

pensioners and their home. They used to make it an excuse that only those pensioners who were sent to the home by the magistrate should be allowed pensions. This matter has been fought for some years, and just prior to the Labour party leaving office they promised £3,000, which was considered to be due. This has been paid since.

Hon. R. H. UNDERWOOD (Honorary Minister): It is £4,500.

Hon. W. C. ANGWIN: I am glad to hear that they intend to pay £4,500 to the old age pensioners in future. The Government should not make a profit out of these people. If the Government are recouped for the cost of upkeep that is as far as they should go, and the balance of the money should go into the pockets of the old age pensioners, to assist them in purchasing the delicacies they may require. It is difficult to reduce these Estimates so far as the payments that have to be made are concerned. These payments include the upkeep of hospitals, the maintenance of police and prisons, the upkeep of asylums, and our charitable institutions. All these branches of activity are necessary, and I believe they have been doing good work for many years past. I hope this will be continued.

Hon. R. H. UNDERWOOD (Honorary Minister—Pilbara—in reply) [11.1]: I am very pleased at the manner in which these Estimates have been received, particularly by the member for North-East Fremantle (Hon. W. C. Angwin), who speaks with knowledge, having put these same Estimates through the House two or three times, and being aware of the difficulty of putting through Estimates of which one has not the control. Several points raised by the member for Murchison (Mr. Holman) I think I can reply to when the items are reached: it is hardly necessary to deal with them just now. As to the ambulance van at Day Dawn, I shall make inquiry to-morrow morning, and whether it belongs to private subscribers or to the Government—

Mr. Holman: The office do not know. The matter is 16 years old, and therefore to obtain information is difficult.

Hon. R. H. UNDERWOOD (Honorary Minister): The suggestion of the member for North-East Fremantle to appoint an inspector of hospitals appeals to me as a very promising one, and likely, as the hon. member has said, to save the State a good deal of money. The remainder of the hon. gentleman's criticisms I shall endeavour to answer when we are on the items.

General debate concluded.

[The Speaker resumed the Chair.]

Progress reported.

House adjourned at 11.4 p.m.

Legislative Council,

Wednesday, 30th October, 1918.

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

[For "Questions on Notice" and "Papers Presented" see "Minutes of Proceedings."]

MOTIONS—BUSINESS UNDERTAKINGS.

Hon. A. SANDERSON (Metropolitan-Suburban) [4.32]: I move—

That the resolution passed by this House on the 17th inst., as follows:—"That the Under Treasurer be requested to state the total capital expenditure from Loan Funds on each of the business undertakings put down in the Return No. 3, page 496, of 'Hansard' be rescinded."

This seems to demand a brief explanation. When the resolution was passed requesting the Under Treasurer to put these figures before the House, it was objected to by the leader of the House. I do not question his right to do that nor his objection on the score of procedure. My attitude, on the other hand, is quite clear. I do not place reliance on the papers put forward and the statements made by Ministers in connection with our State trading concerns. We know perfectly well how easy it is in business affairs to put this or that forward which will intentionally or unintentionally mislead the shareholders. We know of that in private business affairs. We are now launched out in State trading concerns. I am giving the closest possible attention to these matters, and I want a thoroughly independent report, not from the Ministerial department, but from the officer who is the officer of Parliament, namely, the Auditor General. Objection having been taken to the insertion of "the Under Treasurer," I now move to rescind the resolution and will later move another motion in substitution thereof. In that later motion "the Auditor General" will appear. When we have a report from the Auditor General I shall be able to place some very interesting information before hon. members in regard to the financial position of these State trading concerns.

Question put and passed.

Hon. A. SANDERSON (Metropolitan-Suburban) [4.33]: I now move—

That there be laid on the Table of the House a report by the Auditor General showing the total capital expenditure from Loan funds on each of the business undertakings set down in Return No. 3, page 496, "Hansard."

The COLONIAL SECRETARY (Hon. H. P. Colbatch—East) [4.35]: I do not wish to oppose the motion, but I think the remarks of the hon. member that he has no confidence in figures and statements submitted by Ministers is a gratuitous affront to Ministers which would probably be much more seriously regarded if it came from any other quarter.

Hon. A. SANDERSON (Metropolitan-Suburban—in reply) [4.36]: Recently in this Chamber we had two, if not three, occasions when members quoted from an official paper put forward by Ministers, and the leader of the House rose and denied the accuracy of those figures. How, then, can we discuss public affairs if we are not able to rely on the accuracy of the figures and statements put forward in official papers? I am speaking, not for myself alone, but for more than one member who has referred to official papers and has been corrected by the leader of the House, who declared that the figures were inaccurate. We can continue this discussion on a later occasion.

Question put and passed.

BILL—SUPPLY (No. 2), £425,000.

Second Reading.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [4.37] in moving the second reading said: When I introduced the first Supply Bill, earlier in the session, it was anticipated that the consideration of the Estimates would be completed by the end of the present month, and consequently the amount of supply asked for was only sufficient to carry on till the end of October. It is now clear that the Estimates will not be completed until some time next month, and consequently a Bill is necessary to provide for another month's supply. That Bill is now presented. I move—

That the Bill be now read a second time.

Hon. J. W. KIRWAN (South) [4.38]: When the last Supply Bill was before the House in August I initiated a discussion on the financial position. I have to-day to say very few words, and I would not say even those few words except that if I remained silent it might be thought subsequently that I was one of those who acquiesced in the Government's financial policy or want of policy. I take this opportunity to state once again, without repeating what I have said on many occasions in this House, that I am extremely disappointed that the Government should not be making a stronger effort to stop the financial drift. I have studied the figures as well as I can and I have studied the speeches of Ministers, and I regret to say that neither in the figures nor in the speeches can I find any effort whatsoever that can be regarded as satisfactory on the part of Ministers to straighten the finances, or even to improve the finances. We are face to face with a very serious position because of two most important factors which should never be absent from the minds of hon. members when considering the financial position. One factor that should be impressed upon us is that Federal taxation is bound to increase enormously. No matter how soon the war may end, that taxation must increase, because in addition to the interest bill on the war loan there will be a big bill for pensions to be met, and there will have to be also a big bill for the purpose of repatriation. In addition to that factor—the certainty of the enormous increase in Federal taxation—we must also keep

constantly in mind the fact that the present financial agreement will expire in 1920. I think the amount we got last year under that financial agreement was something like half a million. In view of the condition of the Federal finances, and having regard to what has been said already on behalf of the Federal Ministry, it seems almost a certainty that the States will be called upon to rely entirely upon their own financial resources. At any rate, whatever happens that agreement, we as a State will not be put in a better position, but we are bound to be put in a worse position. Therefore, I say that everyone who takes the slightest interest in the financial position must deplore the absence of anything like a policy on the part of the Government to meet the situation. We are galloping towards financial disaster and the Government are continuing a policy of drift and indifference, waiting for something to turn up. I protest against that sort of thing, protest against the inevitable disaster that seems to be ahead of us. It looks at present as though we must go and throw ourselves on the mercy of the Commonwealth Government. Whatever our opinion regarding unification—and there are many strongly in favour of that policy, and the number is increasing—I think everyone will agree that the relationship between the Commonwealth and the States must be altered. But it will be deplorable if the State is to approach that position in such a financial condition that it will be absolutely helpless. Whatever negotiations are to be held, we should be able to enter upon them in a position that we may claim some voice in the proceedings. At present it looks as though, when it comes to the inevitable negotiations, we shall be so financially helpless that we shall have no voice whatever in any arrangements that may be made. Because of these considerations, I feel I would not be doing my duty either to myself or to those I represent if I sat here while a Supply Bill was passing and did not avail myself of the opportunity to protest against the policy of indifference which the Government are displaying towards the condition of the finances.

Hon. J. J. HOLMES (North) [4.44]: When the last Supply Bill was before the House I indicated that, unless some drastic economy was effected by the present Government, when the next Supply Bill came up I would make an attempt to block supply. I then pointed out, as I have done on many occasions since, that we are drifting at the rate of £2,000 per day, that we are borrowing £2,000 per day, at something like 6½ per cent., to pay daily expenses. The difference between the daily revenue and the daily expenditure is £2,000. I think I am safe in saying that we are borrowing £2,000 per day on daily expenditure and upkeep of civil servants. If there were any solution of the difficulty, or if we could see the end of the difficulty, I would not mind so much. Our agreement with the Federal authorities, however, is getting worse every year, and when that agreement expires, in 1920, we shall have to depend upon our own revenue entirely, getting nothing from the Commonwealth. The leader of the House has complicated matters

still further by saying that he, who is behind the scenes, cannot see how the State is to finance unless we get some better agreement with the Federal authorities.

The Colonial Secretary: I have said nothing of the kind.

Hon. J. J. HOLMES: I think the hon. gentleman said that in reply to a question asked in this House by the last speaker.

The Colonial Secretary: I said that in the present war conditions we could not finance.

Hon. J. J. HOLMES: However, that was the impression left on my mind. Whether the hon. gentleman is of that opinion or not, anyone who analyses the matter must be satisfied that that will be the position. To the last conference of Premiers and Treasurers every Premier went to curse the Federal authorities for the way they were treating the States. Mr. Watt, the acting Prime Minister, however, said that one good effect of the conference would be that the State Premiers and Treasurers who came to curse remained to bless. That has not been contradicted. The words I have quoted are not the exact words used by the acting Commonwealth Prime Minister, but they represent the effect of what he said. Such was the result of a conference between the acting Federal Prime Minister and the State Premiers and State Treasurers. We do not know the obligations of the Commonwealth authorities. The Commonwealth authorities themselves do not know those obligations, because they do not know how long the war will last. But we know they have a much more difficult problem to solve in financing the war than we have in financing our State affairs. Any reform, any economy, must come from within, and not from without. In speaking on the Address-in-reply I suggested that it was the duty of Parliament to set a good example by cutting down Parliamentary expenditure, Parliamentary membership, and Parliamentary salaries. In another place the debate on a motion to reduce the number of members and to reduce Parliamentary salaries came to nothing whatever. I think it is generally admitted that if there is one subject on which another place waxes eloquent, it is the subject of the necessity for the retention of the present Parliamentary extravagant expenditure. In view of that, I am prepared to block expenditure at any time when opportunity offers. If we do not avail ourselves of an opportunity when it occurs, I am confident that the opportunity for economy and reform will come at an early date, namely, when we find ourselves at the dead end. If economy is not reached before that time, which is not far distant, we shall get economy when we strike the dead end.

Hon. W. KINGSMILL (Metropolitan) [4.50]: The only remarks I have to make on the Supply Bill are more in the nature of a question than otherwise. As the leader of the House knows perhaps better than anybody, it is easy to criticise and to criticise very efficiently. Indeed, the hon. gentleman knows that much better than anyone else knows it. At the same time I think it my

duty whilst criticising the financial policy of the Government, if indeed there be such a policy, to make suggestions. I have suggested three or four times in this House already that instead of broadcasting promises for the construction of works such as the Fremantle freezing works, for instance, about this country, the Government should make it easy for such public utilities to be provided in future not by the Government but by the people themselves. I ask the leader of the House now, have the Government considered the policy of teaching the people of this State to be a little more dependent on themselves and a little less dependent on the Government? For, in my opinion, in that direction and in that direction not only does economy lie for the finances of this State. Our State finances have got into a desperate condition, undoubtedly; and the only way to prevent them from drifting into a more desperate condition in the future is for the Government, not to practise piffling economies like using secondhand paper, or cutting down Parliamentary salaries, and other little things like that, but to curtail their own activities and to render it possible for the people of this State, and for people outside this State, to come in and provide those public utilities, if such are needed, under such restrictions as may be necessary. This is nothing new. The Mother country, to which we may often go for an example, has been practising this policy which I preach, from practically the inception of self-government. All the public utilities in England, practically, are provided not by the British Government and not even by local governing bodies but by private companies operating under private Acts of Parliament—

Hon. Sir E. H. WITTENOOM: Hear, hear!

Hon. W. KINGSMILL: Which lay down such restrictions as may adequately protect the promoters, the people who are providing the facilities, and the public for whom the facilities are provided, and also the State itself, ensuring that whatever requisite portion of revenue should be derived from those public utilities by the State is so conserved to the State. In my opinion it is the only reasonable way of endeavouring to square our finances in this State; and I venture to say that the Government have given this suggestion, along with many others, about two seconds' thought before throwing it into the waste paper basket. We have facilities now for such a thing to take place. We have in our Standing Orders, though I think only in the old edition of them—which shows to what extent the provision is made use of—provision for the introduction of private Bills. Take, for instance, the freezing works at Fremantle, the provision of which by the Government formed a leading feature in the Governor's Speech, although it is very probable the Government may have changed their minds on the subject—I do not know whether they have or not. But if those freezing works are to be established, then undoubtedly they should be established by private individuals, or a private company op-

erating under a private Act. We need not be frightened of that private enterprise which has provided without any injustice to the English people the public utilities of England for 100 years or more, nor need we be frightened to take example by the Mother country. I do not know why—perhaps it is from the sense of power, of patronage, which is always dear to Governments—but that policy has never been adopted in this State. Surely, at this time of our distress the Government can forego whatever little pleasure and power they obtain from such patronage in order that they may seek this, I think, obviously sensible way out of the great difficulties into which the State has fallen. The fact that such private Acts for the provision of public facilities have to stand the most rigorous examination inside and outside Parliament, ensures that the rights of the people shall be respected. If our Standing Orders in that relation are not now of sufficiently accurate a form, I intend to move that the Standing Orders on private Bills be referred to the Joint Standing Orders Committee, or to the Standing Orders Committee of this House, in order that they may be brought more up to date than they are at present, so that the Government may have no excuse whatever for neglecting to make available this road which lies open to them, a road which, I venture to say, if private enterprise is protected from Government competition, will be taken. However, the present Government seem just as fond of Government competition with private enterprise as their predecessors were. I feel sure private enterprise will provide better facilities, better managed, and better handled, and more economical to the people of this State, than anything the present Government, to judge from the samples of their management which we have before us, can hope to give. I venture to commend to the leader of the House and to his colleagues this suggestion which I make now, not for the first, but probably about the sixth time; and I ask them to seriously consider that suggestion. I feel that by that suggestion we can save not thousands but scores of thousands of pounds annually, without expenditure and without borrowing, and with better results to the people of the State. I have already told the leader of the House that if there is any expenditure in connection with semi-Government concerns on the main body of the Appropriation Bill, it is my intention to block such a Bill, if I can block it, until the Government come to their senses with regard to the expenditure of those funds. I intend to support the second reading of this Bill.

