and they can be passed by Parliament only by being introduced here.

Hon. M. F. Troy: But public business should come first.

Hon. W. C. ANGWIN: Not always. Everyone has a right to approach Parliament with the request that we should pass a private Bill.

The Minister for Mines: An undertaking was given that private members' business would be dealt with when their day was cut out recently.

Hon. W. C. ANGWIN: Yes, and the House, by the appointment of a select committee to ascertain whether the private Bills were such as should be introduced, took cognisance of those Bills. I have no complaint about the business paper or the number of items it contains, but we should stay and carry out our work. The Premier knows full well it is a matter of impossibility to do justice to the country and carry out our work before the end of the year.

The Premier: I do not think so.

Hon. W. C. ANGWIN: It is a matter of impossibility.

The Premier: Not at all.

Hon. W. C. ANGWIN: The Premier must recognise that. Furthermore, we always close the session a little before Christmas, so that we have not really four weeks left. I hope the House will not agree to extend the sitting hours. It is all very well for those who sit here for only an hour or two, but some of us stay all the time, attending, not to pri-

vate work, but to public work. To those who come in merely casually and go out again, it does not matter whether the House sits at 4.30 or at 2.30. The Premier should realise that it is impossible to clear this Notice Paper before Christmas. This session he has had to introduce legislation specially to correct errors made last session in consequence of Bills having been rushed through. It is time that sort of thing stopped. It is a wrong practice. I have heard many members express disapproval of the rush at the end of the session to get through congested business. Yet we perpetuate it year after year. Let us show that we have a little sanity left and are determined to give as much consideration to the last Bill of the session as to the first.

The Minister for Works: Cut down the speeches.

Hon. W. C. ANGWIN: It is not always advisable to do that. When I was a Minister I should have liked to see them all cut down. I can appreciate the feelings of Ministers. The Government's desire is to get rid of Parliament as soon as possible. All Governments are alike in that. It is time the Minister for Works and I sought to correct the impetuosity of younger members and helped them to avoid the errors of our own political youth in rushing legislation through. The motion appears to be a very simple one, but we know from experience what it means. A day or two later we shall have another to suspend the Standing Orders so as to allow Bills to pass through all stages in one sitting. As a result we shall have no opportunity to consider legislation before passing it. I hope members will not agree to this motion that the House shall sit at 2.30 p.m. If it be carried, there will be no administration of their offices by Ministers.

The Minister for Works: Hear, hear! There won't be a bit.

The Premier: Yes, there will be.

The Minister for Works: No, there won't be.

Hon. W. C. ANGWIN: It is all very well for the Premier to say Ministers can attend to their offices, but I know that in such circumstances they cannot do so. We are not all so fortunate as the Premier; we cannot sit here and go to sleep.

The Premier: I wish you would.

Hon. W. C. ANGWIN: We have to keep awake.

Hon. P. Collier: And even when awake we are no match for him.

Hon. W. C. ANGWIN: The Opposition must keep awake, for it has a duty to perform. If the motion be carried, the Government will have to be very wary in their legislation, because they will not have many of their supporters here to stand by them. Moreover, as I say, Ministers will not be able to do any work in their offices. From experience I know that when we shall sit here from 2.30 p.m. the sitting will run on until 4 o'clock or 5 o'clock next morning. Nobody will care a hang how such sittings

affect the health of Ministers. They will have to go to their offices next morning half asleep, growling and grumbling at everybody who comes near them.

The Premier: You are speaking from experience.

Hon. W. C. ANGWIN: Yes, I am speaking from experience. No Minister who sits here for 12 solid hours can be sane when he reaches his office next morning.

Hon. P. Collier: Some of them are over the border line now.

Hon. W. C. ANGWIN: They will not be able to discuss with their officers propositions placed before them so well as they would be able to do in normal circumstances; nature will not allow of it. It is far better in the interests of members, of the Government and of the State generally that we should come back for a week or two after Christmas to finish up the work of the session. That is undeniable. I could understand the Premier moving this motion if there were any possibility of closing down before Christmas. But that cannot be done. The Revenue Estimates are not through, the Loan Estimates have yet to come down, a number of Bills have to go to another place, and Bills have to come back from there.

The Minister for Mines: In another place they have nearly finished the all-important Bill.

Hon. W. C. ANGWIN: But there is a large number of amendments in it. Then we have Bills not yet considered. The business cannot possibly be properly finished up before Christmas.

The Premier: It is only three days a week.

Hon. W. C. ANGWIN: I have often heard it said outside that members have an easy time because they sit only three days a week. Yet for the greater part of this session I have been at work, not three days a week, but seven days a week. So, too, have been the select committee with whom I have been associated.

The Premier: It is recreation for you.

Hon. W. C. ANGWIN: I do not regard it as recreation. Plenty of other members are working in a similar way. Take the Leader of the Opposition: He has no secretary to write out for him notes on Bills. He has to go through every Bill as it reaches us. He has to peruse it closely to see that in it the country is protected. When can he do all this? Only between Friday and Tuesday. He has no other opportunity. If the motion be carried, he will have no opportunity at all, because he will be kept here from 2.30 p.m. to 4.30 a.m. next day, and in consequence he will be utterly fatigued at the end of the week. I understand the Government pretty well. They calculate that if they can get the Leader of the Opposition tired out, so fagged that he cannot peruse the legislation, they can carry everything they want to.

The Premier: With you there!

Hon. W. C. ANGWIN: You yourself, Mr. Speaker, know the danger of lengthy sit-

tings at the end of a session. Repeatedly have I heard you raise your voice against them. I trust the House will not agree to the motion, but will make up their minds that with 26 Bills on the Notice Paper, in addition to other matter, totalling 32 Orders of the Day, and with further Bills yet to come down, it is not possible before Christmas to get through the work decently and with credit to ourselves. No wonder we are condemned by people outside, who declare that we shirk the work we are sent here to do, that we are ready to adopt any motion which will enable us to avoid coming back after Christmas. With this motion passed, Bills will not be scrutinised, the Loan Estimates will not be looked into, no attention will be given to business—all because some members have set their minds on closing down at Christmas. Personally, I do not care if the session runs until June, so long as we do our work thoroughly.

Mr. Teesdale: Has your wife gone away for a holiday?

Hon. W. C. ANGWIN: No. If she had, I would not be able to sit here night after night. Because of the absence of the Premier the session started late this year, and so we should not object to making up the lost time by sitting a few weeks later. If members will but consider the question, they must conclude that it is better to keep on as at present, and come back after Christmas.

Mr. MUNSIE (Hannans) [5.15]: I hope the House will not agree to the motion. I have no objection to sitting at 2 o'clock, but the only reason for the increase of hours is to get through the session by Christmas.

The Premier: That is so.

Mr. MUNSIE: It is impossible to do it.

The Premier: Let the House meet at 10 in the morning.

Mr. MUNSIE: Even then it would be impossible to finish the work now on Notice Paper.

The Premier: The Federal Parliament meet at that time.

Mr. MUNSIE: But the Premier should not forget that the Federal Parliament adjourns at 7 p.m. or 8 p.m., and does not sit after 6 p.m. on Thursday.

The Premier: It meets on Monday, too.

Mr. MUNSIE: I am objecting to the Premier attempting to rush this legislation through before Christmas when it cannot possibly be done. We have not yet finished the Estimates; we have three important departments to deal with in addition to public utilities and the State trading concerns Estimates. We have yet to deal with the Hospitals Bill in Committee. If the second reading debate is any criterion, that measure will occupy nearly a week in Committee.

The Premier: Oh, no!

Mr. MUNSIE: I think it will. Then there is the Electoral Districts Bill which will not go through in five minutes. The Industrial Arbitration Act Amendment Bill has not yet been introduced. The Mining Act Amendment

Bill and the Miners' Phthisis Bill are in their second reading stage. The second reading of the City of Perth Bill has not yet been moved.

Mr. Mana: You need not mention that.

Mr. MUNSIE: If that is so, why not have it struck off the Notice Paper? The Premier would do well to strike out other measures. The State Trading Concerns Bill will not be got rid of in 24 hours.

The Minister for Works: Why?

Mr. MUNSIE: I can assure the Minister that it will not go through this House inside a fortnight. There are only 17 of us here, but I undertake to say that the Bill will occupy a fortnight.

The Minister for Works: Why all this opposition?

Mr. Teesdale: Do not you regret the time lost in face of a threat like that?

Mr. MUNSIE: Let the Premier be reasonable. Let him admit that he cannot dispose of the Notice Paper this year, and either tell us what he is prepared to drop, or state that he is prepared to continue the session after Christmas. I am willing to come back after Christmas if the Premier wishes to finish what is on the Notice Paper, but it is impossible to deal with all this business before Christmas. A measure which does not appear on our Notice Paper is the Licensing Bill, which will presently be returned with as many amendments as it has clauses. It took three weeks to deal with the Licensing Bill in this House, and it will take at least a week to deal with the amendments. This will be due not to any opposition from members on this side of the House, but will be due to members on the Government side. Those members discussed the Licensing Bill more than we did, and many amendments made at the instance of members on the Government side have been altered by the Council. It is absurd to state that the Notice Paper can be completed before Christmas. The Premier gave a definite assurance that members would have an opportunity to discuss all the matters on the Notice Paper.

The Premier: That is so.

Mr. MUNSIE: Then he must realise that he cannot possibly clear up by Christmas. Further, it is of no use meeting at 2.30 p.m. during the next few weeks. If we do meet at 2.30 p.m. we shall continue to sit on until 2 or 3 o'clock in the morning, and even then it will be necessary to come back after Christmas.

The Premier: Is it so much to ask you to come at 2.30?

Mr. MUNSIE: I am not complaining of that. Does the Premier think we can deal with all the matters on the Notice Paper by Christmas?

The Premier: Yes, if you help.

Mr. MUNSIE: If the Premier will delete two or three of the notices there might be some chance. Will he wipe out the State Trading Concerns Bill and give a definite assurance that it will not be carried further?

If he will not do so it will take a fortnight to get it through.

Question put and a division called for.

Hon. W. C. Angwin: Let us see who support the motion so that we shall know whether they attend.

Mr. Munsie: Yes; we are not going to keep a House for the Government as we have been doing.

Division resulted as follows:—

Ayes	..	..	..	24
Noes	..	..	..	15
Majority for				9

#### AYES.

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

#### NOES.

Mr. Angwin	Mr. Marshall
Mr. Chesson	Mr. McCallum
Mr. Collier	Mr. Troy
Mr. Corboy	Mr. Walker
Mr. Heron	Mr. Willcock
Mr. Hughes	Mr. Wilson
Mr. Lambert	Mr. Munsie
Mr. Lutey	(Teller.)

Question thus passed.

#### LEAVE OF ABSENCE.

On motion by Mr. Mullaney, leave of absence for two weeks granted to Mrs. Cowan (West Perth) and Mr. Boyland (Kalgoorlie) on the ground of ill-health.

#### BILL.—COMPANIES ACT AMENDMENT.

Report of Committee adopted.

#### BILL.—WESTERN AUSTRALIAN BANK ACT AMENDMENT (PRIVATE).

Second Reading.

Hon. T. WALKER (Kalgoorlie) [5.25] in moving the second reading, said: The Bill itself clearly states the purpose of the alteration in the Western Australian Bank Act of 1896. At present the capital of the bank is £250,000 divided into shares of £10 each. The object is to popularise the institution and, instead of having shares of a nominal value

of £10 each, to divide each share into 10 shares of £1 each.

Hon. M. F. Troy: Do you expect the market price to be £1 per share?

Hon. T. WALKER: No, it will be the equivalent of the present market price divided by 10. It has nothing to do with the market. The bank must be a closer corporation with shares of a present market value of £30 each than it would be under the Bill. Anyone desirous of taking up a share, provided the Bill becomes law, will be able to do so, although his station in life—

Mr. Lambert: He could not take up a share. There will be none to take up.

Hon. T. WALKER: The hon member forgets that this Bill amends the existing Act only in the particulars I am describing, but under Section 8 of the Act there is power to increase the capital of the bank at any time. Section 8 reads:—

It shall be lawful for the said corporation from time to time to extend or increase their capital for the time being by the creation and disposal of new shares in the manner and subject to the regulations and provisions mentioned and contained in the deed of settlement. Provided however that the whole number of shares shall not under any circumstances represent a total capital exceeding one million pounds sterling.

