

Resolutions reported, the report adopted and a message accordingly transmitted to the Council.

BILL.—ARCHITECTS.

Council's amendments.

Schedule of 5 amendments made by the Council now considered.

In Committee.

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

No. 1. Clause 3, Subclause (1), line 3.—Strike out "persons engaged in practice as."

No. 2. Clause 27, Subclause (1), line 4.—Strike out "twenty" and insert "eighteen" in lieu thereof.

On motion by the Minister for Works, the above amendments were agreed to.

No. 3. Clause 27, Subclause (3), line 2.—Strike out "one-third" and insert "one-sixth," in lieu thereof. Line 3.—Strike out "or represented by proxy."

The MINISTER FOR WORKS: I move—

That the Council's amendment be agreed to.

The amendment deals with the quorum at meetings and the second half means that there will be no proxies, but only live representation.

Hon. W. C. ANGWIN: I move a modification on the Council's amendment:

That the Council's amendment to strike out the words "or represented by proxy," be not agreed to.

Some of the people affected may live 200 miles away and it is only fair that they should be given a voice in the work of the board. We should retain the provision for proxy votes.

Modification put and passed; the Council's amendment, as modified, agreed to.

No. 4. Clause 29, Subclause (2).—Insert at the beginning "Subject to Subsection (1) of this section," and in line 2, after the word "engineer," insert "builder or other person." Strike out all words after "building" in line 3.

On motion by the Minister for Works, the above amendment was agreed to.

No. 5. Insert the following new clause, to stand as Clause 34:—"The provision of this Act shall apply only to the metropolitan area."

The MINISTER FOR WORKS: I move—

That the Council's amendment be not agreed to.

If the amendment were carried, it would render the efforts of this Chamber nugatory and make a farce of what is a serious matter dealing with an important and respectable profession.

Question put and passed; the Council's amendment not agreed to.

Resolutions reported, the report adopted and a message returned to the Council accordingly.

House adjourned at 11.59 p.m.

Legislative Council,

Friday, 6th January, 1922.

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The PRESIDENT took the Chair at 3.0 p.m., and read prayers.

SELECT COMMITTEE—TRAFFIC ACT AMENDMENT BILL.

Attendance of Member of Assembly.

Hon. A. SANDERSON: I move—

That the Assembly be requested to grant leave to the Hon. W. J. George to give evidence before the select committee of the Council on the Traffic Act Amendment Bill.

There is no explanation to make beyond saying that it seems fair to the Minister, and advisable from the point of view of the Chamber, that the Minister should be given an opportunity to come before the select committee.

The PRESIDENT: Is it the pleasure of the Council that this motion be moved without notice? I understand the matter is one of urgency.

Mr. Sanderson: It is.

Leave given.

Question put and passed.

QUESTION—INDUSTRIES ASSISTANCE BOARD.

Harris, Scarfe & Co. Payments.

Hon. A. H. PANTON (for Hon. T. Moore) asked the Minister for Education: 1, What amount of money was paid by the Industries Assistance Board to Messrs. Harris, Scarfe & Co. in settlement of the claims of that firm against clients of the Industries Assistance Board? 2, How many of these clients were members of the A.I.F.? 3, What amounts have been received by the board from clients whose debts were liquidated by the payment to the above firm? 4, In the event of more money being received from clients in respect of these payments than was paid by the Industries Assistance Board, what is proposed to be done with the surplus amount so received?

The MINISTER FOR EDUCATION replied: 1, £7,000. 2, Unable to say, but twelve of these debtors are now receiving assistance under the Discharged Soldiers' Settlement Scheme. 3, £5,638 15s. 2d. 4, Except in very special circumstances the surplus will be retained by the board.

BILL—LAND AGENTS.

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

BILL—RAILWAY SIDING (NORTH FREMANTLE).

Second Reading.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [3.9] in moving the second reading said: The Bill is intended to repair an error into which the North Fremantle Municipality has fallen. The municipal council was under the impression that it had the same powers as are invested in road boards to permit the construction of sidings across streets. That power is given to road boards under the recent Road Districts Act, and would be given to municipalities in any amendment of the Municipal Corporations Act, but it does not exist in the present Act. The North Fremantle council gave permission to the Great Southern Roller Flour Mills Ltd. to pass over certain streets in order to put a siding into their mill. The council had no legal right to give that permission. The Bill is intended to remedy that. The running of the siding will be under the supervision of the Commissioner of Railways. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Ewing in the Chair; the Minister for Education in charge of the Bill.

Clause 1—agreed to.

Clause 2—Authority to construct siding:

Hon. V. HAMERSLEY: Have any objections been raised by the residents or business people?

The Minister for Education: Not that I know of.

Hon. V. HAMERSLEY: The owners of property along certain streets may find themselves in the same position as owners in Perth, namely, that gates across the streets will be closed from time to time, thus closing the streets to traffic.

The MINISTER FOR EDUCATION: I can only say that no objections have come before us. The matter came to us from the North Fremantle municipality.

Hon. A. Lovekin: In another place the Bill was introduced by the Minister for Works at the request of the member for the district.

Hon. A. H. PANTON: A new flour mill has been erected, and the railway siding runs from the main line across to the State Implement Works and the superphosphate works. The new mill is only about 50 yards from the existing branch line or siding. There are no streets near the mill. All that is necessary is to run a siding off the branch line now connecting with the superphosphate works, which is already across the main road.

Clause put and passed.

Title—agreed to.

Bill reported without amendment, and the report adopted.

SELECT COMMITTEE—WYNDHAM MEAT WORKS AND STATE SHIPPING SERVICE.

To adopt reports.

Debate resumed from the previous day on the following motion by Hon. J. J. Holmes—

That the reports of the select committee appointed to inquire into the Wyndham Meat Works and the State Shipping Service be adopted.

Hon. A. H. PANTON (West) [3.14]: I congratulate the select committee on their comprehensive report. I only regret that they had not the power of a Royal Commission to go a good deal further into the matter. As Mr. Moore said last night, the report appears to condemn the administration of the Wyndham Meat Works rather than the principle of State Trading Concerns generally. Based as it is on the evidence submitted, the report calls for considerable explanation as to the laxity of administration by successive Governments. I want to remind members, as is stated in the report of the select committee, that the Wyndham Meat Works were originally designed for the purpose of supplying chilled meat to the metropolitan area. The plans submitted by Mr. Nevanas were for works to supply

chilled meat. Some time afterwards it was decided, as set out in question 290, that the original idea of the works was not practicable. I have not gone into the reasons why.

Hon. J. J. Holmes: The freights would kill it.

Hon. A. H. PANTON: Anyhow, an alteration was made. I think members will agree that this is the point where a halt should have been called and the whole matter reconsidered from the new aspect. Evidently nothing of the sort was done. The Government simply got someone else to go into the question of freezing. In view of the alteration it was decided that the matter should be taken up by the Works Department. I have read the report of the evidence and I have some information as to what has taken place at Wyndham; I have had considerable experience of the disputes in which the men engaged up there have been involved, and I am of opinion that the disaster with which we are now faced had its origin at that time. This was due to a lack of supervision by the proper authority who, in my opinion, should have been the Minister for Works, and to the fact that the officers lacked experience in this class of work. Consequently, the cost of construction was altogether excessive. Time after time the high cost of construction was attributed to the high rates of wages, to the alleged policy of going slow and various other things. I know for a fact that the men engaged up there were occupied for nearly half of their time pulling down works which had been constructed by mistake. If the inquiry had been made by a Royal Commission, the men who had been working up there could have given some startling evidence. To give one instance of a huge mistake which was made: It was decided to erect a big room for freezing. A concrete floor was put down on huge jarrah beams and a considerable portion of the walls had been erected when it was discovered that the working drawing did not provide for any drainage. Several weeks were occupied in pulling down the walls and taking up the floor and rectifying this mistake in the design.

The Minister for Education: When did that occur?

Hon. A. H. PANTON: I cannot give the date, but I can obtain it if the Minister so desires. The man who told me said he was prepared to bring the workmen before the select committee to prove the statement. A considerable amount of this sort of thing went on. The cost of constructing the works having been so high, it was out of the question to expect the pastoralists who supplied the works with the necessary products to carry the load of such an over-capitalised concern.

Hon. J. Cornell: It is here to stay.

Hon. A. H. PANTON: I hope that it is, but the difference of opinion comes in on the question as to how it is going to stay. Is the State going to carry the baby or are we going to cut the loss and accept

half a crown or some other sum for it? Notwithstanding the blunders, which of course cannot be rectified immediately—it is a matter for the Government to decide as to who was at fault—the works are there and have to be used.

Hon. J. J. Holmes: The works are well constructed.

Hon. A. H. PANTON: That is so. Instead of cutting the loss as is suggested in Clause 4 of the report—and this by members who on principle are opposed to State trading concerns—the industry should be given an opportunity to carry on under State control. The loss must be cut whether it is done by way of selling the works at a sacrifice or by writing down the capital cost. I do not expect very much to result as an outcome of the select committee's report. The Leader of the House will no doubt tell us that the Government will give it due consideration. They are like all Governments; they give due consideration to the reports of all select committees and Royal Commissions. We have many scores of such inquiries made not only by the State Government but by the Commonwealth every year, and the reports are generally pigeon-holed and nothing more is heard about them. I do not know whether the House is going to divide on this question. I have no fault to find with the report, except Clause 4 which recommends the Government to endeavour to lease or dispose of the works as soon as possible. Having gone so far with these works, we should provide an opportunity to have them carried on properly. Certainly the position now is not what it was when the works were inaugurated; neither is the objective the same. It has been found impracticable to supply chilled meat from these works to the metropolitan area, and I venture to say that frozen meat sent from Wyndham to the Old Country cannot compete with the chilled meat from the Argentine. That country can send to the Old Country chilled meat of a much better quality than our frozen meat.

Hon. J. Cornell: If we cannot do that, we had better give the works away.

Hon. A. H. PANTON: My conclusion, after reading the reports of experts, is that prime meat can be sent from Argentine in a chilled state and command top prices, whereas we can send only frozen meat. Consequently, we cannot compete.

Hon. A. Sanderson: Why cannot we send chilled meat?

Hon. A. H. PANTON: Probably for the same reason that it is not practicable to bring chilled meat from Wyndham to Perth.

Hon. J. J. Holmes: With chilled meat you have to hang every quarter; with frozen meat you can stack it like bricks.

Hon. A. H. PANTON: I understand that is the position, and that it is impossible to get the amount of space at a reasonable cost to send the meat in a chilled condition to Great Britain. From my reading of the evidence of Mr. McGhie, if he is an expert on

the subject, a boat would be required every week or ten days to carry away the meat in a chilled state. I hope the Government are considering the best means of utilising these works. We were faced with this position when it was found that chilled meat could not profitably be brought to the metropolitan area; we are faced with the same position at the present time. No one has been made out against State trading concerns. The case which has been made out is one of mal-administration by the department responsible for this particular trading concern. Members have not discussed the question from the point of view from which it should be regarded. Mr. Ewing, Mr. Holmes and Mr. Miles were very definite in their statements. On principle they are opposed to State trading concerns. On principle I am just as much in favour of State trading concerns. The report of the select committee and the debate on this motion have revealed nothing to show that State trading concerns are a failure, except as regards administration in this case, and then only in connection with the construction, simply because the experts or alleged experts employed did not know their business. If the question goes to a division, I shall be prepared to vote for the adoption of the report, provided Clause 4 is deleted.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [3.28]: I hope it will be recognised as impossible, and at all events undesirable, that I should attempt to traverse exhaustively the whole of the points raised in the select committee's report or to refer at any great length to the evidence taken. I propose to deal chiefly with those points to which special reference has been made during the course of the debate, and it will also be my duty—and I trust members will recognise it as such—to place before the House the views of the management in certain instances where the management consider that the report of the committee, through misunderstanding on the part of the members of the committee, does not rightly represent the case. There is no suggestion that the committee have in any way wilfully misrepresented matters, but the management do contend that because of misunderstandings on certain points, the position is put by the committee in a way not entirely in accordance with the facts. The manager also makes a complaint that he was not afforded an opportunity to rebut statements or explain matters which the report assumes to be facts. He says that the opportunity might easily have been given him to correct wrong impressions instead of publishing incorrect statements. That is one of the complaints which the manager makes.