Hon. J. F. ALLEN (West) [4.57]: I do not desire to comment particularly on the Bill before the Chamber, but I am going to take the opportunity which presents itself to me of referring to the agreement which has been entered into, I understand, with the Westralian Farmers, Ltd., for the handling of the next year's harvest. I do so for two reasons. One is that I consider it a matter of urgency that this House should be advised of the details of this agreement, and of

the terms of that agreement. The second is that in the face of the large guarantees which have been given in connection with the payments to farmers for the coming crop the matter has a very material bearing on the finances of the State. One must judge the capacity of the Government by their actions. If we find that in one direction the Government are lacking in discretion, we will naturally conclude that in other directions, which are not open to our close scrutiny, the same disability exists. When the Wheat Scheme was first inaugurated in Western Australia the Minister then in charge entered into certain agreements without any Parliamentary authority whatever. But that Minister at that time adopted the course of calling the members of the two Houses together in conference and giving them his views upon the question stating what he intended to do in conjunction with the other States; and he obtained the approval, practically, of those members before he took any action. Since then other Ministers have entered into agreements in connection with the handling of the harvest, and they have come to Parliament for the ratification of their actions. But in each case those Ministers have been in a different position from that which now obtains; because there was no specific action of Parliament opposing the taking of such a course. On the present occasion, however, the position is utterly different. During the last session of Parliament a select committee was appointed to investigate wheat marketing operations. Realising that there were only about two days before the close of the session and that, consequently, there would be no opportunity to go into the question as it merited, the members of the select committee made a recommendation to this Chamber that the Bill as placed before us at that time should be passed for the one year and that the whole of the operations of the Wheat Scheme should be referred to a Royal Commission before any further action was taken. A resolution to that effect was carried unanimously in this House, and consequently the Government to-day are in this position: not only have they no legal standing to enter into an agreement, but they have no Parliamentary right to do so in view of the specific vote of this House. When the measure I refer to came before another Chamber and was passed there, as a matter of form, a specific vote of that Chamber also was carried that nothing further should be done in connection with the harvest without Parliament having a voice in the matter. We are told by the Government that a new agreement has been entered into with the Westralian Farmers Ltd. for the handling of this year's harvest. The terms of that agreement have not been published. Why, I do not know. But if the Westralian Farmers have signed an agreement and have entered into it, Parliament should be advised of the terms of that agreement, and I go further and say that if this House disagrees with that agreement when it comes before us, the Westralian Farmers will have no claim on the finances of the Scheme or of the State, for any expenditure

believe they have incurred some in printing. The only claim they will have will be on the Minister who has negotiated with them personally. If the Westralian Farmers have entered into an agreement without any legal standing, they are taking a big risk, but that is their business. We shall no doubt, later on, have a Bill introduced embodying the agreement and we shall be expected no doubt to do as we have done before, pass the Bill agreeing to these terms whether we like them or not.

Hon. H. Stewart: It is not too late.

Hon. J. F. ALLEN: Certain expenditure has been incurred and I venture to say that it is better to have an opportunity of viewing the position now and not wait until the harvest has been banded like it was last year, and the agreement to come to us after the work has been done. Then we had no voice in the matter. Of course we could have repudiated it and thrown the responsibility on the Minister, but we did not do so. Parliament has that power but we did not do it. We did what has been done on many occasions, we passed the Bill with a protest. I am not going to say that I am opposing the agreement which has been entered into, because I know nothing about it. It may be the best agreement that could be made. On the other hand it may not. But there are certain facts in connection with it that the House should know, and some of them are in the evidence which has been placed before this Chamber in connection with the report of the Wheat Marketing Royal Commission, but no doubt very few members have been able to devote the necessary time to read that evidence. One of the recommendations of the Royal Commission was that the old advisory committee should cease to exist and that an executive board should be appointed in its place. One of the reasons that actuated the Commission in arriving at that decision was this: the present advisory board consists largely of shareholders in the Westralian Farmers Ltd.—most of them are shareholders, and members of the Cabinet are shareholders in the Westralian Farmers Ltd., also. That should cause us a certain amount of unrest, certainly a certain amount of inquiry. Early in the proceedings of the Royal Commission we had occasion to protest against the Government for inviting tenders from the Westralian Farmers Ltd. and other acquiring agents for the handling of next year's harvest. The reason why we objected to that action was that it to a certain extent prejudiced the witnesses whom we desired to call. We did not object to the principle of tendering, all we objected to was the action of the Government at that moment when we were calling witnesses to a certain extent influencing them in their attitude towards the Commission. One witness told us that whereas previously he was coming willingly before the Commission to give evidence, that he would not come then unless he was subpoenaed and the only information that we would be able to obtain from him was by cross-examination. The Government in reply informed us that they had decided to extend the time for tendering, so that the Commission should have time to put an interim report in to the

hands of the Government before any definite action was taken. Later on the application for tenders was withdrawn by the Government altogether and we were advised in this House—the Minister in another place made the same statement—that that was done at the instance of the Royal Commission. I deny that. The withdrawal did not take place because the Commission objected, but because a large number of the members of the Farmers' and Settlers' Association throughout the State protested against the action of the Government in calling for tenders and in many instances went so far as to say they would all boycott those other agents and not deal with any other body than the Westralian Farmers, Ltd., and the Government in my opinion withdrew the application for tenders on that account. I trust the Government will be honest and say so. It is not the first occasion on which Governments have been influenced by bodies outside Parliament, but I trust it will be the last time. It is a pernicious system which has grown up not only throughout this State, but throughout the Commonwealth. It is contrary to good government and the sooner it ends the better. As I said the Royal Commission recommended that an executive body should be appointed instead of the advisory committee existing to-day.

Hon. H. Stewart: Who are the advisory committee?

Hon. J. F. ALLEN: It consists of Mr. Field, Mr. Cotton, Mr. Paynter, and the Honorary Minister. I think there is one other. I know the Minister takes the chair at the meetings as ex officio member of the committee. These are the members I know—Mr. Field, Mr. Cotton, and Mr. Paynter. I do not know the names of the other members. There used to be two civil servants, but they have been withdrawn.

Hon. Sir E. H. Wittenoom: Who is Mr. Field?

Hon. J. F. ALLEN: Mr. Field is Elder, Shenton's representative, but in recommending that an executive board should be appointed we were largely actuated by the evidence of the expert employed by the Government to control the Wheat Scheme. Mr. Keys, the general manager himself, in giving evidence made this statement in reply to a question by Mr. Harrison. Mr. Harrison asked—

But they claim that the taking over would be for the good of the Scheme?

Mr. Keys replied—

The other day I made up an estimate at which I reckon the Scheme could do the work of issuing certificates for a ten-million bushel crop. The estimate was approximately £10,000. On a similar basis to last year's, we would have to pay the Westralian Farmers, Ltd., £25,000 for that work.

That is £15,000 more than Mr. Keys estimated the Scheme could have done it for themselves. He goes on to say—

Our salaries for officers at the present time are £7,000. If that staff were transferred

to the Westralian Farmers, Ltd., and that company paid those men £7,000 they would probably want to charge the farmer up with £14,000—something for their own profit. The Pool represents every farmer equally. If one farmer puts 1,000 bags of wheat into the Pool and the next only 100 bags of wheat, each farmer is treated according to the quantity of wheat they had in the Pool. If our expenses come to £20,000 and that works out at a farthing a bushel, that farthing a bushel on the larger farmer is more than on the smaller farmer. They say they are representing their farmers and their profits. They are not distributed on that basis. Their profits are distributed according to the business the man does with them. The whole question of that is what actuarial calculation they make to see what profit arises from any particular line of business. You may be giving your insurance to the Westralian Farmers, and they may so work that it is debited to the insurance portion of the business. They say that their profits are distributed after the shareholder dies. If the Wheat Scheme is doing work our charges are debited up and the balance distributed at the end of the Pool or in dividends during the course of the Pool. No dividend is kept until a man dies and then handed to his widow.

Further on the Chairman said to Mr. Keys—

Would you mind, on Tuesday morning, bringing that scheme before the Commission?

Mr. Keys replied—

A similar scale was worked up 12 months ago for Mr. Sibbald. I worked this up independent of that. I had not seen the file, and in comparing the records of the one compiled by Mr. Child and myself on the basis of 10,000,000 bushels with that compiled for Mr. Sibbald, the difference is only £150 on the two estimates.

If the Government are prepared in the face of the evidence of their own expert, to give some £15,000 out of the £25,000 expenditure to this company for the purpose of handling this year's harvest, which they could have done so much more cheaply themselves, they have not as thoroughly gone into the matter as they should have done. When the negotiations for the handling of last year's harvest with the old agents was going on, there was a good deal of what I may call gerrymandering between the various agents and the Scheme, and when I recollect that the last offer put in by the old acquiring agents was a farthing a bushel less than the Westralian Farmers were prepared to do it for, it works out something like £6,000 or £7,000 on last year's harvest, and it makes me think that there was something else influencing the giving of the work to the Westralian Farmers. It has been stated that when the old acquiring agents put in their final quote they knew the work had already been given to the Westralian Farmers, Ltd. The Honorary Minister said he did not tell them so, in evidence before the Commission.

of one who was with them. I take it that if you ask people to give quotes for various works, and then decide on one of them, it is only right and just that you should advise those who have put in quotations that the work has already been allocated. They had an interview with the Minister and they went away thinking that it was still open for them to put in a tender. That might be denied by the Minister and by the Government but it is in the minds of the members of the conference that it was still open for them to tender for the work, and this is borne out by the departmental files. We have this position: that we have the old manager, Mr. Sibbald, and the present manager, Mr. Keys, both giving an estimate for this work which is costing £25,000 to carry out, when in the hands of the Westralian Farmers, while it could be carried out by the staff of the Scheme for £10,000. That is the opinion of both experts, yet against that we have the action of the Government in giving the work to the Westralian Farmers, Ltd., for another year. This requires some explanation. If this kind of thing is done in regard to the Wheat Scheme, it makes one wonder what is going on throughout the departments of the service. It makes the House prone to think that there is an enormous waste somewhere, which if not stopped, is likely to go against balancing our finances. As I said before, I do not know what the terms of the new agreement are, but the Royal Commission recommended that the acquiring agents should not only receive wheat and truck it, but should also store it at the depots. I trust this has been adopted by the Government in the new agreement. The whole of the evidence received by the Royal Commission from outside sources has been in favour of that proposition. The Railway Department say that the present system of handling the wheat is the cause of a great deal of difficulty to them and the cause of large demurrages being charged against the Scheme. They say that the acquiring agent in the country simply loads up the trucks as he gets the wheat, irrespective of whether the Scheme officials at the depots can receive it as fast as it is loaded or not. Last year there was a large congestion in the service, many trucks of wheat being allowed to lie at the sidings exposed to all weathers, for the reason that the department could not handle it at the depots. This resulted in a loss to the Scheme through the damage done to the wheat by rain and excessive moisture. When one realises the great evil we have in our wheat stacks to-day through the weevil, and the conditions of moisture which are very conducive to the spread of this pest, one can understand the necessity of having the advice of the Railway Department upon a question like this. I do not intend to go further into this question just now. I should regret very much to learn that the agreement had been entered into with the Westralian Farmers Ltd. on terms as remunerative to them as they were last year. On the evidence of the officials of the Scheme, the work can be done for less, and if the Government have not taken advantage of the ad-

they had better consider the position before introducing the Bill to ratify the agreement to Parliament. The Royal Commission handed its report to the Government, I think over a month ago. To date the Government, as far as I know, have taken no steps whatever in connection with the drafting of a Bill to bring before Parliament. The progress report covers the whole of the ground which is essential to take the facts into consideration for the new agreement for next year's harvest. Any questions the Commission now have to consider are outside that matter. The whole of the evidence collected in that case has been in the hands of the Government for a month. If there was such great urgency for this agreement to be entered into, as we were told again and again during the last few months, surely it was up to the Government to see that legislation was introduced to Parliament at the earliest possible moment. There were other recommendations upon which I have not touched. I shall probably deal with them when the Wheat Marketing Bill comes before this Chamber. I thought it necessary however, that this portion of the evidence taken by the Royal Commission should be brought before members of this Chamber for their benefit. I thought, too, that seeing that this Bill is now before us it would give members occasion to think before they gave the Government the license in finance they have been giving them in the past.

Hon. A. SANDERSON (Metropolitan-Suburban) [5.17]: The Colonial Secretary spoke just now of gratuitous affronts to Ministers. What are we to say of this Bill? Is this a gratuitous affront or a compulsory affront? The Colonial Secretary has to bring this forward and introduce it as he did. Personally I think his remarks in doing so were admirable, for he scarcely said anything at all. Let us put ourselves in his place. What would we do? He knows well that we must pass this Bill. He knows that if he initiates a vigorous debate he has to defend the Colonial Treasurer. Anything more calculated to frighten even an experienced Parliamentarian like the leader of the House than to defend the performances of our Colonial Treasurer I think would be difficult to find. How could we affront a Colonial Treasurer such as we have to-day? He has affronted us. He has insulted our security shareholders. His attitude in London to the London people, as I said some time ago, is the most damaging thing that has been done to Western Australia since we have had responsible government. I have been looking up his performances during the last 12 months.