The bank could increase its capital now if so desired, but it must be done by issuing further £10 shares at the present market value of £30 each. If it does wish to extend its capital, it surely is advisable that the bank should do it in such a way that the additional capital can be subscribed by the ordinary citizens, so that the ordinary citizens can make this their own bank, so to speak. May I venture to say that this particular bank has done more to help Western Australia forward than have most institutions of a kindred character.

Mr. Lambert: The bank has done a considerable amount to help itself and its shareholders.

Hon. T. WALKER: I know that. What is the use of hon. members talking like that? We know it is an institution for that purpose. At the same time, it has been of particular assistance in the development of Western Australia; and, in contradistinction to other institutions of the kind, it is Western Australian.

Mr. A. Thomson: And any profits made are kept in this State.

Hon. T. WALKER: That is true.

Hon. M. F. Troy: What has that to do with this Bill?

Hon. T. WALKER: A good deal. The Western Australian Bank has helped to develop the mining as well as the pastoral and agricultural industries of this State, and whatever profits it has made belong to Western Australia.

Mr. Lambert: Can you produce a list of the shareholders?

Mr. SPEAKER: Order!

Hon. T. WALKER: Everything has been produced. All the papers connected with this bank, that are necessary for the introduction of a private Bill, have been lodged with the Clerk, and are open to inspection.

Mr. Lambert: Including a list of shareholders?

Mr. SPEAKER: Order!

Hon. T. WALKER: I do not wish to be dragged off the main issue by these interruptions. The main issue is to divide the shares. The shareholders cannot do it in any other way, though they have agreed to do it, than by coming here with this Bill. It cannot be done without an Act of Parliament, and that is their reason for coming here. If it could have been done without an Act of Parliament, this Chamber would not have been troubled with a Bill. In order to divide the £10 share into 10 shares of £1 each, we have to come to Parliament. So the proper course has been taken. Every step necessary for the introduction of a private Bill has been complied with. There is one other purpose to be served by the Bill. It is proposed that those who give up their certificates—and this measure empowers the bank to call in all shares for alteration and amendment—shall in place of their £10 shares receive, in addition to the ten shares, two £1 shares from the undivided profits of the bank in the reserve fund. The object of that is really to make the number of shares given in exchange equivalent to present values. At the present time the value of the £10 share is £30. The person who gives up his £10 share certificate will have issued to him 10 shares of £1 each, equivalent to £25. In order to make the value precisely equivalent, it is proposed to issue from the undivided profits in the reserve fund two £1 shares of a value of £2 10s. each, which will make the 12 shares issued in exchange for the present share, exactly equivalent to what is to be given up. Those are the objects, and the only objects of the measure. One would think that it was within the power of the bank and the shareholders to do these things without consulting Parliament; but the law is such that consultation of Parliament is necessary.

The Premier: If the bank had its head office outside this State, that would not be necessary.

Hon. T. WALKER: Undoubtedly; and that is a point for hon. members to bear in mind. Were this a foreign corporation, say the Bank of Adelaide, or the Bank of Australasia, or the Bank of New South Wales, it could do these things without asking our leave, without consulting us in any way. But because this is a corporation established by the authority of this Parliament, we are obliged to come to this Parliament to enable us to make the alteration.

Mr. Lambert: Whom do you mean by "we" when you say "we are obliged?"



Hon. T. WALKER: I am now saying "we" as if I were the author of this Bill. This bank is obliged to come here to ask for an alteration in its own business matters. Its object, clearly, is to popularise the bank, and to increase its capital so that it may be of further usefulness as a banking institution to the citizens of Western Australia. I do not think I need say more. The measure is so simple and so plain, that it would be almost an insult if I burdened the House with further explanations. I move—

That the Bill be now read a second time.

The PREMIER (Hon. Sir James Mitchell—Northam) [5.37]: I hope the House will pass the Bill. It is not very much we are asked to do for an institution that has done so much for Western Australia. Ever since the earliest days of Western Australia as a colony the bank has taken a big hand in developing the country. It has not only helped the agricultural and pastoral industries, but also the mining industry. We are asked to permit the bank to change its £10 shares into shares of £1. This permission would not be asked but for the fact that the bank proposes to increase its capital. The £10 share to-day has a value of £30. The capital of the bank amounts to £250,000, and is backed by a reserve fund of £750,000. Therefore each £10 share really represents £40 capital in the bank. From year to year for the past 80 years the shareholders have set aside a considerable portion of their profit to build up the reserve.

Hon. M. F. Troy: They ought to do it, too. The public expect that.

Mr. Willcock: It is not a virtue.

The PREMIER: Oh, there is no virtue in anything! I will say that it is to the credit of the shareholders that this money remains. However, that is not the point; we need not discuss that at length. The member in charge of the Bill asks that the bank be allowed to convert its £10 shares into £1 shares, really in order that more capital may be raised. If the bank is to increase its capital under present conditions, it must get for each £10 share at least £30; and, as I have said, each £10 share really represents £40 of capital in the institution. To raise additional capital under such conditions would be difficult, and I think it right that we should give a wider opportunity to people to take shares in the bank on the basis of £1 face value. For the life of me I fail to see how anybody can raise objection to this Bill, which is perfectly reasonable and right. The member for Kanowna (Hon. T. Walker) has told us that if the head office of this bank were in any other place except Western Australia, there would be no need for the bank to come to Parliament for permission at all. I am very glad that the bank does propose to increase its capital.

Mr. Lambert: This is not really increasing the capital, because it does not mean getting another shilling into the bank.

The PREMIER: Let us encourage the bank in its very desirable work. I have known the bank for a great many years. I know it has done public service for a great many years. There is no reason at all why the Bill should not be passed without delay. It is a perfectly right and proper thing for the member for Kanowna to have brought this Bill down to the House. The things proposed to be done under it are obviously right. On turning up the bank's record it will be seen how well the institution has done over many years in helping the industries of Western Australia. It would be often quite impossible for mines and industries to be developed without loans from banking institutions. All this work has been done by the Western Australian Bank for many years, and when we are asked to do something that costs us nothing, we ought not to hesitate. I heartily support the motion for the second reading.

Hon. P. COLLIER (Boulder) [5.42]: There is nothing wrong in the introduction of this Bill.

The Premier: Pass it, then!

Hon. P. COLLIER: I have no doubt the Bill will pass after I have had an opportunity of making some remarks concerning it. However, I do not think we need subscribe to the suggestions or statements made that this is, in effect, a philanthropic institution.

Hon. T. Walker: A beneficial institution.

Hon. P. COLLIER: It has been said that the bank has played a great part in the development of this country. The history of the bank reveals to us the part played by banking generally in the economic life of a community. This bank was established in 1841, 81 years ago, with a capital of £250,000 in 25,000 shares of £10 each, as stated by the mover. During the past 16½ or 17 years this bank has paid dividends to its shareholders at the rate of 20 per cent. per annum on the subscribed capital. That is to say, in every period of five years during that term it has returned to its shareholders an amount equivalent to the original capital.

The Colonial Secretary: The capital of the original shareholders.

The Minister for Mines: It would be interesting to know what it costs Australia for its banking.

Hon. P. COLLIER: The bank has returned to its shareholders every five years the full amount of the original capital.

The Colonial Secretary: The full amount of the capital of the original shareholders.

Hon. P. COLLIER: I know nothing about the individual shareholders. I am talking of the bank as a financial institution, and of the dividends it has paid on the original shares. I am not talking about the shareholders at all; they do not matter; I do not know who they are.

The Colonial Secretary: You should say "the original share value."

Hon. P. COLLIER: That is a silly interjection. It has returned in five years an amount equal to the original capital paid by the shareholders, that is to say, in the past 15

years, for the £250,000 originally subscribed it has returned in dividends no less a sum than £750,000. And in addition to that, the 25,000 shares are to-day worth on the market another £750,000. So that in 15 years the original capital of £250,000 has become worth a million and a half of money. This is the bank we are asked to believe is something in the nature of a philanthropic institution which has played a wonderful part in the development of this State.

Hon. T. Walker: That cannot be denied.

Hon. P. COLLIER: How did the bank make its money? How did it operate? A banking institution, after all, is, according to a great authority, Sir Edward Holden, chairman of the London and Midland Banking Company, who was engaged by the British Government in 1915 to negotiate a loan of 500 million dollars in New York—

little more than a system of bookkeeping—transfer of credit from one person to another.

That is what banking is, the transfer of credit from one person to another. How does a bank start business? It invites the public to deposit its surplus funds with it. The business of the bank is that the public lend their money to it at a certain rate of interest. Much of it to-day is lent to a bank without interest. Of the money on deposit in this bank, amounting to a little over three millions, £1,384,272 is on deposit not bearing interest, and £1,562,073 is on deposit bearing interest. Thus we see that more than half of the total is not bearing interest. The bank invites people to put their money into the institution. How are the profits of the bank made? The bank gets money at a rate of interest, say, 3, 4, or 5 per cent., and then lends the same money out to the same people and for it a higher rate is charged, and the difference between the two rates of interest, that which they pay and that which they receive, is the profit of the bank. When we talk about a banking institution playing such a wonderful part in the development of the country, let us remember that an industry to-day, whether it be primary, secondary or otherwise, will go to the bank for money to enable it to carry on. The bank has already made huge profits out of money loaned, or shall we say that it has taken toll from the industries to which money was loaned. The 20 per cent. dividends that this bank has paid for 16½ years represent £750,000.

The Minister for Mines: And the bank has £750,000 reserve.

Hon. P. COLLIER: This represents so much toll from the farmer, the miner, and every person with whom it has done business.

Mr. Mullany: Did not the bank pay dividends prior to 16 years ago?

Hon. P. COLLIER: The bank has paid dividends ever since it started, but I have not the earlier history of the institution. During the past 16½ years it has paid 20 per cent.

Mr. Lambert: Free of income tax.

Hon. P. COLLIER: Free of dividend tax. That large sum represents not so much as-

sistance to industries, but money taken out of industries.

Mr. Munsie: A drain upon them.

Hon. P. COLLIER: Precisely. The farmer, the manufacturer, and every one who has had recourse to the bank for money has had to pay, and a share of the wealth produced has gone towards paying high dividends to the shareholders. This applies, not only to the Western Australian Bank but to all banks.

The Minister for Mines: And when there were war risks they closed up.

Hon. P. COLLIER: The Western Australian Bank has done as much, I suppose, as any other bank in the way of making advances to industries in the State. I know it is the only bank that has taken any risk with regard to mining.

Mr. Teesdale: And pearling.

Hon. P. COLLIER: It has helped the development of industries in this country and the general impression is that this philanthropic institution's only object is that of assisting in the development of industries, and the country generally. But it was created for one purpose—as a profitable investment for its shareholders. It is not a reflection on the bank to say that that is the sole object of its existence. In addition to paying £750,000 in dividends in 16½ years, it has carried to a reserve fund another sum of £750,000.

Mr. MacCallum Smith: Not out of profits.

Hon. P. COLLIER: Then out of what?

Mr. MacCallum Smith: Premium on shares; they sold shares.

Mr. Richardson: That is what you would call unearned increment.

Hon. P. COLLIER: If there is one thing that ought to be controlled by the nation, it is the whole system of banking. I mention this because what is true of this bank is true more or less of all banks.

Mr. MacCallum Smith: What about the Commonwealth Bank?

Hon. P. COLLIER: In the space of 10 years the Commonwealth Bank has made a profit of 4 millions sterling.

Mr. MacCallum Smith: Out of industry.

Hon. P. COLLIER: But instead of paying that profit into the pockets of private individuals, it has paid it back to the nation for its well being. That is the difference between the Commonwealth Bank and the private banking institutions. Two millions of it has gone towards the sinking fund for the liquidation of our debt. There was never greater nonsense spoken than when it was said that the banks assist towards the development of the country. All the banks here paying big dividends to the shareholders are a tax on industry; they have made profits out of companies to whom they have loaned money. Thus they have profited—no other word can be used—on industry. Did the banks throughout the war period reduce the dividends that they had paid? Was there any decrease in the profits at a time when the people were suffering dire hardships, and when the stomachs of many were pinched for the want of sufficient food, and when many were wearing

shabby clothes and were struggling under all kinds of adverse conditions to keep the nation afloat? The Western Australian Bank, and the other banks, throughout this period paid their full rates of dividends. There was no question at all in regard to these financial institutions about the standard of living, or the effecting of economies. Wages of course had to come down because everything had to come down. But the cost of money had not to come down—the 20 per cent. dividends had to be maintained.