Hon. A. Lov-kin: Will you give us instances of that general statement?

The MINISTER FOR EDUCATION: Yes. I want to get rid of some extraneous matters which have been raised during the debate. Particularly do I claim the right

to reply to certain charges made against the Premier and myself by Mr. Miles. I know that hon. member takes very strong views on certain matters. He told us he was in favour of selling the State railways. He also advocates the employment of indentured labour in the North. I am not going to argue as to whether he is right or wrong, but I ask him to believe that people who do not take these extreme views are not necessarily stupid or dishonest, and that they are entitled to be given credit for the same sincerity and single mindedness in public affairs as he would himself like to be given credit for. The hon. member charged the Premier and myself with misleading the public, particularly in regard to the influence of State trading concerns upon the State's deficit. I emphatically deny that, either on my part or that of the Premier, there has been any misrepresentation or any attempt to mislead the public. The statement that the Premier made was that the State trading concerns were in no way responsible for the deficit as disclosed in the Consolidated Revenue and Expenditure Account. That statement is absolutely true.

Hon. G. W. Miles: But—

The MINISTER FOR EDUCATION: Will the hon. member wait a minute? I cannot believe he is unable to understand, and I am altogether unwilling to think that he will not understand. The statement that the State trading concerns were in no way responsible for any part of the deficit as shown in the Consolidated Revenue and Expenditure Account is entirely accurate, for the reason that the State trading concerns are differently financed. They are financed from loan funds, and the Treasurer acts as their banker.

Hon. A. Sanderson: The State trading concerns are financed by loan money?

The MINISTER FOR EDUCATION: Of course they are. The loan money is provided by Parliament from time to time for the purpose of finding working capital.

Hon. A. Sanderson: I mean apart from capital.

The MINISTER FOR EDUCATION: Both capital and working capital. Mr. Miles is right in saying that any losses made by the State trading concerns would be an additional loss on the State's account for the year in addition to the deficit. That is a perfectly correct statement, but he is altogether wrong in assuming that because of that large increases must be made to the deficit as disclosed on the 30th June, 1921, for the reason that if the whole of the State trading concerns are taken up to the 30th June, 1921, it will be found that the profits gained on certain of the State trading concerns have practically balanced the losses made on others. I will not go so far as to say there have been no losses whatever. I have not gone so closely into the matter that I am able to say. So far as the smaller State trading concerns go, there is a profit. There is a profit on the hotels and on the ferries,

and on one or two other small things, which more than wipe out the losses on the other small things. So far as the big concerns go, there were very large profits made by the "Kangaroo" during the war, and large profits were also made by the State Sawmills.

Hon. G. W. Miles: If you realise the full value of the stock.

The MINISTER FOR EDUCATION: An honest balance sheet will show that; just such a balance sheet as the hon. member would present to the Commissioner of Taxation as showing the position of his own affairs. As against the profits made by these two concerns, there have been large losses on account of the Wyndham Meat Works, and smaller losses on account of the State Implement Works. Up to the end of June, 1921, it would be entirely wrong to say there have been large losses on the State trading concerns as a whole. If there has been any loss on them as a whole it would only be a small matter. I made this statement more than six months ago, when the hon. member said that the Premier was misleading Parliament. The statement is a clear one. I also added at the time that this fortunate state of affairs would not continue, for the simple reason that the "Kangaroo" could not go on making the big profits she made during the war.

Hon. J. CORNELL: She will not pay interest on her present capitalisation.

The MINISTER FOR EDUCATION: I hope that will not be so. From my knowledge of the position I doubt very much if the State Saw Mills will prove as profitable in the future as they have been during the last year or two when the price of timber was high. We all hope that prices will continue to keep up, but it would be very dangerous to assume that there will be a sufficient profit on the saw mills to nearly represent the loss which is likely to be incurred in the other enterprises. I say, therefore, that for this year and future years I am of opinion that there will be very considerable losses on the State trading concerns as a whole, and that this loss, although it may not make its appearance in the annual statement of revenue and expenditure, will be an addition to the indebtedness incurred by the State during that period. That is a perfectly honest and straightforward statement. It is a statement I have made over and over again, and it is fully in accord with the statement made by the Premier. Neither he nor myself is entitled to be charged with misrepresenting the position or misleading the public. Up to that time the State trading concerns had not contributed to the deficit, and up to the 30th June they had not incurred any considerable loss which increased the indebtedness of the country.

Hon. G. W. Miles: What do you mean by any considerable loss?

The MINISTER FOR EDUCATION: They have practically balanced each other.

Hon. G. W. Miles: Do you think the difference would be about £100,000?

The MINISTER FOR EDUCATION: I do not think it would be nearly that.

Hon. A. Sanderson: You will stand by the statement you are making to-day?

The MINISTER FOR EDUCATION: Quite so. It is the same statement I made months ago, and have repeated frequently.

Hon. J. J. Holmes: The Premier said the State steamers had paid £189,000 into revenue. Is that correct?

The MINISTER FOR EDUCATION: They have paid in a certain amount. My attitude towards State trading concerns now is the same as it was before. I do not care whether they pay or do not pay. It is a wrong thing for us to have them, for they discourage private enterprise and it is outside the proper functions of Government to carry them on. I do not think they can do so successfully. This possibility does not apply to such public utilities as railways, tramways and that sort of thing.

Hon. A. Sanderson: And steamers?

The MINISTER FOR EDUCATION: I admit that any argument which may be advanced for the State construction and ownership of railways for development purposes may also be advanced in the case of the State ownership of steamers for development purposes, but not from the point of view of a State trading concern.

Hon. G. W. Miles: Does that statement cover the whole of the loss on the Wyndham Meat Works, and the £100,000 written off the State Implement Works?

The MINISTER FOR EDUCATION: I think it practically would cover that to 30th June, 1921. There were profits amounting to over a quarter of a million pounds on the State steamships.

Hon. J. J. Holmes: On the "Kangaroo."

The MINISTER FOR EDUCATION: There were large profits also made by the State Saw Mills and there have been profits extending over several years from the State hotels, etc. If all these accounts are balanced I think it will be found there is very little difference.

Hon. J. Cornell: The sum of £200,000 was recently spent on the "Kangaroo."

The MINISTER FOR EDUCATION: That must be charged to capital account. I have said over and over again that this state of affairs will not continue. The "Kangaroo" will not continue to make that profit, but the money spent on the "Kangaroo" is not a loss on trading, for it goes against capital account. If the value of the steamer is taken into account and a balance sheet is made up on that score, it will probably be found that all the profits made on the "Kangaroo" have been eaten up by her.

Hon. A. Lovekin: Where there have been profits, the profits have been taken into revenue. Where there have been losses they have been charged up as losses. Is that right?

The MINISTER FOR EDUCATION: No. Very small profits have been taken into revenue. I do not intend to dwell at any length on the origin of the Wyndham Meat Works. I do not think that for the establishment of these works the Labour Government can be particularly blamed. The clamour for their construction came chiefly from the pastoralists' section. In this House they were strongly supported by the representatives of the North. A great many members of this Chamber, myself amongst them, accepted the opinions of those hon. members. Pretending to no knowledge of the subject we accepted the opinions of those members whom we presumed had the necessary knowledge. We accepted what we believed to be the best opinions of the House. The only hon. member who opposed these works was, I believe, Mr. Kirwan. Without casting any reflection upon him I would say that many of us regarded him as not possessing the same special knowledge of the matter as did the representatives of the pastoralists.

Hon. J. Duffell: That is so.

The MINISTER FOR EDUCATION: As Mr. Pantan has just reminded the House the whole undertaking was based on a misconception, that meat could be chilled and sent to the metropolitan markets. There was no member of this House or of another place, or of the public or the Press, who disturbed that understanding. Mr. Holmes, I believe, said he realised that this was impossible. I do not know if he said he had reported the matter to the Government.

Hon. J. J. Holmes: I do not know that I was in the State. It was only within the last year or two that I realised the impossibility of the works carrying on as a chilling proposition.

The MINISTER FOR EDUCATION: It has often occurred to me that if at that time we had a public works committee, such as was recently proposed in the Bill rejected by this Chamber, and that committee had inquired into the matter, and had taken the best possible evidence upon it, the House would have had the full facts before it, and that if members had known the position the works would never have been entered upon. They were started under this misconception. There was this blight upon the concern from the very start. The fact was the works were started for a purpose which was a misdirected one.

Hon. J. Ewing: They found that out before they had spent very much money.

The MINISTER FOR EDUCATION: It was not found out until a large sum of money had been spent.

Hon. J. Ewing: I think £100,000.

The MINISTER FOR EDUCATION: They spent a much larger amount than that, and they were committed to a far greater sum before this was found out.

Hon. J. J. Holmes: A quarter of a million.

The MINISTER FOR EDUCATION: About £150,000 had been spent on the works and they were committed for another quarter of a million as well. Directly it was found out steps were taken to alter the matter.

Hon. G. W. Miles: The sum of £240,000 had been spent when the Labour Party went out of office.

The MINISTER FOR EDUCATION: The sum of £148,000 had been spent, and the works were committed to the extent of another £230,000. The estimate then put before the Wilson Government was that another £72,000 would finish the job, the total estimate being £450,000. In view of that I do not see that the Government could have done anything else except push on with the work. At that time meat was selling at a high price, and it was expected that the price would remain up. This estimate of £450,000 to complete the works was entirely falsified, as has been the case in other instances.

Hon. J. Ewing: Who was responsible for the estimate?

The MINISTER FOR EDUCATION: The officers of the Public Works Department, and Mr. Dalton, who was then the engineer in charge of the construction. Then followed the appointment of Mr. McGhie, and consequent changes. I do not think there is the slightest doubt that the officers of the Public Works Department were called upon to take on a job for which none of them had had any special training. That is admitted by the Public Works Department. Not one of the officers had been previously employed on the erection of freezing works.

Hon. G. W. Miles: The select committee state that.

The MINISTER FOR EDUCATION: I entirely agree with that. The decision to appoint an engineer having experience of similar enterprises was inevitable, so to speak. It is no part of my intention to say anything against Mr. Dalton, but I do not think that Mr. Dalton had the requisite experience to carry out the construction of the works or to manage them after they had been constructed. At the same time, I admit that good work has been done at Wyndham; and I wish to say that I have no knowledge of the matter mentioned by Mr. Pantan. So far as Mr. McGhie is concerned, he was appointed after the closest investigation, and on the highest possible recommendations, and with a record, so far as I know, equal to that of any meat works manager in Australia. I personally think that Mr. McGhie is entitled to a good deal more sympathy than the select committee were inclined to extend to him.

Hon. A. Lovekin: Mr. McGhie got a hearing.

The MINISTER FOR EDUCATION: Mr. McGhie came over to the Wyndham Meat Works, and he evidently found that very considerable errors had been made in the matter of construction. It seems to me that

it is to Mr. McGhie's credit that he did not rake up the past, and did not try to find fault with what his predecessors had done, but set himself to correct things with as little display as possible. Then, having overcome those difficulties, Mr. McGhie was faced with what nobody could have foreseen—a market falling to such an extent that the loss of profit on the first year's operations, as compared with what the market was when it opened, that the difference amounted to upwards of £100,000, between £100,000 and £150,000. But for that drop in prices, there would have been no loss on the first year's operations; and that, I say, is a thing for which the manager of the works could not be held responsible.