The PRESIDENT: I think the hon. member had better engage himself with the Bill before the House.

Hon. A. SANDERSON: If I understand the Bill, we are asked to pass £425,000. Unless the thing is mere form, what does it mean? It means that the Government of this country are asking us, not as a matter of form because presumably we have the right to reject this Bill, to give them this amount to handle. I am getting uncommonly near to the time when I shall support Mr. Holmes in his project to

ourselves responsible if we pass this Bill. Are we prepared to throw it out at the present juncture? I do not think we are. We are entitled, however, to warn the Government that if they continue with this method of finance we shall take steps to protect the interests of this country. The only steps we can take are to reject Supply Bills, as far as I can understand the constitutional position. I make no attack upon the leader of the House or his colleagues here. He is compelled to introduce this Bill, because the financial strings are in the hands of another place. They are in the hands of a man who has alienated the sympathy and support of the financial classes of the city of London. That is proved by his own officer in London, the Agent General. I simply join in the brief and mild protest which has been made. We have had the situation placed before us in the admirable speech delivered by the Colonial Secretary a few months ago. This has not been answered and has not been acted upon. That is the key to the situation, and here is a concrete Bill of practically half a million of money. The leader of the House, although he has not the power or control over the finances of the country, put his finger on the spot in that speech. The Colonial Treasurer said, "I make no reference to the Federal problem. I am content to say that if we adopt the surplus revenue Bill there will be no occasion for any anxiety." I ask hon. members to look up that financial statement of the Colonial Treasurer. I make no attack upon the leader of the House, and congratulate him upon the introduction of this Bill. We have to pass it. It will save time if he is brief in his reply. He can convey to his colleagues the protest that has been made by several members of this Chamber against the passage of the Bill.

Hon. C. F. BAXTER (Honorary Minister—East) [5.24]: I have listened with a certain amount of interest to the remarks which have fallen from hon. members in reference to the wheat marketing scheme and the administration of the department. Whilst from Mr. Allen's standpoint there is a certain amount of justification for what he has said, neither the Government, myself as Minister in charge, nor the officers of the Scheme, are in any way to blame for what he has put forward as an anomaly. The terms of the agreement will be embodied in a Bill that it is anticipated will be laid before Parliament possibly next week. Outside of that, if hon. members desire to be made acquainted with the terms of the agreement, these will be made available to them. With reference to the position affecting the department and the Royal Commission, which is inquiring into the wheat marketing scheme, I may say at the outset that when the Commission made a commencement with their inquiry I stressed the point that it would be very necessary for them, if at all possible, to advise the Government regarding several important matters. One of these matters was in reference to the acquiring of the coming season's wheat, and another was in reference to the millers' agreement. There were also other minor matters. I said that we would need to get to work, both on the acquiring season's wheat and on the millers' agree-

ment. If we left the arrangements for the acquiring of the wheat much later it would be too late, and would throw us entirely upon the hands of the one organisation which was in a position to carry out the work, and no other organisation could come into the field. It has been said that the Government should have done the work. I do not agree with that. Had we waited until the Royal Commission had presented their interim report we could not have made the necessary arrangements in time to commence receiving the coming season's wheat.

Hon. J. F. Allen: Was not a decision arrived at in this matter prior to the Royal Commission's report?

Hon. C. F. BAXTER (Honorary Minister): No, although the negotiations had gone on up to a certain point. Mr. Allen said that last year the agreement was not brought before Parliament until the wheat was being handled. I agree there is room for complaint there. The difficulty was to get that agreement signed. We were worried throughout the whole of the season, with the object of finalising the agreement. The Government said, however, that for this season that agreement must be finalised and signed before a bag of wheat was handled by any acquiring agent. The experience of last year, for which the department was not to blame, was such that we do not want a recurrence of it.

Hon. J. Nicholson: Have you authority to sign the agreement?

Hon. C. F. BAXTER (Honorary Minister): The agreement will be ratified by Parliament.

Hon. W. Kingsmill: Why was not a Bill brought down before the agreement was signed?

Hon. C. F. BAXTER (Honorary Minister): It is advisable to have both the millers agreement and the wheat acquiring agreement embodied in a Bill and agreed to by Parliament.

Hon. W. Kingsmill: Why do you not do that?

Hon. C. F. BAXTER (Honorary Minister): We have been busy on it for some time. It is not a Bill which can be brought down in a few days, but no time is being lost by the Government in bringing it forward. We certainly want to do so at the earliest possible moment.

Hon. Sir E. H. Wittenoom: Have you completed the agreements?

Hon. C. F. BAXTER (Honorary Minister): Only one agreement has been completed, and that is subject to ratification by Parliament. Mr. Allen has dealt with the matter of the advisory board. The whole question is now under consideration, and will require to be looked into. With regard to the guarantee, I would point out that the State Government are equally responsible with the Federal Government for the amount over 3s. The question the Government are called upon to consider is how they are going to work under an executive board when they, the Government, are financially responsible. Regarding the personnel of the advisory board and the question of the members holding shares in the Westralian Farmers Ltd., I would say that the only member of the board who may have any shares is Mr. Paynter. Mr. Cotton, I do not think owns one, and I am sure Mr. Field,

the manager for Elder, Shenton, does not own any.

Hon. Sir E. H. Wittenoom: What about yourself?

Hon. C. F. BAXTER (Honorary Minister): Mr. Sutton, who is the chairman of the board self nor attempt to guide the advisory board organisation, and has no interest in it. Mr. Pearce, the other member of the board, is an engineer of the Public Works Department. I attend the meetings as regularly as I can, because I think it is beneficial for the Minister to be there. I neither take the chair myself nor attempt to guide the advisory board in their decisions. Mr. Allen stressed the point of the Government calling tenders. The advisory board recommended that the Government should call tenders. This recommendation was accepted by the Government, and tenders were called. Had that been an executive board, these tenders could not have been withdrawn.

Hon. Sir E. H. Wittenoom: Have you the right to sit on the board or not?

Hon. C. F. BAXTER (Honorary Minister): No. Had there been an executive board those tenders could not have been withdrawn, but they were withdrawn, not as Mr. Allen suggests, because of the protests from the Farmers and Settlers' organisations, but because the Government thought that it would be advisable to give the Royal Commission an opportunity of presenting an interim report. This was not done in time and I do not in any way blame the Royal Commission. The Royal Commission were faced with a task which was too huge for any body of men to undertake in the time at their disposal. They were to inquire into the administration of the Wheat Scheme during the past three years and to make recommendations, but I do not think that in the history of Australia, let alone of this State, that we have ever had a commission who have been given such an undertaking. All thanks are due to the commission for the hard work that they have done and for the number of recommendations which they have embodied in their interim report, which recommendations will be favourably considered. The time was extended on two occasions so that the interim report of the Royal Commission might be received but even then the commission were not able to present us with a report. When we remember the volume of the evidence that the commission took and the consideration that had to be given to such a number of vital points, we cannot blame them for the delay. The trouble was that the task was too big for them and the time at their disposal was too limited. Regarding the saving that could be made, the estimates which have been prepared are those of the departmental officers. Those officers have not had a great deal of experience of working under Government systems and I am not too sanguine that any saving like that which has been mentioned can be effected. As a matter of fact, I do know that regarding the small co-operative societies last year they were operating at a loss and they received a subsidy accordingly. I want to know, therefore, how the Government can expect to operate and make a profit. Some hon. members are opposed

to the Government extending trading operations, but the Government have every right to do the work at depots because under the guarantee they must have a check and they must see the quantity and the quality of the wheat which is brought in. It necessarily follows that the Government would require to have a staff there to oversee and check the quality of the wheat. The statement was made by a railway official that delay had been caused through one set of people acquiring at sidings and another set handling at the depots, and this could be done away with. The acquiring agents at the siding took over the handling at the depots. He said that the consequence was that those handling at the depots could not unload fast enough. I would say that the fact that we have given the handling to one acquiring agent cannot relieve the difficulty at all. Those who are operating at the sidings are the different co-operative societies operating as sub-agents and they are not interested in what will take place at the depot. I do believe in the Government doing the work at the depot so as to keep a check on the quality and quantity of the wheat.

Hon. H. Stewart: You have just spoken against the Government doing the work.

Hon. C. F. BAXTER (Honorary Minister): I spoke against the Government handling the whole of the concern.

Hon. W. Kingsmill: Although your manager says you can do it cheaper.

Hon. C. F. BAXTER (Honorary Minister): That is purely an estimate. Reference has been made to the finalising of last year's agreement. I have dealt with that matter time and again. What occurred was that there was a combat between the two bodies and finally the Westralian Farmers Ltd. accepted the price, that is an aggregate rate of $2\frac{1}{4}$ d. with competition. That being the case I agreed to the $2\frac{1}{4}$ d. and I think it was $2\frac{1}{4}$ d. without competition. At the same time I dictated letters to the other agents telling them that I was prepared to let them come in and operate in competition at $2\frac{1}{4}$ d. Immediately on receipt of that they said they could not operate in competition for $2\frac{1}{4}$ d. but later they gave me a cut price without competition.

Hon. J. F. Allen: Why did you not tell them that at the conference you had with them?

Hon. C. F. BAXTER (Honorary Minister): I did not think there was any need to tell them. They all knew of it. When they went away and put their heads together it was merely a political dodge to tie the Government up. There is no doubt about that. I do not know that there is anything else left for me to deal with. I think I have covered all the points. With regard to the Royal Commission, the Government did all in their power to hold back to the last moment in order to receive the recommendation of the Royal Commission, but it was not possible to wait any longer. With regard to the recommendations which have since been made, some have been accepted and others are now under consideration. It will be remembered that when it

was suggested that a Royal Commission should be appointed, I said I would welcome it as I had nothing to fear. There may be some anomalies but there is nothing of any importance lacking. I feel that the administration of the Wheat Scheme has been fairly successful.

Hon. J. EWING (South-West) [5.37]: Evidently the leader of the House did not anticipate any discussion on this Bill, because he did not speak in introducing it, hoping that hon. members would accept the position and perhaps debate these questions which have been raised at a later stage. We are, however, indebted to Mr. Kirwan and to other members of the House who are taking a deep interest in the subjects to which reference has been made. I regret that the Honorary Minister spoke so soon. I have read the interim report of the Royal Commission on the Wheat Marketing Scheme, and my opinion of it is that it is an able and excellent one. It certainly does not reflect credit on the administration of the Wheat Scheme during the past three or four years. One thing struck me particularly is that the Minister has not told us why outside firms such as Dalgety's and others were not given an opportunity of putting in a price this year for the work of handling the wheat. This opportunity was promised them but I understand now that the work has been given to the Westralian Farmers Ltd. without any competition. If that is the position, it is unfair and unjust. I have no reflection to cast on the Westralian Farmers Ltd., because I believe they did their work last year exceedingly well and I am satisfied that they are competent to undertake it again, but the Government announced publicly that they intended to call for tenders for handling the wheat and for some reason not explained we find that other firms were not allowed to tender, and that the agreement has been signed with the Westralian Farmers Ltd., and that the position is exactly similar to that which obtained last season.

Hon. C. F. Baxter (Honorary Minister): It was too late.

Hon. J. EWING: But it is a month or six weeks since I saw the announcement that tenders were to be called. What I complain of is the fact that no explanation has been made as to why that was not done. I give the Minister credit for hard work and zeal and for doing his best, but I want to know why other firms were not given the opportunity of tendering. To my mind the position is very unsatisfactory. Mr. Allen, a member of the Royal Commission, has told us that £15,000 was lost last year on account of handing over this work to the Westralian Farmers Ltd. The hon. member is entitled to make that statement because of the investigation he and other members of the commission have carried out, and I have no doubt that the basis of that statement is sound. It is quite time, therefore, that the country knew why the agreement was entered into again with the Westralian Farmers Ltd., and why an effort was not made to save that £15,000.

Hon. H. Stewart: Do you think that Government handling would save it?

Hon. J. EWING: I do not know. A statement has been made in this House by Mr. Allen who has put in many months of work on the Royal Commission and he has arrived at a certain conclusion which he is prepared to stand by and it is that £15,000 has been lost through the action the Government took. It appeals to me that some explanation should be forthcoming from the Honorary Minister.

Hon. H. Stewart: I understood Mr. Allen said that Mr. Keys made that statement.

Hon. J. EWING: Mr. Keys is a responsible officer and he is in the position to know whether that sum of money could have been saved or not. What I regret is that the Minister has not cleared up the position and I am sorry he has not done so. I am only speaking in search of information.

Hon. H. Stewart: Perhaps it was the advisory board.

Hon. J. EWING: The Minister is supreme so far as the Wheat Scheme is concerned. With regard to the financial position of the State generally I think the Government have a difficult row to hoe and I agree with hon. members that by a reduction in the number of members of Parliament or a reduction in their salaries or by a reduction of the salaries of the civil servants, we shall not solve the problem. My opinion is that in the near future we shall all be in a better position so far as matters generally are concerned. I am one of those who believe that the capabilities of this country are great and all that we require is population and the development of the land and the industries we have waiting to be opened up. I was particularly impressed by Mr. Kingsmill's statement and his appeal to the Government to instil confidence in people who wish to invest capital in Western Australia. Mr. Sanderson has been continually endeavouring, without avail, to arrive at the capital expended on the trading concerns. We do not know yet whether it is one million, two millions, or five millions. A National Government, whose policy it is to help private enterprise, should get rid of those trading concerns at the first opportunity. I do not think the present is a fitting opportunity, nor do I blame the Government for not having yet got rid of the trading concerns, but I certainly hold that they should be got rid of at the earliest favourable opportunity. In another place there is to-day a Bill, which will eventually come before us, providing for the appointment of three Commissioners of Railways. It is in that great spending department where economy could be effected to some purpose. According to the Estimates there is to be, this year, an increased expenditure of £50,000 in the Railway Department. It may be absolutely necessary for improvements to rolling stock, or the like, but at all events there it is. It is not very long since the Colonial Treasurer, when bringing down his Estimates, stated that a gentleman from the Malay States was to be brought here to investigate the Railways.

