

# Legislative Council,

Tuesday, 10th January, 1922.

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

## SELECT COMMITTEE—LAND AND INCOME TAX ASSESSMENT AMENDMENT BILL.

### Report Presented.

The Minister for Education brought up the report of the Select Committee appointed to inquire into the Land and Income Tax Assessment Amendment Bill.

Report received and read, ordered to be printed, and to be taken into consideration during the Committee stage of the Bill.

## BILL—RAILWAY SIDING (NORTH FREMANTLE).

Read a third time and passed

## BILL—APPROPRIATION

### Second Reading.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [3.21] in moving the second reading said: This Appropriation Bill is prepared on exactly the same lines as that of last year. The amount on the printed Estimates, excluding special Acts, was £4,946,767. This amount was reduced by the Legislative Assembly by the sum of £1,048, leaving £4,945,719 to be appropriated. The expenditure in detail of each of the respective Ministers is shown in Schedule B of the Bill. Schedule C covers the Sale of Government Property Trust Account, and the Lands Improvement Loan Fund, and in accordance with the Estimates shows a total of £164,647. Schedule D appropriates £3,548,304 for the purposes of General Loan Fund, covering the Loan Estimates. Schedule E appropriates a sum of £400,000 for the purpose of Advance to Treasury. This is similar to last year, and is required to cover the Treasurer's advances, etc. Schedules F, G, and

H confirm the expenditure of last year in excess of the Estimates but of the Consolidated Revenue Fund, the General Loan Fund and the Sale of Government Property Trust Account. Schedule I shows a scheme of expenditure for the improvement and reforestation of State forests in accordance with the Forests Act. Under the Act three-fifths of the net revenue of the Forests Department can be utilised for the improvement of State forests and it is anticipated that for the current financial year the three-fifths will amount to £36,250. It is proposed to expend £10,000 of that amount in operations over the destroyed forests of the Goldfields Water Supply catchment area in the immediate vicinity of the reservoir, and silvicultural operations over the heavily cut-over bush adjoining. It is also proposed to expend a sum on the regeneration of the tuart country between the Capel and Sabina rivers. A sum of £3,200 is provided for the training of apprentices and field staff. Full details of the proposed expenditure appear on page 32 of the Bill. The actual deficit for the year ended on the 30th June, 1921, is £686,725, as against an estimated deficit for that year of £428,364. The estimated deficit for the year ending on the 30th June, 1922, is £571,728. So far as the current financial year has proceeded, the deficit at 31st December, 1921, was £592,895 or some £21,000 in excess of the estimated deficit for the whole year. During the last financial year the deficit at the end of the first six months was £428,364, or £260,000 less than the total actual deficit for the full year. On these figures alone it would seem probable that the estimated deficit for the current financial year would be greatly exceeded; but, as a matter of fact, the railway strike in the early part of last year was responsible for losses amounting to about £180,000; and during that last half-year it was also necessary to pay large sums in the way of increases that had been awarded by the Arbitration Court. But for those two circumstances, there is little doubt that the revenue and expenditure for the last half of the year 1920-21 would have approximately balanced; and it is estimated that the revenue and the expenditure for the remainder of this financial year will approximately balance, and that therefore the estimated deficit for the current financial year will be about realised, with this one exception, that an amount of something like £100,000, which was estimated to be obtained from the liquor legislation now before Parliament, will not be received. It is improbable that the Bill in question will be passed in time for that revenue to be taken into account, and consequently the deficit is likely to be increased by the extra amount which will not be realised under the licensing legislation. Apart from that sum, however, it is anticipated that for the next six months the revenue and the expenditure will balance; so that, although the estimated deficit for the year has already been reached, that estimate will probably not be exceeded ex-

cept as regards the amount of additional revenue which was anticipated from the Licensing Act Amendment Bill.

Hon. A. Lovekin: You mean that the revenue and the expenditure will balance for the next six months?

The MINISTER FOR EDUCATION: Yes, except as regards that amount of about £100,000. The actual deficit at the end of the current financial year will be in accordance with the estimate, except as regards decreased revenue to the amount of £100,000.

Hon. J. Duffell: You mean that the estimated deficit will be increased by £100,000?

The MINISTER FOR EDUCATION: Yes, owing to the non-passing of the Licensing Act Amendment Bill.

Hon. J. Ewing: That will make the deficit about £700,000?

The MINISTER FOR EDUCATION: Approximately £670,000. The revenue for the six months ended December, 1920, was £3,047,472, and the expenditure £3,475,786. For the first six months of this financial year the revenue has been £3,096,747, and the expenditure £3,689,642. The revenue figures show a small increase as compared with the first half of the previous year, and the increased expenditure is due to increased interest payments amounting to about £130,000, and to increased salaries and wages, especially increases awarded by the Public Service Appeal Board and the board which adjusted teachers' salaries, these awards with the retrospective payments amounting to a total of about £60,000. The estimated expenditure for the current financial year is £7,622,638, and the estimated revenue £7,050,910. This shows an increased expenditure of £146,347 over last year's figures, the main increase being under special Acts, that is, for interest and sinking fund. There is also the increase to which I have already referred under awards of the boards dealing with the Public Service and the Education Department. The revenue increase is due chiefly to increased interest earnings amounting to £99,000. As I have said, the estimated increase from license fees will probably not be realised to any considerable extent. From railways an increased revenue of £69,000 is anticipated, and from tramways £30,000; against which there is a falling off in dividend duties of approximately £60,000. As compared with the position of two years ago, it is rather startling to see the increased expenditure which the Government have been called upon to bear. For the year ended on the 30th June, 1919, the deficit was £652,000. Since that period, during the last two years, the increases in wages, principally on the railways, have totalled £756,800 per annum, while the increases in salaries to public servants and other State employees have amounted to £249,950. Thus, on those two items of wages and salaries alone, there has been an increase of slightly over a million sterling, £1,006,750. As against that, increased freights on the

railways have provided £637,800, and increased income tax contributions £87,000, making a total of £724,800. It will thus be seen that, had there been no economies effected in the reduction of our ordinary revenue, the deficit for the present year would have been £933,950. The sinking fund contribution for last year, 1920-21, amounted to £342,277, and the increase in the balance due to the credit of the State on sinking fund account for the two years, 1919-20 and 1920-21, amounted to £1,509,358. That is to say, the actual contribution out of revenue to the sinking fund and the earnings on the accumulated sinking fund, by way of interest on the sinking fund during those two years, represented £1,509,000. I have frequently pointed out that for the period of 10 years from 1911 onwards, during which the deficit has been growing, the sinking fund has actually increased at a more rapid rate than the deficit. For the past two years, 1919-20 and 1920-21, the increased payments to sinking fund have exceeded the deficit by £154,000. I am not putting that forward as an excuse for the deficit, but simply mention it as a fact and a big factor in the financial position of the State. It means that during the past two years, the State has not gone back, for the reason that, although there has been a deficit during those two years of £1,354,000, there has, on the other hand, been a direct contribution to, and accumulation of interest on the accrued sinking fund of £1,509,000, or £154,000 more than the deficit for the two years. During the last two years—that is, taking 1921 as compared with 1920—there has been a reduction in the staff of the Public Service totalling 116 officers. The permanent staff has been reduced from 1,444 to 1,379, and the temporary staff from 537 to 486, leaving the total personnel at 1,865 as against 1,981.