Mr. Lambert: And the nation had to spend hundreds of thousands of pounds in advertising the war loans.

Hon. P. COLLIER: A fair amount of the profit made by the Western Australian Bank, there is no doubt, was due to investment in war loans—free from all taxes.

Mr. MacCallum Smith: The Western Australian Bank did not.

Hon. P. COLLIER: I do not know, but I assume they did, because when these loans were placed upon the market, whenever we read in the newspapers that this bank or that bank had subscribed half a million pounds, they were held up for public approval as institutions that were doing a patriotic act by going to the assistance of the nation in time of trouble and providing the sinews of war. The chairman of the Western Australian Bank at the last half-yearly meeting said—

The outstanding statement of importance is that the directors are able to declare the usual dividend and in addition to carry forward the substantial sum of £21,099, an amount almost sufficient for a similar dividend.

In other words, the profits for the half-year amounted to almost 40 per cent. The bank paid 20 per cent. in dividends and carried forward £21,000. The profits were such as would have made it possible almost to pay away 40 per cent. in dividends.

Mr. MacCallum Smith: The bank carried forward £20,000 from the previous year.

Hon. P. COLLIER: The report continues—The nett profits were £30,276, almost the same as September, 1921, and £1,793 less than in March.

This shows the toll the banks are taking from our industries. No institutions have taken so much from industry as banks have taken during recent years. In 15 years this bank has turned the original capital of £250,000 into £750,000, plus reserves of £750,000, and plus the share value represented by another £750,000, a total of £2,250,000 in that period.

Hon. M. F. Troy: And the State has a deficit.

Hon. P. COLLIER: Banks operate by lending money principally to industries, and that money represents so much toll taken out of those industries. Had the banks been satisfied with say, a 10 per cent. profit, they would have been able to lend money to farmers, manufacturers, and to other industries, in which their capital has been invested, at a lower rate of interest. Surely 10 per cent.

would provide a fair return on the capital invested.

Mr. MacCallum Smith: We do not charge 10 per cent.

Hon. P. COLLIER: Will the hon. member say that a 10 per cent. return to shareholders is not a fair thing?

Mr. MacCallum Smith: Profits are not altogether made out of interest, but mostly out of exchanges.

Hon. P. COLLIER: The whole business of banking and financial institutions is a fake and a fraud upon the people. The hon. member states the object of this Bill is to enable the bank to divide its £10 shares into £1 shares. No doubt this would make them more easy to handle and negotiate, but there is something more. Another object is to enable the bank to increase its capital from £250,000 to £300,000, in order that every holder of a £10 share shall get 12 £1 shares. The shareholder will receive a bonus of two £1 shares for every £10 share he holds.

Hon. W. C. Angwin: That is only to make them up to the market value.

Hon. P. COLLIER: I know. On the increased capital, according to the statement of the chairman of directors, the bank will still pay 20 per cent. dividend, despite the fact that the extra £50,000 does not represent new capital, but is taken from the reserve fund.

Mr. MacCallum Smith: That does not follow: it all depends on the profits that are made.

Hon. P. COLLIER: The chairman of directors states that the bank was in a position to pay almost another dividend. That is clear evidence that it will be possible to pay a 20 per cent. dividend on the £300,000.

Mr. MacCallum Smith: An amount was carried over from the previous year.

Hon. P. COLLIER: Some of the money may have been carried over, but that did not prevent the bank from paying a 20 per cent. dividend.

Mr. Chesson: A sum of £15,000 was carried over.

Hon. P. COLLIER: Each year that dividend has been paid. On the question of watered stock, our company laws are very much at fault. I do not say that this is watered stock.

Mr. Lambert: It has had a big sprinkler playing on it.

Hon. P. COLLIER: In many corporations of this kind the stock is watered; in much the same way as is proposed in the case of this bank. If a corporation is carrying to reserve fund large sums of money, which the directors do not consider is necessary for the well-being of the business, and they think the reserve fund is sufficiently large to meet all possible contingencies, they begin granting bonus shares. Some of the money is taken from the reserve fund and the number of shares is increased. A company may be started with a subscribed capital of £100,000, but in the course of years this may reach a sum of half a million pounds. When one reads in the paper that,

say, Brown & Co. have paid dividends for the year amounting to 6 per cent. or 7 per cent. on a capital of £500,000, one assumes that the business cannot have been profiteering on the public because of the small amount of dividend.

Hon. W. C. Angwin: That might apply to shareholders who had bought in at a later date.

Hon. P. COLLIER: In reality the 6 per cent. may represent 60 per cent. on the actual amount of cash put into the business. All the shareholders do not make that profit, because some may have bought in at a higher rate. Such a company is in reality inflating its capital, which has been built up out of the profits on the goods handled. That is how the community at large is robbed.

Mr. Munsie: Take the Sugar Refining Company, for instance.

Hon. P. COLLIER: Every balance sheet or report issued by a bank or financial institution should set out the original subscribed capital. The public would then be able to see at a glance what the position really was, what the original number of shares was, and then be able to work out the amount of dividends. I propose in Committee to move an amendment to provide that in future those who do not know the history of this Bill will be able to ascertain what the original capital of the undertaking was as well as ascertain its present capital. I have no doubt the shareholders in this institution will continue to draw their dividend of 20 per cent.

Mr. MacCallum Smith: I hope they will.

Hon. P. COLLIER: Money is taken from these reserve funds and put into capital in this way with the object of covering up the real and actual dividends that these companies are paying.

Mr. MacCallum Smith: We are giving this every publicity by asking for permission to do this.

Hon. P. COLLIER: The hon. member would not have asked for permission if he could have accomplished his object without it.

Mr. MacCallum Smith: We could do it without permission.

Hon. T. Walker: You can increase capital without permission.

Hon. P. COLLIER: What then is the object of Clause 2, which empowers the bank to carry £50,000 from reserve to capital?

Hon. T. Walker: The object is to equalise the £10 shares.

Hon. P. COLLIER: Oh, no.

Hon. T. Walker: Read the evidence taken by the select committee.

Hon. P. COLLIER: If the bank had power to do this, there would be no need to provide for it in this Bill.

Mr. MacCallum Smith: We have the power.

Hon. P. COLLIER: If so, the hon. member should have no objection to the para-

graph dealing with this question being struck out.

Mr. MacCallum Smith: We are advised that we should get Parliamentary authority.

Hon. P. COLLIER: The hon. member first of all says the bank has the power, and then he says the directors are advised to get Parliamentary authority. Why ask for authority to do something which can be done without?

The Minister for Mines: In order to be doubly sure.

Hon. P. COLLIER: If some private institutions disclosed the actual financial position they were in, and the public understood that they were making profits of upwards of 40 per cent., there would be an outcry for legislation to deal with them.

Mr. MacCallum Smith: The bank advertises the profits it makes every half year.

Hon. P. COLLIER: There would be an immediate demand on the part of the public for a reduction in the price of commodities out of which such profits were being made.

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

Hon. P. COLLIER: I have not much more to say in connection with the Bill. I am not opposed to the bank having power to split up their £10 shares into £1 shares. I have no doubt that such a provision will be of advantage to the shareholders and to the public, if permission is granted in that direction. The remarks I have made are not particularly directed against the Western Australian Bank, although the Bill deals specifically with that institution. I used the figures and history of the bank more to expose, if that be the correct term, what I consider to be the unjustifiable profits that banking institutions as a whole are making out of the public.

Mr. LAMBERT (Coolgardie) [7.32]: It has been stated that the Western Australian Bank is a purely local institution. In so far as it has received its charter from the State Parliament, it is a purely local bank, but whether the share register to-day would show it to be purely local is quite another matter.

Mr. MacCallum Smith: I can assure you that it is.

Mr. LAMBERT: It is not always the case with companies operating in Western Australia, because, while we may consider that many financial institutions here are local, their shares are held in other parts of the world. It would be as well, seeing that we are dealing with this bank, to have a list of the registered shareholders before us, so as to gauge whether the Western Australian Bank is a local institution or not. The directors of the bank are seeking two things. To the first, which will enable them to split up their £10 shares, no objection can be taken. Exception, however, can be taken to the authority sought under paragraph (d) empowering the directors to take from the accumulated reserves, a certain sum of money

to be issued as bonus shares. As the Leader of the Opposition stated, in levelling criticism against this bank, it was not only the Western Australian Bank of which he spoke. I took it from the general trend of his remarks that they applied equally to all banking institutions in Western Australia, with the exception of the Commonwealth Bank. If there is one bank more than another to which I would extend more than ordinary favourable consideration, it is the Western Australian Bank, which is, I believe, a purely local institution. When granting what was originally practically an exclusive charter to the bank, the legislature had the right to lay down such stipulations as would safeguard the public interest. I fail to see that the interests of the public were considered in the original Bill or in the amending Bill either.

Mr. MacCallum Smith: I will tell you how it has been safeguarded.

Mr. SPEAKER: Order! The hon. member will have an opportunity later on.

Mr. LAMBERT: Section 20 of the original Act states that "no dividend shall in any case be declared or paid out of the subscribed capital for the time being of the said corporation or otherwise than out of the net gains and profits of the business." That means to say that no dividends shall be declared. The bank has a reserve of about three-quarters of a million, and they seek under the Bill to issue part of that money, not by way of dividends, but in the form of bonus shares.

Hon. T. Walker: They can do that without the Bill.

Mr. LAMBERT: With all due respect to the member for Kanowna, I do not think so.

Hon. T. Walker: It is true. They can do it.

Mr. LAMBERT: The member for Kanowna (Hon. T. Walker) was eloquently silent—and hon. members will agree that he is not often eloquently silent—as to the section which gave power to the corporation to issue bonus shares from their accumulated reserves. As a matter of fact, I recently read the deed of settlement, and that prompts me to say that the member for Kanowna is astray in his opinion. Clause 64 on page 12 of the deed of settlements sets out the position.

Hon. W. C. Angwin: The bank will be dividing profits in accordance with that clause.

Mr. LAMBERT: From the point of view I have in mind, it makes no difference whether the bank has that power or not. I maintain that the legislature acted wrongfully in handing the charter to this institution enabling the directors to make unlimited profits. The Leader of the Opposition has pointed out that when the legislature grants a charter of an exclusive nature—and this charter was of such a character at the time it was granted—Parliament should have the right to say what the bank shall be allowed to earn. As it is

to-day, the Western Australian Bank can pay 20 per cent. on the present capital, and in the short period from 1896, when the charter was first granted, till now, they have accumulated more than three-quarters of a million pounds from their trading operations as a banking concern here. Grave exception must be taken to such a position. It is all very well to say that the bank is performing a useful function in this State. The same can be said of insurance companies. The Perpetual Trustee Company can say they are performing a useful function in Western Australia, equally with Mont de Piété and pawnbrokers generally who contend they are performing useful functions. It comes as a shock to most hon. members to know that the Western Australian Bank, which is comparatively youthful as a financial institution, can pay a return of over 40 per cent. to the original shareholders. I do not say that the directors or the bank are at fault; the legislature was at fault originally in granting a charter enabling the bank to make unlimited money.

Mr. MacCallum Smith: What is the most we can draw out of it?

Mr. LAMBERT: Those interested in the establishment of manufacturing industries receive no charter from Parliament, but take a risk with the money they raise. Such people should be entitled to greater consideration and a greater range of profits than an institution that owes its very life to the charter Parliament has given it.

Mr. MacCallum Smith: We have no monopoly.

Hon. M. F. Troy: You had a monopoly for some years.

Mr. LAMBERT: When the charter was granted the Western Australian Bank held an exclusive monopoly of the banking business here. I do not think the member for North Perth (Mr. MacCallum Smith), who is connected with the institution, would say that Parliament would act properly, when conferring certain privileges upon a financial institution, in permitting it to make unlimited profits. The range of profits earned by the bank, equally with all other banks, is altogether out of proportion to the services rendered to the State. I welcome the announcement by the Leader of the Opposition that he intends to amend the Bill in Committee. I hope he will succeed in doing so on lines which will not impose any hardship on the bank while, at the same time, seeing that the profits are limited to what should be a reasonable range. If that be done no exception can be taken to his action. To allow any company owing its creation to Parliament to water its share capital and draw from cash reserves is utterly unsound in principle.

Hon. T. Walker: There is no watering about this.

Mr. LAMBERT: I am surprised at the hon. member supporting the Bill.

Hon. T. Walker: I am surprised at your bosh.