Hon. G. W. Miles: Does your statement as to the losses on the State trading concerns allow for depreciation and interest?

The MINISTER FOR EDUCATION: Yes.

Hon. G. W. Miles: It allows for everything?

The MINISTER FOR EDUCATION: It does not allow any depreciation on the Wyndham Meat Works, but that item has never been taken into account.

Hon. G. W. Miles: Does it allow depreciation on the State Implement Works?

The MINISTER FOR EDUCATION: Yes. Now, the select committee make the following statement:—

Mr. McGhie further proposed an alteration of the railway by cutting away a costly reinforced concrete platform; which the Chief Architect characterised as being unreasonable, and a waste of money.

Then there is another statement by the committee—

Mr. McGhie further proposed an alteration to the cattle yards which the Chief Architect also decided to be unnecessary.

On these statements Mr. McGhie says—

When the estimated cost of this work was stated by the Public Works Department, I dropped the idea. Our scheme for additional cold storage provides for remedying the defect in the original rail scheme as far as now practicable. I have had much practical experience of the traffic involved in shunting empty and full trucks during the loading of frozen beef, tallow, and other products into a large steamer, working two or more holds concurrently. I have a good conception of the labour bills involved by protracted shipping, due to lack of proper shunting facilities. I know how the handling cost per ton mount up when gangs at the various loading platforms are kept waiting for trucks—16 hours out of the 24 at overtime rates. I know, too, how necessary it is to avoid risks of demurrage on large steamers. In the circumstances you will see that the casually expressed opinion of any officer of the Public Works Department could not seriously be set up against that of a management who have

to keep working costs at a minimum, whilst making the most of the limited man power available at Wyndham.

Hon. A. Lovekin: But it was not a casually expressed opinion; it was a considered opinion.

The MINISTER FOR EDUCATION: Then, with regard to the cattle yards, Mr. McGhie writes—

Similarly, the opinion said to have been expressed by the Chief Architect—that the alteration to the cattle yards was unnecessary—cannot seriously be maintained against the practical knowledge and actual observation of five experts with years of experience in the frozen beef export business, representing hundreds of thousands of cattle handled. Bruising, "bone taint," and "fiery" beef are the chief causes of loss incurred by faulty handling of cattle intended for freezing. Our first season's working furnished ample proofs to any practical man of the need for alterations of the whole cattle-handling scheme as first designed.

So far as I am concerned I would have no hesitation in accepting, on a question of this kind, the opinion of the freezing works expert in preference to that of the Chief Architect, who can have no practical knowledge whatever of this work. I do not think it entirely fair to Mr. McGhie that the committee should put this matter in the way they did, as a reflection on Mr. McGhie. If this had been a matter for a Royal Commission, Mr. McGhie's opinion would have prevailed, I think.

Hon. J. J. Holmes: Can you tell us what Mr. McGhie is? Is he an engineer, or a frozen meat man, or what?

The MINISTER FOR EDUCATION: I believe Mr. McGhie has been in the frozen meat business all his life.

Hon. J. Duffell: Twenty-five years in the Queensland Meat Association.

The MINISTER FOR EDUCATION: Mr. Holmes had Mr. McGhie before him, and could have questioned him concerning his qualifications. It would have been a fair thing for the hon. member to question Mr. McGhie on the subject, if he had any doubts as to Mr. McGhie's qualifications.

Hon. J. J. Holmes: He was questioned, and said he was an expert in every branch of the business.

The PRESIDENT: Order! I will ask hon. members to allow the Leader of the House to proceed without interruption.

The MINISTER FOR EDUCATION: On the question of the hot pickle and cold pickle processes. Mr. Ewing directed attention to the fact that the select committee expressed no opinion. They say—

Mr. Dalton recommended what is known as the hot pickle process in respect to the canning—a process which, he said, was considered to be the latest thing, the cold pickle process being known as the old style. Mr. McGhie, then in full control,

commenced to convert the hot pickle process into the cold pickle process, which involved considerable expense for slate vats and open metal baths, the scrapping of 12 cold storage wagons, which had cost over £4,000, and the replacement of them by other trucks. In this change over £16,400 worth of plant and material was scrapped.

I consider the putting forward of statements of that kind extremely unfair to Mr. McGhie, unless the committee were of the opinion that what Mr. McGhie had done was wrong. I do not know whether the members of the committee are prepared to express an opinion as to whether the hot pickle process was practicable or not. I do not know whether they are prepared to express an opinion as to whether or not Mr. McGhie was right in saying, not merely that the cold pickle process was preferable, but that it was essential.

Hon. J. J. Holmes: We tried to find out, and could not.

Hon. J. Cornell: I expressed myself on the matter at the meetings of the committee.

THE MINISTER FOR EDUCATION: This is what Mr. McGhie says on the subject—

These statements indicate a lack of knowledge of the subject, and also misinformation on facts about which I was given no opportunity to correctly inform the committee. As to the comparative merits of the hot and cold pickle processes the difference in quality of the two products is so marked that, had we been able to use the cold pickle process, I am sure that our corned beef would have been much more readily saleable than it has been. This would have enabled us to get the advantage of earlier markets by selling more rapidly than has proved possible with the hot pickled beef. The net benefit of this—in higher prices, and saved costs of storage, etc., in London—would probably have amounted to many thousands of pounds. The cold cure process is used in all modern meat works where the meats have to compete in British and Continental markets—the only outlet for 6lb. meats. The term “old style”—

That term was applied by Mr. Dalton to the cold pickle process—

The term “old style” could much more appropriately be applied to the lay-out of the boning and canning departments as I found them. These were modelled upon the practice of meat works before refrigeration was available, when cattle were cheap, wages low, overtime for night work not incurred, and London markets relatively profitable. Conditions are entirely different to-day. The impression might be given by the report, that I was able to adopt and use the cold pickle process. This was not the case. The completion of the works was so belated that it was impossible to effect the change for the 1919 season. The en-

forcement in the 1920 season of the Commerce Act regulations (requiring boning to be done within a suitable building) debarred our using the open air space provided for this department in the designing of the works. We had, therefore, to do the boning in a chill room after removing the pickling vats from it; hence hot pickling was unavoidable. The report states that “in this change-over £16,400 worth of plant and material was scrapped.”

Mr. Ewing laid stress on that yesterday. Mr. McGhie states—

This was not so. I have no means of knowing how these figures were arrived at, or where the statement originated. The “scrapping of 12 cold storage wagons, which had cost over £4,000, and the replacement of them by other trucks” is alleged. These insulated wagons have nothing to do with the question of pickling system; they appear to have first been designed for the purpose of conveying chilled beef, hung from the roofs of the wagons.

Here we again come up against the original error, which was responsible for nearly all this trouble.

When the idea of chilled beef shipping was abandoned, apparently it was decided to use the trucks for carrying frozen beef to the ship's side. This is one of many instances where “a little knowledge” was costly, if not dangerous. We adopted the much more efficient and economical method of using ordinary open trucks, available and essential for transporting general cargo, inwards and outwards. This saved stowage of frozen beef in the vans in the works, and also saved rehandling it into the slings on the wharf—an unjustifiable exposure of frozen goods in a climate like that of Wyndham, seeing that the jetty is close to the works. The plan adopted proved entirely effective. It enables the slings to be made up at the cold store by a minimum handling gang. The slings of beef are sufficiently protected by suitable covering. The trucks are run alongside the ship to suit speed of stowage, and are hooked up and swung aboard with minimum exposure. Not a single quarter or package of the three shipments we have made—the “Palermo” loading during February weather—was in any way deteriorated. The labour cost was minimised, and the rate of loading speeded up—two important factors when overtime working and wages rates cannot be avoided and where good despatch to steamer is particularly necessary. The car-lock and the rail system provided for the use of the loading of the 12 insulated vans was, in any case, unworkable. The cars were said to have cost £3,900. The freight to carry them from Fremantle to Wyndham was quoted at another £1,000, plus cost of dismantling them and reassembling them at Wyndham. We had no use for the cars, and suggested that they be taken over by the Railway Department, and adapted

for use in carrying frozen meat from the new Fremantle works. I understand this was done; at all events, the meat works got credit for about £3,900 for their transfer for other uses.

To my mind, that throws an entirely different light, so far as Mr. McGhie is concerned, upon this question of the translation from the hot pickle method to the cold pickle method, and the cost involved therein; and it does seem to me that, had the committee probed into the matter thoroughly, they would not have put forward in their report paragraphs which, without this explanation, certainly do reflect very seriously on Mr. McGhie.

Hon. A. Lovekin: That does not affect the question one iota.

Hon. J. J. Holmes: He side-tracked that, and you know it.

The PRESIDENT: Order! Hon. members will have an opportunity at a future date of rebutting the statements now being made by the Leader of the House. I must ask them to refrain from interjections.

The MINISTER FOR EDUCATION: Mr. Ewing commented on the fact that the select committee had expressed no opinion as to whether the change from the cold pickle to the hot pickle process was the right thing. Mr. Ewing also commented on the fact that this change had involved the scrapping of about £15,000 worth of material. I say that the manner in which the case has been presented is not fair to Mr. McGhie if, as he states here, and I believe it is correct, the only thing to do was to alter to the cold pickle process, that it would have been fatal to go on with the hot pickle process, and that the loss stated in the report did not actually occur.

Hon. A. Lovekin: Wait and see.

The MINISTER FOR EDUCATION: I should think that Mr. Holmes, with his extensive knowledge of this business, would have been able to say which of the two processes is now recognised as the better process. However, he says he does not know. Mr. Moore declared that the trouble with the Wyndham Meat Works was that there had been no policy, the management not knowing what they were to do. I do not know whether Mr. McGhie conveyed that impression to the committee. I can find nothing in his evidence to suggest such a thing. So far as I am concerned, I know of only one matter in which there has been indecision, or a suspension of decision, or alteration of decision—only one matter. Every other point on which Mr. McGhie has approached the Government and asked for a decision has been decided. Mr. Moore said that even at the present time Mr. McGhie did not know whether the works were to be operated during this coming year. To suggest that it was a reflection upon the Government and upon the administration because Mr. McGhie did not know whether the works were to operate this year, is—

Hon. A. Lovekin: But he said it.

The MINISTER FOR EDUCATION: As meaning a reflection upon the Minister?

Hon. A. Lovekin: Yes, that is the way he said it.

The MINISTER FOR EDUCATION: I discussed this matter with Mr. McGhie only yesterday, and he said that no sane man with any sense of responsibility would dare at the present moment to make a recommendation to the Government as to whether the works should or should not operate. I will deal with the matter later on, however, and, in the meantime, I admit that there is one point upon which there has been indecision, alteration, and a holding up of the position. Only on that one point can the Government and the Minister in charge be accused of not giving a decision. That point refers to the extension of the freezing accommodation. The necessity for this increased storage accommodation arose because of the altered purpose to which the works were put. It was originally a chilling proposition and when it became a freezing concern, the necessity for increased storage accommodation became emphasised. The need for this has been frequently urged in 1920, but the Government were naturally loth to incur any additional expenditure on top of the moneys already expended. Consequently, no decision was arrived at. About the middle of 1920, I visited Wyndham and spent three or four days on the works. During the time I was there, I endeavoured to obtain some sort of estimate as to the cost of providing the additional freezing accommodation which was required. I did obtain from the management a very clear statement of the effect upon the works of not having the necessary storage accommodation. The statement which I received set out that every beast that was canned instead of frozen, because of the absence of the storage accommodation, meant a loss of £2 8s. 9d. per head. I do not think any other conclusion could have been come to, supporting, of course, the constant appeals by the management for increased accommodation. If the works are to be successfully operated, they must be able to treat the maximum quantity for which they were constructed, namely, 30,000 head, and be able to deal with the whole of the freezable beef up to that total. I endeavoured to obtain while at Wyndham an estimate of the probable cost of the increased accommodation. The officers were not prepared to furnish it. I asked them if it would cost much and some said it might be more and some said it might be less. I do not intend to cast any reflection upon the officers who said they simply could not tell me. I came away from Wyndham, however, with the impression that the cost would be from £30,000 to £40,000.