Hon. G. W. Miles: That does not include the railway staff?

The MINISTER FOR EDUCATION: No. So far as the railways are concerned, the management is confident that the estimates will be realised, and it is from that direction that we expect during the later portion of this financial year, to balance our revenue and expenditure.

Hon. A. Sanderson: Is that the Commissioner or the Minister?

The MINISTER FOR EDUCATION: That is the expectation of the Commissioner. Barring the item relating to licensing fees, to which I have already referred, it is anticipated that from the increased revenue from the Railway Department during the next half year, the revenue and expenditure for the six months will be balanced. A good deal of this revenue will be derived from the handling of the harvest. It has been argued that wheat is carried at a loss. That may or may not be the case. I do not think it is the case, for when the department handles large quantities in full train loads at times to suit its own convenience, I think the traffic is profitable. In any case, this traffic will far

more than pay working expenses and will make some contribution to the interest payments required on the money invested. The harvest this year is expected to exceed that of last year and it is anticipated that we will strip 14,439,389 bushels of wheat as against 12,248,000 last year. It is anticipated that there will be an increase of half a million bushels in the oat harvest, and an increase of 153,000 tons in the hay harvest. All this means a considerable increase of revenue to the railways, and as hon. members are aware, the harvests are being brought down more rapidly than is usually the case. The shipping trade is brisk and there seems to be plenty of tonnage offering. Instead of the position last year, when the railways were unable to earn revenue, and the wheat had to be left at the sidings, the railways will be operated to their full capacity this year, and should, accordingly, show a much better return. The principal reason why last year's estimates were not realised was because of the loss of revenue from the railways and particularly on account of the locomotive engine-drivers' strike. There was a heavy falling off in the railway traffic during the last four months of the year and it is interesting to note that a similar heavy falling off was noticed in the railway returns of all the States of the Commonwealth. Directly after the railway strike here, it was thought the railway revenue would recover. On the contrary, however, there was a general stagnation of trade due to the falling off in the importations and the effect was noticed in connection with the operations of every State railway. Last year, we anticipated obtaining revenue amounting to £2,725,000 from our railways, whereas the actual returns amounted to £2,688,000, leaving a loss of £36,000 on account of revenue. On the other hand, the railway expenditure increased from an estimate of £2,189,000 to an actual expenditure of £2,427,000, or an increase of £237,000. The railway position, therefore, was £273,000 worse than estimated and that is very largely where the Treasurer's Estimates were out. This year, the Commissioner is confident that the Railway Estimates will be realised. As a matter of fact, the operations of the first half year for 1920-21 represented almost the figures in accordance with the Railway Estimates. It was only after the strike and the general falling off in trade, that the position became so bad. It was not possible to cut down the staff in the Railway Department in proportion to the falling off in business. That cutting down of the staff was introduced, however, and a large number of men were retrenched from the service. In March of last year the train mileage was 483,000, whereas in June or only three months later, it had dropped to 358,000. This was due to the decreased demand for traffic to such an enormous extent, consequent upon the strike, and the later decreased volume of trade generally. It will be realised that it is impossible for a concern like the railways, faced with a tremendous drop in freight, to

adjust the staff to meet the lesser requirements. The overhead charges continue and it would be impossible, with such reduced traffic, to carry on the railways without a heavy loss.

Hon. J. Cornell: Was the office staff cut down in proportion to the operating staff?

The MINISTER FOR EDUCATION: So far as I know, it was.

Hon. A. Lovekin: The staff has increased by 500.

The MINISTER FOR EDUCATION: That is, in comparison with the previous year; it has been cut down materially since then. The position of the railways in Western Australia is reflected almost exactly in the railways of the other States. In fact, it is interesting to note that at the present time the loss on the railways is less in Western Australia than in any other State in the Commonwealth. This is rather remarkable in view of our singular position. In Western Australia, our population per mile of railway is only 93; in Queensland the population is 132 per mile of railway; in South Australia, 204; in New South Wales, 416; and in Victoria, 359. It must be obvious to hon. members at once that it is extremely difficult to successfully run railways with a population of 93 per mile of our system, as against upwards of 400 per mile of railways in some of the other States in the East. Yet, notwithstanding that disadvantage and the fact that a few years ago our system seemed to be losing more heavily than the railway systems in the Eastern States, the position last year was that Western Australia lost £418,000, South Australia lost £516,000, Victoria £651,000, New South Wales £577,000, and Queensland, £1,739,000.

Hon. Sir Edward Wittenoom: That is no satisfaction to us.

Hon. J. J. Holmes: Why did you buy that other railway?

The MINISTER FOR EDUCATION: I do not understand the hon. member.

Hon. J. J. Holmes: I refer to the Lake Clifton line. It looks as if we had not enough railways.

Hon. A. Lovekin: The capital cost on the other railways makes the comparison of no value.

The MINISTER FOR EDUCATION: Undoubtedly our position is saved because a great number of our railways have been cheaply constructed and have not necessitated the expenditure of so large an amount of capital. That does not alter the fact, however, that a small community, with a tremendous mileage of railway, is placed at a very great disadvantage indeed. For the current year the estimated receipts from the railways amount to £2,757,500, and the estimated expenditure to £2,288,200. It is expected that these figures will approximately be realised. At the end of the past half-year, the revenue was £1,253,286, which represents less than half the total, but it is expected on very sound grounds that the succeeding half year will make up the difference. Regarding the tramways, the estimated re-

venue is £255,000 and the estimated expenditure £212,000. As a result of the first six months' operations, the department anticipate that there will be a slight deficit so far as the tramways are concerned.

Hon. J. Ewing: They showed a loss of £4,000 for three months.

**THE MINISTER FOR EDUCATION:** It is expected that the revenue will be £247,000 instead of £255,000, showing a falling off of £8,000. It is expected that the expenditure will be £206,000 instead of £212,000. Thus it will be seen that there will be only a difference of between £2,000 and £3,000. Regarding the electricity supply—these three departments are worked together—the estimated revenue is expected to be exceeded by £6,000 and the revenue will be less by about £7,000. On the totals, it is expected that these three departments will show a little better result than was estimated. Based on this calculation, the final financial results would be that the railway revenue would be £2,757,000 and the working expenses £2,288,000, showing a surplus of revenue over working expenses of £469,000. That will go to meet the interest bill on railway expenditure, excluding sinking fund of £729,000, leaving a loss of £259,700. It has never been customary to debit the Railway Department with sinking fund but it has to be paid and if the surplus of railway revenue is not sufficient, that payment has to be made out of the ordinary revenue of the State, and the sinking fund on the railways amounts to £140,000. Thus £400,000 has been taken out of the general revenue of the State to make up the interest and sinking fund on the railways alone. That means that this year the railways will fall short of interest and sinking fund on the money invested to the extent of £400,000.