Mr. LAMBERT: I have never been guilty of the bosh indulged in by the hon. member in this Chamber.

Hon. T. Walker: You are no judge.

Mr. LAMBERT: In the original Act it was laid down that no dividend should be declared or paid out of the subscribed capital.

Hon. W. C. Angwin: This is not subscribed capital.

Mr. LAMBERT: To-day the bank has in reserve £750,000, a big proportion of which has not been made from the direct trading profits of the concern, but has been made by selling shares at a premium. They have sold £10 shares for as much as £15 and £20. Under Section 20 of the Act it is not competent for the bank to take money received on shares issued, and place it to a reserve fund in order to create bonus shares.

Mr. MacCallum Smith: Did not you create £5 shares in your chemical company and sell them for £10.

Mr. LAMBERT: My company had not to come to Parliament for a charter on which to trade.

Mr. MacCallum Smith: I suppose your company is one of those which have unbridled privileges to rob the public.

Mr. LAMBERT: No, but it is for that company to assess the value of shares to be issued. The amount paid on those shares went into the working capital of the company. In contradistinction to Section 20 of the parent Act, the Western Australian Bank proposes to take money out of its reserve fund in order to create bonus shares.

Mr. MacCallum Smith: The £50,000 is coming out of its net profits.

Mr. LAMBERT: Much of those undivided profits are profits on shares issued at a premium of £15 or £20. The reserve does not consist of profits made in the ordinary course of business. If the member for Kanowna will consult the member for North Perth—

Hon. T. Walker: I know all about it. You need not try to instruct me.

Mr. LAMBERT: It is all right if the hon. member knows all about it. I am glad to hear it.

Hon. T. Walker: Do not try to be so very clever. Do not patronise me.

Mr. LAMBERT: I would throw a fit before I would try to do that; but I will not allow the hon. member to patronise me, either.

Mr. SPEAKER: Order!

Mr. LAMBERT: I shall hold my individual opinions, whether against the member for Kanowna or any other member.

Mr. Teesdale: I do not see anything about that in the Bill.

Mr. LAMBERT: Sir Edward Wittenoom, the chairman of directors of this company, quoted with pride the "Stock Exchange Gazette" of London in its reference to this bank, as follows—

This company was established in 1841 under Western Australian law. Although but little known on this side, it is represented in London through the Bank of

Adelaide. This bank is one of the most prosperous that has ever come under our notice. With a share capital of £250,000 there is a reserve fund of £750,000.

It omitted to state that the bank has returned to the shareholders another £750,000 at least. It goes on to say—

Its record in this respect is only exceeded by some of the banks in the United States. Some of those boodling banks! I almost expected to read "some of the banks of the South American States." It would ill become us to attack what is more or less a local institution. Still, if Parliament is asked by the company to extend its charter, Parliament ought to see that the public interest is safeguarded. After all, banking is a purely formal business. It consists of little more than taking money over one counter and paying it over another.

Mr. MacCallum Smith: If it be so simple, why not start a bank yourself?

Mr. LAMBERT: If a charter could be secured as easily to-day as in 1841, it would be a very simple matter to start a bank. I do not suppose the selling of rags or anything else has ever proved in this State so profitable or so safe as banking. The Legislature would be doing only what is right if it sought to limit the profits which could be made by this institution. In Great Britain to-day are big railway companies whose profits are restricted to 5 per cent. Yet this purely local concern, a bank over which we should have some control—

The Minister for Mines: Do you know that the banks in Western Australia have loaned more than they have had deposited?

Mr. LAMBERT: That may be true of recent years.

The Minister for Mines: It is only during the last two years that they have overtaken the position.

Mr. LAMBERT: I am surprised at that. I do not know whether the hon. member is including in the total the amounts loaned by the Agricultural Bank and the Savings Bank.

The Minister for Mines: No, the chartered banks alone.

Mr. LAMBERT: If they have not loaned more than they have received in Western Australia, they cannot be getting much in the way of new business. The opinion is generally held that most of these banks garnering money in Western Australia have loaned it out in the Eastern States, where they can get safer and more readily accessible security.

Mr. MacCallum Smith: The local banks do not do that.

Mr. LAMBERT: Personally, I have a distinct leaning towards the Western Australian Bank. While we should do nothing to inflict a hardship on the ordinary trading of that bank, yet when asked to extend the bank's charter, Parliament should safeguard the public interest. It is regrettable that in the parent Act public interest was not safeguarded. That interest will not be safeguarded, whether in banking or in insurance, until the profits are limited. Even the member for North Perth (Mr. MacCallum Smith)

although a director of this institution, will agree with me in that respect. Who to-day is accepting the big banking risk in Western Australia? Is it the chartered banks who are developing the farm lands?

Mr. Underwood: Dalgety's mostly, and they work without a charter.

Mr. LAMBERT: One concern working without a charter, yet doing more than all the others put together, is the Agricultural Bank.

Hon. T. Walker: It is working under an Act of Parliament. What does the hon. member mean?

Mr. LAMBERT: The hon. member knows quite well what I mean. Where there is a banking risk to be taken, the Agricultural Bank takes it, and the associated banks close their pockets. Little they care whether the farmers starve or whether they get seed wheat, implements or anything else. If it is likely to affect their profits they do not offer one penny. If there is a risk, farmers can go to the Agricultural Bank.

Hon. P. Collier: They refused to lend money on land in this country because of the regulation we issued when in office.

Hon. W. C. Angwin: To carry out the Act.

Hon. P. Collier: Yes.

Mr. LAMBERT: I believe that. The sooner the State revises its attitude towards banking and insurance, the better it will be. It is monstrous that a bank can carry on trading in a comparatively few places in Western Australia and make 40 per cent. On the money we lend through the Agricultural Bank, we are making a loss.

Mr. MacCallum Smith: Why?

Mr. LAMBERT: I need not go into the hundred and one whys and wherefores.

Hon. P. Collier: Because the Agricultural Bank is taking risks.

Mr. LAMBERT: It cannot help making a loss.

Hon. M. F. Troy: It is taking risks which the banks will not take. It is doing what they call bad business.

Mr. LAMBERT: If we had had to wait for the chartered banks to go to the assistance of the farmers, 50 per cent. of them would have been off the land and, but for the attitude of the Labour Government, we might never have retrieved the losses sustained during those years. While it is the policy of the Government to lend money and tide farmers over difficult times, it should be their policy also to limit the profits of trading banks. Forty per cent. is a Monte de Piété interest. It is not a fair banking interest. Any institution which seeks to make 40 per cent interest is not a useful institution to this State. No wonder this very sound authority—the "Stock Exchange Gazette"—refers to the romantic growth of the Western Australian Bank as resembling an American concern.

Mr. Marshall: No bubbling up and bust about that.

Mr. LAMBERT: No, it is all bubbling up. I am pleased to know that the Western Australian Bank is in such a strong financial position, but I am not pleased to know that it

has reached that position unfairly and has made undue profits, or has such a gigantic cash reserve and has distributed such handsome dividends.

Mr. MacCallum Smith: It represents 81 years of trading.

Mr. LAMBERT: The bank made no very great progress until 1896. The amount of cash reserves at that time was comparatively small.

Hon. M. F. Troy: The bank has no capital.

Mr. LAMBERT: The bank had a little capital, but it did not require much to satisfy the energies of the people of Western Australia at that time. I think it had £30,000 or £40,000 by way of accumulated cash reserves.

Mr. MacCallum Smith: £150,000.

Hon. M. F. Troy: £125,000.

Mr. LAMBERT: During the preceding 40 years, the bank did not make the astounding headway which has been made since the passing of the Act of 1896. Parliament should not permit the share capital of a company to be watered down in this manner.

The Premier: It is not being watered at all.

The Minister for Mines: To be up-to-date you should say "oiled."

Mr. LAMBERT: The member for Kanowna (Hon. T. Walker) denied that the share capital was being watered and I suggested it was being gently sprinkled.

The Premier: It is not watering.

Mr. LAMBERT: Is it not watering to draw money from cash reserves for the purpose of issuing bonus shares?

The Premier: No; the money is there.

Mr. SPEAKER: Order! I cannot allow the hon. member to discuss the matter across the floor of the House.

Mr. LAMBERT: I knew the Premier was distinctly out of order. This is a form of watering which should not be tolerated. When any institution asks Parliament for a charter to trade, it is legitimate that Parliament should lay down a reasonable amount of interest by way of return on the capital which the company should be permitted to make.

Hon. W. C. Angwin: Banking or otherwise.

Hon. T. Walker: Yes; apply it to all.

Mr. LAMBERT: The matter of limiting profits could perhaps be supported on sounder lines than those that have been advanced by the hon. member. There is a distinct difference between a company subscribing capital to go into a more or less speculative concern and a company asking Parliament for practically exclusive privileges to trade in Western Australia.

Mr. MacCallum Smith: Do not we take risks?

Mr. LAMBERT: According to the balance sheet, they are rather Scotch risks. I should like to tell the hon. member the story of the Scotsman who took a risk in assisting a friend of his.

Mr. SPEAKER: Not under this Bill.

Hon. P. Collier: Assisting a Jew.

Mr. LAMBERT: It is a Scotch risk which has placed the Western Australian Bank in

the happy financial position in which it stands to-day. This financial institution should not have unbridled license to trade irrespective of the public interest. A company making 40 to 50 per cent. per annum on the original capital is not a philanthropic institution, and I can hardly believe that it is doing good to the State. The Minister for Works holds very definite opinions on insurance companies, the extortionate profits they make, and the way in which they are allowed to operate.

Hon. T. Walker: I hope arguments will be confined to the Bill and that the discussion will not resolve itself into a talk about the companies generally.

Mr. LAMBERT: The hon. member will find that this Bill will be very generally discussed before it passes the second reading. He will realise that Parliament will not accept the Bill as a tame, innocent, little measure which might be passed without the slightest discussion. If members have any regard for their duty to the people, they will realise there is a big principle at stake, to which those on this side of the House should give expression. Some people would support the measure, but I was pleased at the attitude of the Leader of the Opposition, who referred to the unduly high profits the Western Australian Bank has made, and questioned whether Parliament should tolerate the making of profits altogether out of proportion to the subscribed capital. I hope the Leader of the Opposition will in Committee move to amend the Bill on lines which, while not imposing an unnecessary hardship on this purely Western Australian institution, will at least ensure that its profits are limited to a reasonable amount.

Hon. W. C. ANGWIN (North-East Fremantle) [8.13]: The Bill is a very simple one, though the member for Coolgardie has endeavoured to make out that it is something requiring a good deal of consideration. The Bill asks permission for the bank to divide the £10 shares into £1 shares, and to distribute £50,000 in the way of bonus shares to the present shareholders.

Hon. M. F. Troy: Why do not they distribute that money by way of dividends?

Hon. W. C. ANGWIN: That is not additional profit to those who hold the shares. The money in reserve belongs to the shareholders. If a £10 share were sold to-day, it would bring £30. If the bank did not issue two additional shares the value would be only £25. It is the intention of the bank to increase the capital later on by issuing £1 shares at a premium of 30s. That is possible because the value is in the bank. The Bill, therefore, does not give the shareholders anything but what they own at the present time. Every shareholder in the bank is liable, in case of disaster, for twice the number of shares which he holds. If a man holds 10 shares in the bank, and anything happens to the institution, he can be called upon to pay up to 20 shares.

Hon. M. F. Troy: The evidence says he is so liable, and also says he is not. It is very confusing.

Hon. W. C. ANGWIN: It is merely the preamble to the Act that is altered by this Bill. Section 20 of the Act was referred to. I may point out that most of the reserve fund has come out of the net gains and profits of the business. The select committee were rather anxious to know whether the State had received its just due in the way of taxation with regard to the £50,000 here in question. We find that by the issue of the bonus shares no difference whatever will be made to the Treasury, because the State has already been paid all taxes due in regard to that amount.

Hon. M. F. Troy: By the bank?

Hon. W. C. ANGWIN: Yes. Of course much of the reserve fund existed long before any of this taxation existed.

Hon. M. F. Troy: That is the point.

Hon. W. C. ANGWIN: However, that increased the value of the shares. There were other amounts placed to reserve which might have been so allocated as to become subject to dividend duty. For several years past now the bank has had to pay on profits, and therefore the State has received its taxation. Accordingly, the State will lose nothing in the way of taxation if this Bill is passed. Another point for consideration is, how many shareholders of to-day are original shareholders? There might be a large number of new shareholders. If a person bought a share to-day at £30, instead of getting 20 per cent. per annum, he would get only a little over 6 per cent. on his money. I agree with every word said by the Leader of the Opposition as to the necessity for limiting profits when granting charters in the first instance. In this case it was not done.