Hon. A. Lovekin: That appears on the file.

The MINISTER FOR EDUCATION: That is so. On returning to Perth I went into this matter with the officers here, and they threw doubt on the suggestion that the necessary work could be constructed for the amount I have indicated. They were loth to

give any opinion. When I put the matter before Cabinet, I pointed out how important this work was. I told them the opinion I had formed at Wyndham and also my impression since I returned to Perth, which was that the work might cost up to double the amount I have indicated. There is a telegram from Mr. McGhie bearing on this aspect. I do not remember that it was ever brought under my notice at an earlier period. Hon. members should remember that I had nothing to do with this business at that time, and my recommendation was simply put forward as a result of my visit to Wyndham. Many things may have happened of which I would have no knowledge and I have no recollection of seeing this particular telegram. Therein, however, Mr. McGhie suggests that the cost spread over two years would be some £90,000. It will be seen that Mr. McGhie's estimate was higher than the highest estimate given to me. There is another minute of mine on the file after Mr. Allen had submitted his estimate.

Hon. G. W. Miles: How did he come to be appointed?

The MINISTER FOR EDUCATION: He was appointed on the recommendation of Mr. McGhie and it should be remembered that Mr. Allen's record and credentials are perhaps the highest of any meat works expert in Australia.

Hon. A. Lovekin: By whom was he appointed to do this work?

The MINISTER FOR EDUCATION: By Mr. McGhie. I presume the hon. member refers to the drawing up of plans and estimates.

Hon. A. Lovekin: Was that on the authority of the Government?

The MINISTER FOR EDUCATION: Yes. Of course, that appointment has no relation to the agreement which the hon. member may have in mind. Mr. Allen had previously done work for the Government in the same way. Mr. Allen was the engineer appointed at the time the works were converted from the hot-pickle to the cold-pickle system. In point of fact, immediately after Mr. McGhie went to Wyndham he said that it was impossible to operate the works successfully as they then were and that he must have the advice of the best meat works expert available, before he could proceed. That was when Mr. Allen was first appointed in connection with the Wyndham Meat Works.

Hon. J. Ewing: His appointment was purely temporary.

The MINISTER FOR EDUCATION: Yes, to draw plans and specifications and put up estimates for the increased accommodation. In a minute of mine appearing on the file, I said I was staggered by the estimate furnished by Mr. Allen. That estimate was, I think, for £217,000. That estimate went on to Mr. Baxter, who was then Minister in charge of the meat works, and from him it went to the Premier. As the recommendation had been brought forward by me, the

Premier sent the estimate on to me for my information. The Premier, of course, was very much concerned regarding the increased cost.

Hon. A. Lovekin: And well he might have been.

The MINISTER FOR EDUCATION: That is the one case in which the Government have not given a decision in connection with these works. We simply could not face an expenditure of over £200,000. Subsequently, Mr. McGhie and Mr. Allen conferred, with the result that an amended scheme was brought forward involving an expenditure of £118,000. The Government have not approved of that scheme.

Hon. T. Moore: Have they disapproved of it?

The MINISTER FOR EDUCATION: No. I do not know whether the Committee blame the Government for not having approved of that scheme. For my part, I have given hours of consideration to this matter.

Hon. J. Cornell: Have you not said that the work was necessary?

The MINISTER FOR EDUCATION: Yes, but to say that and to say that the work must be done at whatever the cost, are two different things. It is an easily understandable attitude to adopt if we say that though the work is necessary, as prices are coming down—cement and iron, both big factors in the scheme, are coming down in price—and that we do not know how long it may be before the works can be profitably operated, there may be wisdom in waiting. I admit that the Government have not seen fit to come to a definite decision regarding the increased storage accommodation. The reason for this is that the cost is so tremendously in excess of what it was estimated at the time we decided to do the work. This is by no means the only work in the State which the Government have resolved upon in view of preliminary estimates and yet have found it necessary to hang up, because the final estimates have been so much higher.

Hon. J. Ewing: Did Mr. McGhie estimate what the work would cost?

The MINISTER FOR EDUCATION: I have already said that Mr. McGhie estimated that the cost at that time would be £90,000 spread over two years. I want to be perfectly clear on this aspect. I do not blame anyone at Wyndham in that I could not get an estimate as to what the works would cost from the officers up there. The impression I gained was that the alterations would cost from £30,000 to £40,000. Later my impression was that it would cost upwards of £70,000 and that is what I told Cabinet. Now I find that Mr. McGhie suggested in the telegram I have referred to that the cost of the increased storage accommodation would be £90,000 spread over two years.

Hon. J. J. Holmes: The committee recommend that no further capital expenditure should be incurred for the time being.

The MINISTER FOR EDUCATION: And the Government heartily endorse that recommendation. We must see where we are. That is practically the attitude the Government have taken up. Coming to the commission paid to Brown and Dureau Ltd. it is a fact that no Ministerial approval was sought or given to the payment of extra commission. The whole matter was referred to the Solicitor General for his opinion, and in a report which Mr. Sayer submitted within the last two or three days—it only reached me this morning—he said—

Brown and Dureau's original proposal of 11th April, 1918, through R. Spaven, was remuneration at one per cent. on invoice values. The proposal was renewed on the 7th April, 1919, the remuneration being increased to 1½ per cent. On 15th April, 1919, there was a discussion between Mr. Spaven (representing Brown and Dureau), the Minister—

I think Mr. Baxter was the Minister at the time—

the Under Secretary for Agriculture, and Mr. McGhie. Shortly afterwards, Mr. McGhie left for Wyndham, but in the meantime discussed the conditions with Mr. Dureau, who, I understand, had come over from Melbourne. On the 18th July, 1919, the Under Secretary for Agriculture telegraphed Mr. McGhie stating that he understood terms could not be finalised pending further advice from the company, both local and from London, and pending this, the Minister desired to know by telegram the reasons for appointing that company and the proposed commission. Mr. McGhie replied on the 21st July stating the reasons and that the commission was 1½ per centum, subject to discussion of services comprised and also to London brokerages.

That telegram appears on the file—

From an agreement I have seen between certain meat export works in Queensland and their commission agent, I find that the commission fixed for frozen meat is exclusive of customary brokerage in London, and that the commission at a higher rate on canned meat is inclusive of such brokerage. The commission which has in fact been paid to Brown and Dureau (or their representative in London) of two per cent. including brokerages paid, compares favourably with the conditions of the Queensland agreement to which I have referred. The question, it seems to me, is whether customary brokerage (by which I understand is meant payment to commercial travellers, etc., in connection with overseas business) was to be allowed as a disbursement. According to Mr. McGhie's telegram of 21st July, to which I have referred, the commission of 1½ per cent. was subject to discussion of services comprised, and also to London brokerage. When account sales were rendered the commission was stated at

2 per cent., including brokerage paid. On the assumption that the agents were entitled to charge their actual disbursements in respect of brokerage, Mr. McGhie, I understand, regarded ¾ per cent. as an average charge to cover all disbursements for brokerage as reasonable, and on that footing passed the accounts for payment.

I give that to hon. members as the opinion of the Solicitor General on the whole of the facts.

Hon. A. Lovekin: That is, as against a definite contract.

The MINISTER FOR EDUCATION: I do not give it as my view, but as that of the Solicitor General.

Hon. J. Ewing: Do you think it right that Mr. McGhie should do that without having your authority?

The MINISTER FOR EDUCATION: No. I do not think it was right, but that is the opinion of the Solicitor General. The information shows that Mr. McGhie received a quotation and that Brown and Dureau by some arrangement increased the percentage. There was a written contract and in the face of it, this action has been taken. Of course, there is a reference in a telegram from Mr. McGhie regarding a discussion on London brokerage.

Hon. J. J. Holmes: Yes, Mr. McGhie raised it.

The MINISTER FOR EDUCATION: The commission was 1½ per cent. to cover everything. Whatever Mr. McGhie may say regarding the practice of the trade, my own attitude is that there should be no variation of a written contract until Ministerial approval has been received. I have simply given the Solicitor General's opinion, and I say I do not consider that any variation in the written agreement signed by the Minister should have been made without the same procedure being gone through as was followed when the agreement itself was made. As a matter of fact, the agents had a pretty poor time over it, and I do not know that they were able to do very well out of it. However, the point is that there should have been no variation of the agreement.

Hon. J. Ewing: Should not Mr. McGhie be reprimanded for having varied it?

The MINISTER FOR EDUCATION: Mr. McGhie has given his explanation. As for the agreement with Mr. Allen, I do not propose to discuss it, except to say that it has never been approved by the Government, and to tell the House that there is an agreement with Mr. McGhie which prohibits him from binding the Government in any matter of this kind.

Hon. J. Cornell: The agreement with Mr. Allen is drawn in your name.

The MINISTER FOR EDUCATION: But anybody can draw an agreement in my name. The point is, I have not signed it.

Hon. A. Lovekin: Mr. McGhie entered into the agreement and bound the Government.

The PRESIDENT: I must again ask hon. members to await an opportunity for speaking.

The MINISTER FOR EDUCATION: There is in Mr. McGhie's agreement a clause which prohibits him from binding the Government without the Government's approval and, as I say, this agreement with Mr. Allen has not been signed by the Government. Now we come to the question of the balance sheet for 1921, and the very heavy loss as against the estimate. This is what Mr. McGhie says—

Appended is accountant's statement of actual and estimated expenditure on profit and loss account for the year ending 31st December. The summary at its foot shows broadly the factors accounting for the loss indicated. The main item (£40,326 plus £28,000 in the 1920 accounts) results from delayed shipment of frozen beef and other products. I can only say that had my policy of selling our beef to the Imperial Government and claiming our share of steamer space been persisted in, the loss on this item would probably have been negligible. I had anticipated according to this plan having the whole of our beef and other products shipped out by October 1920, after which our labour and fuel expenditure would have been promptly terminated. You will recollect the circumstance relating to the proposed withdrawals of the "Boorara" shipment from the Imperial contract, and the necessary subsequently reversal of this policy. The item £17,438 relating to cancellation of 1921 season would of course have been reduced to a fraction of this had we known at the end of the 1920 killing season that we would not be operating in 1921. On the other hand had we not cancelled the season our losses—as markets and trade rates have been—would have been enormous.

Mr. McGhie points out that whereas he estimated the loss if the works were operated at £168,318, he estimated that the beef would be sold at 6d. per lb. Now he says that had we gone on we would not have got 6d. per lb., but would have got 4½d. per lb.

Hon. J. Duffell: I do not think we would have got even that.

The MINISTER FOR EDUCATION: I am judging that by what is being paid now. So it is hardly correct to say that if we had gone on with the work we should not have lost as much as we have lost; because many of the losses would have had to be incurred, and in addition there would have been the loss of 1½d. or 2d. out of 6d. per lb. for the product. Mr. Holmes, in moving the adoption of the report, mentioned that he had taken a deputation of cattle owners to the Premier, who replied that if the works had operated that year £169,000

would have been lost, whereas if the works were not operated we would have got out of it with a loss of £75,000. I think the hon. member added that the Premier asked Mr. McGhie to show him the balance sheet, and that therefore the Premier was merely passing on the information supplied to him.

Hon. J. J. Holmes: Yes. I say the Premier was perfectly frank about it.