That statement, of course, proved conclusively that the Government were not satisfied with the administration of the Railway Department. I thought very seriously of, and discussed with men of greater knowledge and experience than myself, the question as to whether I should move for a Royal Commission to investigate the Railway Department from A to Z. I was reminded that it was a huge undertaking, and that probably a proposal for a commission of members of Parliament would not be agreed to. In my opinion members of Parliament are quite as capable as anybody else of investigating these matters. It was urged that it would probably put the country to great expense in bringing over experts to go through the department. I have not yet definitely decided not to move for the appointment of a Royal Commission for this purpose. If I refrain from doing so it will be on the score of the resultant cost. It is the duty of the Government to go thoroughly into the position and see whether thousands of pounds per annum could not be saved. There has been wicked expenditure in the Railways Department, and large sums of money have been sent out of the State for commodities which could be procured here. This should not have been allowed, yet it has been done and will be done again unless the Government are strong enough to forbid it.

Hon. Sir E. H. Wittenoom: Why do not Ministers see to this?

Hon. J. EWING: I do not know, but it is my duty to give my views to the House.

Hon. J. J. Holmes: We know they were going to see to it.

Hon. J. EWING: It is time it was done. I appeal to the Government to go thoroughly into that huge department. I am satisfied that the result of such an inquiry would constitute an astounding revelation of what has been going on for the last 10 years. I make this appeal in the hope that the Government will see that in this direction they can effect vast economies. There is an increase of £6,000 in the estimated expenditure on tramways for the financial year. I think the trams should be handed over to the municipality of Perth. The sooner they are transferred the better will it be for Western Australia. Personally I am not pessimistic in regard to the finances of the State. Every possible encouragement should be given to those people who desire to invest capital in our State. If this be done we shall have prosperity very shortly.

Hon. J. E. DODD (South) [5.50]: I must say I am perplexed this evening, as on many occasions, by the attitude of members upon the question of finance and upon Supply Bills generally. I have listened attentively to the debate, especially to the remarks of Mr. Kingsmill, Mr. Holmes, and Mr. Allen. What I cannot understand is this: we have Mr. Kingsmill repeatedly getting up and urging that the Government shall encourage private enterprise and abandon all the State-owned schemes, and even bring in Bills in order to make everything absolutely secure for those in favour of private enterprise. It is all

very well, but only a couple or three years ago some whisky regulations were before the House. I remember Mr. Kingsmill moving to disallow those regulations. He then made a pertinent remark which I have never forgotten. He said that milk had killed more people than had whisky. Only last session Mr. Kingsmill said that the Government should take over the distribution of milk. Where are members in connection with these State enterprises—where do we stand? Mr. Kingsmill, knowing that milk has done more harm than whisky, comes along and says, "Gentlemen, we must go in for State enterprise in regard to milk. We must go in for a socialistic concern in regard to milk. We must establish State milk depots and cut out private milk enterprises in the metropolitan area"—not in Kalgoolie, it will be noticed. What is behind the mind of hon. members on this question? Now we come to Mr. Holmes, who is totally against State enterprises in many directions. But the hon. member was candid enough to admit, when the Labour Government were in power, that he favoured State steamers.

Hon. J. J. Holmes: What has he said since?

Hon. J. E. DODD: I believe he still favours them. Let me say that if the hon. member is not in favour of State steamers he is still in favour of State freezing works. Hon. members do not want State enterprises, with the Government to administer them, but now they say to the Government "You find us the money and we will manage the concerns for you. We will appoint a trust to manage them." It seems to me we have in the Chamber three classes of socialists—positive, comparative, and superlative. The positive degree of socialists are the old Labour party. The old Labour party led the way in regard to socialism. But sometimes one leads the way and gives a start and then cannot stop the movement. That is the position which we have reached in this Chamber. The old Labour party led the way in socialistic enterprises, but this Chamber is now leading the old Labour party. I might go on to point out in the speeches of hon. members how they favour socialistic enterprises. It certainly seems to be a question of environment with those socialistic enterprises they favour, which almost invariably are socialistic enterprises in their own constituencies. Mr. Kingsmill, a little while ago, wanted to wipe out the National party and have only two parties, because the Liberals did not believe in private enterprise. Yet the leader of the Liberal party goes ten times farther than any other man in this State in his advocacy of socialistic enterprises. Mr. Mitchell wants to subsidise butter and bacon factories, and goat farms, and would have established straight away State freezing works at Fremantle. Mr. Ewing made some interesting remarks in regard to the railway administration. In regard to Mr. Ewing and Mr. Lynn I should like to point out that for almost the first time in history we found man and master combined to force socialism upon the State Government in connection with the Collie coal strike. Where do we stand in regard to this question of socialism? Mr. Sanderson is probably the only individualist in the

Chamber. Another great individualist in the person of Mr. Sinclair McGibbon has recently advocated that the Government should take control of all the flour mills in the State. As one who believes that we can never set right the finances of the State by retrenchment—although I am not against due retrenchment and economy—I have always held that there are other avenues by which we can bring revenue and expenditure into closer touch. I would advocate the imposition of taxation on those industries which have benefited through the horrible war, and by the blood that has been shed by our fellows. Such taxation would help to pay some of the burden of the war. Where could be found a more glaring case of what has been won by the blood of the men fighting for us than in the pastoral industry? Why do not the Government act upon the suggestion of Mr. Duffell and say to the pastoralists, "You are getting a largely increased price for your wool, and so we will put a tax on you." I think there is room there to secure a certain amount of revenue. Let me also say that in my opinion we can never do any good for the railways until we adopt a system of land values taxation. By doing that we shall certainly do something to open up the country and bring about a more equitable form of taxation. One word with regard to the Wheat Marketing Scheme. Certainly I have not followed up the matter as closely as I might have done. I am not altogether seized of the position of the Government relatively to the Westralian Farmers Ltd. But I have some intimate knowledge of certain of the competing firms, and a particularly intimate knowledge of one of those firms. Let me say here that rather than I would see the handling of the wheat harvest handed over to that one firm, I would go a long way to assist the Government in what they are trying to do. It is only a little while ago that the principal of one of the largest of these firms died worth 2½ millions. How did he accumulate that amount of money? Who paid that 2½ millions? Was that money accumulated owing to the business acumen of that gentleman? Nothing of the kind. It was accumulated because of the power which he exercised over the farmers and over others in Australia. I know perfectly well that the representatives of some of those firms to-day are working hard to force the Government to give the control of the wheat harvest to them. Not only did the particular firm I have referred to reap a benefit from the farmers of Australia, but they also reaped a benefit from the blood of the men working for them. I know something of the matter. I know that the men lumping 240lb. bags of wheat were cut down from 1d. per bag to 6d. for ten bags. And all the time these huge profits were accumulating in the coffers of the firm. I cannot forget those things. Although I appreciate the patience and the energy with which Mr. Allen has gone into the question of the Scheme, and although I appreciate fully the very clear speech he made here to-day, I feel it my

duty to advance that other aspect of the matter—not out of opposition to what Mr. Allen said, but simply to show that there may be something behind. I hope the Government will be able to see their way clear to act upon the suggestion made by various members, including myself, as regards the wool clip; and I do trust they will look into the question of land values taxation, especially in connection with the railways. Like other members, I believe there is appalling waste going on in the Railway Department; but I decline to believe that the suggestion of a Royal Commission to inquire into the Railway Department, which suggestion was made by Mr. Ewing, can do more than a certain amount of good.

Hon. R. J. LYNN (West) [6.3]: I do not propose to say anything on this Supply Bill itself, realising that it is simply one of those measures preceding the Annual Estimates, which will open up the flood gates of oratory. But having heard Mr. Allen on the wheat question, and also the remarks of other members in that connection, I propose to say a few words on that subject, leaving all questions of finance until the opportunity presents itself on the Appropriation Bill. The one matter which concerns me more than any other, is that many members of this House and the great bulk of the people are unable to understand clearly why members of Parliament take so little interest in the duties of their position. My reply is merely that the whole thing is, I may say, ludicrous. We meet here day in, day out, to discuss measures in the framing of which we have had absolutely no say, and to fight Bills after commitments have been made. The absurdity of the proceeding must appeal to every hon. member. Last session, when the wheat acquiring question was first discussed, I raised the point that the largest trading concern in this State was being handed over to a firm, the Westralian Farmers, Ltd., who at that time had no capacity to handle the business—no capacity in the sense that they had no experience.

Hon. V. Hamersley: They had had two years' experience.

Hon. R. J. LYNN: Two years' experience in handling a very small part of the harvest. I stand to it that their experience at that time was so limited that they had no right to receive the whole of the acquiring of wheat in Western Australia. On the very day that this House passed the measure giving the Westralian Farmers the business, this Chamber also had before it a Bill to continue the Postponement of Debts Act. By the latter Bill we absolved these very people from paying their liabilities to their creditors. Moreover, the Government were handing out to these people, through the Industries Assistance Board, money to compete against the very firms who were debarred, by the postponement of debts legislation, from claiming payment of debts. In my opinion that was wrong then, and it is wrong to-day. But I am not raising that question now. I do not wish to say to-day that the Westralian Farmers are not the best people to handle the wheat business. To some extent I am in accord with Mr. Dodd, but un-

fortunately his reference to the little State socialism that I was interested in, and which has not proved the complete success which was expected, is one with which I am not in accord. From experience in the domain of socialism and collectivism I know that the boomerang comes back, and that one gets hit harder than one would have been hit had one left socialism alone. However, we all pay for our experience; and, in any case, we are all pleased to-day to see our friend Mr. Dodd in such good form.

Members: Hear, hear!

Hon. R. J. LYNN: We could have listened to him with pleasure for hours, and I hope that the renewal of enthusiasm and energy to-day displayed by him will be repeated in the near future for the benefit of this House.

Members: Hear, hear!

Hon. R. J. LYNN: But the point I wish to stress—I think the leader of the House and members generally will agree with me—is that we are wasting time in discussing the matter of wheat acquiring in this State. A Royal Commission is sitting on that question, expending a reasonable amount of money and incurring a considerable amount of printing. As Mr. Kingsmill has said, probably the report of that Royal Commission will be used as second class paper when the Royal Commission has finished its labours. Little or no notice is likely to be taken of the Royal Commission's report. That would be quite in keeping with the results from the labours of other Royal Commissions which have sat during the time I have been a member of this House. The agreement for the acquiring of the wheat will, I understand, be completed this week, if it has not been completed to-day. On very good authority I have heard that the agreement has been signed. Well, assume that it has been signed and sealed, I take it that the agreement is binding on the Government. And yet we shall have introduced in a few months from now a Bill to ratify that agreement. Nothing we do will be of any avail at all. If we refuse to ratify the agreement, we shall be merely putting up a pious protest. However, the ratifying Bill will be passed, and the expenditure under it will have been incurred, and Ministers will smile and sail on and say, "Well, of course that is through." What use is it for this House to spend time and money on discussing the agreement? What is the use of the Royal Commission's labours when the wheat acquiring agreement has been completed and when the Westralian Farmers are to do the work once more? Why does the House permit that sort of thing to be done? I could quote "Hansard" to show that the leader of the House, when he first occupied a seat in this Chamber, never refrained from voicing protests against government by regulation, government by Cabinet, government by outside influence where Parliament is not consulted. Yet we find the hon. gentleman following the very same course of action. If the Colonial Secretary were to-night to occupy the seat of the then Colonial Secretary, Mr. Drew, and deliver a criticism on this wheat acquiring agreement, we would all say, "That is Mr. Colebatch on the Labour Government." But I suppose the Colonial Secretary has to fall

into line with other Ministers. Let us face the position as we know it to be. We know that outside influences and certain sections to-day control the party in power, just as much as ever in days gone by. Governments were controlled similarly. Mr. Holmes has spoken on the finances, and in my opinion he has offered the only solution it is possible for this House to adopt. No more pious protests, no more complimenting the leader of the House on his silver tongue, or his administrative capacity. No more dissertations on the wonderful genius of any member of the Cabinet, or on the faults of any Honorary Minister. Instead, let us do this—when the Estimates come before this Chamber, let us delete a vote, and stand to our action, and fight the position on it. If we show that we have the necessary backbone, we shall at last accomplish something towards bringing about a position of affairs which will be conducive to the stability of the House. However, a Supply Bill comes up for the first two months of the financial year, and we are told the Estimates will be submitted in the very near future. Then a second Supply Bill comes up, and still the money is being expended, and the Estimates are not available in reasonable time to allow of any effective discussion or action by this House. Then we have all these commitments made by a Government governing by regulation. The House has absolutely no say as regards any of those commitments. We merely go on with our pious resolutions. I submit we should do either one thing or the other.

Sitting suspended from 6.17 to 7.30 p.m.