Mr. Lambert: Why not do it now?

Hon. W. C. ANGWIN: The bank is not asking for a charter now. It has been in existence since 1841.

Mr. Underwood: It would trade without a charter if you attempted now to impose limitation of profits.

Hon. W. C. ANGWIN: The limitation might have been necessary. If it is necessary now in the case of banks, it is equally necessary in the case of other financial institutions, such as mortgage companies. It is quite true that these are not philanthropic institutions. Let me give an instance. Last year a man got his clearance from the Industries Assistance Board, having paid off everything he owed. This year he has a crop equal, according to the I.A.B. inspector, to 2,000 bags. He had no money to take that crop off. He went to a bank asking for an advance for that purpose. The bank refused to grant it. Eventually, with the aid of the I.A.B. officers, the man got a person to back his bill, and then the bank made the advance. There was £1,200 worth of crop on which the bank refused to advance £250 for the purpose of taking it off. The incident shows that banks are not philanthropic institutions by



a long way. We all know that, but unfortunately we have to take things as they are. If we can do anything to alleviate the position, so much the better. But the alteration should apply to every person: every person should trade under the same conditions. Whether or not it is lawful to give bonus shares, is something for the legal fraternity to decide. Clause 64 of the deed of settlement reads—

At each half-yearly meeting of the corporation such proportion of the net profits for the preceding half-year as the directors may think requisite shall be set apart for the maintaining the fund called "The Reserve Fund," now already established, and the residue of such profits may from time to time be retained for employment in the general business of the company, or may be divided at such time as the directors shall at their discretion determine amongst the proprietors according to the number of their shares, either in augmentation of dividends or by way of bonus.

So far as the deed is concerned, there is the necessary power, I think. So far as the Bill is concerned, there is very little in it. It is not watering stock, but merely making up the value of shares held to-day because the bank intends to issue new shares, not at £3, but at £2 10s. per share. Whether those shares will be thrown open to the public or merely allotted to shareholders has not been decided. The select committee were told that numbers of shareholders could not take on the responsibility of larger holdings, and that therefore, in all probability, the shares offered for increase of capital would be available to the public. The Bill is one which, in my opinion, the House may approve of. We are told it will assist the bank, and I know it will assist small investors to obtain shares in that bank. I am very sorry I shall be unable to take up any of the shares. The companies in which I held shares did not pay even a sixpenny dividend, and I lost my capital. I trust hon. members will agree to the Bill.

Hon. M. F. TROY (Mount Magnet) [8.25]: I am somewhat concerned at the diffidence of the member for North Perth (Mr. MacCallum Smith), who as a shareholder in and a director of the company could easily have put our minds at ease regarding the measure.

Mr. MacCallum: That is only Scotch cunning.

Hon. M. F. TROY: I am sure that had the member for North Perth risen and explained all about the bank, we would have had much more knowledge concerning that institution. Probably, too, our fears regarding the Bill would have been allayed.

Mr. MacCallum Smith: Why waste time?

Hon. M. F. TROY: I have read the evidence given before the select committee, and I find it very contradictory. In one place a witness states that a shareholder is responsible only for the amount of his share, £10: whereas we are informed that the Act lays

down that should the bank be unable to meet its liabilities the shareholder is responsible for the £10 represented by his share plus an additional £10, and that this applies to every share he holds. As to the question of taxation, we are told that bonus shares are not taxed. If that be so, it seems as if the State is going to lose some revenue by this measure. From the evidence it appears that some of the £50,000 about to be allocated to the shareholders by way of bonus shares accumulated at times when the money was not subject to taxation.

Mr. MacCallum Smith: The whole of it.

Hon. M. F. TROY: The whole of it was accumulated when the money was not subject to taxation. If that money were to-day paid to the shareholders as a cash dividend, they would have to pay taxation on it. The evidence given before the select committee states, "Bonus shares are relieved of taxation." That evidence was given by the attorney of the corporation, Mr. Frank Mends Stone, who also said he was of opinion that bonus shares were not exempt from taxation, and that Sir Robert Finlay had agreed with that opinion, but that a case before the Privy Council had decided that bonus shares were not liable to taxation. As a result, the £50,000 distributed to the shareholders will be exempt from the taxation which the State could impose on it otherwise.

Hon. P. Collier: And exempt from the Federal tax too.

Hon. M. F. TROY: I do not know about the Federal tax. Why should the shareholders in this wealthy corporation be allowed to escape payment of their income tax on a matter of £50,000?

Mr. MacCallum Smith: You are not asked to pay income tax on income you earned in 1897.

Hon. M. F. TROY: This amount was not earned in 1897.

Mr. MacCallum Smith: Yes, it was; and long before.

Hon. M. F. TROY: This accumulated profit is being distributed now to persons who have purchased their shares since 1897. If there came into my possession accumulated profits from an institution in which I had shares, that profit would be liable to taxation. I have shares in a flour mill. Suppose that flour mill had accumulated profits, and that those accumulated profits were distributed this year, I would have to pay taxation on my share of those profits, if they were paid in cash; but I would escape taxation if they were paid by way of bonus shares. The Treasurer, who wants all the revenue he can possibly get, should agree to the postponing of this measure in order that the question of taxing this £50,000 might be considered. I suggest, therefore, that some hon. member move the adjournment of the debate. The Treasurer should take the first opportunity to inquire where the State stands in regard to that amount. The member for Kanowna (Hon. T. Walker) was beginning to wax eloquent

regarding the great services which this institution had rendered to the State. However, warned by interjections, he refrained; and I am glad he did refrain. I am not going to speak of the institution in a hostile manner. I know that our civilisation, such as it is, provides for the existence of such institutions, and that they serve a purpose. Probably they would be called one of the foundation stones of civilisation; but, in my opinion, it is not due from us to speak in laudatory terms of these institutions, because they operate for the particular advantage of their shareholders, and not for the advantage of anybody else. This institution has been a successful one. It has been said that it has done a great deal for Western Australia. May it not be said also that Western Australia has done a great deal for the institution? I have a recollection of a discussion in this House to the effect that this bank operated in the State for some years in the days when Western Australia was showing surpluses instead of deficits, and by utilising State revenue, the Western Australian Bank was able to make big profits. I suppose such banking institutions are necessary, but it is a remarkable thing that they are all so profitable, while the business of the State is unprofitable. The directors of the bank, too, are the people who at their board meetings lecture the Treasurer regarding his unbusinesslike way of carrying on the affairs of the country. Unfortunately the legislature has provided that certain citizens have special privileges for exploiting the country, by such means as this, and while the banks do all the profitable business, the State must take that which is unprofitable. I have pointed out the necessity for the State entering some of these avenues.

The Premier: You have the Commonwealth Bank.

Hon. M. F. TROY: We got that institution in spite of the party represented by the Premier on his side of the House. During the war period, it was the one bank which financed our wheat business, the base metal business, and is now financing the beef trade.

The Premier: All the banks financed the wheat pool.

Hon. M. F. TROY: The Commonwealth Bank to-day is taking the risk. The private banks took no risk.

Mr. MacCallum Smith: Give us the right to use the printing press.

Hon. M. F. TROY: They had that right for years and the only people who got a benefit from it were the shareholders—nobody else. To-day the Commonwealth Bank does that, and a profit of four million sterling has resulted and has gone into the pockets of the community. The Commonwealth Bank is standing behind the reconstruction of the beef export trade. My remarks are not hostile towards the banking institutions, but I do think the Premier should go into the question of the exemption of the £50,000 from taxation. The State is

entitled to its share in the way of taxation. The solicitors of the company say the shareholders should be exempt, and the Premier agreed to their exemption. I regret that we should be called upon to give our time to measures of this description. If the bank had the power to distribute this dividend without coming to Parliament, why did it not do so? I do not attach much importance to the claim that the company wish to democratise the institution.

Hon. T. Walker: The object is to split the £10 shares into ten £1 shares.

Hon. M. F. TROY: The attorney for the company stated in his evidence that it was proposed to ask the public to find £250,000. The public may or may not do so. The proposal it is explained was to widen the scope of the bank and to make it more representative of the people. That, however, is doubtful. I hope someone will move the adjournment of the debate so that we may ascertain whether the £50,000 is due for taxation.

Hon. T. WALKER (Kanoona—in reply) [8.40]: As I started, I intend to conclude by not wasting more words than necessary. We have listened to a very interesting and an almost impassioned disquisition upon capitalism in general, and interest in particular. It is all instructive, all valuable, but it is inappropriate to the point at issue. None of the questions is involved in what is proposed in this measure. I am with all my colleagues on the nationalisation of the banking institutions, and if that were the point at issue I could consider the relevancy as appropriate of all that has been said to-night. But it does not touch the question that has been submitted to this Chamber for consideration. The only point is whether we shall permit a bank that already has its charter, that already has done its work, to divide each £10 share into ten £1 shares, and to make them of equal value, that is to say, equivalent to each other by taking two shares to each £10 share out of the undivided profits in the reserve fund. That is the simple issue. It is not whether we shall grant the bank a charter. That is beside the question. I have not heard an argument to invalidate the wisdom of what it is desired to do—not a single argument. Instead, we have had a lot of very fine phraseology in condemnation of excessive profits. I am rather pleased to hear that the Western Australian Bank has worked so well, that it has been able to set aside this reserve, that it is so financially strong. It never could have obtained that position unless it had served its customers well. If it had not assisted in the development of the State it could never have made its profits. Every penny of profit made has been at current bank rates of interest. There has been no accusation that the Western Australian Bank has gone outside its limits, that it has been exorbitant in its charges. Its interest has been governed by the rates ruling amongst all banks, and it has been able to make its profits by strict attention to business.

Mr. Hughes: What about the poor wages paid which helped to make the profits?

The Premier: The officers are paid pretty well now.

Hon. T. WALKER: Anyhow, that is a matter for us to deal with when it comes about.

Mr. MacCallum Smith: They are working under an award of the Arbitration Court.

The SPEAKER: The wages of bank officials is not under discussion.

Hon. T. WALKER: The whole debate has been more or less out of order. If the bank were foreign it would not be necessary to introduce legislation for permission to do what is sought. It is our own bank, with a charter granted by ourselves, serving our people and our own shareholders receiving the profits, and because of that I am departing from none of my principles, but rather augmenting them in a national and patriotic sense by asking that this body be granted the right to divide its shares so that a large number of our citizens may enjoy the advantages of those profits, and become better off. In these circumstances what objection can there be to this simple measure? What heinous offence is committed? How does it touch the profits when it is proposed to divide a £10 share into ten £1 shares and out of the reserve profit give £2? If an hon. member wanted to buy a share now he would have to pay £30 for it. Of what value would it be to him 80 years after? It is a light way of arguing and a straining of the facts.

Hon. P. Collier: I am arguing on lines of fact.

Hon. T. WALKER: The market value of the shares is £30. That sum would bring in 6 or 7 per cent. interest and no more. If we divide these shares into £1 shares and add two bonus shares we have the equivalent of £30, and the shareholders will get interest upon that and carry the liability upon it precisely as before. The fact that the bank has been so highly praised is testimony of the business it has done and the value its services have been to the community. I am, therefore, the more pleased to move that the Bill be read a second time.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Stubbs in the Chair; Hon. T. Walker in charge of the Bill.

Clause 1—agreed to.

Clause 2—Provision of capital:

Hon. P. COLLIER: It has been contended that the bank at present could distribute £50,000 in bonus shares or otherwise. According to the deed of settlement it has ample power to dispose of portion of its reserve fund, and the need for any special provision such as this is not necessary. Having regard to the profits the bank has been making of recent years there is little reason to doubt that increased dividends will

be paid in the future. On the basis of the share distribution proposed in this Bill the rate of dividend should, according to the amounts recently paid to shareholders, be equivalent to something in the region of 24 per cent. I intimated that it was my intention to move an amendment to this Bill, but if I did so it would mean singling out the Western Australian Bank for special legislation, and this I am not prepared to do. There is, however, urgent need for compelling companies to clearly indicate in their balance sheets or annual reports the actual amount of subscribed capital as well as the amount transferred from reserve fund.