The MINISTER FOR EDUCATION: Mr. McGhie says—

These figures were probably taken from a statement put up by the management in April, 1921. This statement related to a proposed programme of 15,600 cattle. Our previous estimate had been for a programme of 21,000 head. This number had to be reduced to 15,600 because of reduced shipping space in view of the British coal strike. The 15,600 programme showed a loss including interest and fire insurance of £168,318. The other figure (£75,000) quoted by Mr. Holmes probably relates to interest £69,000, fire insurance £3,500, and other expenses £2,500 or a total of £75,000. These costs were estimated to accrue in the event of the works being completely closed down and caretakers put in. It is not correct to say that they represent the anticipated loss for the year 1921 assuming no killing was done.

Mr. McGhie means that that would represent the loss if the works were closed down altogether. But it was impossible to do that, because the meat could not be removed until during the present year. To-day there are 270 tons of meat in the freezers at Wyndham. The details of the losses are given here, the principal item being the cost of carrying the beef in freezing chambers. To the 31st December, 1921, namely £40,326. Now I come to the most important question of all, namely that of future policy. Mr. Moore said the manager of the works did not even know whether or not the Government were going to operate this coming season. I venture to say the management of none of the freezing works in Australia know to-day whether the works will operate during the coming season. There may be one or two works controlled by the American Beef Trust which have decided to proceed, but I do not think Vesteys have come to any decision.

Hon. C. F. Baxter: I do not think any company has.

The MINISTER FOR EDUCATION: No. I do not think the Fremantle Freezing Works have come to a decision, nor the Carnarvon works, nor any of the works on the Queensland coast.

Hon. T. Moore: Indeed I think they have decided not to operate.

The MINISTER FOR EDUCATION: Most of them have not come to any decision at all.

Hon. J. Duffell: There is a glut of meat on the London market to-day.

THE MINISTER FOR EDUCATION: Quite so. That is a point requiring consideration from several angles. Here is a minute which Mr. McGhie wrote to me on the 25th November. Discussing it with me to-day, he said he saw no reason to alter the opinion here put forward—

I append cuttings from Melbourne and Brisbane Press, which focus the present aspect of the trade from the Australian point of view. The A.M.E. Company referred to in the Brisbane cutting is owned by Swift & Co. of Chicago, probably the best informed people in the meat trade. The fact of their keeping their Queensland works running at present is to me an indication that they anticipate reductions in freight rates which will enable them to export next season on a basis of say, 20s. per 100lbs. dressed weight of cattle. My view is that we should get in position as well as we can to organise a killing season for 1922. No avoidable commitments should be entered into, so that if, at the eleventh hour conditions do not appear to justify operating we could cancel as we did this year. Any company owning the Wyndham Works would follow this course. They would also—as I have myself done repeatedly for a company proprietary—base their estimate on the theory that such items as depreciation, interest, insurance, etc., on works as well as administration and other inevitable costs, would not be weighed when determining whether or not to operate

If that is the case with all private meat works, it should operate equally, if not more so, with the Government works at Wyndham, since we have to consider, not only the works themselves, but the general interests of the country and of the cattle owners of Kimberley. It is the only sane course to follow. Mr. McGhie's minute continues—

Estimated results of working account apart from the foregoing would determine this. Purchase of cattle, wages, materials, freights, interest on requisite working capital, and the like would be set against estimated proceeds of products and if no loss appeared probable operations would proceed. The speculative element would be eliminated as far as possible, although in a business of this nature it is not possible to do this entirely.

On that recommendation by Mr. McGhie we have proceeded, avoiding definite commitments, but doing those things which will be necessary if it should prove possible to operate. The select committee in their report says:—

Mr. McGhie candidly admitted to your committee that he could not see daylight in making the works a payable proposition for many years to come. The success or otherwise in his opinion, largely depended on the price of meat.

Mr. McGhie says he did not say he could not see daylight in making the works a payable proposition, but he candidly admits that the position depends on the price of meat. So much is obvious. Reference was made by Mr. Panton just now to competition with Argentine. The people in Argentine are in just the same difficulty. I have a recent cutting from an Argentine newspaper giving a report of a big meeting at which it was finally decided to send experts to England and the Continent to see if there were any means by which the position could be remedied. The select committee made no reference to the losses sustained in consequence of falling markets. That loss amounted to £150,000. On a full kill at Wyndham the matter of one penny per lb. would amount to a total of £50,000.

Hon. J. Cornell: Is it not a legitimate business chance?

THE MINISTER FOR EDUCATION: Of course it is, although I do not know that the manner in which meat market has risen and fallen during the last three or four years is entirely legitimate and is not influenced by considerations of which we know but little. It is not only labour unions that put up "a nigger in the fence," as Mr. Holmes says. I have seen a good many niggers in the fence put up by the other side. Mr. McGhie says—

Neither do they refer to the information I gave them to the effect that the working cost for the 1919 and 1920 seasons are no criterion of what may be anticipated. I stated that the estimated cost of wages and materials for a working season of 30,000 head, without canning, are as shown in the following table:—Wages, salaries and coastal fares 1919 season, £8 4s. 11d. per head. 1920 season, £5 13s. 9d. Estimate on season of 30,000 head £2 10s. per head.

Hon. J. J. Holmes: That is all in the report.

Hon. A. Lovekin: Yes, it is all on page 5. **THE MINISTER FOR EDUCATION:** The report sets out £7 5s. 5d. for bullocks in 1922, but there is no suggestion that we should pay that amount.

Hon. A. Lovekin: It came from your accountant, Mr. Tipping.

THE MINISTER FOR EDUCATION: I do not know that there is any intention of paying that amount for 1922. I know that at the time the Queensland works were paying 40s. and 45s. Wyndham was paying 20s., but to-day the single Queensland works operating, part of the American Meat Trust, are paying 20s. and they have paid in Queensland as low as 15s.

Hon. G. W. Miles: You will want your cattle for nothing this year.

THE MINISTER FOR EDUCATION: No, the Government are more anxious on behalf of the pastoralists than members give them credit for being. We are anxious that the pastoralists should obtain a fair and reasonable price, but they will not be entitled to receive £7 5s. 5d., and what is more they will not expect it. They would be very well satisfied with £5 per head.

Hon. J. Cornell: That is a hypothetical figure.

The MINISTER FOR EDUCATION: Why take a figure which is not in contemplation? The position would be altered if the committee had taken the figure at which the works are likely to operate.

Hon. J. J. Holmes: It was the figure supplied by your own department.

The MINISTER FOR EDUCATION: Did the department say we proposed to pay £7 5s. 5d. this season?

Hon. J. J. Holmes: The department put up those figures; not us.

The MINISTER FOR EDUCATION: All I can say is Mr. McGhie contends that the committee have based their estimates on the price of cattle being £7 5s. 5d. per head, which is so thing he never contemplated.

Hon. A. Lovekin: They are the figures of his own accountant, and a good man too.

The MINISTER FOR EDUCATION: Surely the accountant is not supposed to be a man who knows what should be paid for the cattle. It is his duty to attend to the accounts.

Hon. A. Lovekin: He did it after consultation with Mr. McGhie.

Hon. J. Cornell: And Mr. McGhie was present when the accountant made the statement.

The MINISTER FOR EDUCATION: The contention put forward by Mr. McGhie is entirely reasonable, that the committee had no right to put up the figure of £7 5s. 5d. per head as the basis of their calculations. Mr. Holmes with his own knowledge, would not say that £7 5s. 5d. a head was a reasonable price to suggest for 1922. He would be glad enough to sell to the works at £5 per head.

Hon. A. Lovekin: Why did not they tell us that?

The MINISTER FOR EDUCATION: Why did not Mr. Holmes tell the committee that?

The PRESIDENT: I point out to hon. members that their arguments would have very much more effect if placed before the Council as considered statements rather than as disorderly interjections.

Hon. A. Lovekin: I interjected to prevent the Minister from making statements which might be challenged afterwards. I wanted to try to put him on the right track.

The PRESIDENT: I think the hon. member is quixotic.

The MINISTER FOR EDUCATION: I do not know what statements are likely to be challenged. I do not care whether the committee got the information from the accountant; I say that £7 5s. 5d. was an unreasonable figure on which the select committee based its balance sheet. The manager contends that he had no hand whatever in giving that estimate, and says it is an absurd estimate. I go further and say that Mr. Holmes, at all events, knew that £7 5s. 5d. was not a reasonable figure to put up in the balance sheet.

Hon. J. J. Holmes: I know the Government advanced £5 per head as a safe advance on the cattle, and the amount involved was £75,000.

The MINISTER FOR EDUCATION: It was not that amount. The sum of £5 per head would be a reasonable one, and cattle owners would be well pleased to get it. If we overestimated the coming season and pay £5 per head for cattle, the loss on those figures would be £71,625 after providing interest £83,125, fire insurance £3,500, depreciation £30,875. If this proved to be the case, it would be a better proposition to work during the 1922 season than to allow the works to lie idle. In this connection, every effort has been made to arrange for shipping. The whole of the meat works in Australia arranged for their representatives to wait on the Prime Minister and endeavour to obtain reductions in the cost of shiping. They have succeeded in obtaining reductions amounting to 25 per cent. on frozen meat, 17 per cent. on frozen sundries, and 17 per cent. on tallow, equivalent to £1 1s. 10d. per head. But in the case of Wyndham, for reasons which I am not at all satisfied are legitimate, the decrease is smaller. Wyndham is surcharged ¼d per lb. as against all other works, and this means a matter of 11s. 3d. a head. An attempt was made to set this surcharge against Wyndham removed last year. Mr. McGhie went to Melbourne and by personal negotiation, succeeded in getting the amount reduced for intended 1921 shipment from 22s. 6d. to about 1s. 6d. per head. It is obviously a very serious matter if the Wyndham works are to be permanently surcharged with this additional freight of ¼d. per lb.

Hon. J. Duffell: Is not extra risk incurred by shipping going to that port?

The MINISTER FOR EDUCATION: I do not know of any risk. Wyndham is regarded as an out-of-the-way port, but I do not think this is a legitimate charge against the works.

Hon. G. W. Miles: Is not it brought about by having only part loading for the ships?

The MINISTER FOR EDUCATION: No, the works can always load a ship.

Hon. G. W. Miles: But you have not loaded a ship as a rule.

The MINISTER FOR EDUCATION: We had more stuff in the stores than the "Palermo" could take. I do not think that difficulty arises. Coming to the recommendations of the select committee, the first is that the operations at the works be indefinitely suspended. I do not think that the Government can properly endorse this recommendation at the present moment. As I have already pointed out, I do not think that any meat works in Australia—with the one exception I have mentioned—has yet decided on its policy for 1922, and for very obvious reasons. Members who read the newspapers and observe the cables carefully know that changes are coming and coming quickly. It is quite possible that there are

other niggers in the fence besides those Mr. Holmes has detected. We know that gold has dropped very quickly down to £4 17s. 6d. an ounce. The American exchange, which stood for a long time at 3.60 to the pound, is now up to 4.20. We know that the German and French exchange is coming back slowly, and it is by no means improbable that in a comparatively short space of time trading conditions may be very different from what they are to-day. Mr. Duffell remarked that there was an abundance of frozen meat in London. I wonder if members can carry their minds back to the period at the close of the war and the figures published in England, America, and in this State regarding the cattle supplies of the world. It was stated that the herds of the world had been depleted and that meat would be scarce and costly for many years to come. Why is that not the case? Is it because there is such an abundance of meat in the world that people, after gorging themselves, may take up of the fragments that are left, twelve baskets full? That is not the case at all. There are millions of pounds worth of meat deteriorating in the different stores and there are millions of people starving.

Hon. A. Lovekin: That is so.