Hon. R. J. LYNN: Before tea I was addressing a few remarks occasioned by what had been said by Mr. Allen. What I have to say about the Estimates in general I shall postpone until we have the complete Estimates before the House. I do think this House should intimate to the leader and to the Government the action which we propose to take in the future respecting any measures that may commit the State to heavy expenditure, and if in the face of that we still have measures brought down in order to ratify agreements entered into, then Ministers responsible for the introduction of those measures will be able to advise their colleagues who may be responsible for the agreement entered into the action which this House proposes to take in the future. If in the face of that agreements are entered into and Bills introduced here and they are rejected, the responsibility will not be cast on the individual members of the House. I do not know of any measure ever having been submitted to this House committing the country to expenditure in time to receive the sanction of this House before the expenditure was incurred or the agreement entered into. We have at times had measures submitted and rejected, refusing to allow Governments to increase or impose taxation. But when it comes to a question of expenditure, then in every instance as far as I can remember, the expenditure has been incurred and the agreements entered into and sent to the House for ratification after the responsi-

bility has been incurred. If that policy is pursued in the future and a motion is moved by a member to reject a measure, that member can rely on my vote in order to defeat that particular measure. When the Estimates are before the House there are quite a number of items the administration of which are governed by the leader of the House, and I think it will be shown in those Estimates where very good or reasonable economy can be effected. But I hope the discussion this afternoon will have done some good from the point of view of asking for the ratification of measures incurring expenditure before the money has been spent.

Hon. H. MILLINGTON (North-East) [7.35]: The presentation of money Bills acts as an inspiration to members of this Chamber and is used as a vehicle for conveying opinions on all imaginable subjects. It is difficult to dissociate finance from any concerns of the State. Some of the criticisms show a delightful candour on the part of members. This must be most helpful to the Government. As to the wheat handling agreement, I do not propose to discuss that now. We shall have an opportunity of discussing it when the matter has been fixed up. No doubt the Government will take the opportunity of having the matter settled before they ask us to agree. This is part of the policy of the Government, and I regret to say, since candour is the fashion, that this has not been so with Governments for some time past. It is a complaint of many members that the Cabinet appear to think they have not only the control but the sole control of the affairs of the State. I am pleased to know other members have protested in the manner in which they have done. It is not Cabinet but Parliament who should have control of the affairs of the State. The difficulty is if we have a say or not we have to take the responsibility. The present Government are not unlike other Governments. They have a way of getting out of the responsibility even in connection with finance. They announce that the deficit for the month or the year is such and such, circumstances over which they have no possible control, and they say "We have to tell the country it is something completely outside our control." Since the Government take so much upon themselves I want to know when they are going to make up the drift which is taking place. In the past there has been a financial debacle. I think I have heard that word in this Chamber before.

Hon. R. J. Lynn: Years ago.

Hon. H. MILLINGTON: One of the old financial drunks which we have had. But the very worst kind of drunk I know of is that by the man who refuses to pay for his drunk, and if we have financial drunks it is time we were prepared to foot the bill and not allow the youngster to pay it if ever he gets old enough to pay for it. Private enterprise versus State enterprise has been discussed, and as far as I am concerned I recognise that private enterprise should be encouraged. But I have yet to learn that it

should be encouraged at the expense of the State. Statements have been made by Mr. Allen and others that responsible persons have made calculations in connection with the wheat handling scheme, and the fact remains that the Government have seen fit to give a bonus to private enterprise. I do not think members suggest that private enterprise is so important that the State instead of doing the job themselves should have to encourage it to the extent of £15,000 or £20,000. That is not my idea of the way in which the State should assist private enterprise. Mr. Ewing referred to the advance in railway receipts. I believe he said that for the month it was £48,000. Here is an instance where the Government was assisting private enterprise. As a matter of fact they have taken £38,000 or £40,000 during the month out of the State coffers for the purpose of assisting somebody. It is not very clearly shown, but the fact remains that somebody somehow got the benefit of £18,000 in dealing with the Railway Department. They have got their goods carried at that much less during the month. This is becoming quite a usual thing, and that is my complaint against the Government. This measure is for a sum of £425,000. The Treasurer requires that because presumably someone has sent in accounts to the Treasury or he anticipates they will send them in for that amount. My complaint against the Government is that they have done certain services for the people of the State, but have not sent in their account. The Government are continually carrying out all these services and I want them now to become serious and send in their account. I am tired of the remarks about the drift, and about pettifogging economies. Everyone realises that it is impossible to square the ledger or stop the drift by pettifogging economies. They cannot face the position. If the Government do cut down certain expenses they see that the matter is duly advertised, but they know that they are not getting the country out of the position in which we are. With Mr. Dodd I say the Government have to face the position, and ask the people to finance the affairs of the State. The means to be adopted should rest with the Government. If the Government want suggestions we can give them those suggestions. But the State cannot go on as it is doing. I realise with Mr. Holmes that we cannot go on as at present, but I do not take his view that it is possible to get over the difficulty by economy and cutting down the services of the State. I do not for a moment agree with that. I think there are two or three at least in this Chamber whom we shall have to talk to very seriously. Mr. Holmes was seriously talking about starting a new party. It appears there is a new party, the repudiation party. Mr. Sanderson already appears to incline or to co-operate with it, and I am afraid from the remarks of Mr. Lynn he is prepared to join this revolutionary repudiation party. This is a dangerous sentiment amongst the solid financiers of the State. Instead of proposing repudiation

we should ask the people to pay their debts. Otherwise it will not be a matter of talking repudiation, but it will come to that inevitably. Again, someone has been complaining that there is too much wire-pulling, too much influence from outside bodies. They do not suggest that they know anything about it. I think this kind of thing has been in evidence before the dreadful Labour party came into existence. In a work of any magnitude there is outside influence brought to bear on the Government. I remember in connection with all railway lines and big works, influential bodies of citizens interested in the work come along and bring all the pressure they can to bear on the Government. There is nothing new about it. The hon. member who mentioned this comes from a district where there is a good deal of pressure being brought to bear by the citizens of the State on the Government, where the work is of particular interest to that district. The province which the hon. member represents has been particularly spoon-fed by the Government, just as at the present time the Government are spoon-feeding the producers of the country. Instead of complaints on the part of people who find it difficult to get justice, and their putting pressure upon the Government, they should remember their awful past, and that when money was plentiful they brought pressure to bear upon the Government of the day. Now that the poor fellow in the country, the man who is not considered as a particularly smart man, but who has done a tremendous lot of work, finds he is not getting value for his produce and is anxious that the Government should grant him a little assistance, these people are complaining about it. I think this late repentance is rather uncalled for. The reason why these outside bodies have brought pressure to bear upon the Government at this late hour is because they did not wake up as early as the smart man who understands business methods and got in early. Their main difficulty is that the smart man in the metropolitan area has milked the poor old State cow dry. Hence the indignation against the farmers and other outside bodies who are endeavouring to put pressure on the Government at the present time. There has been nothing but pressure put upon the Government ever since Western Australia was a State. The indignation that has been expressed appears to be merely in the form of window dressing, and I take no notice of it. As to the way of getting this State out of its present financial position, we know the people on whom we depend to do it. It is not the smart business men in the town, but the toiler in the country who is keeping the town going. If these people are not to be encouraged, what position will this State get into? Someone has objected to the freezing works at Fremantle, and suggests that these works should be left to private enterprise. Presumably, this most obnoxious form of assisting State enterprises, namely, that of allowing a certain company or individual to start a given work or industry

and then ask the Government to subsidise it, is preferred. It appears to me that if State enterprises are an evil then this other form of enterprise is 10 times worse.

Hon. W. Kingsmill: Unassisted private enterprise.

Hon. H. MILLINGTON: I wish there was more unassisted private enterprise. Apparently private enterprise to-day is composed of people who wait on the doorstep of the Government asking for assistance and complaining that the State is competing against them. During the last few weeks I have visited many of the country districts. There is undoubtedly a desire that the Government should make arrangements to assist the producers to market their produce.

Hon. R. J. Lynn: Was that the object of the visit?

Hon. H. MILLINGTON: I made inquiry and found men in those districts quite prepared to give me the information if necessary. I am sure that any other hon. member who goes down there will be placed in the same position. Their position is that they are not prepared to go on producing and branching out into other industries unless they have reasonable prospects of getting a market. Take the counsel to the farmer, to go in for mixed farming. He is told that there is no possibility of making good out of wheat growing alone, and that he will have to go in for sheep raising. Farmers are doing it now in some districts, but they say they are doubtful about getting a market. They have a market for their wool, it is true, but their trouble is that they do not think they will get a market for their surplus mutton, and they say the only possibility of getting one is through the agency of freezing works. If they saw a reasonable prospect of such works being started they would be encouraged to go on, but until there is a prospect in this direction, they do not consider they are justified in branching out.

Hon. J. Mills: What about the districts further north?

Hon. H. MILLINGTON: What applies to one part of the State applies equally to another. We do not need to prate about producing, but what we do need is to encourage the farmers to produce. Without these facilities where is the producer's opportunity of getting a market? If it is the intention of the State to foster industries, let it, when it is shown how it can do so, as in the way suggested, assist to that degree. Instead of decrying the idea of the State entering into industries of this kind with the object of assisting the primary producer it is about time we seriously considered the proposition. I am not a Country party member, but at the same time I have the interests of the producer at heart. I have told some of the enlightened farmers of the State that the interests of the primary producer and the farming industry, and especially the producers and workers who happen to be wage earners, are identical, and that the same crowd which is riding on their backs is riding on ours. The only difference between the Labour party and the farmers is that the Labour party has stumbled to the position

The farmer is just about to tumble to it also, and to find out where the trouble lies.

Hon. J. J. Holmes: The Labour party has tumbled in this State.

Hon. H. MILLINGTON: They admire the way the other crowd have got on, and their business capacity, especially when they come into contact with them. I myself have the greatest respect for them, but I say they are too expensive a luxury to keep in these times, and we cannot afford to do it. With all due respect to the fine business brains of the State, I will say that they do not trouble to build up the industries of the State, and that the time has come when we have to do without them. Just as some hon. members suggest that we should cut down our expenses in connection with administration so does the producer say that it is time to cut down his expenditure.

Hon. J. J. Holmes: Wipe out all businesses.

Hon. H. MILLINGTON: Wipe out those who are riding on the backs of the producer. Let the producer do what he can for himself, instead of doing it for others at exorbitant rates. When the farmer has a product to sell he has nothing to do with fixing the price of it. That is not taken into consideration at all. But when it comes to a case of requiring something he is not consulted. He is told that there is the price, and he can take it or leave it. That is just about the position of the wage earner, who after producing and working hard all the year round finds that he is left only about enough to live on. He is allowed wages by the clever market manipulators of this and other countries, but he now realises that the time has come when he must do this work for himself. When they say now, "We ask the State to come to our assistance and start certain State enterprises, but not with the object of profit making," there is an outcry. All the trading concerns that we started were in the nature of commercial policemen, and they had a very salutary effect. The farmers of the State have taught some of the big agencies a lesson. They have shown them that although they have had the experience of many years behind them they (the farmers) can do things cheaper after a couple of years than those other men can do. They find out that they can market the wheat for themselves, and handle it more cheaply than those men with all their experience. Just as the wage earner has been bluffed so has the farmer been bluffed. I do not agree, however, with the manner in which the Government have handled this wheat marketing affair. I do not either put up any case for the companies, which in times past have run this business in Australia. At one time the farmers were under the impression that the big wheat buyers of the country were carrying them. The farmers were taught that, and actually believed it, but they are enlightened on the question to-day. When the crisis came we found that it was not the big wheat buyer who stood behind the farmers when in need of assistance and who carried them over, but that it was the farmer himself who had to do his own guaranteeing, and with the assistance of the Commonwealth actually he provided his own guarantee. That was

war, and I hope the farmer will profit by the lesson. The question has been raised here in connection with State trading concerns versus private enterprises. It is unsafe to assume now that the position the State is in to-day is owing to the calamity of State enterprises. That is contrary to fact. Last month I had the pleasure of reading that we had a surplus of £7,000. There may be some circumstances which will be brought to light in a few days to put a different complexion on affairs. I am sure that the deficit will come along again in a day or two, as usual. I noticed, however, that State trading concerns were responsible for a profit of a little over £40,000, which means that had it not been for the State trading concerns, which are of such concern to some hon. members, instead of a surplus of £7,000 there would have been a deficit of some £32,000.

Hon. J. J. Holmes: Were it not for the profits of the State steamer "Kangaroo" what would have happened to the State enterprises?

Hon. H. MILLINGTON: I think the State steamer "Kangaroo" is too respectable a vessel to be called a State steamer. She should be put under a separate heading. The book-keepers have not arranged this matter yet. Undoubtedly the "Kangaroo" is in the road of the critics of State enterprises. I recognise that will have to be remedied in the future, and that she will have to be placed on a different plane altogether, such as railways and other concerns of the kind. I give hon. members a hint that they will have to get on to something new. I do not know what new bogey can be raised, but the fact remains that the State trading concerns will have to be given a rest because they are behaving themselves remarkably well of late. With regard to the railway system, I quite agree that that is a question into which inquiries must be made on account of its being of such a big spending service. At the same time if an inquiry were instituted, and any attempt made to put this service on a financial foundation, there would be innumerable complaints throughout the State. I do not know of anything which would be more likely to cause a revolution in Western Australia than that of putting the railway system on a paying basis. I do not think anyone suggests that this would be possible just now. I think from the province represented by Mr. Ewing there would probably be train loads of deputations coming up to Perth if any attempt of the kind was made. The same thing would apply to other districts. There are not many people who are prepared to put forward the advice that such a step should be taken. In regard to the measure itself and the question of repudiation, I say that unless we are prepared to face the position and send out accounts for the services we have rendered, on the most approved lines, we will be in the position, not as suggested by Mr. Holmes of starting an artificial method of repudiation, that we will not be able to pay our debts. That will be the inevitable outcome. We all have to support this Bill. It is merely a formal measure just as the ratification of an agreement made by the present Cabinet is formal. I support the Bill.