Mr. MacCallum SMITH: There is no prospect of the bank making the same rate of profit with the new issue as has been made in the past. We have current deposits of between a million and a half and £1,800,000, which helps us in making our profit. We have the use of that money on which no interest is paid. When the fresh capital is issued these deposits will not increase pro rata.

Mr. Hughes: Will you tell the public that when you are putting the shares on the market?

Mr. MacCallum SMITH: The hon. member will be able to read the prospectus when it is issued.

Hon. T. WALKER: The clause merely carries out the resolution of the shareholders, and, so to speak, materialises it in this form. It is the lawful way of doing it. The principle was decided in the case of Bouch v. Sproule, reported on page 406 of the House of Lords' appeal cases. In the decision given by Lord Bramwell, the following passage occurred—

Now to apply such a principle to this case, the company simply divided their profits and reserve funds to the extent they disposed of them, and created no new shares. Mrs. Bouch would have been entitled to £2 10s. on each of the 600 shares. The 600 shares would have been less in value £2 10s. each and would have been worth each £26 or in all £15,000, instead of £17,000 as they were at the time of the arrangement. By doing what they did, that is, creating the new shares and paying the £7 10s. on each new share, new and old, became worth three-fourths only of what a share was worth before and the total value of 800 shares was the same as of the 600 before, namely, £17,000.

That is precisely what is done under this clause. It brings up the value of the 10 £1 shares after this division, to what is the market value of the £10 undivided share.

Hon. M. F. Troy: What about the taxation?

Hon. T. WALKER: There can be no claim upon this.

The Premier: If we can claim, we shall claim.

Hon. T. WALKER: The clause does not remove any incidence of taxation, for it does not touch this matter. What is more, on all

the profits, dividend duty has already been paid.

Hon. M. F. TROY: The member for North Perth says it has not been paid.

Hon. T. WALKER: In the early stages there was none, but we cannot go back to the year one.

Hon. M. F. TROY: If this were paid in cash, it would be subject to taxation.

Hon. T. WALKER: If it is subject to taxation, the clauses will not remove that liability. However, taxation has already been paid and whatever rights the Government have, they will claim.

Mr. LAMBERT: The member for Kanowna challenged me when I said that the bank had not the right to issue money from the accumulated reserves, by way of bonus shares. Both the member for Kanowna and the member for North Perth, who is a director of the bank, stated that the necessary power was held now.

Mr. MacCallum Smith: That was only my opinion.

Mr. LAMBERT: If those powers are vested in the directors now, why is it necessary to seek the power conferred in paragraph (d)?

The Minister for Works: Why not let it pass?

Mr. LAMBERT: Because it clashes with Section 20 of the parent Act which says that this cannot be done, except out of profits.

The Premier: That need not trouble you.

Mr. LAMBERT: In 1896 Parliament laid it down that no dividends should be paid out of the subscribed capital.

The Premier: This is not subscribed capital.

Mr. LAMBERT: The bank has a reserve of three-quarters of a million and a large proportion of that may be subscribed capital.

Mr. MacCallum Smith: The £50,000 is not.

Mr. LAMBERT: We should know exactly how this fund stands and whether the bonus shares are to be made available out of subscribed capital, or from the accumulated profits. I think we should postpone the consideration of the clause notwithstanding the arduous effort by the member for Kanowna to secure the speedy passage of the measure. There is a vital principle involved.

Hon. T. Walker: There is more interest, than principle.

Mr. LAMBERT: We should know what the position is and ascertain whether this money is taken from profits or from the subscribed capital.

Mr. MacCallum Smith: If I assure you it is from profit, will that satisfy you? We do not keep the money in separate tin boxes at the bank!

Mr. LAMBERT: If the power already exists, why the necessity for the clause?

The Premier: Of course you know that they have accumulated profits.

Mr. LAMBERT: Section 20 says that dividends shall not be distributed except out of profits.

The Premier: And you know they are doing that.

Hon. M. F. TROY: I move—

That progress be reported.

The Premier: There is no need to do that.

Hon. M. F. TROY: I am not satisfied.

Motion put and negatived.

Hon. M. F. TROY: I am not satisfied with the position. I am suspicious that the Government will lose a proportion of taxation on that £50,000 which is due to the State. I would not be attending to my duty if I permitted the Treasurer to impose taxation on the humblest worker receiving £100, and yet allowed this corporation to distribute a surplus in the way of bonus shares and by that means evade taxation.

The Premier: If the funds are taxable they will be taxed.

Hon. M. F. TROY: I say they will not be taxed and that is one reason for the Bill being introduced. I refer to the evidence of Frank Mends Stone, solicitor, who is a member of the firm of Stone, James and Company, who was examined before the select committee. He was asked if bonus shares were relieved from taxation and he said they were. The question was put to him: "And the dividend is not." Mr. Stone replied—

A dividend issued for the purpose of bonus shares is free from taxation. I was concerned in a similar case some years ago in which the shares were taxed under the Dividend Duties Act. Sir Robert Finlay at that time agreed with the opinion I had given. The Privy Council did not agree with us and 12 months ago the case went to the House of Lords, who held that a bonus was not a dividend and therefore was not liable to income tax.

I ask the Premier how is he going to get taxation when the highest authority in the Empire has ruled that a bonus share is not a dividend? With that evidence before him, the Premier is prepared to allow this distribution, thus forfeiting the right of the State to collect taxation on £50,000. In a day or so, the Premier will introduce a Bill to demand income tax from the humblest individual in the State. I asked the member for North Perth, a director of the company, if this reserve had ever paid taxation, and he said no, that the reserve had been put together before it was liable to taxation. I know positively that at least a portion of the reserve has never paid taxation. There is no need for the Bill to be rushed through.

Mr. A. Thomson: Except that by holding it up we shall be feeding the banks from the other States.

Hon. M. F. TROY: The Bill gives the bank no advantage over banks from other States. If the Bill were delayed for 12 months, no harm would result. Once the Bill is passed the Premier will have no chance to collect taxation on the amount in question, because it has been ruled that bonus shares are not liable to taxation.

Hon. P. Collier: Taxation has been paid on so much as has been added to the reserve since we have had taxation.

Hon. M. F. TROY: The member for North Perth, a director of the bank, said it had not been paid. He ought to know all about it.

Hon. W. C. ANGWIN: The hon. member's remarks are a reflection on the select committee to whom the Bill was sent. The point was investigated by the select committee. Here are two or three excerpts from the evidence:—

16. The reserve is £750,000 and you propose to take £50,000?—Yes, but on that money duty has already been paid.

17. Then the bank pays duty on all profits, whether divided or not?—Yes.

That is from the bank's solicitor, Mr. Stone. Now we have some evidence from the General Manager, Mr. Herbert, as follows:—

61. Has the State been paid taxation on the undivided profits you propose to use as bonus shares?—Since the State has been entitled to receive it. The bank has been going since 1841, long before taxation was thought of.

62. Was the tax paid last year?—Yes. So it will be seen that the select committee inquired into the point. Since we passed the Companies Taxation Bill companies have been compelled to pay tax on all profits; prior to that they paid on dividends only. This £50,000 may have been there many years before we had company taxation. I am as anxious as the hon. member that the State should get every penny to which it is entitled. According to Mr. Stone, all duty has been paid to the Government in respect of the £50,000.

Hon. M. F. TROY: I read all the evidence, and I found it very confusing. A statement is made and, later, is contradicted. I asked the member for North Perth, a director of the company, whether duty had been paid on the £50,000, and he said "No." That admission is sufficient evidence for me. The general manager said the duty was paid last year. I am convinced that taxation has never been paid on the £50,000. The Premier should report progress.

Clause put and passed.

Preamble, Title—agreed to.

Bill reported without amendment and the report adopted.

## **BILL—JARNADUP-DENMARK RAILWAY.**

In Committee.

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

Clause 1—agreed to.

Clause 2—Authority to construct:

Hon. P. COLLIER: I propose to move an amendment in the schedule which, if carried, will limit the length of the line. In order to do that it will be necessary to amend this clause by striking out "from Jarnadup to Denmark."

The Premier: Do it on the schedule, and we will recommit this clause.

Hon. P. COLLIER: It is not important that the words should be left in, for without them the clause will give authority to construct a railway along the line described in the schedule. In other Railway Bills, the corresponding clause reads just as will this one if the amendment be carried.

The Minister for Works: There is 18 miles of line from Jarnadup to Pemberton.

Hon. P. COLLIER: That is already constructed.

The Minister for Works: But we must have authority to work it as a working railway.

Hon. W. C. ANGWIN: You can hand it over to the Working Railways.

Hon. P. COLLIER: The Minister will be fully safeguarded if he agrees to my suggestion.

The PREMIER: I move—

That further consideration of the clause be postponed.

Motion passed.

Clause 3—Deviation:

The CHAIRMAN: It will be necessary to strike out the 114½ miles mentioned in this clause.

The Minister for Works: This deals only with the deviation permissible if the route laid down can be altered to advantage.

The CHAIRMAN: I understood the Leader of the Opposition did not desire that the length of the line should be stated in the clause.

Hon. W. C. ANGWIN: The concluding words of the clause are quite unnecessary.

The Minister for Works: I thought you were dealing with the deviation of two miles.

Hon. W. C. ANGWIN: I move an amendment—

That the words "for the length of about 114½ miles between Pemberton and Denmark" be struck out.

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

Clause 4—Power to Governor to compulsorily purchase land within 15 miles of railway.

Hon. W. C. ANGWIN: Is there much land to be purchased in this district?

The Premier: No, very little.

Hon. W. C. ANGWIN: I understood that the railway would be serving Government land almost entirely.

The PREMIER: There is some land alienated on the Frankland River and there will be some at the Denmark end. Under this we shall be able to resume for resale for settlement or for township purposes.

Clause put and passed.

Clauses 5, 6—agreed to.

Clause 7—Application of Act No. 46 of 1909:

Hon. W. C. ANGWIN: This is a new provision in a railway measure. Why should land be purchased under the Agricultural Lands Purchase Act, 1909?

The Premier: It is a very proper provision.

Hon. W. C. ANGWIN: The Government already have power to purchase all the land necessary for constructing the line, and they can

buy other land under the Agricultural Lands Purchase Act without mentioning it in this Bill.

The MINISTER FOR WORKS: The paragraph there referred to merely states that no land shall be purchased until it has been reported upon by the Lands Purchase Board.

Clause put and passed.

Clause 8—agreed to.

New clause:

Mr. A. THOMSON: I move—

That the following be inserted to stand as Clause 9:—"Notwithstanding anything contained in this Act, it shall not be lawful to commence construction at either end except simultaneously or as near as such is practicable and not at a greater rate than 30 miles per annum at each end."

This is necessary in the event of the full length of 114 miles being approved.

Hon. W. C. Angwin: I hope the Premier will take it as a no-confidence motion.

Mr. A. THOMSON: From my knowledge of the country, and despite the fact that the member for North-East Fremantle last night tried to misconstrue what I said about the land at the water frontages—

Hon. W. C. Angwin: I repeated what you said. I did not misconstrue your remarks. If you do not know what you said, take the blame yourself.

Mr. A. THOMSON: I want to make sure that the line is constructed from both ends. Better results will be obtained if a section is first constructed from Denmark to the Frankland River. It would then be possible to open up and develop the whole of the water frontages on the Frankland river, on the Walpole river and creek and on the Deep river. Even the member for North-East Fremantle will admit that water carriage is very much cheaper than railway. If the head of the line were at the Frankland River, group settlers could be established along the water frontages, and seeing that they would be raising principally butter for export, they would be in a good position to forward their produce to the deep sea port of Albany.

Hon. W. C. Angwin: Do you represent the district?

Mr. A. THOMSON: I represent the southern portion of the State and I represent this portion as much as the member for North-East Fremantle represents the other end. He seemed to be working very keenly for the Pemberton end last night.

Hon. W. C. Angwin: I am asking for a reason.

Mr. A. THOMSON: A huge sum of money is involved in the migration scheme, the group settlement scheme and the construction of this railway, and I claim the right to advise the Committee how the best results can be obtained for the expenditure.

Hon. W. C. Angwin: I asked whether this was in your district.

Mr. A. THOMSON: When groups along these water frontages reached the producing stage, the Government could establish butter and bacon factories on the Frankland River and, by means of a couple of fast motor launches, the produce could be transported to Albany, 60 miles distant. Bunbury is not an exporting port to the extent that Albany is. I have much pleasure in submitting the new clause, and hope the Committee

will accept it, as it is offered, in the interests of the country.