Hon. J. Duffell: What about depreciation?

**THE MINISTER FOR EDUCATION:** I do not think there is any depreciation. The practice is to keep all lines up to a thoroughly good standard. All these expenses are regarded as part of the working cost.

Hon. G. W. Miles: Not added to the capital cost?

Hon. J. J. Holmes: It would not be quite fair to ask the railways to provide depreciation and sinking fund as well.

**THE MINISTER FOR EDUCATION:** No, that has always been recognised, seeing that they make renewals as they go along, and keep the undertakings up to standard. Consequently, the railways would be regarded as a paying proposition if they kept up maintenance and paid interest. For last year the loss on the railways, without taking into consideration the sinking fund, was £454,000, as against the estimated loss this year on the same basis of £259,000. So it is expected that the railway position for the current year will be £195,000 better than that of last year. And that is not an estimate put up six months ago, when the Estimates were being prepared, but it is the considered opinion of the department to-day. In respect of other it-

ems in the Consolidated Revenue Account, I intend to reserve any remarks I may have to make until after other members have spoken because it would be idle for me to go through the whole of the Estimates and then find that I had touched upon items in which members had no interest, and said nothing about other items in which members prove to be interested. Any point on which hon. members desire information in respect of the Estimates can be supplied. Included in the Appropriation Bill are the Loan Estimates. The loan position at the 30th June last was as follows:—Total indebtedness, £49,039,667. That money had been invested as follows:—Business utilities, £27,780,130. These business utilities mean chiefly railways, tramways, water supplies, and all undertakings of that kind, which are expected to be reproductive. Invested in trading concerns was the sum of £2,125,631. On other works earning interest and sinking fund, such as the Agricultural Bank, the Industries Assistance Board, Soldier Settlement Scheme, certain harbour works and Workers' Home Board, the amount invested was £10,425,698. That expenditure also is expected to return its own interest.

Hon. J. Duffell: Especially the trading concerns.

**THE MINISTER FOR EDUCATION:** They have done so in the past; whether they will be able to do so in the future remains to be seen. Other works not earning interest and sinking fund, but which should recover later, works such as harbour concerns, batteries, and other things regarded more in the nature of development works total £1,529,395, while the capital expended in works not earning interest, including £2,407,653 of deficit funded, amounts to £7,128,813, or a grand total of £49,039,667. The capital invested in public utilities means an interest and sinking fund payment per annum of £1,328,682. Last year the contributions under this heading amounted to £613,515, leaving a shortage of £715,167. Undoubtedly that shortage, the shortage of revenue over and above expenditure on those public utilities, in which £28,000,000, considerably more than half the total loan indebtedness, has been invested, accounts for the State deficit; indeed, it is in excess of that. Capital invested in works which did not fully earn interest and sinking fund—harbours, batteries, estates, etc., showed a loss of about 2½ per cent. of the total money invested, or £38,200. Loan capital sunk in works that do not earn any interest represents an annual payment of £287,000. So if we take the total interest bill and deduct therefrom the surplus of earnings over expenditure on those undertakings supposed to be reproductive, we get this result: that the Consolidated Revenue Account has to make good the interest and sinking fund charges to the extent of £1,040,637. That is the amount of interest and sinking fund over and above the amount contributed by the undertakings in which the capital is invested, and that

amount has to be raised from the Consolidated Revenue Account. As against the amount of capital that has been invested in things that do not return any interest, totalling £7,178,000, it is only fair to point out that the State has, in addition to a sinking fund of £7,641,564, properties transferred to the Commonwealth to the value of £800,000, on which the Commonwealth pays interest, making a total under those two headings of £8,441,564, which is in excess of the total amount of loan money invested in non-productive undertakings and which must be deducted from the total indebtedness. This year the Estimates include an expenditure from loan account totalling £3,548,504. Last year's Estimates amounted to £3,641,932, but the amount expended was £2,586,404, leaving an unexpended balance of £1,055,528. It is necessary to provide more than the actual amount required, because these works are never completed during the course of the year. The unexpended balance on the Loan Estimates of last year was £1,055,528. Of the total amount spent from loan account last year, which was over 2½ millions, nearly all of it was invested in undertakings that should produce interest, advances by the Agricultural Bank £151,825, Industries Assistance Board £31,698, Soldier Settlement—amounting to a great deal more than half the total, or £1,510,731—railways £189,124, on harbours and rivers, Bunbury and Fremantle Harbour Boards, £80,000, water supply and sewerage £198,521, business and trading concerns £146,377, sundries, including departmental expenditure spread over various works, £140,613, or a total of £2,448,000 spent on works that should produce interest. The amount spent on works not directly reproductive was £137,515. For this year the estimated expenditure on loan account is £3,548,304, and it is divided up in this way:—Land settlement of soldiers, £1,022,600; Agricultural Bank, capital, £600,000; land resumption, £200,000; or a total of £1,822,600 on land development. On railways it is proposed to spend £715,000, on harbours and rivers £162,500, on water supply and sewerage £281,750, on mining development £57,000, on roads and bridges, public buildings, etc., £72,000, and on the steamship "Kangaroo" for insulation £200,000. Then there are sundries, including departmental, salaries, etc., amounting to £237,454. There we have the total which those Estimates include under the heading of "Loan Expenditure." Of the railways, the Esperance railway is under construction, and £30,000 will be devoted to that work, while £55,000 will be spent on the Wyalcatchem-Mt. Marshall railway. It is hoped that 25 miles will be laid by May. For the purchase of the Lake Clifton railway £70,000 is provided. That company has expended a quarter of a million pounds in the State, including £25,000 at Lake Clifton. The agreement to purchase provided that it should not be exercised until the company for a period of six months had its works in

full operation. Whether that condition has yet been complied with, I am not in a position to say. Provision is also made for new rolling stock to the extent of £104,000, covering 170 stock wagons, 100 fruit wagons, and three petrol carriages.

Hon. G. W. Miles: That is new stock?

The MINISTER FOR EDUCATION: Yes, although I suppose to some extent it represents replacement. The expenditure under "Railways" includes the purchase of the Marquis-street site for £39,000. That land was resumed from the Perth City Council in 1911, when an agreement was made that the council should retain possession until the change over to the Government electricity supply. To cope with the increase in tramway traffic 20 bogey cars are being constructed at Midland Junction. Under "Harbours and Rivers" an amount of £40,000 is set aside for the dredging of the Albany harbour. Among water supplies outside the metropolitan area the supply at Geraldton will cost £50,000; that at Narrogin £30,000; and that at Carnarvon £12,000. Also £83,000 is provided for extensions and improvements of the metropolitan supply and £32,000 for sewerage, while £45,000 is provided for advances to assist prospectors. Also there is a sum of £3,415 for the completion of a five-head battery at St. Ives. For new roads in country districts £35,000 is provided. Of this, £10,000 is for the main road Denmark to Bridgetown, and £4,000 for the Bunbury-Vasse road. Those are the principal items.