The MINISTER FOR EDUCATION: It is not a case of over-supply; it is a case of the condition of international exchange which prohibits the people who are starving from getting meat to eat. Rectify that condition—and there are signs of it being rectified—and an alteration may come quicker than any of us think. We have to wait back only a little while to realise how quickly the rise came and how quickly the drop followed. It is by no means improbable that conditions may change so quickly that these starving millions may be able to buy the meat they want, and then the surplus will disappear and there will be a legitimate and reasonable market for Australian meat.

Hon. J. J. Holmes: Is it not said that Australian meat is unmarketable?

The MINISTER FOR EDUCATION: Australian meat has been a marketable product for many years and will continue to be so. As a certain member remarked, "big business" does not disclose its hand in the way the Government have to do. I maintain that at the present time the only reasonable course open to the Government is to be ready to operate if the opportunity presents itself.

Hon. A. Lovekin: And keep all this expense going in the meantime?

The MINISTER FOR EDUCATION: The proposal is to be ready for a season of 19,000 head starting in May next. A definite decision will have to be arrived at not later than the beginning of April and that is the same time as the decision was arrived at last year. I was in Melbourne and Sydney at that time and wires were sent to me and I had an opportunity to discuss the matter with the best informed people of Australia, and they confirmed the opinion expressed by Mr. McShie, which undoubtedly turned out

to be right, that we should not operate in 1921. In view of this, tentative arrangements have been made for shipping. We have gone so far as we can without committing ourselves. Four ships have been tentatively fixed, but that arrangement may to some extent be disturbed by the fire on the "Boorara," of which members no doubt have read. This matter of the surcharge on Wyndham, which amounts to 11s. 3d. per beast, is also being attacked by the management in every way possible in the endeavour to get it removed. No other meat works has yet arrived at a decision as to whether it will operate this season. Mr. Holmes said that at this stage markets should be fixed. This is one of the things no meat works can do at the present time. We have to decide at the beginning of April on the basis of ships, the labour conditions and the market. If at that time it appears that the works can be run to pay working expenses, then they ought to be run.

Hon. J. Duffell: If they are run to the full extent, their output will be a very small portion of the meat that is required in the world's markets.

The MINISTER FOR EDUCATION: Undoubtedly. This course is necessary in the interests of the State and of the works and in the interests of the pastoralists in the North. If the works can operate and cover working expenses they should operate, even though in spite of operating they lose interest and depreciation, and other inevitable charges which will have to be met in any case.

Hon. J. Cornell: If they cannot operate, you will go on as heretofore?

The MINISTER FOR EDUCATION: Recommendations Nos. 2 and 3 depend upon No. 1 and directly the Government adopt No. 1—this will be at the beginning of April unless markets and ships and labour conditions are such that we can see our way clear to operate—then, Nos. 2 and 3 will arise though I do not bind myself to the exact terms, and should be adopted as well. In regard to recommendation No. 4, I confess I find it very difficult to reconcile the views of those members of the committee who endorsed No. 1 and disagreed from No. 4. I can quite understand anyone who had determined that the works must be disposed of saying, "Shut them up, and dispose of them; lease or sell them;" but I cannot understand anyone who says that the Government should continue to run them saying also, "Shut them up indefinitely."

Hon. J. Cornell: That was not a question the committee were bound to answer. The Government cannot sell the State enterprises without coming to Parliament for authority.

The MINISTER FOR EDUCATION: I am not discussing that point at all. I am only stating my difficulty in reconciling the two views. On the question of sale, Mr. Sanderson and Mr. Ewing have pointed out what is an obvious fact, that the present time is the worst possible time to attempt to sell things of this kind. The Government have

had certain offers, and it has struck me that those offers have probably been encouraged by such remarks as that made by Sir Edward Wittenoom, "Sell the works for half-a-crown." Personally I have not the faintest doubt that the works, because of numerous adverse circumstances, war period construction and other things, are greatly overcapitalised; but I am equally confident that they are very valuable works, and that on a moderate capitalisation they would do well in normal times. Therefore, if the Government sell the works, they certainly ought to get a fair value for them; and certainly they should not sell them at what would be considered the value of the works to-day, when no meat works in the Commonwealth are operating, and when the whole thing is a drug on the market. I venture to say that not one of the business men on the committee, not one of the members who approved of recommendation No. 4, would in regard to their own affairs, attempt, unless absolutely compelled, to sell something at a time when that thing was a drug on the market.

Hon. A. Lovekin: We did not suggest that to you.

The MINISTER FOR EDUCATION: The recommendation is that the Government endeavour to dispose of the works as soon as possible. If that means, as soon as a reasonable price can be obtained—

Hon. A. Lovekin: What else does it mean?

The MINISTER FOR EDUCATION: The recommendation says, "as soon as possible." If that means "as soon as a reasonable price can be obtained," I have no quarrel with that phase of the report.

Hon. J. Ewing: Will the Government place themselves in the position of being able to sell the works at a reasonable price?

The MINISTER FOR EDUCATION: I hope so. Now, Sir Edward Wittenoom suggested leasing the works to pastoralists on their undertaking to pay a small proportion of the interest. Let the pastoralists come forward with a proposal of that kind to the Government. The Government would regard it as a reasonable proposal on the part of the pastoralists.

Hon. G. W. Miles: You have not authority to accept such a proposal.

The MINISTER FOR EDUCATION: I think Parliament would regard such a proposal as reasonable.

Hon. G. W. Miles: Why do not you give Parliament the chance to approve?

The MINISTER FOR EDUCATION: In regard to the fifth recommendation of the committee, reading—

That no further capital be expended until some definite decision is arrived at with regard to the future of the works—

that is practically the attitude of the Government. I have no quarrel with that recommendation. As this debate has been principally devoted to the Wyndham Meat Works, I do not propose to occupy much time over the State Shipping Service. I candidly confess that on the subject of the State Shipping Service I am somewhat prejudiced. As

for the steamer "Kangaroo" I opposed its purchase from the floor of this House, and I have never seen any reason to alter the opinion I expressed then. The very big profit made by the "Kangaroo" is something that could not have been foreseen at all, but a very lucky accident. As the file discloses, when the offer to purchase the "Kangaroo" came forward, the Minister in charge of the State shipping service said, "We will not sell her." So far as I was able, I overrode that decision, and strongly recommended the sale.

Hon. G. W. Miles: Did not you recommend the sale of the "Kangaroo" before he was appointed?

The MINISTER FOR EDUCATION: I do not know who "he" is. The offer to buy the State steamships came to the manager of the State Shipping Service, and was forwarded by him to the Minister then in control of the service, and that Minister recommended that they should not be sold. The recommendation came to me, and I overrode it, and recommended to Cabinet that the steamers should be sold. As regards the alteration made by Cabinet in that decision, I unhesitatingly take my share of the responsibility, with all other members of the Cabinet, for such alteration.

Hon. G. W. Miles: It cost the State £430,000.

The MINISTER FOR EDUCATION: I have no doubt the committee have before them the recommendations to Cabinet and the reports of the manager of the State Shipping Service upon which that alteration of policy was made.

Hon. A. Lovekin: They are in the report.

The MINISTER FOR EDUCATION: Now we come to the cost of refrigerating the "Kangaroo." Personally I think that if the "Kangaroo" was to be retained and used, this work of refrigeration had to be carried out. But I believe that it is the position now, if one wants a thing of this kind done in the Old Country, one cannot get a price for it, one cannot get it done by contract.

Hon. G. W. Miles: Ships are sent to Belgium and Germany on that account.

The MINISTER FOR EDUCATION: I believe this work was all done in England. What I want hon. members to understand is that if one wants a job of that sort done, one cannot get a price for it. We often have arguments in this Chamber as to the advantages of contract against day labour. I have always supported the contract principle. It has been said that under the day labour system men "go slow" and that sort of thing, and that thus the cost of the work is piled up. I venture to say that all that can be said in favour of contract against day labour can be said in favour of contract against the new system which has come about in big business circles in London, the system of saying, "We will do the work you want, and charge you the cost and a commission on the cost."

Hon. T. Moore: The more money spent the greater the commission.

The MINISTER FOR EDUCATION: Yes. The work is entrusted to men with great reputations—super men. They will not give you a price. They say, "We will do what you want, and we will do it well, and we will charge you a commission of so much on the cost of the work." Now, the Government supposed that the cost of refrigerating the "Kangaroo" would be very little more than one-third of what the cost actually turned out to be.

Hon. A. Lovekin: You gave a blank cheque.

The MINISTER FOR EDUCATION: I want to impress on the hon. member that we could not get the work done in any other way.

Hon. J. J. Holmes: You authorised an expenditure of £15,000, and somebody spent £194,000.

The MINISTER FOR EDUCATION: Not £15,000.

Hon. J. J. Holmes: The first authorisation was £15,000, and somebody spent £194,000.

The PRESIDENT: I will ask hon. members, if they will persist in interjecting, at all events not to all talk at once.

The MINISTER FOR EDUCATION: I think the estimated cost of that refrigerating was £63,000. The actual cost, I believe, has been about £190,000. There it is. That is the system of doing things in big business now-a-days; and to my mind it is just as unfair to the person for whom the work is done as the day labour system can be, or probably more unfair. However, the "Kangaroo" is now being tested in certain work, to see whether she is of value both commercially and for developmental purposes in connection with the opening of markets.

Hon. G. W. Miles: Have not you arrived at an opinion on that point yet?

The MINISTER FOR EDUCATION: The "Kwinana" was a ship that was always run at a profit. She was a good ship, but unfortunately she was burnt. The circumstances under which Western Australia got the "Bambra" are well known. I am not speaking as an expert, but I believe it to be a fact that in present circumstances, because of the great decrease in trade on the north-west coast, the service which the "Bambra" gives would not be given by any private steamer without a substantial subsidy.

Hon. G. W. Miles: That would be cheaper for the State.

The MINISTER FOR EDUCATION: That is the point. I do not know whether it would or whether it would not. I have no doubt, however, that a more suitable boat than the "Bambra" could be obtained. She is not an economical boat to run, by any means. However, under all circumstances, the North-West trade has to be catered for, and that has to be done

either by means of a subsidy or by running a State steamship at a loss. We have to choose between the two alternatives.

Hon. T. Moore: Was Mr. Glyde right in saying that he did not know whether the Government intended to carry on or not?

The MINISTER FOR EDUCATION: I am sure I cannot say.

Hon. G. W. Miles: The Government themselves do not know.

The MINISTER FOR EDUCATION: I know of no recommendation that has come before the Government in regard to the State Shipping Service which has not been dealt with.

Hon. G. W. Miles: Will you give Parliament a chance to make a recommendation?

The MINISTER FOR EDUCATION: With the committee's conclusions regarding the State steamers, I am in general agreement. I think the Commonwealth Government are acting wisely in removing their steamers entirely from political control. That is the only way the ships can be given a chance at all. I also agree that the present vessels of our State Shipping Service are unsuitable and uneconomical. I think we must all agree with paragraph (c) of the select committee's "Conclusions"—

... the service is in competition with subsidised foreign services or in opposition to lines employing coloured crews, and not subject to the Federal Navigation Act.

I do not for a moment dispute the suggestion made by many hon. members that the select committee have done useful work. They have brought forward a mass of information, but I cannot help expressing the opinion that in some respects the report and the conclusions are not entirely free from bias. In some cases, which I have indicated the committee are not entirely fair either to the management or to the Government. I am more concerned with the position so far as it affects the management, because the Government can fight their own battle in Parliament, whereas the management are precluded from doing so.

Hon. G. W. Miles: Do you refer to the steamship management?

The MINISTER FOR EDUCATION: I am referring more particularly to the Wyndham Meat Works management, because I am more conversant with that enterprise.

Hon. A. Lovekin: You have given us all the instances of unfairness and bias?