The PREMIER: The hon. member's proposal is quite impossible. I want Parliament to authorise the construction of the railway, and the hon. member is not so keen on it. He does not know the Denmark end at all. I know the land there, and it is extremely valuable, and I want to see it settled. This week we are putting 40 men on land a little beyond the head of the Denmark railway. We want to get rid of the timber along the route of the proposed line, and we can do that better by working from both ends than from one end only. The hon. member can rest assured that the Albany end will not be neglected. Indeed, the Minister for Mines will see to that. I do not think the Committee should carry the new clause, especially as it says that construction must be begun at both ends practically on the same day.

The Minister for Works: It would mean two sets of plant.

The PREMIER: The member for the district does not expect the member for Katanning to move such a clause as this, which I do not expect the Committee will consider seriously. A clause worded as this one is should not in any case be accepted.

Hon. P. Collier: It expresses want of confidence in the Government.

The PREMIER: The Government are already spending large sums of money on group settlements adjacent to the proposed railway, but that has nothing to do with the construction of the railway. I do not know what prompted the hon. member to move the new clause. I fear he is not anxious to give authority for the construction of any part of the line.

Mr. A. Thomson: If that were so, I would oppose it straight out.

Hon. W. C. ANGWIN: Every line of the amendment shows clearly that the mover has no confidence in the Government. He should be over here, on the cross benches.

Mr. A. Thomson: You ought to be over here, because you fight very hard for the Government.

Hon. W. C. ANGWIN: I am one of those who think that when the Government are right they should be supported. I will never sit behind a Government if I think them always wrong, as the hon. member does this Government. The hon. member implied that he was induced to move his new clause by a statement I made last night. I do not remember such a proposal as this being made in Parliament except on one occasion, and then it was put forward by an opponent of the Government. One of the Ministers represents the very district in which this railway is to be constructed. Not only has the member for Katanning no confidence in the five Ministers, but he does not even trust the Minister for Mines, as member for Albany, to look after the interests of the Albany district. Last night I made it clear that I have not been at the Normalup end, while I said that I knew there was good land at the Pemberton end. We know, too, that there are settlers going to Pemberton. For that reason I advocated the starting of the railway from the Pemberton end. The Premier should take action to put certain members in their right position. The Government ought to know where members really sit. The member for Katanning cannot trust the

Government to start a railway, without having it in black and white in an Act of Parliament. If such a restriction is necessary in connection with this matter, it is necessary in connection with everything else. Have the Government really the confidence of members sitting on the cross benches? If not, the Government had better get out of office before Parliament goes into recess; otherwise Ministers will have six months of sleepless nights thinking they are in office without commanding the confidence of the House. I have had such an experience. A Government in recess under such conditions feel that they cannot take on any undertaking, however beneficial for the State, because they do not know whether or not Parliament will approve of it. With a Government holding office on such terms, the State cannot progress. I hope the Country Party members will show where they stand before the session closes. Why do they not come straight out and refrain from adopting these side issues? Why not say straight out that they have no confidence in the Government? If they adopt that attitude, we will be with them.

Mr. A. Thomson: I would not trust you.

Mr. Corboy: You are not game to give him a chance.

Hon. W. C. ANGWIN: We have no confidence in some hon. members sitting on the cross benches with their underhand tricks. Why do they not move a straight out motion of no confidence in the Government instead of indulging in this work under the lap? It is necessary that some definite action should be taken. I am honestly surprised that some of those who call themselves Liberals, Nationalists, and National Labourites, sit behind the Government and have this sort of thing plugged at them day after day.

The Minister for Works: It is a bit annoying.

Hon. W. C. ANGWIN: I hope the Government will take advantage of this opportunity to ascertain where they stand.

The MINISTER FOR WORKS: I do not take the amendment of the member for Katanning quite as seriously as the member for North-East Fremantle does.

Mr. Corboy: Don't you take him seriously?

The MINISTER FOR WORKS: Although the member for Katanning is a practical man he has allowed his enthusiasm to outrun his knowledge of how work can be carried out. If he thinks that this work can be carried out at the same rate of progress from both ends, he is much mistaken.

Mr. A. Thomson: How do you propose to construct the line, by day work or by contract?

The MINISTER FOR WORKS: It would not make any difference which method was adopted. The member for Katanning does not know the ropes, and I do. It is comparatively easy to construct the section from Denmark but the first eight miles from Pemberton will require some of the stiffest railway construction work I have seen. If he thinks we will make level pegging from both ends, as I cannot tell him to "get his head read," I will advise him to go and see what has to be done for himself. The hon. member's suggestion that the work must be carried out simultaneously at both ends is ridiculous, quite apart from any question of a vote of no confidence. If the member for Katanning has no confidence in those who are to

carry out the work, let him say so. It may be that he has no confidence in the Public Works Department. As a man who has built more railways than the member for Katanning has ever seen, I tell him his proposal cannot be carried out.

Mr. A. THOMSON: I regret that the Premier and the member for North-East Fremantle have treated this matter with such levity.

Hon. P. Collier: You are unfortunate with most of your amendments.

Mr. A. THOMSON: I am, but I have never been more earnest in my life than I am now.

Hon. P. Collier: We do not doubt that.

Mr. A. THOMSON: If I cannot convince the Committee of the wisdom of my amendment, I will be in the position sooner or later of saying "I told you so."

Hon. P. Collier: That has been the case with many a good man.

Mr. A. THOMSON: The levity displayed by the member for North-East Fremantle in his endeavour to ridicule me, is nothing. He wanted to know whether I was usurping the position of the member for Albany. It is not a question concerning Albany, but one of national importance, because it is not a matter of £800,000 that is involved, but, in the long run, probably between 20 and 30 millions. This matter should be considered earnestly by the Committee and not be treated lightly as the Premier did. The people are vitally interested in what we are doing to-day. The member for North-East Fremantle said we had no confidence in the Government. In 1915 when that hon. member was Minister for Works, a railway to Pingrup was authorised. When the member for North-East Fremantle introduced that Bill, he said that the railway would be the next to be constructed after the Lake Grace line.

The Minister for Works: I am sorry that circumstances prevented that being done.

Mr. A. THOMSON: I know extraordinary circumstances arose preventing the Government giving effect to that promise. Now we are asked to trust the present Government. I want this embodied in the Bill in black and white.

Mr. Corboy: So you don't trust the Government, unless you have it in black and white?

Mr. A. THOMSON: I do not trust any Government in the matter of railway construction unless the facts are in black and white.

Mr. Corboy: Then what are you doing sitting on that side of the House?

Mr. A. THOMSON: I want our railway construction to be in the best interests of the State and that is the sole purpose of my amendment. The Minister for Works said that he did not know where we would get two sets of plant to construct the line.

Hon. P. Collier: He has only one spare wheelbarrow now.

Hon. A. THOMSON: I understand the railway is being started from Esperance; the Pingrup line has been started and one of the main reasons for the Bencubbin extension was that the plant was there.

The Minister for Works: We wanted to make the best use of our plant.

Mr. A. THOMSON: I am not denying that. Surely, seeing that Parliament is supposed to control the public purse, we have a right to ask that such a clause as I propose shall be added to the

Bill. Are we to give Ministers a blank cheque and tell them to do what they like? In the name of commonsense, what is the use of having a Parliament if members are to have no say?

The Minister for Works: What do you want to have a say about?

Mr. A. THOMSON: I was never more in earnest in my life than I am to-night when I urge that the line should be constructed from Denmark to the Frankland River to open up that rich area. I have no objection to portion of the line extending from Pemberton. From what the Minister said to-night, it means that once the line is started from one end it will be constructed right through.

The Minister for Works: You include the word "simultaneously" in your amendment. If you cut that out, there would be some sense in it.

Mr. A. THOMSON: I ask any fair minded member if what I ask is unreasonable.

Hon. P. Collier: You are too modest.

Mr. A. THOMSON: It is not a question of no confidence in the Government. In consequence of the immigration scheme, we are pledged to get the best value for the money expended.

Hon. W. C. Angwin: Your motion means: "If you don't claim my arm, you don't claim anyone else's arm."

Mr. A. THOMSON: My amendment is in the interests of the State.

New clause put and a division taken with the following result:—

Ayes	...	...	...	6
Noes	...	...	...	29
				—
Majority against	...			23
				—

#### AYES.

Mr. Harrison	Mr. Troy
Mr. Plesse	Mr. Underwood
Mr. A. Thomson	Mr. J. H. Smith
	(Teller.)

#### NOES.

Mr. Angwin	Mr. Mann
Mr. Broun	Mr. Marshall
Mr. Carter	Mr. McCallum
Mr. Chesson	Sir James Mitchell
Mr. Clydesdale	Mr. Mullany
Mr. Collier	Mr. Munste
Mr. Davies	Mr. Richardson
Mr. George	Mr. Sampson
Mr. Heron	Mr. Scaddan
Mr. Hickmott	Mr. J. M. Smith
Mr. Hughes	Mr. J. Thomson
Mr. Lambert	Mr. Willcock
Mr. Lutey	Mr. Wilson
Mr. C. C. Maley	Mr. Corboy
Mr. H. K. Maley	(Teller.)

New clause thus negatived.

Schedule:

Hon. W. C. ANGWIN: I propose to move to strike out all words after "43 miles" in line 4. Last night the Minister for Railways said Parliament would have to authorise the expenditure from year to year. On the same principle Parliament should authorise the extension of the

line when necessary. I am not opposing the line right through.

The Minister for Mines: This is one of your methods of doing it without coming into the open.

Hon. W. C. ANGWIN: Forty-three miles would be sufficient for the time being. By passing the second reading, Parliament approved of the construction of the line, but the general impression was that the line should only be constructed as necessary.

Hon. M. F. TROY: On a point of order. If the amendment be carried, shall I be permitted to move to reduce the 43 miles to a shorter distance?

The CHAIRMAN: It would not be possible to go back and deal with anything before the word "miles" in line 4.

Hon. M. F. TROY: I am not prepared to vote for the construction of 43 miles, but I will vote for the construction of 20 miles. I move an amendment—

That in line 4 "43" be struck out and "20" inserted in lieu.

The MINISTER FOR WORKS: I hope the amendment will not be agreed to. Where will it land us? The first 20 miles of the line will just take us to the good land suitable for settlement.

Hon. P. Collier: Could you not settle any people along the 20 miles?

The MINISTER FOR WORKS: Yes, a good many, but that 20 miles is not by any means the best of the land. When, four years ago, I made the speech which was quoted by the member for North-East Fremantle last night, I was speaking of what I then knew. To-day again I am speaking of what I know, but the source of my knowledge is greatly enlarged.

Hon. P. Collier: Never explain.

Mr. Harrison: I thought you made that speech on a no-confidence motion.

The MINISTER FOR WORKS: Perhaps I did. However, the Government should not be hampered as they will be under the amendment.

Mr. WILLCOCK: I do not wish to harass the Government over the building of the first section, but we ought to be told how far the Government want the first section to extend.

The Minister for Mines: The Premier told you that.

Mr. WILLCOCK: I would vote for the first section required by the Premier, but I do not know the length of that section. If the Premier says he wants 25 miles for a start, I will support him in that.

The Minister for Mines: The Premier would do that when he brought down his estimates for the vote.

Mr. WILLCOCK: We ought to know what is intended before this Bill is passed. If we cannot get the information, I shall support the amendment.

The PREMIER: I hope the amendment will not be accepted. I have already told members that we shall not build many miles at any one time, and that I thought it would be advisable to build the line from both ends. The authorisation must be passed by Parliament, but we ought to know where the line is to go. We also want to improve the land by ringbarking, etc. Members need have no fear of our building any considerable length, because the money must first be voted. We do not propose to do any-



thing considerable this year. For the first five miles out of Pemberton, the karri is particularly good and the railway will be useful as a timber line. Along the next 10 miles I estimate that we shall settle 800 families. There are 160,000 acres in the 10 miles, but part of it must be reserved for timber. The line ought to be authorised so that the country will know what is intended and what we have to prepare for. Another place to-day discussed the Closer Settlement Bill and members there said it was better to settle people on Crown land than on resumed land close to railways. We want land adjacent to existing railways in addition to this land. There are more people wanting land to-day than at any time in the history of the State; more even than in 1909 and 1910. We cannot go into these areas without preparation. Members will not be taking the slightest risk in passing the Bill, because the line cannot be built without money, and the money must first be authorised. A very small amount will do for this year, but next year I shall ask for a sum to enable us to build 25 miles, and probably the same in the following year, and so on until the line is completed.