Hon. J. J. Holmes: Is nothing provided for the great North-West?

The MINISTER FOR EDUCATION: Yes, under the heading of "Harbours." The details are set out in the schedule. If there are any other items regarding which hon. members desire information, I shall be pleased to supply it.

The PRESIDENT: It will be better to deal with items when in Committee.

The MINISTER FOR EDUCATION: Quite so. I move—

That the Bill be now read a second time.

Hon. A. SANDERSON (Metropolitan-Suburban) [4.0]: I quite agree that this is neither the time nor the place to comment on the details of the Appropriation Bill. The Minister has given us, with his usual lucidity a statement of the position. If we were listening to a Budget Speech, we should naturally ask for time to look into the matter, consider the position and prepare our criticisms, but we know as well as the Minister—and some of us know a good deal better—what the position of affairs is in this State. This is an opportunity, not to go into details, but to give an outline of a safe, sound policy for this country. To go back is useless. Most of us in this Chamber are acquainted with the circumstances under which the present Leader of the House climbed into office by the most vitriolic and unfair criticism of the Labour Party. I do not wish to apolo-

gise for, explain, or defend in any way the Labour Party, but if we are going to conduct our political discussions with any approach to fairness, we must remember what happened in 1915 and how the Leader of the House and other members to whom it is unnecessary to refer, defeated the Labour Party and climbed into office. They were going to show business ability and business acumen, and were going to put this country into a safe position, but they have been falsified in everything they said, and no comment on that position would be too severe. I shall not go further; the position is too serious. This is not a personal matter; it is a matter of the good name and reputation and future welfare of Western Australia.

Hon. J. Cornell: It looks like a forlorn hope.

Hon. A. SANDERSON: I am under the impression that the key to the financial position of Western Australia is in London rather than in Melbourne. At the commencement of the session, I suggested that the Premier and the Leader of the House should pack up their traps as soon as they could and go to London, put their cards on the table, and say, "This is the position of affairs with regard to the largest colony in the British Empire, the State of the Commonwealth which showed its patriotism and appreciation of the issues of the war, and which has been unfairly treated by the Commonwealth with regard to its financial affairs. As there is 50 millions of British or State trust money invested in Western Australia, the people in England should be as much concerned about the position as we here are." I made that statement on my return from London, and I repeat it now.

Hon. H. Stewart: What good would it do if they went to London?

Hon. A. SANDERSON: I could answer that question at very great length, but I will merely indicate the beneficial results which would come about from the presence of the Premier and to an extent of the Leader of the House in London. We are dependent wholly and solely on the London money market for loans.

Hon. Sir Edward Wittenoom: Has not administration something to do with it?

Hon. A. SANDERSON: I quite admit that, and my proposition involves that the British authorities, whether in the City, the Colonial Office, or Downing-street—there is a Dominions Department now—should realise that we do not pretend to be great administrators; we have not had great opportunities, and the country and the circumstances are difficult, but we could ask them to send out on a visit or as a permanent resident their nominee to see the difficulties under which we in Western Australia are labouring.

Hon. A. Lovekin: To put the bailiff in.

Hon. A. SANDERSON: That crude language is not used in Downing-street. My proposition has nothing to do with a bailiff. Let us try to look at the position judicially rather than from a partisan point of view. Whatever our sins of omission or commission

in administration or policy might be, this country is a mighty difficult proposition to tackle, and proof of this is to be found in the fact that this has been the experience in the 96 years since the first settlement at Albany.

Hon. Sir Edward Wittenoom: It was not difficult in the nineties.

Hon. A. SANDERSON: The hon. member speaks with possibly the greatest authority in this House on the period previous to 1890, but I could bring him evidence from the years from 1826 to 1890 to show that he is entirely wrong.

Hon. Sir Edward Wittenoom: I said it was not difficult in the nineties.

Hon. A. SANDERSON: What happened in the nineties? The Imperial Government handed over to the hon. member and his colleagues at the first blush of manhood an absolutely unencumbered estate, and anyone who knows the history of Western Australia from 1826 to 1890 is aware that it was due to careful administration in connection with an uncommonly difficult proposition that the State was so well handled from a financial point of view.

Hon. J. Cornell: It bred some good men and women.

Hon. A. SANDERSON: Undoubtedly, and will continue to do so. I am endeavouring to show the benefit which would accrue to Western Australia from the presence of the Premier and a colleague, preferably the distinguished Leader of this House, in the City of London. The Premier would be able to put the position before them and tell them that we wanted so much money, whether it was five millions, ten millions, fifteen millions or fifty millions. If our capital account now stands at 50 millions, at some future date we shall require another 50 millions to develop this country, apart altogether from private enterprise which, by this Bill, the policy of the country and the prevailing circumstances seems to be entirely wiped out. These Ministers could not go to London and ask private enterprise to assist them, because private enterprise in the City of London would be unapproachable, and would not put one penny piece into this country under the present circumstances and administration.

Hon. J. J. Holmes: If that is the case, what is the good of sending them to London?

Hon. A. SANDERSON: We are going to develop this country on public money. If in this we are not successful, we write down the bankruptcy of the country and the bailiff may come in. We have this public enterprise whether we like it or not, and it is the only system which we can work. If we are going to stop that, we shall bring bankruptcy to the State. What is the other advantage? The Premier would be able to speak in the City of London and in Downing-street on terms of equality with the Commonwealth Government. We are not able to do that either in St. George's-terrace or Collins-street. People in London experience the greatest difficulty in trying to understand the position in Western

Australia. If the Premier were able to establish only these two points, the mission to London would be justified. There are several other points which Mr. Duffell and I discussed on the high seas during our return. I say quite earnestly that an enormous advantage would accrue to Western Australia if the Premier and his colleague packed up their traps and went to London.

Hon. G. W. Miles: On the policy they intend to carry out?

Hon. A. SANDERSON: Do not let the hon. member ask any more. The idea of private enterprise in the circumstances now prevailing in Western Australia, can be put entirely on one side. Whether we like it or not, we are committed to public or State enterprise or whatever else the hon. member likes to call it. I do not come from the North-West; I represent the Metropolitan-Suburban Province, and I flatter myself that I move with the times, and the times unquestionably point to the fact that whatever opinion one may hold on this question, whether we like it or not, unless we are going to retire altogether from the political arena, we have to face the policy that the Labour Party openly and above board pinned their faith to, namely, State enterprise. The Leader of the House and his colleagues, whether they like it or not, have, after being five years in office, adopted the policy and here we have before us a Bill which might easily have been been introduced by the Labour Party.

Hon. A. H. Panton: That shows their good judgment.