Hon. H. STEWART (South-East) [8.0]: I would like to appeal to hon. members to consider on broad general lines what is likely to bring about an improvement in the condition of the State. If we are candid we must admit that while the war lasts it is impossible to retrieve the position. But when the war has terminated it is not the people in the metropolitan area who will retrieve the position, it will be the people engaged in the primary industries, the pastoral, mining, timber, and agricultural industries. And as my colleague in this Chamber has just instanced, that where the people in the cities have milked the State cow pretty well dry, they now come along and protest against those who have suffered endeavouring to protect themselves to earn the right to live and earn a competence, and not exist in the way they have done in many cases, as serfs and under difficult conditions. No one knows better than Mr. Kingsmill of the conditions under which many of the agriculturists are obliged to live, and have lived for some time, conditions which would not be permitted by any right-minded people who, if they realised them, would help in ameliorating them. Is it a proper state of affairs that people should be away outback working as hard as any person could be expected to work, and perhaps quartered and rearing families in hessian buildings distant from the comforts of civilisation, and then be refused the right, as self-reliant people, to combine to protect themselves and to improve the conditions under which they live? Hon. members will surely concede that those people are well justified in combining to protect themselves so as to get a better price for their produce and thus get the wherewithal to conduct their businesses under the best conditions.

Hon. R. J. Lynn: No one objects to that.

Hon. H. STEWART: But you put every obstacle in the way. Last session heard Mr. Kingsmill holding up to ridicule the position in Northam if farmers successfully combined in co-operative trading.

Hon. W. Kingsmill: Not to ridicule.

Hon. H. STEWART: The hon. member dealt apprehensively with the position in which Northam would find itself owing to the entrance of the agriculturists into the field of co-operative trading. What has been the position in Denmark, in Ireland, and in Brittany? By co-operative trading the agricultural industry in those places has been raised to a state of prosperity, and in many instances it has saved not only the people but the State itself. The hon. member may well suffer from ennui in hearing these remarks, but I think he will realise they are correct and that the combination among agriculturists which is taking place is essential and is in the interests of the State. What is the position in regard to a young country like this, and of the Commonwealth? Here in Western Australia 49 per cent. of our population are wage-earners. Of that number 29 per cent. are engaged in the primary and manufacturing industries, that is 29 per cent. are contributing the wealth which is distributed throughout the community. Of that 29 per cent. 19 per cent. are engaged in

the primary industries and 10 per cent. are engaged in the manufacturing industries. We want to see that percentage largely increased, particularly when, under normal conditions, it could incontestably be shown that each person engaged in the primary industries contributes $2\frac{1}{2}$ times as much to the national wealth as the person engaged in a secondary industry. Many people say that the mining industry is of over-shadowing importance in the Commonwealth. Before the war mining contributed only 25 millions to the wealth of the country. It does not suffer from lack of advertisement. The pity is that in this State the number of employees which, prior to the war, was 18,000, has now dwindled to 10,000, and it is unfortunate too, that the people in the State do not show a keener interest in the development of that industry. The pastoral industry and the dairying industry of the Commonwealth in combination contributed 78 millions towards the upkeep of the Commonwealth, and agriculture contributed 45 millions. Now let us see what the secondary industries have contributed with, roughly speaking, a similar number of people engaged in them. Slightly over half a million were engaged in the secondary industries while 586,000 people were engaged in the primary industries. Those engaged in the secondary industries contributed 65 millions as against 155 millions contributed by those engaged in the primary industries. Yet what encouragement do we, who stand here to represent the primary industries, receive? I remember the time when Mr. Sanderson, looking across the floor of the House to where certain country members were sitting, though perhaps he hardly realised where he was looking, referred to them as bucolic members. I think he should have looked at the representatives of the great North-West, the home of the pastoral industry, when he made use of that expression. The dictionary tells us that the word bucolic is essentially confined to representatives of pastoral and grazing pursuits. However, we can let that pass. I have no doubt my bucolic colleagues in this House will not be affronted. I represent the small man who combines a certain amount of grazing with his wheat growing. With reference to the desire of those people who rely on themselves in order to improve their position, it gives me considerable pleasure to be able to stand here and point to two institutions which have sprung into existence during the past 12 months in the South-East Province without the assistance of the Government. One is at Mount Barker where the fruitgrowers inaugurated a cold storage system at a cost of £12,000, and in connection with which the lowest Government estimate, which had previously been obtained, was £16,000. The establishment of these works has helped considerably to improve the position of the fruitgrowers in that part of the State. Then at Gnowangerup recently, without one penny of assistance from the Government, the people there erected a co-operative butter factory and they too are working in the direction of improving their own conditions and incidentally the position of the State. The graziers from Pingelly south have met together and

submitted a proposition to the Government that they shall help to make available to them the cool storage works at Albany if they could be utilised to advantage at a valuation to enable them to establish freezing works to deal with the surplus stocks of those districts. What the answer of the Government will be I am not able to state, but I earnestly hope that we shall see down there the first freezing and canning works established in the State, and I feel proud if these works can be set going without Government help. I believe similar steps are being taken now in the North and I have no doubt strenuous efforts will be made to establish such works at Fremantle as well. Some years ago when the Denmark estate was being worked, the timber was exported from the port of Albany. Between 1897 and 1902 there were three mills working two shifts and about 800 men were employed there. Two trains a day were being run to the port, where as now only two trains a week are running. I understand that passing over a comparatively short mileage there are further forests to the west, and it seems to me quite a feasible proposition that the Government should arrange matters in such a way that a line might be laid by private enterprise with certain safeguards to tap those forests and work them under proper conditions under the Forestry Department so as to enable the railway line to revert to the State. The people who are engaged in the timber industry could make a profit and the land could be made available for settlement as the clearing takes place. It is measures like this that will help to improve the position of the State; it is not by standing still and marking time and by endeavouring to interfere with the producers when they combine to endeavour to improve their position that increased prosperity will be obtained. Mr. Dodd made reference to a tax on unimproved land values. I am not prepared to support such a tax, because the agriculturist at present cannot bear any further taxation. But, seeing that the railways and water supplies and other services are national undertakings from which the Government receive an indirect benefit in the primary industries they foster, the proposed tax is a feasible proposition if we can safeguard the position in such a way that freights would be reduced out of the revenue derived from the tax. In those conditions I think the measure would receive strong support. But in the past large sums of money received by the State have all gone into Consolidated Revenue. We had an instance the other day given by Mr. Nicholson in connection with the Bunbury harbour scheme. In a time of prosperity money flows into the Treasury and is, I will not say squandered, but is spent unwisely. Consider the position of the agriculturist, a married man with a family, going out to pioneer a farm. The maximum amount allowed him by the Agricultural Bank for the erection of his house is £30, whereas a City worker can secure an advance of from £500 to £600 for his home. Which is the more desirable citizen to encourage? Is it not the man engaged in the primary industry and is it a fair proposition to ask a married man to

go out into the back blocks and rear his family in a house costing £30!

Hon. J. Nicholson: Have they not stopped advancing against workers' homes?

Hon. H. STEWART: Even if they have, it has been the principle in the past and therefore I am justified in drawing attention to it. Those who declare that the agriculturist has been spoon-fed must be entirely ignorant of the conditions under which he has to struggle. In conversation with the Minister for Industries the other day, I was very pleased to hear that, given anything like a normal harvest, he hopes that the position of the Industries Assistance Board will be entirely cleared up at the end of this season. Possibly the Minister is over sanguine, but I hope his prediction will be fulfilled. Even if assistance has been given to certain underserving cases, I think members will admit that the outlay on the Industries Assistance Board has been fully justified in that it has maintained large numbers of agriculturists on their holdings and enabled them to continue production. In regard to the Wheat Scheme, the position was made perfectly clear last session that the mercantile shipping agents had cut themselves out from last year's business. Mr. Lynn referred slightly to the Westralian Farmers Ltd. and their knowledge of the business.

Hon. R. J. Lynn: To their inexperience.

Hon. H. STEWART: Let me remind the hon. member that in their second year they got more wheat than any other of the mercantile firms with whom they were in open competition. If hon. members will look at the reports of the Royal Commission which sat in Adelaide, it will be seen that the Scheme in South Australia had two outside auditors taking a continuous running audit, and it was shown that the administration of the Scheme in that State was disgraceful and that tens of thousands of pounds had been squandered. In each of the other States I found that the respective Governments have realised the justification for the representation of the wheat growers on the State wheat board, and have at last conceded the demand. There is now on each board a wheat growers' representation of two members and in most of the States those boards are being given executive powers. Owing to the growth of the co-operative movement in this State our handling costs are lower than those in any of the other States. Let me here read from a letter published in the "West Australian" of the 26th instant—

With reference to the rates paid for the different services last season, as you are doubtless aware, these were very much less than those paid in former years. For example, in the 1916-17 season, when all agents were operating, the merchants, through their chairman, Mr. Keys, contended that their rates were bedrock. That year a penny per bushel was paid for wheat trucked direct. In the 1917-18 season the rate for the same service was one halfpenny, a 50 per cent. reduction. No one has been bold enough to suggest that this and other similar reductions in handling costs, would have been effected had it not been for the presence of the

farmers' co-operative company in the field, which resulted in a rate-cutting campaign, with the details of which probably you are aware. It goes without saying that had it not been for the influence of the co-operative companies the rates for the different handling services would have been similar to those ruling in the East. We would ask you to digest the following brief comparative statement indicative of the position in this connection in the different States last season:—Western Australia co-operative monopoly, cheapest handling rates in Australasia. Victoria: Strong co-operative movement $\frac{1}{4}$ d. dearer than Western Australia. South Australia: Co-operative movement growing, 3-8d. per bushel dearer than Western Australia. New South Wales: co-operative movement just commencing, 5-8d. dearer than Western Australia—most costly handling in Australia. The difference between the rates paid in New South Wales and those paid in Western Australia works out at £88,000, this being the saving which would have been effected for the farmers there had the merchants been forced to operate at the same rates as were operating last year. Notwithstanding that the rates in this State were the cheapest in Australia, the handling costs are the greatest by reason of (a) the rates of wages being higher; (b) the average quantities received at the sidings being much smaller; whereas in Victoria a siding at which 60,000 to 100,000 bags are received is common, the average in this State works out at about 8,000. My company have drawn attention to certain savings which we contend could be effected, some of which are as follows:—

This is the other side of the picture in regard to the expert advice given by Mr. Keys to the Royal Commission.

Hon. R. J. Lynn: Who is the author of that?

Hon. H. STEWART: Mr. Stirling Taylor.

Hon. J. J. Holmes: Those figures have been denied by the Royal Commission.

Hon. H. STEWART: The letter continues—

Unnecessary double handling last season under the depot system, £17,000; unnecessary excess freights through the same cause, £28,000.

I presume it was on evidence such as this that the Royal Commission made their recommendation No. 2, which reads as follows:—

That in future acquiring agreements the agent be responsible not only for the acquiring of the wheat, but also for its care and protection up to and including delivery and stacking into sheds at depots or sidings. Such work to be carried out under the supervision of the Scheme. Then we have this paragraph in the report of the Royal Commission—

So far as its investigations have extended to date, the Commission cannot find that the work of acquiring agents has been performed either better or worse by the

Westralian Farmers, Ltd., than by any of the other four firms operating with them in the handling of the 1916-17 harvest.

Mr. Stirling Taylor's letter continues—

We have also worked out last year's cost of handling at depots, based upon the figures submitted by officers of the scheme before the Royal Commission on sworn evidence, and we have offered the Government to undertake that part of the contract at a price which, if the Scheme's officers' figures before the Commission are correct, would effect a saving in that one service alone of £7,000. In comparison with these figures the saving, even of £15,000 were it possible (which you alleged could be effected by cutting out my company) fades into insignificance.

Hon. J. J. Holmes: The chairman of the Royal Commission has denied those figures.

Hon. H. STEWART: Then Mr. Angwin is one man against Mr. Stirling Taylor, who has had considerable experience of the wheat business. When it comes to estimates given by Government departments, the experience has been that those estimates are not infrequently very largely exceeded, whereas when a contract is let to an outside firm at a fixed price we know that it is the limit and will not be exceeded. In rising to speak after a number of other members on this Supply Bill, it seems to me that the time is fit and proper to point out to the Chamber that Western Australia's future depends on the development and extension of these primary industries. We all know that we cannot look for much development with the war time profit taxation in operation, and with the war continuing. But we must realise where our means of recovery lies. It lies in these industries. After the dawning of peace we shall see the timber industry again flourishing, and I trust expanding under a good forestry policy. The timber industry is the most remunerative source of traffic to the railways. With an open market for wheat and farmers being able to safeguard their position through their own company checking unnecessary expense in connection with the handling of wheat, agriculture should flourish. We may also look for increased development in mining—let us hope, from new discoveries as well as from the lessening of the cost of mining stores, which has risen to such abnormal figures. We may trust, further, that the pastoral industry will continue to expand and to have good seasons. Further, there is the knowledge that the expansion of the grazing industry is proceeding at a considerable rate south of Geraldton, so that, I believe, we now have half the sheep in the State south of Geraldton. With these conditions more will be done to improve the State's position than by the smaller economies for which many are agitating. Let me however define my attitude on the subject of economies. Ever since I entered the House my opinion has been that wherever economy could be practised without interfering with efficiency it should be practised. Now is the time for such economies. In the first instance I sought

to indicate my ideas by questions. A reduction in the number of members is, to my mind, a good move. It would indicate to the rest of the community that Parliament itself realises the seriousness of the position and is prepared to start on itself, to start at the top. Any measure of economy in that direction I would be only too pleased to support. If both Houses were in accord on the matter, I would agree to the reduction of members here from 30 to 12. Of that, however, there seems little prospect. It is only the voice of the people that will bring it about. The saving resulting from such a reduction of members would not be very appreciable, but it would prove to the community that we are bona-fide in our beliefs. Perhaps when the Estimates come on I may be able to give instances where expenditure, without which the people in certain districts have done for a number of years, has been incurred during the past two years under the regime of the present Government. In some instances that expenditure had not been incurred for eight years, and it might have stood over for another four or five years. To see such things happen in certain electorates does not inspire one with confidence that a very firm hand is being kept on the expenditure of public money. When the present Government came into power, representative as they were, and with solid backing, they were in a position to take a firm attitude and to say to that section or to this section supporting them, "We as a Cabinet believe that such and such measures are in the interests of the State, and we stand or fall by them." I think they had an opportunity, when taking over the reins of government, to do away to a large extent with the practice of individual members coming to them and pushing for grants in certain directions—a state of affairs which, to my mind, is not in the interests of good government and therefore not in the interests of the State. It seems to me that Ministers are altogether too much influenced in allotting sums of money for expenditure in certain electorates by the degree of push which particular members exhibit in approaching the Government, or by the pertinacity with which they sit upon the Ministerial door mats. With these remarks, which I have thought it incumbent upon me to make, I support the second reading.