The MINISTER FOR EDUCATION: I think I have given all that the manager of the Wyndham Meat Works referred to. In those instances I think the committee dealt more harshly with the manager than was justified. I do not think the committee have recognised as fully as they might have done the tremendous difficulties of the position, the enormous difficulties with which the meat works management has been faced. But, in spite of that, I have no hesitation

in saying that the report and recommendations will receive the fullest consideration from the Government. So far as the committee's first recommendation is concerned, I do not think the Government would be justified at the present moment in adopting it, because that would be a question of absolutely closing the door; whereas keeping the door open for a month or two is not going to cost a great deal, and may have very beneficial results.

Hon. J. J. Holmes: You were going to tell us about Allen's and McGhie's agreements.

The MINISTER FOR EDUCATION: I have told hon. members that Mr. Allen's agreement had not been ratified by the Government, had not been signed by me, and also that Mr. McGhie had an agreement with the Government, one clause of which agreement precludes him from binding the Government without written Ministerial approval.

Hon. J. J. Holmes: Is that the only clause in the agreement?

The MINISTER FOR EDUCATION: No. I said when Mr. Ewing was speaking, "I will produce the agreement if you like;" but Mr. Ewing said he did not want it.

Hon. J. Ewing: It seems that Mr. McGhie has broken that agreement.

The MINISTER FOR EDUCATION: That is a matter on which, I take it, hon. members will not expect me to express an opinion here.

Hon. J. Ewing: Certainly not.

Hon. J. J. Holmes: Do you think Mr. McGhie was frank?

The PRESIDENT: The hon. member is not bound to answer a question of that nature.

The MINISTER FOR EDUCATION: I can assure the House that only on one occasion did Mr. McGhie consult me regarding the evidence he should give the committee. I did not even know what it was about. Directly he approached me on the subject I said to him, "Give the committee all the information you have got."

Hon. J. J. Holmes: I ask because after the holidays he refused to answer.

The MINISTER FOR EDUCATION: Mr. McGhie had my authority to give the select committee the fullest possible information.

Hon. C. F. BAXTER (East) [5.0]: The select committee are to be commended on the exhaustive consideration they have given to their gigantic task. I regret the committee did not make further inquiries regarding the cost of construction of the Wyndham Meat Works with a view to affording a guide in the matter of a fair price for their disposal or lease. I do not say the works should be sold or leased at the present time, because to make any sound business deal just now would be impossible. Never in the history of Australia has the meat trade been in such a parlous condition as it is to-day. The disposal of

the works might take some years to effect, even supposing the Government agreed to dispose of them, and in the meantime operations must be carried on if the market warrants it. To operate these works as they stand to-day is not a business proposition. The storage at Wyndham for frozen meat was only 1,200 tons, but they have since taken additional space for 400 tons—previously used for the canning operations—thus giving the works a total holding capacity of 1,600 tons for the frozen product. Hon. members should consider the position of the works, situated right out of the line of boats, and should remember that the storage space on steamers is strictly limited. It will then be seen that meat works, remotely situated, with a storage capacity of only 1,600 tons, cannot be operated successfully. A steamer going to Wyndham and lying there for some days to get her space filled, would be subjected to enormous charges. On the other hand, if the storage space at Wyndham be filled in anticipation of the coming of a ship, the whole of the staff will be idle until the boat has drawn her supplies. In handling the Wyndham Meat Works, the Government have been fortunate in the past in that they have had splendid consideration from the Federal Government. In this connection, I must single out the names of Senator Russell, Assistant-Minister, and Mr. Evers, the Australian manager of the Federal shipping service, who between them have gone out of their way several times to provide a boat to lift frozen meat from Wyndham.

Hon. A. H. Panton: He has since got the sack.

Hon. C. F. BAXTER: All good men get that in time.

Hon. T. Moore: That is why you got it.

Hon. C. F. BAXTER: Both those gentlemen went out of their way time and again to meet the requirements of the Western Australian Government, and send a boat to Wyndham for frozen meat. If the manager of the works and his staff are not preparing at present to operate the works during the coming season, it will be of very little use endeavouring to make arrangements later on; because with the killing season so short and expensive, it will be madness to operate unless the way has been carefully prepared. On the other hand we cannot have works of that magnitude lying idle, and cattle awaiting treatment, without making due preparations. The outlook at present is not bright, but that cannot continue unchanged for all time, and the small cost of making preliminary arrangements is fully warranted. The Minister says the works may start in May. That itself will mean a short season; any shorter killing season would be suicidal. Something has been said regarding the alternative processes of pickling, hot versus cold. It has been said a wrong step was taken when the cold pickling process was introduced. Yet all

works in Australia turning out a high-class product are using the cold process. An attempt has been made to include in the cost of the change over from the hot to the cold process, the cost of scrapping a number of obsolete trucks. But those trucks were in no way connected with the pickling process and so, of course, the cost of scrapping them cannot be debited against the change over.

Hon. J. J. Holmes: You have abandoned both processes now.

Hon. C. F. BAXTER: Yes, when storage cannot be found in London for canned stuff, all pickling has to be abandoned. When pickling is again required it will be a cold pickle process that will be adopted, if the best products are wanted.

Hon. A. Lovekin: Is it not all hot pickling in America?

Hon. C. F. BAXTER: I do not know, but I know that all the Australian works which turn out the best product follow the cold pickle process, while those that have had the hot pickle process have changed over to the cold. There is not much to be said regarding the actual works at Wyndham. Unfortunately in the first place they were constructed at tremendous cost, a cost much higher than it should have been. It would have been informative had the select committee inquired into the cost of construction, if only to enable us to assess the true value of the works. I am afraid it would be found to be very much less than the actual cost. Personally I should like to see the works operating successfully. If the cost were written down to a fair valuation, and sufficient storage capacity were provided, I am convinced that on a normal market the works would pay their way.

Hon. J. J. Holmes: Under political control?

Hon. C. F. BAXTER: The less political interference we have with any of our State Trading Concerns the better. The Wyndham Meat Works are of such magnitude that it is impossible to get rid of them at the present time.

Hon. J. J. Holmes: The works are good works. Why discount them?

Hon. C. F. BAXTER: I have not said they are not good. They are as sound as any works in Australia to-day, but their cost was excessive and at present there is no possible chance of disposing of them.

Hon. J. J. Holmes: Then why go to the expense of assessing their value?

Hon. C. F. BAXTER: The select committee recommend the sale or lease of the works; therefore I say the select committee should have given some indication of the value of the works, either for selling or for leasing.

Hon. A. Lovekin: It will be found in the evidence by Mr. Allen.

Hon. C. F. BAXTER: In the meantime every preparation should be made for operating the works, and if the cost be not too excessive the Government should provide the

extra storage, which is essential if the works are to be made commercially profitable.

On motion by Hon. A. Lovekin debate adjourned.

BILL—FACTORIES AND SHOPS ACT AMENDMENT.

Assembly's Further Message.

Message received from the Assembly notifying that it had adopted the report of the managers of the conference, namely (1) that the Assembly will agree to the amendment made by the Council striking out Clause 2 of the Bill and (2) that the Council will not further insist on the proposed new clause to stand as Clause 2.

BILL—HEALTH ACT AMENDMENT.

Assembly's Message.

Message received from the Assembly notifying that it had agreed to the amendments made by the Council.

BILL—ARCHITECTS.

Assembly's Message.

Message received from the Assembly notifying that it had agreed to amendments Nos. 1, 2, and 4, had modified amendment No. 3, and had disagreed to amendment No. 5 for the reasons set forth in the schedule.

BILL—GRAIN.

Assembly's Message.

The following message was received from the Assembly:—

With reference to Message No. 43, the Assembly acquaints the Council that owing to the passing of the Constitution Act Amendment Bill, which gives the Council power to make amendments in such Bills as the Grain Bill, it has agreed to Nos. 1 and 3 of the amendments requested by the Council in the said Bill, in place of making them in accordance with former procedure, has amended No. 7, and has disagreed to Nos. 2, 4, 5, 6, 8, 9, and 10 for the reasons set forth in the schedule annexed.

BILL—CLOSER SETTLEMENT.

Second Reading.

Debate resumed from the previous day.

Hon. V. HAMERSLEY (East) [5.17]: This is a serious measure for us to have to consider at such a late hour in the session. The more I look at the Bill the more convinced I am that it should have been called a Repudiation and Land Confiscation Bill.

Hon. J. Cornell: Or a Bill to burden farmers.

Hon. V. HAMERSLEY: It simply differentiates between people, which I think is an unfair thing for the Government to do, as to how they shall invest their money. I have always held that it is in the best interests of the State if people can be persuaded to put their money into an investment in land, and country land in particular. It is, I suppose, a rational thing that the Government should require those in the country to go on working harder for the city. That seems to me to be what is required. The Government have evidently come to the conclusion that some of the people in the inland areas are not working quite hard enough. This is a dangerous measure. It is assumed in the Bill that three men, representing the board, can be absolutely correct in their decision. They may be men who have known nothing of the hardships of settlers and of acquiring the freehold of country lands. They may know nothing whatever about the difficulties of running such a proposition. It is assumed that these men can make no mistake. They may go along and say, "This piece of land has not been worked to the best advantage," and may decide that it shall be resumed for closer settlement purposes.

Hon. C. F. Baxter: And may be directed by whatever Government happens to be in office.

Hon. V. HAMERSLEY: Yes. If people have not on every occasion bowed to the wishes of those in control, they may be singled out in this way. Anyone who has had the temerity to be in opposition to the Government in power may find himself brought to book. The board may decide that a block must be acquired for closer settlement, and the owner will have no appeal from the board. There are various methods to be employed by which the owner can be forced to part with his land. One of these methods may be to compel him to pay three times the ordinary land tax. In this instance again the individual has been singled out to be harassed and tyrannised over. After the owner has been given notice by the board, he may have to wait in order to see what the board will do. He may anticipate that resumption will be gazetted, though the possibilities are it never will be gazetted. The owner will be waiting to know what the next move of the board will be. If the board makes no move, the owner will sit down and wonder what next is going to happen. In the meantime his property will fall into a state of chaos, for he is not likely to go on further developing it with this hanging over his head. While this is going on he will be unable to get any help from any financial institution to enable him to continue his operations.

Hon. A. H. Pantou: What about the land upon which nothing has been done?

Hon. V. HAMERSLEY: In many instances, the man on the land will know a great deal better than the board how to get the best results from the land. The board may de-

cide that certain land is suitable for closer settlement and cultivation. The owner may know that the land under cultivation will not return as much as it would when carrying sheep or cattle, and that he has good reason for keeping the land under those conditions. The board, however, may place him in such a position that the property will gradually become a wreck. He simply has to wait and wonder what the next move will be. Again, the board may decide that only a certain portion of a property is required for closer settlement. The object will be to leave the owner with his homestead without a sufficient area of land upon which he can continue to carry out the operations, into which he has already sunk a large sum of money.

Hon. J. Ewing: Are they not compelled to take it all?

Hon. V. HAMERSLEY: I do not know that they are compelled to do very much. A man has little chance against the board.

Hon. C. F. Baxter: They can take a portion of a property.

Hon. V. HAMERSLEY: I think so. Under these conditions the property will simply fall into a state of suspended animation. In some instances the board will resume a property straight away if it suits them to do so. I presume they will set out to affect a man's investment in his property and offer him something else instead, probably some bond issued by the country where people are not too anxious to acquire bonds.

Hon. T. Moore: Government bonds?

Hon. V. HAMERSLEY: Yes. I would sooner have a bit of land. A £100 bond may be only negotiable for £50.

Hon. T. Moore: You have no confidence in your country.

Hon. C. F. Baxter: We are losing a million a year.