Hon. A. SANDERSON: As to the details of the Bill, we can consider them in Committee. If we wish to touch on the question of administration to which Sir Edward Wittenoom referred—well, we know something about that. A great many of us are agreed that much of the administration is beneath contempt and criticism, whether it is the Lake Clifton railway, the Wyndham Meat Works, or the jam factory. I am not going to waste time raking up things of this kind, particularly as much has been done for us by the able work of the select committee appointed to inquire. If there is one individual in this country who is responsible for the present position of affairs, it is the Minister for Railways. I could never understand, and I cannot understand yet, why the Leader of the House, if one-tenth of what he said five, six, seven, or eight years ago had any truth in it, associated himself with the present Minister for Railways or permitted himself to be associated with him. Have his administrative abilities improved? Has his policy changed in any degree?

Hon. J. W. Hickey: He is not concerned about that.

Hon. A. SANDERSON: We are concerned about it; we have to foot the bill. As someone said the other day, the Albany election cost this country £400,000. I do not think that hon. member was very far wrong. I do not wish to enter into pettifogging details.

Hon. J. W. Hickey: He will get serious some day.

Hon. A. SANDERSON: Serious! The people I represent are furious, furious at the way they have been betrayed. After turning out the Labour Government, they find in power a Government worse than before, and the head offender of the Labour Government has been pitchforked into an office in which he has shown his incompetence which has cost the country a great deal of money.

Hon. J. W. Hickey: Well supported by his traducers and critics.

Hon. A. SANDERSON: I am the critic this afternoon. As for traducing, there is no such thing in my mind. I am telling a plain, unvarnished tale in connection with this Bill, and what it represents. If the Minister has time in his reply I ask him to pass everything else by and explain how it was he came to take this Minister to his arms, so to speak, after all that he said during past years. This party has been in office for the last ten years, and look at the country at this present moment.

Hon. J. W. Hickey: He will find a way out of it.

Hon. A. SANDERSON: I shall reserve any further comments I have to make upon this Bill until we reach the Committee stage. I ask the Leader of the House to treat as a serious proposition this question of the Premier's and his visit to London.

Hon. J. Cornell: For good?

Hon. A. SANDERSON: Certainly not. I ask him to justify if he can the presence of himself and the Minister for Railways, from a political and administrative point of view, at the same Cabinet meeting.

Hon. Sir EDWARD WITTENOOM (North) [4.17]: I do not propose to go into the details of this Bill, which is of such great importance and which affects the foundation of our success and that of the whole State. The trouble in connection with the whole business is, as I interjected, the administration. In all matters connected with finance its success or otherwise must be put down to administration. A company or a bank makes a success or a failure according to the method of its administration. The administration of a State like this is a very serious question, but serious as it is it reduces itself to the simple matter of making the expenditure a little less than the revenue. That is the whole point in business. Whatever the revenue may be the expenditure should not exceed it, and when the Estimates are made up they should be made up from that point of view. For the last six or seven years the Estimates have always come down with a proposed deficit at the end of them. This method of government was unfortunately approved of by the people of Western Australia some few years ago. These deficits are not of recent occurrence. They have been in evidence during the last six or seven years, and yet a couple of years ago the present Government were returned by

the people with a majority as much as to say, "Well done good and faithful servants; go on as you are doing."

Hon. F. C. Baxter: And they are doing it.

Hon. J. Cornell: Elections were never fought on the question of administration.

Hon. Sir EDWARD WITTENOOM: Do the Government wish to live within their revenue or not? So far as we can see that is not their intention. There are difficulties confronting everybody, whether it be in the case of companies, individual families, or persons. There is always a difficulty in trying to reduce one's cost of living. One can therefore make every excuse for the Government going to extreme methods in order to do this. I have said before that I am surprised the Government do not feel ashamed that the other States should so continuously be commenting upon the constantly recurring deficits in Western Australia. The Leader of the House replies that everyone else is doing it. It reminds me of the man who was a cook in a soldiers' camp. He brought in his first plate of soup and it had a blowfly in it. Someone said, "How dare you bring in soup with a blowfly in it," and the man replied, "Do not say anything about it, for everyone else will want one." My hon. friend says, "Everyone has a deficit; why should we not have one here." My view is, "Let us show an example, like Victoria has done to a large extent, and see if we cannot carry on without this deficit in spite of all our difficulties." I am not prepared to show the Government how they should do this. I am not in a position to do so. I might possibly feel inclined to take the same steps that were taken in Tasmania. Strong steps were taken by the Legislative Council there, and with some measure of success. I believe the end of it was the Government agreed that if the Council would withdraw their opposition they would reduce all salaries and payments to the extent of the reduction in the cost of living. I am not sufficiently informed upon the subject to be able to offer a suggestion along these lines, neither have I the will to interfere with the Government. Every time that I read the papers, and notice that there has been a meeting of the parties, I find that the party has the greatest confidence in the Premier and those surrounding him.

Hon. C. F. Baxter: They are not speaking for us.

Hon. Sir EDWARD WITTENOOM: When the party in another place agrees to what is going on, and sends this Bill up to us with the stamp of their approval upon it, it places us in a difficult position, and requires on our part a great deal of reflection before we take a hand in the situation. I wish to point to the Wyndham Meat Works for a moment. Notwithstanding failure after failure, hundreds of thousands of pounds have been put into these works. The Government must have had some confidence in someone or some-

thing to go on spending money there, and authorising the Treasury to make these payments when there was no possible hope of success. We know there could be very little hope of success. I for one did not think there could be, first of all because the climate makes it difficult to get men to work there, and secondly because they can only work there during a certain portion of the year.

Hon. G. W. Miles: You are referring to white men?

Hon. Sir EDWARD WITTENOOM: Yes. These white men would probably have to be replaced and retaught every season, for the chances are they would not care to go back again. Very few of the men would take their wives there. We all know how discontented a man becomes without his wife, and he will not take her to that climate. It is impossible to get a continuous flow of workmen up there who will take an interest in the business. They always get the whip hand at the critical moment. There may be a thousand bullocks to be slaughtered, and they may say, "Another 10s. a week, or you can kill the bullocks yourself." I saw the same sort of thing in connection with the "Bambra."

Hon. A. Lovekin: They are the most difficult works in the world.

Hon. Sir EDWARD WITTENOOM: I cannot understand how any Government could have agreed to this continuous expenditure without making some protest or looking into the matter. The "Kangaroo" is another instance of this sort of thing. The sum of £200,000 was spent on this unsuitable boat. These are matters which do not seem capable of explanation. I should like to hear how a business man could do these things and find an explanation for them.

Hon. G. W. Miles: They charge the expenditure up to capital account instead of to working expenses.