Hon. J. NICHOLSON (Metropolitan) [8.37]: I do not propose to add much to a debate which has become one of surpassing interest on a question which one would have thought, at the outset, would not arouse the amount of discussion and interest actually created. In common with many other members, however, I feel it my duty, and in keeping with the pledge I made to my constituents, to voice that note of protest which has been so emphatically sounded by various speakers to-day. One recognises that there has been imported into the debate a wide variety of topics. In addition, one feels that there has been undoubted brilliance and, shall I add, force and vigour on the part of many members who have addressed the House. It is

indeed time that force and vigour were put into such subjects. I for one feel to-night that hon. members have taken a stand which is somewhat like the stand taken by our heroic warriors, when their backs are against the wall and they say "Now is the time; we defy attack." Our backs, in a manner of speaking, are against the wall as regards economic to be practised; and whilst one sympathises in every way with the leader of the House in connection with a measure such as this, one cannot but recognise that he must feel the necessity for further economies being practised, and further steps being taken to bring about a stoppage of that financial drift to which allusion has been made. I have referred to the vigour of to-night's debate. One feels that we have had introduced into the debate something in the nature of a reviving influence, and what might almost be termed adolescent virility. We feel indeed—and I hope that others outside this Chamber recognise—that this is not a lethargic Chamber at all, that we are not a body of easy-chair counsellors, but a body alive, and at all times ready to serve the best interests of our country. The drift has been going on; and as various speakers have mentioned there is only one way to prevent disaster overtaking us, and that is for the Government to find a means whereby the drift will be made to cease, and, instead of constant deficits recurring, a change be made to appear in our revenue returns. Various hon. members have dealt with different subjects, and have elaborated on them; and I feel that in view of the fullness of the discussion on these various points it is needless for me to reiterate arguments and cover once more ground already traversed. The Bill before us asks for supplies of £425,000. Only a very short time ago supply was granted to the extent of £1,400,000 odd, and on that occasion we were promised the Estimates within a few weeks. I recognise that the leader of the House has not charge of these Estimates, and, as I have said, he is entitled to sympathy in his position, and in the difficulties which he must experience in urging forward the Estimates so that he may keep his promise in that regard. He, of course, is in the hands of his Cabinet; and unfortunately he has to carry the burden of his colleagues' sins when he comes into this Chamber. Shall I say sins, or misdeeds, or delinquencies? That notwithstanding, however, there is no doubt that he must suffer the burden of criticism, because it is only through him that the views of members of this Chamber can be conveyed to the other members of the Ministry, so that they will understand that on the question of supplies we here expect to be consulted, and to know for what purpose the money is required. I have stated that it is only a short time since nearly one and a-half millions of money were asked for and granted. That amount was to last for about three months. I have referred to the speech of the Colonial Treasurer when introducing the last Supply Bill and from that I find that previous supply was estimated on the basis of the corresponding

period of the previous year. I take it the supply that is asked for to-night is estimated on a similar basis according to the expenditure during the corresponding period of last year. Now, last year we did not, or rather the Government did not introduce any measures which would cause us to feel inspired with confidence that they were bringing about any different state of affairs in the finances. Therefore, for the three months that are gone and for which supply was voted not long ago, and the month for which supply is now asked, based as they are on the corresponding period of last year, we find the same drift is still continuing this year as continued last year. That is the natural result. Unless, therefore, the Government, as I stated when a supply measure was before us some time ago, are prepared to give us some details which I believe is unusual but owing to the unusual circumstances details should be given, unless the Government are prepared to give us some details as to how this money is to be applied I feel very much inclined to say that we should take up the attitude which has been suggested here to-night. I shall not on this occasion take up that attitude but I shall express along with other members who have spoken my intention on any future supply measures being brought forward that having regard to the position of our finances, we as a House should prevent further supply being voted until such time as we know for what purpose the money is actually required. The Bill is a very simple one indeed, so simple that one might almost take it and pass it without having any discussion, but interest was aroused to-night, and wisely aroused, and I feel sure that some benefit will ensue from the discussion which has taken place. If, therefore, the Government will not be forewarned by the attitude of the members of this House in regard to the question of supply they must bear the consequences of their own acts. Reference was made to-night by a previous speaker to the question of co-operative concerns and apparently certain reflection was cast on metropolitan members and the support and assistance extended in the past to metropolitan areas as compared with country districts. I hardly think that those remarks were altogether fair, because as far as I know metropolitan members in the House have always shown a keen desire to extend that fair consideration to country districts which even country members could not excel. There are requirements in the city or in the metropolitan area just as great probably as in the country areas. I, for one, have always extended a ready and hearty support so far as our country areas are concerned, and I trust that no hon. member will lay it at my door that I have sought to do anything to injure or retard the progress of industries so necessary to our development and welfare. So far as co-operative concerns may be concerned, there is no one, I think, in the House who is opposed to co-operation, and indeed I believe we would all heartily welcome co-operation, and the hon. member, Mr. Kingsmill I think, touched on a point and brought

to light that which was most important—touched on the desirability of even helping forward that scheme of co-operation by showing that it was possible for these concerns to have the benefit of legislative authority for carrying out those various schemes which Mr. Stewart alluded to in the course of his address. Nothing could be better for any private concern. The Fremantle freezing works were alluded to. I believe that so far as those works are concerned, those interested in the districts which would be served by the Fremantle works, would be quite prepared if the Government extended that measure of, shall I say sympathy, or accord to them that necessary assistance that these men who themselves are interested in the district and whose business would be served by the erection of freezing works at Fremantle, that they would contribute all the capital that is necessary for the purpose of establishing those works. I think, however, they are entitled to some legislative protection because if they invest their money in such concerns there is no guarantee, unless it is given to them by legislative authority, that the Government may not some time or another set up in opposition to them and undo all the good work which they might do. I hope, therefore, that the scheme of co-operation which has been carried out so successfully, as Mr. Stewart said, at Gnowangerup and other districts which we have read about will be extended, and that we shall find those co-operative schemes working in every district in the State. I am sure the leader of the House, as a member of the Government, will be prepared to welcome these schemes and at the same time regard them as a means of relieving the Government of what otherwise is really an incubus and a source of drain on the revenue of the country. As to the agreement in connection with our wheat marketing, I join with many of the members here who have expressed the views which they have done in regard to the fact that the Government had appointed a Royal Commission who were making inquiries and were seeking to furnish a report as early as possible with recommendations on that very subject. It was unfair also to the members of this House because it will mean that the subsequent confirmation of this agreement will become more or less, what one might term a farce, as was suggested by Mr. Lynn, if not in those words then in words which amounted to it. While recognising so far as certain works and duties of the Government are concerned, that these must be gone on with, there may therefore be occasions when it is essential that some steps should be taken without the consent of Parliament, but I feel sure that another method might have been adopted in connection with this particular agreement. For example, in view of the fact that a Royal Commission was sitting they might have been consulted or some reference made to them before the agreement was actually entered into. When this agreement comes up for discussion later, or a Bill that will deal with it, we shall have the opportunity of further voicing our views in regard to an important act such as that. Whilst I do not propose to actually vote against the second

reading on this occasion I trust I have made myself sufficiently clear, that as far as further supply is concerned that unless details are furnished to the House then I think it is the duty of the House to vote against the further supply that may be asked for.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East—in reply) [8.57]: It is rather unusual I think for a debate initiated in a speech of about three or four seconds to occupy a period of three or four hours, and lest it should be thought I was treating the House with scant courtesy in introducing the measure so briefly, I desire to remind hon. members that never before, at all events in my experience of six years, has a Supply Bill introduced in similar circumstances been treated other than a formal measure. I think there is no exception to such statement. Never before has a Supply Bill introduced in similar circumstances to carry on the affairs of the country for one month pending the presentation to the House of the Estimates, already under discussion in another place, been treated other than as a formal measure. I merely mention that not that I take the slightest objection to the debate, very interesting and valuable as it has been, but to excuse and protect myself against any suggestion of having introduced a Bill in a perfunctory manner.

Hon. J. J. Holmes: I do not think it was suggested.

The COLONIAL SECRETARY: One member, I think, Mr. Sanderson, suggested I had thrown the Bill at hon. members.

Hon. A. Sanderson: Not perfunctorily, but admirably.

The COLONIAL SECRETARY: The Estimates are at present under discussion in another place. I hope we shall receive them shortly. When we do receive them, I am confident that I shall be able to satisfy hon. members that very substantial economies have been made by the Government. As a matter of fact, the Estimates will show a decreased deficiency as compared with last year of something like £60,000, and that notwithstanding that the whole of the increased revenue due to the taxation that was imposed during last session will have been absorbed by the extra £100,000 in interest and sinking fund over which the present Government have had no control whatever. It is an amount which is increasing and must continue to increase year by year. However, in view of the fact that these Estimates will shortly be under discussion by the House, I did not think it would have profited anyone if, in introducing this Supply Bill, I had sought to point out the economies which the Government had achieved. It would not have been possible for me to have anticipated the criticisms of hon. members. For instance, the greater portion of this debate—I think more than one-half—has been devoted to the question of wheat marketing, a matter which only contingently can affect the finances of the State at all, because wheat marketing is paid for not out of the Consolidated Revenue Fund but by the Wheat Pool itself. I say contingently, because it may affect the finances of the State, as the Government, in common with the Commonwealth

Government, have given a guarantee, and in the event of the sale of wheat not realising the amount guaranteed, some portion of the shortage will have to be made up out of the revenues of the State. I can scarcely imagine a subject more foreign to a Supply Bill than a debate on the question of wheat marketing, which only contingently can become a liability on the Consolidated Revenue of the State. I trust hon. members realise that it was impossible for me to anticipate the remarks that were likely to be made on that question. Mr. Kirwan said that in future taxation by the Federal Government would be heavier than it has been in the past, and that when the time comes for the revision of the financial agreement, the probabilities are that the States will get nothing from the Commonwealth. Even before the war the Federal Government had, in many directions, encroached upon the area of State taxation, with the result that then most of the States were starving for revenue: but the Commonwealth Government had revenue in such abundance that there was every possible inducement to them to spend it extravagantly, and they did so. If, in future, the States are going to sit down quietly under a condition of affairs such as suggested by Mr. Kirwan, when the Commonwealth Government will have a superabundance of revenue and have no necessity to economise, but have every temptation to be as extravagant as they have been in the past, while the States are to be starved and prevented from rendering those services which are necessary to the comfort of the people and the development of the industries of the States, I say, if we as States are to sit down under that treatment, we shall only have ourselves to blame. It must not be forgotten that, important as are the functions of the Federal Government, those of the State Government come into more intimate touch with the people. The activities of the State Government have more to do with the well-being of the people and the development of the industries, and the promotion of the interests of the State generally, than have the activities of the Federal Government.

Hon. J. W. Kirwan: The Commonwealth have to carry on the war.

The COLONIAL SECRETARY: We are speaking of what is going to happen after the war. Before there was any necessity for them to do so, prior to there being any war, the Federal Government invaded the area of State taxation and squandered the money which was produced. After the war there will have to be a fair recognition of the responsibilities of the different governing authorities, and some reasonable method of apportioning the revenue contributed by the people so that the money can be spent to the best advantage of those who find it. It will not be tolerated that the Federal Government will have their way made easy and no difficulty in securing an abundance of revenue for extravagant expenditure, whereas the States will be starved and rendered impotent to discharge those duties necessary in order to maintain the well-being of the people

who actually contribute the money, whether for State or Federal purposes.

Hon. W. Kingsmill: What method would you suggest?

The COLONIAL SECRETARY: Probably the best method is that which is already suggested in the Federal Parliament, namely, a further convention. Some steps will have to be taken under the Commonwealth Constitution, which contemplates that the States shall remain free, which means a measure of financial independence. It will not be tolerated that the Federal Government shall, merely by some financial act, bring about that system of unification which the people of Australia would reject if it was submitted to them as an abstract question. Mr. Holmes indulged, as he has done before, in exaggerated statements which I do not hesitate to say are not likely to do Western Australia any good. I admit that the financial position of Western Australia is very bad indeed, but I say that we are not going to be helped out of that difficulty by prominent men in the commercial community exaggerating it and making it out to be worse than it is. The statement of the hon. member, that at present we are drifting at the rate of £2,000 per day, if it stopped at that, would be merely an exaggeration. Two thousand pounds would mean £730,000 per annum. It would be an exaggeration because we are not drifting at that rate. But when he says that we are drifting at the rate of £2,000 per day on our daily expenditure, on the upkeep of our civil service, the statement becomes not merely an exaggeration but a gross misstatement of the facts.

Hon. J. J. Holmes: It is your own Estimates.