Hon. V. HAMERSLEY: The owner of land no longer remains the owner, under a system of this sort. The board may tell him that he has to pay three times as much land tax as anyone else has to pay. If on the other hand the board notify their intention to resume, the owner may be waiting for ten years for such resumption to be gazetted. I am not putting up a supposititious case. There are many instances covering the last five or ten years of unsatisfactory resumption. It does not follow that because land is resumed for closer settlement it will be of advantage to the State. At Denmark, for instance, a considerable sum of money was spent in development by the Government, but I do not think the return from that re-acquired property was creditable to those who had charge of it, or that the business represented a good deal for the State.

Hon. C. F. Baxter: They paid too much for the land.

Hon. V. HAMERSLEY: That may be so. The Government now seek power to acquire properties without paying what is a reasonable and fair price for them. I was astonished that the Government should have

thought it necessary to ask this House to give them this power, when we know the large number of properties that have been offered to the Government for closer settlement during the last year or two.

Hon. T. Moore: At big prices.

Hon. J. Ewing: Not always.

Hon. V. HAMERSLEY: I know of various estates which have been offered to the Government at remarkably reasonable values. Not only were these properties offered at a very low value, but the departmental officers when they inspected the properties, put a higher value upon them than the owners had sought to obtain. When, however, the owners discovered that the department still endeavoured to knock down the price, there was a sense of disappointment. This makes property owners scared of a proposal to hand over such a responsibility to a board of three. I do not know that there has been any great outcry regarding the acquirement of lands from the people. I have seen various letters in the papers from time to time, and have read leading articles in the Press.

Hon. C. F. Baxter: Not advocating this aspect. They advocated an unimproved land tax.

Hon. V. HAMERSLEY: They advocated bursting up the large estates.

Hon. C. F. Baxter: They advocated the unimproved land tax, that was all.

Hon. V. HAMERSLEY: In the early days, many people had to acquire larger areas of land than they desired to obtain. That was only because it was impossible to make a living on smaller holdings. These large holdings have had to be paid for and the State had the benefit of the money spent in that direction, and benefited through the investment of money brought into the country by these early settlers. Then, too, the State benefited by the knowledge and work brought to bear on the development of their holdings by these early settlers, and their large holdings. Those large holdings were absolutely necessary, because it was impossible in those days to secure returns from the land except through stock. Practically the only thing which could be exported by those settlers was wool. There was no market for wheat and, in any case, the settlers could not produce that commodity and cart it to the ports, as they existed in those days. In addition to wool, the principal exports in those days were sandalwood and horses for the Indian market. If they wished to run sheep, necessarily a shepherd had to be employed. It was impossible to fence in large areas and it did not pay to employ a shepherd to look after 250 sheep. It was necessary to have at least a thousand sheep before it paid to have a shepherd to look after them, and to cater for a flock of a thousand sheep, it was essential that a holding comprising five or 10 acres to the sheep should be obtained. Now it seems rather hard that these people who spent their capital and developed their freeholds, should be singled out to be hit by this legislation.

Hon. E. H. Harris: Do you suggest that these people acquire these large holdings to keep sheep?

Hon. J. Cornall: No, the sheep kept them.

Hon. V. HAMERSLEY: Many people could not keep their sheep on their holdings and owing to the poison which infested those areas, the stock imported from England was destroyed. It was only through hardship and struggles that they learnt to overcome their difficulties and find how they could better work their land. After putting in so much hard work in discovering what could be done with their properties. I do not think it fair that they should be singled out to be specially hit. The moment the Bill passes, many of these people who have developed their properties will receive attention at the hands of the board. The board will not confine their activities to land upon which not a sixpence has been spent, but will deal with improved land suitable for closer settlement. Some of these well improved properties have been financed by various financial institutions. Some of the properties which the board will value, have had £5,000 or £10,000 spent on them in improvements. That money has been borrowed from financial institutions, and they will call up their money when the Bill passes.

The Minister for Education: Why?

Hon. V. HAMERSLEY: I would; would not the hon. member? I have done it before. The Leader of the House asks why this should be. I will give the House an instance. I helped some fellows to take up land and paid the land rents for a number of years. When Mr. Bath passed his wonderful amendment to the Land Act to the effect that no transfers would be granted by the Minister in connection with conditional purchase leases, the necessary security was absolutely gone. Anyone lending money under such circumstances, seeing the security interfered with, would get out of the wet. That is exactly what will be done now.

The Minister for Education: How does this interfere with the security?

Hon. V. HAMERSLEY: If a man has a proposition on which £20,000 has been spent and has borrowed £10,000 from the bank for improvements, it may be decided by the board that the property is eminently suitable for closer settlement. The owner will be given notice that he must put in further improvements or pay three times the land tax he has been paying for his land. Notice of intention to resume will be given to the owner and duly gazetted, after which the property will be resumed. This wonderful board may value the property at £25,000. The whole of the work put by the owner into his property will be gone. The valuations through the Taxation Department will show a higher value than the board will be prepared to pay for the land.

The Minister for Education: That is the method to be adopted in arriving at the value.

Hon. V. HAMERSLEY: Many imagine that the individual will get a 10 per cent. advance. This Bill does not give it to him,

but only 10 per cent. on the unimproved value and not on the money he has spent in improvements.

Hon. J. Ewing: His taxation is taken into consideration.

Hon. V. HAMERSLEY: Only on the unimproved value. The improvements will be valued by the board and that value will be taken, not the value the owner places upon them. Some of us have had experience in connection with the Taxation Department, and we have not been allowed a fair value for the improvements we have put into our property. In many instances, the mere fact of the passing of the Bill will mean that the freehold value of the land will be destroyed as against the value of conditional purchase land. I am satisfied that no one wishing to acquire land in future will take freehold land, for people will at once realise that they will be better off if they go to the Government. Settlers have been handicapped to a great extent in the past, and it has not been possible for them to compete with the Government, both State and Federal, who have money at their disposal. Wages are high and people who produce wheat have to compete in the outside markets of the world in placing their commodities. Those people are not prepared to pay 16s. or 21s. a day to workers, so that they may grow wheat. It is because of this fact, that so many people are to be found in and around the city. There is no inducement held out to people to go out into the country areas, for they can have a much better time and get better money in the city, employed on Government undertakings, in Government departments, or on Government day work jobs. It is because of this, that settlers find it difficult to develop their properties. Not so, however, with the holders of conditional purchase leases. The man who takes up such a lease from the Government finds no difficulty in securing advances from the Government, and if he is in for a bad time, the Government will go further and advance him 9s. a day to keep him on his property. I am not complaining about that. I have been one of those who have always supported that policy. It was one of the great difficulties confronting settlers on the land, that they could not get the financial institutions to advance money to them to assist in the development of their properties. It was for that reason that the Agricultural Bank came into being. When that institution commenced financing and helping settlers to take up land from the Government, it was possible for those settlers to embark upon the improvement of their properties under conditional purchase conditions. The mere fact, however, of these settlers being able to deal with the Government prevented other individuals from disposing of their freehold land. I know of many properties which were cut up in days gone by and which it was impossible to sell. This measure may help some of those individuals who will be glad to sell their properties, and it may be a

good method to enable the Government to acquire some of these lands. I do think, however, that the Bill will seriously hamper the operations of a company like the Midland Railway Company, who have not been able to sell their lands in competition with the Government, because they have not been able to offer similar terms and conditions. The first effect of passing a measure like this will be to almost bar us from going on the London money market.

The Minister for Education: Would not the Midland company be glad to sell their lands?

Hon. V. HAMERSLEY: They would be glad to sell them.

The Minister for Education: On these terms?

Hon. J. Ewing: At their own price.

Hon. V. HAMERSLEY: The Midland company would certainly want to know what they were likely to get for their land. My complaint is that the board it is proposed to appoint will be masters of the position. The effect will be that the confidence of the people will be destroyed, and we shall not find them prepared to continue to invest in this State. The Bill is a direct hit at those who wish to acquire their own homes. The tendency will be for people not to make their lands freehold. Many people do not wish to sell their properties; they are satisfied to allow their investments to remain as they are. They are satisfied to continue to work their lands in the way they have been working them without interference from the other fellow, and the person who wishes to do that should not be interfered with. It is hard that he should be singled out and made to pay three times the amount of the tax that is asked of anyone else. This is differentiating between the people of the State and it will have a bad effect on those who desire to invest their money in this State. I have seen one or two people quite recently who desired to invest money in Western Australia, but they went away without doing so. We know of others who, not being satisfied, have left these shores to invest what they had in other parts of the world. The measure will apply to a comparatively small area of land. The whole of the area of freehold land within a radius of several miles of the existing railways would not be more than about three million acres. At the same time the probability is that the conditional purchase lands lying alongside our railways are more responsible for any mischief that is being done. It will be unwise for us to proceed on the lines proposed by the measure, especially at this late stage of the session. The Bill has been sprung upon the people, very few of whom know what its contents are. The least we can do is to give the people an opportunity of knowing what the Government propose to do. I therefore intend to oppose the second reading of the Bill.

On motion by Hon. J. Mills debate adjourned.

BILL—NURSES REGISTRATION.

Assembly's Message.

Message received from the Assembly notifying that it had agreed to the amendment made by the Council.

BILL—PERMANENT RESERVES

(No. 2).

Assembly's Message.

Message received from the Assembly notifying that it had agreed to the amendment made by the Council.

House adjourned at 5.55 p.m.

Legislative Assembly,

Friday, 6th January, 1922.

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

QUESTION—WOOLLEN MILLS, GOVERNMENT ASSISTANCE.

Mr. WILSON asked the Minister for Industries: 1, What financial assistance will the Government give to Western Australian companies to assist them in starting worsted and woollen mills in this State? 2, Are the funds of the Industries Assistance Board available for such purpose; if so, on what terms? 3, What is the amount of money

spent to date in collecting data for the establishment of woollen mills in this State? 4, Is any money being spent at the present time for the purposes of question No. 3; if so, in what practical direction is the money being spent?

The MINISTER FOR AGRICULTURE (for the Minister for Industries) replied: 1, This is a matter that will depend entirely on the circumstances of the case submitted. 2, Under Part 3 of the Industries Assistance Act the Minister for Industries is empowered to make advances to approved industrial undertakings. 3, The sum of £410 19s. 4d. was paid to an English woollen expert who visited Western Australia in connection with the proposed establishment of the industry. There have also been investigations carried out departmentally. 4, None.

QUESTION—RAILWAYS, E. G. BACKSHALL'S APPOINTMENT.

Mr. CORBOY asked the Minister for Railways: 1, What was the date of Mr. E. G. Backshall's latest appointment to the railway service? 2, What was his salary on appointment? 3, What is the salary attached to the position at the present time?

The MINISTER FOR AGRICULTURE (for the Minister for Railways) replied: 1, 10th November, 1919. 2, £350 per annum. 3, £409 per annum. An increase of £59 was granted in common with all members of the salaried staff in consequence of increase in basic wage awarded by the Court of Arbitration.

QUESTION—RAILWAY PROJECT, CARNARVON-KILLILIL.

Mr. PICKERING (for Mr. Angelo) asked the Premier: Have any steps been taken to give effect to the resolution unanimously passed by this House on the 15th September, 1920, that a report be obtained as to the advisability of constructing a railway from the port of Carnarvon to the junction of the Gascoyne and Lyons Rivers?

The PREMIER replied: Inspection was made by Mr. Tindal in the latter part of 1920, and further inquiries now being completed, he is compiling a report on this proposed railway.

QUESTION—INDUSTRIES ASSISTANCE BOARD, LOSSES ON CROPS.

Mr. HARRISON asked the Premier: 1, What was the total amount of cover against loss to crops under the Industries Assistance Board in each of the years 1916-17, 1917-18, 1918-19, 1919-20, 1920-21? 2, What was the total amount of premiums paid by clients and of claims met by insurance companies on the harvest of each of these years?