Hon. Sir EDWARD WITTENOOM: These are points that we must take notice of. I expected when the Leader of the House replied in connection with the Meat Works and the State steamers that he would have stated what the intentions of the Government were, but after reading through his speech I can find nothing of the sort or any disclosure as to what the Government are going to do about the matter. I gathered, however, that he said they would have another try. It would be much better to get rid of them and let someone else have a try. The only thing I can see is for the Government to endeavour to keep their expenditure within their revenue. There are many difficulties which have to be surmounted, but if a firm hand were taken of the situation and economies were practised and the expenditure cut down those difficulties could be overcome. Mr. Sanderson suggested that the Premier and the Leader of the House should go to England and get some money. They cannot pay the interest on what they have already expended. What, therefore, is the use of their getting any more money? If they



could get more money and another hundred thousand people, and place them in profitable occupation, and so reduce the cost of living to those already here, I would be in favour of the suggestion. In the circumstances, however, I do not think they would do much good. The Estimates come up from another place with the hall mark of satisfaction upon them. This makes it very difficult for us to deal with them. If matters were conducted in business like this, and there was a constantly recurring deficit, the only remark that would be made by the proprietors of that business would be "It is time we had another manager." There are one or two matters, such as the Education vote, which we might discuss in Committee, but with these few remarks, I will support the second reading of the Bill.

On motion by Hon. J. J. Holmes, the debate adjourned.

#### SELECT COMMITTEE — WYNDHAM MEAT WORKS AND STATE SHIPPING SERVICE.

To adopt reports.

Debate resumed from the 6th January on the following motion by Hon. J. J. Holmes—

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

Hon. J. CORNELL (South) [4.30]: If I had followed my own inclination I would have refrained from acting on the select committee. I recognised that the work must of necessity entail a good deal of personal sacrifice. Members of the committee undoubtedly made a great deal of personal sacrifice. This remark specially applies to the Chairman, who worked his hardest to ensure there being a full and adequate inquiry into this subject. In passing, let me express my belief that, as regards my four colleagues on the select committee, that body will not be readily excelled for unanimity of desire to serve the country and for honesty of purpose. I was under the impression that the Minister would have dealt a little more exhaustively than he did with the general nature of the select committee's report, instead of practically confining himself to high-flown phrases.

The Minister for Education: I specially asked the members of the select committee to speak and indicate what they wanted.

Hon. J. CORNELL: Exactly. There was a motive in that. Does the Minister think it would have been wise for the members of the committee to speak first and so provide him with powder and shot? Is it not right that some members of the select committee should hold themselves back?

The Minister for Education: Practically they all did.

Hon. J. CORNELL: The Minister almost invariably has the last word in this House, but not on the present occasion. If the members of the select committee had spoken first, as suggested by the Minister, I would not have had this opportunity of saying what I am in a position to say now. The first point made by the Minister was that the clamour for the construction of the Wyndham Meat Works had come from the pastoralists. I do not think it has been denied that Mr. Holmes, Sir Edward Wittenoom, Mr. Hamersley, the late Mr. Connor, were all in favour of the establishment of these works. That is, they expressed themselves in that sense when they had an opportunity of expressing an opinion on the matter. But, having regard to the peculiar circumstances of the origin of the works, it is hardly fair to tax those hon. members with having been from the very inception strongly in favour of the construction of the works. The first opportunity they had of making an utterance on the subject on the floor of this House was after the contract with Nevanas had been entered into, and when the Loan Estimates came before us. At that stage the country was fully committed to the construction of the works. A search of "Hansard" for 1914-15 will show that Mr. Kirwan and myself, although I was intimately associated with the Labour Party then, and Mr. Kirwan was said to be fully associated with the party except that he had omitted to sign the Labour pledge, we two alone spoke of the doubtful utility and questionable wisdom of embarking on so large an expenditure for the Wyndham Meat Works. The Leader of the House has further said that he did not blame the Labour Government solely in respect of the works. At that time there were two sets of interests supporting the construction of the works—the pastoralists, or growers of meat, and the Labour Party representing the large body of the consumers of meat. The Wyndham Meat Works were not a decision of the Labour Party of the day, but a decision of what Sir Edward Wittenoom has called "that unreliable instrument," Cabinet. I repeat, the Wyndham Meat Works do not represent a decision of the Labour Party as a whole. One of the pleas put forward by the Labour Cabinet to their supporters for the construction of the works was that the works would mean cheap meat for the metropolitan area. That plea brought a considerable amount of support. It will be within the personal recollection of members of this Chamber who were here in 1915 that the construction of the Wyndham Meat Works and the Nevanas contract almost wrecked the Labour Government. However, about the same time the Labour Government started State meat shops. It was then put forward—I myself may have urged it—that the inauguration of the State butcheries meant the consummation of the Wyndham Meat Works by achieving the distribution of cheap meat among the great

body of consumers. But one of the first acts of the Government that succeeded the Labour Government was to close the State meat shops and also the State fish shops. The Wilson Government did not, however, close down what was intended originally to be the head depot of the State meat shops—namely, the Wyndham Meat Works. It has long been generally acknowledged that the providing of chilled meat and cheap meat to the metropolitan area from the Wyndham Meat Works is not practicable. There can hardly be a better authority on that point than Mr. McGhie himself, and that gentleman said in evidence that the providing of chilled meat to the metropolitan area from the Wyndham Meat Works was a physical but not a commercial possibility. The Leader of this House has made the statement—a statement which he would have done better to refrain from making—that had a public works committee been in existence when the Wyndham Meat Works were first proposed, these works would not have been started. I hope I am in order in saying that the best category in which I can place such a statement is to say that it belongs among statements which had better not have been made, seeing that the Minister himself voted against the Public Works Committee Bill of the Labour Government. It was a cheap gibe at members who recently voted against the second reading of a similar Bill.

The Minister for Education: Yes, I voted against the previous Bill.

Hon. J. CORNELL: You then had your opportunity—

The PRESIDENT: The hon. member must address the Chair.

Hon. J. CORNELL: I beg pardon, Mr. President. In 1912 the present Leader of the House had his opportunity to bring about such a committee as might have prevented the construction of the Wyndham Meat Works two years later. But he took the opposite course, and voted against the Scaddan Government's Public Works Committee Bill. Therefore I say the Minister's argument is a most peculiar one.

Hon. T. Moore: It is in keeping with the Minister's attitude generally.

Hon. J. CORNELL: I will not say that. I will say the Minister made one of those boomerang statements which must of necessity rebound on their maker's head. When the critical stage arrived and it was found that the works could not provide chilled meat for the metropolitan area, who held the reins of government in this country? Not the people who started the works; but the Wilson Government, succeeded by the Lefroy Government and the Colebatch Government and the Mitchell Government, the Leader of this House being a member of each of those Governments. It was up to those Governments to inquire into the necessity for calling a halt in the construction of the Wyndham Meat Works. But they did not do so. Therefore the onus for going

on with the works after it had been discovered that they could not supply the metropolitan market with cheap chilled meat, rests on those Governments.

The Minister for Education: The works were almost completed when that discovery was made.

Hon. J. CORNELL: How long is it since the work has been completed? They are not completed yet; there is still £180,000 to be spent.