The COLONIAL SECRETARY: These Estimates do not include only the expenditure from day to day in financing the affairs of the country, they do not only include the payments to the civil service, but they include a large sum of money in the repayment of our back debts. They include a sum of about £320,000 per annum as sinking fund, which is repayment of back debts. No other State of the Commonwealth at present is contributing towards its sinking fund, or trying to repay its back debts. When we are paying £320,000 per annum of our back debts that cannot be regarded as daily expenditure, and it cannot be regarded as drifting. In addition, our accumulated sinking fund amounts to five and a half million, and the greater portion of that money has been spent in the purchasing of our own stocks. The whole of it has been invested, but a greater portion of it has been spent as I have just stated. On all these stocks which we have repurchased out of our five and a half millions of sinking fund we still continue to pay interest and sinking fund. At present, in addition to the £320,000 sinking fund, we have accruing, as the proceeds of the five and a half millions of accumulated sinking fund which is invested, a sum of something like £220,000 per annum. If the hon. member, instead of desiring to make out the position very much worse than it is, wanted to put the facts so that outsiders would get as favourable an impression

as they could justly be given of the affairs of Western Australia, he would not say that we were drifting to the extent of £2,000 per day on our daily expenditure. But he would say that, on the one hand, we have for this year an anticipated deficit of about £640,000 and, on the other hand, we shall, during that year, repay our debts partly from sinking fund and partly from the interest on accumulated sinking fund to the extent of £550,000, leaving a real, actual drift to the bad of £100,000.

Hon. J. Ewing: That is the position.

The COLONIAL SECRETARY: That is a fair statement as far as Western Australia is concerned.

Hon. J. J. Holmes: You told this House last session that you had reduced the deficit from £3,000 to £2,000 a day, and now you challenge my figures.

The COLONIAL SECRETARY: I challenge not the hon. member's figures, but his statement that the £2,000 represents the daily drift on the daily expenditure on the payment of the civil service.

Hon. J. J. Holmes: You cannot get away from the fact that the daily expenditure is £2,000 a day more than the daily revenue, and that your Government undertook to stop this.

The COLONIAL SECRETARY: If the hon. member insists that the payment of our back debts is our daily expenditure, I have no argument to raise against it, but I say it is not so. At present, if we could bring down our deficit merely to the amount of our sinking fund, so that we could say we are living within our means, but we cannot pay our back debts at present, then, in view of all the circumstances, and the manner in which the industries of the country have been overthrown by the war, I should say we were doing remarkably well and probably better than any other State in the Commonwealth, considering our situation. It is unfair, in considering the deficit of the State, to wipe out altogether the fact that we are at present repaying our back debts at the rate of £550,000 per annum, if we include our sinking fund, and also the revenue derived from the investment of the accumulated sinking fund of 5½ millions.

Hon. W. Kingsmill: You have to find the money.

The COLONIAL SECRETARY: Yes. I will make reference to that directly. Mr. Kingsmill has accused this Government of being as partial to State trading concerns as their predecessors. What State trading concerns have been inaugurated by the present Government?

Hon. W. Kingsmill: The State sawmills have been amplified.

The COLONIAL SECRETARY: The hon. member made reference to the Fremantle Freezing Works. I think it would be interesting if Mr. Kingsmill and Mr. Holmes would ask each other questions on this matter. I do not propose to anticipate the announcement that will shortly be made by the Government in regard to the exact method which is to be followed in the construction of the freezing works. The great mistake which was made in connection with the Wyndham Free-

zing Works was that they were constructed without sufficient expert advice. I do not say it was wrong for them to be built, or for the Government to take the responsibility of them. The venture was, however, embarked upon without sufficient expert advice, and after the work was started the contract was cancelled and the concern carried out by day labour. In regard to the Fremantle Freezing Works, the Government, at the expense of a good deal of delay for which we have been blamed by those chiefly interested, have been careful to get the best possible advice regarding them. A conference is to be held, I understand next week, between the Government and the people chiefly interested, and I have no doubt, after the conference, the decision of the Government will be announced, and will be embodied in a Bill for consideration at the hands of both Houses of Parliament. I do not propose to anticipate that decision, and I think that when the Bill is presented will be the right time to discuss the matter. Mr. Kingsmill seems to desire that we should not only not go in for any more State enterprises, and with that I am heartily in accord, but that we should get rid of those we already have. I think he is right in regard to many of these enterprises. I would get rid of those which are not of a monopolistic nature, if the time were ripe for so doing.

Hon. W. Kingsmill: I have not said that.

The COLONIAL SECRETARY: I do not know if the hon. member desires that the Government should get rid of the railways. I do not wish to harass his feelings by asking him if he desires to sell the tramways, which, a few years ago, he was so keen on purchasing, or to ask him if he desires to get rid of our Water Supply, our Gas and Electric Light Works. My attitude on these works has never changed. I believe in private enterprises for all competitive undertakings, and in public monopolies being held as far as possible by the people who have to deal with them, such as the local governing bodies. I do not think the present is a suitable time to get rid of these enterprises which, through no desire of their own, the Government now have on their hands. I do not think it is necessary for me to say much more in regard to the wheat marketing agreement. It has been suggested that we should first have submitted the agreement to the House and made it afterwards. I do not know that anything of the sort has ever been done before. It is necessary to make an agreement first, and agreements of this kind are always made subject to the approval of Parliament. Then they are presented to Parliament and that is the course which we intend to follow. But whilst I do not intend to say anything regarding the wheat marketing agreement. I take the strongest exception to the remarks of some hon. members who suggested that there has been some sinister influence at work on the part of members representing the Country party inducing the Government to continue this agreement. I represent a country constituency and so far as it is concerned politically I have fought the Country party ever since its formation, and have in-

curring the bitter hostility of many of its leading members. On the other hand I have always supported the co-operative movement of the farmers and I think I am entitled to say, that my constituency, a purely country constituency, credited me with sincerity. My opposition to their political movement was based on my firm conviction that the producers of a country, the people who must be and always have been, the backbone of every country, cannot afford for their own sakes or for the safety of the country in which they live to become politically a narrow class party. I have fought them on those lines, but so far as their co-operative enterprises are concerned I have supported them, and I take it as a tribute of their belief in my sincerity that on the last two occasions when it has been necessary for me to seek their suffrages, they have honoured me with an unopposed return. Whilst I resent the suggestion of underhand influence by the Country party, I say it is the deliberate policy of the Government to encourage co-operation amongst the primary producers. Co-operative effort has not extended very far in this State and it would be an easy matter to crush it. It has been suggested that a saving would be made by the State stepping in and doing the whole of the wheat acquiring for this coming season. One effect of that would be to crush the co-operative movement amongst the farmers, and I am sure of this, that whether the saving anticipated by the manager of the Wheat Scheme was achieved or not, the criticism and condemnation of the Government in connection with the handling of the wheat would be far more severe than has fallen upon the heads of anyone who tried to handle it before. The Government would not do it for more than one season and then we should be told, "You have tried co-operation and you have tried Government handling and have failed, you must go back to the private acquiring agents." I say without hesitation even if we failed to save this £15,000, which might or might not be saved by the Government carrying out the work, I would not be prepared for the sake of that sum of money—which after all will be a charge against the farmers' wheat—to regard the saving of that money as a sufficient reward for the crushing of the co-operative movement now in its infancy. One of the troubles we are suffering under, not only here, but elsewhere—and it was bad enough before the war, and we shall have to be careful it is not more intense after the war—is centralisation. The only way out of the difficulty is by work and by production. We shall be a more prosperous community when there are fewer people living upon other people's labour. We want to restore the natural relationship of love between the people and the soil, from the products of which only can the people be maintained. One method of doing it is to give the producer a larger share of the value that he produces. Co-operation is one of the means by which this can be done, and I have no hesitation in saying that in Western Australia, as in many other parts of

the world, co-operation if wisely handled will be the means of helping the producer out of his difficulty, and through him we shall relieve the State of many of the difficulties from which it is suffering at the present time.

Hon. W. Kingsmill: Do you include the worker amongst the producers?

The COLONIAL SECRETARY: Does the hon. member suggest that the producer is not a worker?

Hon. W. Kingsmill: That is a favoured phrase amongst another section of the community.

The COLONIAL SECRETARY: It has been suggested that we might save £15,000 in this way. Let me remind hon. members that the handling of the wheat last year as compared with the previous year showed a saving of £30,000. That is to say, if the amount paid to the Western Australian Farmers, Ltd., had been based on the same scale as the payment made to the ordinary acquiring agents the year before, it would have been £30,000 more than it actually was. Those are the figures which have been compiled officially and I have no doubt they are correct. Now I come to the remarks of Mr. Sanderson. He took some exception to my saying in regard to his motion at an earlier stage, that I thought his comments as to the figures supplied by Ministers were a gratuitous affront. I challenge the hon. member to instance one case in which a Minister has been asked to supply a return or information to the House and has not supplied it accurately. The hon. member also attacked the Colonial Treasurer in regard to the sinking fund and accused him of having damaged the credit of the State. The Treasurer did no such thing. The position was, that in order to pay the sinking funds, he had to borrow money at a higher rate of interest than he could hope the sinking funds to earn, and with a full knowledge that the other States had suspended their sinking funds, he approached the creditors of the State in London and asked them whether they were prepared to agree to Western Australia suspending the payment of the sinking fund. The creditors were not prepared to accede to the Treasurer's request.

Hon. A. Sanderson: He was compelled to withdraw.

The COLONIAL SECRETARY: Quite so. There was no intention of passing any Bill without their agreement. If they had agreed the Bill would have been introduced.

Hon. A. Sanderson: It was prevented by the Imperial Government.

The COLONIAL SECRETARY: The position was that the Colonial Treasurer intended to introduce the Bill. He cabled to London to find out whether it would be agreeable to the creditors of the State that the sinking fund payments should be suspended. Then the Treasurer opened up further negotiations. The only objection the creditors could have had to the suspension of the sinking fund was that they might stand some risk of not getting their money and the suggestion was made that the Federal authorities should guarantee it.

That was not carried out, although the Federal authorities were prepared to do so if necessary, but the final upshot was that provision has now been made whereby the State obtains money with which to pay its sinking fund at two per cent. less than would have been the case if the Treasurer had gone on the open market and borrowed the money as he would have had to do; had the negotiations not been carried out. The sinking fund is to be paid just as before and the money with which to pay it will cost the State two per cent. less than would have been the case had these negotiations not been entered into.

Hon. J. J. Holmes: The London and Westminster Bank have paid it to save the reputation of the State.

The COLONIAL SECRETARY: Nothing of the sort. I do not know what we should do if we had many hon. members like Mr. Holmes, who takes every opportunity of twisting everything and trying to damage the reputation of the State in the eyes of the outside world. Mr. Ewing referred to the capital spent on the trading concerns, and from that hon. member we had the extraordinary statement that this information had never been supplied by the Government.

Hon. J. Ewing: I have never seen it.

The COLONIAL SECRETARY: The hon. member has been a member of this House for over two years. Does he not remember that early in 1917 the then Government presented to Parliament a Bill for an Act called the State Trading Concerns Act? Does not the hon. member recollect seeing at the end of that Act a schedule setting out in detail the amount of the fixed capital and the working capital in connection with every one of the State trading concerns? Is the hon. member not aware that each of these concerns under this very Act has to submit to Parliament each year its balance sheet, and that in those balance sheets full details are given of the fixed capital and the working capital and everything else that the hon. member may desire?

Hon. J. Ewing: I do not think that is known.

The COLONIAL SECRETARY: I do not see what more the Government can do. We have put it up in our Acts of Parliament in detail. We have put it before members in "Hansard." What more can we do?

Hon. J. Nicholson: And it is on the Table of the House.

The COLONIAL SECRETARY: As the result of the motion moved by Mr. Sanderson further information will be laid on the Table of the House, and if hon. members want it presented every six months they can have it. The fact remains that the fixed capital and the working capital in connection with all the trading concerns, will be found in the schedule of the State Trading Concerns Act passed last year. I do not think it is necessary for me to deal with the remarks of other hon. members because the hour is late. One advantage about the criticism indulged in in the Legislative Council is that it is to a large extent mutually destructive. Mr. Dodd effectually answered many critics. Mr. Millington answered others, and thereby saved my time to a large extent. I regret that the Estimates

are not before the House, but I want to remind hon. members that although this session followed the briefest recess in the history of Parliament in Western Australia, or at any rate the briefest recess that I know of, the Estimates were presented at a very much earlier date than in any other session for many years past. Ministers had less time to prepare for this session than Ministers ever had before in connection with the meeting of Parliament, and in spite of that the Estimates were submitted very early. The debate, as Mr. Nicholson has said, has been a very interesting one. Personally, I am inclined to regard this as a preliminary gallop in preparation for the Appropriation Cup, and unless some hon. members have left their form on the track that event should be full of interest to the House. I am sure it will be helpful and informative to the Government, and I trust it will be of great benefit to the country.

Question put and passed.

Bill read a second time.

In Committee, etcetera.

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

BILL—PRISONS ACT AMENDMENT.

Report of Committee adopted.

House adjourned at 9.34 p.m.

Legislative Assembly,

Wednesday, 30th October, 1918.

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

For "Questions on Notice" and "Papers Presented" see "Votes and Proceedings."] "

NOTICE OF MOTION—PARLIAMENTARY ALLOWANCES, TO REDUCE.

Notice of motion standing in the name of Mr. Thomson—"That in the opinion of this House the allowances paid to members of both Houses of Parliament should be reduced by ten per cent. per annum, until such time as the finances of the State warrant a reversion to the present payment," called.

Hon. P. COLLIER (Boulder) [4.40]: It is rather unfortunate that the member for Katanning (Mr. Thomson) is away from the House, and is unable to move the motion standing in his name—

Mr. SPEAKER: I cannot allow this to be debated. It must lapse.