Mr. Hickmott: What area do you propose to give each settler?

The PREMIER: About 100 acres; sometimes more, sometimes less, but the average will be not more than 100.

[Mr. Munsie took the Chair.]

Hon. W. C. ANGWIN: The full length of the line should not be stipulated. It is all very well for the Premier to say that Parliament must pass the money.

The Premier: We cannot build the line without money.

Hon. W. C. ANGWIN: But it will be necessary to pass the money, because the line will be under construction. I intend to support the amendment with a view subsequently to striking out the remaining words of the schedule and making provision for the construction of a 20-mile section from Denmark. Forty miles of line will be quite sufficient to pass at this stage. When further extensions are wanted, Bills can be introduced. It will be years before the whole of the line can be constructed. The Minister for Mines yesterday referred to a Bill passed by the Labour Government authorising the construction of 180 miles of railway. He did not say that it was a section of the Perth-Kalgoorlie railway.

The Minister for Mines: I said distinctly it was.

Hon. W. C. ANGWIN: I was talking of development railways. Never was such a length of development line as this proposed before. Almost every agricultural railway has been constructed in sections. As population settled in the district, Parliament was asked to authorise a further extension.

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

Ayes	...	...	...	14
Noes	...	...	...	20
Majority against	...	...	...	6
				—

# AYES.

Mr. Angwin	Mr. Marshall
Mr. Chesson	Mr. McCallum
Mr. Collier	Mr. Troy
Mr. Corboy	Mr. Underwood
Mr. Hughes	Mr. Willcock
Mr. Lambert	Mr. Wilson
Mr. Lutey	Mr. Heron

(Teller.)

# NOES.

Mr. Broun	Sir James Mitchell
Mr. Carter	Mr. Pease
Mr. Durack	Mr. Richardson
Mr. George	Mr. Sampson
Mr. Harrison	Mr. Scaddan
Mr. Hickmott	Mr. J. H. Smith
Mr. Latham	Mr. Teesdale
Mr. C. O. Maley	Mr. A. Thomson
Mr. H. K. Maley	Mr. J. Thomson
Mr. Mann	Mr. Mullany

(Teller.)

Amendment thus negatived.

Hon. W. C. ANGWIN: I intend to move that all the words after "miles" in line 4 be struck out. This would mean the expenditure of about a quarter of a million of money for the construction of part of the line, or, with rolling stock, of a little more than £300,000. This is as much as the State can afford at present. Before the railway is completed we shall know what settlement has taken place. People cannot be settled more quickly than the railway can be built.

The Premier: We do not propose to attempt that.

Hon. W. C. ANGWIN: We are told that for the first 15 miles of line there will be 160,000 acres available for settlement, served by the railway. The Premier says that 80,000 acres will settle 800 farmers.

The Premier: We have to hold up some of the timber.

Hon. W. C. ANGWIN: I am allowing for that. We should leave the rest of the line for consideration next session or later. If settlement does not progress there will be no necessity for the construction of the entire line.

The Minister for Works: Some of the words you propose to strike out must be left in. You must refer to the map.

Hon. W. C. ANGWIN: I cannot see that the striking out of the words would make any difference, but I agree to leave in the last line or two. I move an amendment—

That all the words after "miles" in line 4 down to "Albany-Denmark railway" in line 9 be struck out.

The MINISTER FOR MINES: It has been more than once stated by the Premier in the course of the discussion that the authority is necessary for the purpose of laying down definite plans for the settlement of that territory, which is to-day Crown lands, and which is not served by any railway. The Premier has laid it down just as emphatically that there is no intention of building the line in any one year, but that the line will be built in sections, as required for the people coming to the State and for people in the State desirous of settling in the district. It is not proposed to build at once a line from Jarna-

dup to Denmark, but a railway to be constructed for land settlement purposes must be definitely decided. A spur here and there might land us anywhere. Would the present suggestion of the member for North-East Fremantle have been considered satisfactory in regard to the construction of the trans-continental line?

Hon. P. COLLIER: Ten miles here would serve you for settlement.

The MINISTER FOR MINES: This is a line to open up a definite territory which is to-day unserved, but which is capable of development by railway communication. On the Loan Estimates the Premier will tell the House how much of the line he expects to build in any one year. The distance from Fremantle to the point of commencement suggested by the member for North-East Fremantle is 215 miles. From Bunbury, the nearest port, the distance is 85 miles. From Albany, a port also suitable, the distance to Jarnadup is only 152 miles. But the distance from the point of commencement at the other end, Denmark, is only 37 miles. From the centre of the whole railway the distance to Bunbury would be 142½ miles, and the distance to Albany only 94½ miles. Therefore the decision as to rate of construction and point of commencement should be left to those responsible. The Minister for Works has told us that the first five miles from Pemberton will be an engineering problem, and will be costly. The first 30 odd miles from Denmark to Nornalup Inlet will be through fairly easy country, on a grade of about one in eighty. I have not at any time suggested that a commencement should be made from Denmark in preference to Pemberton. If there is sufficient demand in the way of settlement at either end, we could commence from both ends. But I am prepared to rely entirely on the judgment of the responsible officers. My position as member for Albany would naturally incline me to favour a start from Denmark, but I am not adopting such an attitude. The point of commencement and the rate of construction will be submitted on the Loan Bill. This year, the Premier has said, nothing in the way of construction can be done. Next year proposals will be submitted on the basis of definite data furnished to the House by the Minister for Works. I might have advocated the plan of commencing from both ends, but I did not do so. I contend that we should rely upon the information to be made available to us by the responsible officers.

Hon. P. COLLIER: The amendment asks for nothing but what is in the highest degree reasonable. The suggested limitation to 43 miles would not in any way affect the general policy of land settlement. If the Committee decide that as a matter of principle we are not justified at this stage in authorising the construction of a greater length than 43 miles, it will be an easy matter to recommit the Bill and, on that decision of the Committee, to authorise the starting of the line at either end. I think the Government should be absolutely free to start the line from whichever end would be best in the interests of the State. But this Parliament is asked to authorise a work estimated to cost about £800,000. Never since the days of Sir John Forrest and the Goldfields Water Scheme has Parliament been asked to author-

ise a work costing £800,000, or more than that sum. According to the Premier, this railway will take at least seven years to construct. The immigration scheme allows the Premier a period of five years for the introduction of 75,000 overseas immigrants and for the placing of 6,000 settlers on the land. According to the Premier, some 8,000 settlers will be placed in this area to be served by the line. On the basis suggested in the settlement of 6,000 immigrants, which the Premier proposes to carry out in five years, this area will not be settled for at least seven years. Despite that fact, we are asked to authorise the construction of this line and to commit the State to that policy for a period of seven years. The 43 miles involved in the amendment will cost £300,000 and will enable the Government to settle 3,200 holdings.

The Minister for Works: On your own showing, you do not propose to urge the construction or retard it.

Hon. P. COLLIER: No. With the authorisation for 43 miles, the Government will be faced with a contract which will occupy them for at least three years. Why should the present Parliament commit the two succeeding Parliaments to an expenditure of £800,000? Is it not more businesslike to give the necessary authority for the carrying out of work that will be essential within the next two or three years? To provide for that period will be looking far enough ahead. Then Parliament, in the light of experience gained and of the financial position of the State, will be able to deal with the matter as circumstances warrant. That is the common-sense, prudent attitude.

The Minister for Mines: You would still be in the same position. The Government would not be obliged to spend money if it was not necessary to do the work. You do not propose to retard railway construction or the settlement of the country.

Hon. P. COLLIER: In three years' time, after the length of 43 miles has been built, our experience will enable us to judge what is best to be done.

The Minister for Mines: But you will still be in the same position.

Hon. P. COLLIER: It is no use the Minister saying that the House is safeguarded in that it is obligatory upon the Government to provide money on the Loan Estimates every year. We know that does not count, because the Government can exceed the amount appropriated on the Loan Estimates, while it is also possible for the Government to commit the State in matters for which no provision has been made. We had the experience of the people waking up one morning to find that they had been in possession of a railway they had owned for two years. That railway had cost £61,000, with Parliament ignorant of the whole matter! Having regard to past experience, we know that the Government will take whatever course they choose regarding the expenditure of public money in this direction. There is no new principle involved in authorising the-

construction of only portion of a whole scheme. It has been the practice of Parliament to authorise the construction of sections only from year to year and that has been done in connection with our agricultural lines.

The Minister for Mines: Not at all.

Hon. P. COLLIER: That applied to most of them.

The Minister for Mines: Did we authorise the construction of the Wongan Hills-Mullewa line in sections?

Hon. P. COLLIER: No. That certainly is one which was dealt with in that way, but we have authorised the construction of many agricultural lines in sections.

The Minister for Mines: That applies only to spur lines, and has not applied where the lines have been constructed from one part of the system to another.

Hon. P. COLLIER: Yes, it has.

The Minister for Mines: Where?

Hon. P. COLLIER: I have at least three in mind, and perhaps there are others which I could mention if I had the opportunity of looking them up. Lines are held up at dead ends to-day.

The Minister for Mines: Take a parallel case. There was the Wongan Hills-Mullewa line with its possibilities of settlement.

Hon. P. COLLIER: That line does not approach the one under discussion from the standpoints I have mentioned. Could anything happen regarding our policy of land settlement because Parliament authorised the construction of only 43 miles of this railway? On the other hand, the amendment does not interfere with the principle at all. The Premier said that it was proposed to build the line at the rate of only 10 or 20 miles at a time, and to settle that area before proceeding for another stretch.

The Minister for Mines: There was a line for 190 miles authorised in one Bill!

Hon. P. COLLIER: There was that instance.

The Minister for Mines: But in that case the same number of people could not be settled, notwithstanding the long length of line.

Hon. P. COLLIER: That does not matter.

The Minister for Mines: It does matter.

Hon. P. COLLIER: In this instance, the Government propose to construct sections, and proceed with settlement before undertaking an additional section. Is that not proof that before the line will be completed and the land settled, at least seven years or more will elapse?

The Minister for Mines: The Wongan Hills-Mullewa line cost nearly £800,000.

Hon. P. COLLIER: I am surprised to hear that. The Wongan Hills-Mullewa line traversed a district that in all probability was completely settled within a year or two. It was not a matter of closer settlement there.

The Minister for Mines: It was settled quickly, simply because you could place only a few people there.

Hon. P. COLLIER: As many people were placed there as required. That line was built in 12 months or so, and the whole of the land adjoining was taken up in practically the same period. That cannot apply in the South-West, where it is proposed to settle 800 settlers for every 10 miles of the railway. That is a totally different proposition. In the first place, we have to get the people to take up the land.

The Minister for Mines: That is not the point you are making. You said we had never passed a Bill to deal with such a line involving such expenditure.

Hon. P. COLLIER: I said that I knew of no work since the old Coolgardie line, and to that extent I stand corrected, if the facts are as stated by the Minister. I was speaking from memory. If to-morrow this line could be built right through, it would not be possible to settle the land for the next seven or eight years. Why, then, should authority be asked for the construction of the whole length straight away? The Government are pledged to carry out the construction of lines already authorised before embarking on new lines. If that pledge is to be observed, it will not be possible to begin the construction of this new line for at least 12 months. Moreover, there is no need to hurry. To limit the authorisation to 30 or 40 miles will safeguard the interests of the State.

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

Ayes	..	..	..	..	14
Noes	..	..	..	..	20

Majority against .. 6

#### AYES.

Mr. Angwin	Mr. Marshall
Mr. Chesson	Mr. McCallum
Mr. Collier	Mr. Troy
Mr. Corboy	Mr. Underwood
Mr. Hughes	Mr. Willcock
Mr. Lambert	Mr. Wilson
Mr. Lutey	Mr. Heron

(Teller.)

#### NOES.

Mr. Carter	Mr. Plesse
Mr. Durack	Mr. Richardson
Mr. George	Mr. Sampson
Mr. Harrison	Mr. Scaddan
Mr. Hickmott	Mr. J. H. Smith
Mr. Latham	Mr. J. M. Smith
Mr. C. C. Maley	Mr. Teesdale
Mr. H. K. Maley	Mr. A. Thomson
Mr. Mann	Mr. J. Thomson
Sir James Mitchell	Mr. Mullany

(Teller.)

Amendment thus negatived.

Schedule put and passed.

Postponed Clause 2—agreed to.

Title—agreed to.

Bill reported with an amendment.

House adjourned 11.20 p.m.