Hon. C. F. Baxter: When the discovery was made, £600,000 had been spent.

Hon. J. CORNELL: The expenditure on the Wyndham Meat Works is like Tennyson's "Brook," and will go on for ever. Now let us summarise the blunders that have been committed and the position we have arrived at. The Wyndham Meat Works stand on the State's books at practically £800,000, and they will not pay whether worked or unworked. The market for those works is not what we originally thought it would be. The market for those works is exclusively beyond the confines of Australia. The whole of the product of the Wyndham Meat Works must of necessity compete with the meat products of the great continent of America and the great sub-continent of South Africa. Taking into consideration the proximity of America and South Africa to the centres of consumption, together with the labour available in America and South Africa, and bearing in mind the isolation of Wyndham from the track of steamers, I must agree with Mr. Pantou, and I think the other members of the select committee are inclined to agree with him, that there is next to no chance of the Wyndham Meat Works succeeding. Before passing from that aspect, let me say that we can consider the Wyndham Meat Works only in the light of a poor relation. We maintain them, but we do so only under compulsion, and shall be pleased to be rid of them. As was only to be expected, the Minister took up the cudgels for Mr. McGhie. Let me say, in this connection, that I myself, and I believe this applies to every member of the select committee, would be no party to the brow-beating of any witness, or to the putting of leading questions. One of the first points raised by the Minister was that Mr. McGhie had not been given a chance to rebut certain features of the report which he considers inaccurate or misleading. I ask the House and the Minister, is it the practice of select committees, or of Royal Commissions, or of courts of law, to recall witnesses in order to ascertain from them whether or not the findings are in accord with the evidence? I say it is not the practice. I notice that no complaint has been made by Mr. McGhie as to any restraint placed upon him in the giving of his evidence. The only score on which he could have complained was the number of times he was recalled. Each day he was supplied with a copy of the evidence. The chairman, in his report, could reasonably have inserted a clause

referring to Mr. McGhie's natural aptitude at evading the issue placed before him. It may be inferred from the remarks of the Minister that the committee did not have an open mind; but anybody who reads the evidence and the report will find that the committee certainly did have an open mind. A perusal of questions 312 to 315 inclusive, will reveal that Mr. McGhie would not answer the queries put to him, the inference being that he was not a free agent, that he had to consult somebody before giving his replies. The chairman of the committee was forced to take the unprecedented action of specially stating in the House that it must not be understood that the works were hung up pending the report of the select committee. The Minister said Mr. McGhie denied having admitted to the committee that he could not see daylight in making the works a payable proposition, although he had confessed that the whole future of the works depended on the price of meat. A perusal of Mr. McGhie's evidence on pages 15 and 16 may reveal some foundation for this denial by Mr. McGhie, but it is only a technical one. In the report the chairman declared that Mr. McGhie had admitted to the committee that he could not see daylight in making the works a payable proposition for many years to come. But with that statement must be read the next succeeding sentence, as follows:—"That the success or otherwise, in Mr. McGhie's opinion, largely depended on the price of meat." What fundamental difference is there between that part of the report and what the Minister stated in the House? None. The earlier of the two statements was never intended to be read without the qualification in the next succeeding sentence. Mr. McGhie's evidence on pages 12 and 13 will show to what extent Mr. McGhie enlightened the committee as to how or when those works were likely to become payable. Mr. McGhie declared that to venture an opinion as to the future price of meat would amount to a prophecy. Putting the lot together, no exception can be taken to the report of the chairman when he said that Mr. McGhie had practically admitted that for many years to come he could not see daylight in the problem of making the works pay. Now we come to a question which the Minister virtually brushed aside, namely the Allen agreement, which purports to be an agreement drawn between the Minister and Mr. Allen. The Minister said that Mr. McGhie had entered into an agreement with Mr. Allen which had never been approved by the Government. He added that the terms of Mr. McGhie's own agreement precluded Mr. McGhie from binding the Government in any way. The inference is that the Government, for some time, had no cognisance of the Allen agreement. From the statement of the Minister one gathers that that agreement can be repudiated. I do not wish to charge the Minister with unfair tactics, but I assume that was one of the reasons he put forward when he said that Mr. McGhie

had not the power to bind the Government. The evidence (Questions 108 to 111) shows that Mr. McGhie, when asked to give the date of the agreement, said he could not remember the month. Eventually in answer to the chairman he declared that it was more than a year ago. In answer to questions 596 and 597 Mr. McGhie said the Allen agreement had not been signed, and that it was an agreement between Mr. Allen and the Wyndham Meat Works. Mr. McGhie admitted that Mr. Allen had been in the employment of the Government since 1919, notwithstanding which the agreement had not yet been finalised. He added that the agreement covered only additions to the works. On the same page hon. members will find the agreement itself. It purports to be an agreement between the Minister for Education, on behalf of the Government, and Mr. Allen, who has to prepare all necessary sketches and plans for such works as might be notified to him from time to time. His remuneration is fixed in the agreement. It amounts practically to three per cent. for plans and specifications and three per cent. for supervision. Reference is made in the agreement to the payment of four guineas per day salary. He received £1 11s. 6d. a day travelling expenses, and first class boat fares, and it was arranged that he should take up his headquarters in Perth. It is also pointed out how the agreement is to be terminated. On page 33 of the evidence Mr. Hamersley addressed himself to certain remarks on the question of remuneration for drawing up plans and as to whether or not Mr. Allen would be paid for the work he had done. Questions 624 to 632, page 33, are—

How do you regard your position according to whether or not the work is gone on with?—In either case they will pay me for what I have done.

Hon. J. Ewing: Three thousand seven hundred pounds.

Hon. J. CORNELL: The evidence continues—

What percentage are you to receive?—Three per cent. for plans and specifications and 3 per cent. for supervision. It is not compulsory on them to give me the supervision. Of course, I have had travelling expenses coming across from Brisbane.

By Hon. A. Lovekin: If the works are not gone on with you will finish up with the Government and get your 3 per cent. for plans and specifications?—Yes, on the second estimates. I have not been paid anything for preparing the first estimate.

There is nothing payable on the first?—There would have been had they stopped it at that, but when it goes on to the stage it has now reached I get it in my commission.

An agreement has been drawn up but not signed. Have you seen the Minister on the subject?—I have not asked him to have it signed. I have not asked for it to

be signed. I understand it has been sent to the Minister.

You have not seen the Minister about it?—No.

As far as you know, the Minister has no knowledge of it now?—No, beyond the fact that I understand the agreement was sent by the Crown Solicitor to the Minister. I understand that the agreement was sent back to the Minister for signature and I suppose that is really a matter for Cabinet.

The agreement that was placed before the committee was the only agreement that was in existence. Let us see how Mr. McGhie views this question, and turn to questions 1027 to 1029, page 46—

This agreement, although 13 months old, is not yet signed?—The signing of it I regard as merely a clerical matter.

But until it is actually signed Mr. Allen can come along and dispute it?—Technically he might be able to.

Do you still say that the question of signing it is neither here nor there?—I refer to the practical aspect. I know the man, and we have him bound as much as he has us bound.

Apparently the only question in the mind of the manager as to who would repudiate the agreement was that Mr. Allen might do so, but not the Government. For the Minister to speak as he did was to suggest that we were a lot of children. Not only is the agreement binding as to the £3,700, but there is no doubt that Mr. Allen will be paid that sum whether the agreement is adhered to or not. The Minister admitted that the agreement with Messrs. Brown & Dureau had been entered into without the Minister or Cabinet being consulted. The committee has shown to those who take an interest in the affairs of the country what has transpired, and the Minister has given his version of it. Let the people be the judges. The Minister says it is proposed to reopen these works when the position is favourable, that every preparation is being made to start them, and that a decision will be made in April. If the position is favourable, a start may be made in May. Mr. McGhie says that shipping is the key to the position. Certain labour conditions also have to be arranged. Mr. McGhie shows in his evidence that much of the labour is drawn from the Eastern States. All these preliminaries have to be entered into, and some protection afforded to those who take part in the work. The position can only be favourable if the price of meat in the European markets goes up. If the price of meat warrants it, the works will be started. If not, they will remain closed. All these arguments were put before the committee, which was a varied one from a political point of view, and we were of opinion that it would not be wise to make this commitment this year, and that the loss would be less if the works remained idle. There was only one element of doubt in my

mind upon the question of whether or not we should make this recommendation, and that was the effect it would have upon growers in the North. I could understand Mr. McGhie's desire to go on, for the whole thing may mean his position or his reputation. He also has his staff to consider. I cannot, however, understand the attitude of the Government. What is there to justify the view of the Minister that the price of meat is likely to improve? He referred to the world's exchange and to the price of gold, but these are only street corner phrases. I have read the opinions of economists of Europe and America, and find that they are not imbued with the same opinions that the Minister holds. According to the best advice we are not through our economic troubles by a long way; indeed we have only entered upon the threshold. In all probability, the year upon which we have entered, will be the most critical in the history of the world, as well as this State. For that reason we should call a halt. I cannot find words to express my surprise at the deductions made by the Leader of the House, who should be only too ready to exercise caution and consideration with regard to the finances of the people. If the continuation of the works would confer a boon upon anyone, it would be upon the growers, but in his reply to criticisms he made no reference to the part the growers would play. The Leader of the House says he takes strong exception to the figures put up by the committee basing the purchase price of cattle at £7 5s. 5d. per head, and arriving at an approximate loss of £139,000 should the works operate in 1922, on the turnover of 30,000 head of cattle. Similar opinions he said were held by Mr. McGhie, who admitted the figures had been put up by the accountant. The Minister and Mr. McGhie think the figure £7 5s. 5d. is ridiculous, that Mr. Holmes knew it was when he framed the report, and further that Mr. Holmes would be glad to get £5 a head for his cattle. I think he might have left that out. The figures were got out by Mr. Tipping, but Mr. McGhie was in full accord with Mr. Tipping doing the work. The figures were only hypothetical after all. Members of the committee do not pretend to be prophets any more than Mr. McGhie does. When the whole thing goes upon the screen we shall find who were the prophets, the true ones and the false ones. Mr. Tipping impressed members of the committee not only for his kindness and courtesy, but his great natural ability and the assistance he rendered to us. He was present nearly always when Mr. McGhie attended the sittings of the committee. When Mr. McGhie was questioned he invariably said that Mr. Tipping would supply this or that information. Mr. McGhie is very ready to pick out what, to the unsophisticated, would appear to be a great discrepancy. It was a question of £7 7s. 5d. as against £5. He refused to father the figures; he said that they were taken out by Mr. Tip-

ping, and that it was for him to justify them. Let us have recourse to the evidence in an endeavour to find out the power of evasion of this estimable manager and of his indecision in taking responsibility. I refer hon. members to questions 796 to 803, inclusive. I quote those in deference to Mr. Tipping, to the committee, and to Mr. McGhie. Hon. members will find that Mr. Lovekin addressed this question to Mr. McGhie:—

When you were last here you told us that the following were the costs of buying and treating the bullocks on your last kill: Cost of bullocks £7 5s. 5d.; cost of administration 9s. 11d.; cost of bullock from entry into the works to the ship, £7 14s. 10d.; transport and selling charges, £5 1s. 5d., and interest £3 10s. 7d. Are these figures correct?

Mr. McGhie's answer was—

I do not vouch for them. They were obtained by Mr. Tipping from the records. Then followed these questions:—

797. Later on you put the depreciation down at £1 6s. 9d.?—I believe that is the figure. It is not feasible for anyone to state what the depreciation is at the present time.

798. You put it down at £1 6s. 9d.?—I do not father those figures.

The Minister for Education: The price of cattle affects the position regarding depreciation.

Hon. J. CORNELL: I will come to that point later on. I am dealing with these questions to show the indecision of this gentleman to get beyond what might be regarded as barbed wire entanglements. Then follow these questions:—

799. Who will father them?—They are from the records as kept by the Department of Agriculture, and as Mr. Tipping has them summarised.

800. By Hon. A. Lovekin: The records will be correct, will they not?

Mr. Tipping comes in then with a reminder for Mr. McGhie, and that is set out as follows:—

801. Mr. Tipping: Might I remind Mr. McGhie that that depreciation was Mr. Allen's figure.

This will serve to show the glorious chaos that existed and the attempt to implicate Mr. Tipping so that he will have to take the responsibility for the figures. Mr. Tipping, however, refused to be saddled with the figures, which were not his own, and I think rightly so. Then the questions proceeded:—

802. By Hon. A. Lovekin: Would that be approximately the depreciation?—I cannot say. I can only speak when I have information which will satisfy me as to its accuracy.

That was the attitude all through. Then there is the next question:—

803. Will you give us any figure?—Not at present.

This particular statement illustrates the attitude of evasion which, however, I could forgive, but I will not be a party to implicating

a man in the way in which it has been sought to implicate Mr. Tipping in connection with the evidence; when such an implication is to be made, it should come from members of the committee, and not from the Minister. To carry the story further, I do not profess to be an accountant, but I do profess to have that rudimentary knowledge of education which Sir Edward Wittenoom would like to see inculcated into the schools of this State, and I will try to apply to that education a certain amount of common sense. The Minister has said that if things are favourable—which means, I take it, that it will be done if the position is favourable in the opinion of Mr. McGhie—the works will operate this year. It has been estimated that the turnover will be 19,000 head; and that they will cost £5 per head. The committee have put up a set of figures in the report which covers a turnover of 30,000. Assuming the price paid for cattle to be the same as at the last kill, namely, £7 5s. 5d. per head, the committee put forward the following set of figures in the report. The cost of bullocks—that would be approximate—30,000 at £7 5s. 5d. per head; plus cost of administration, slaughtering, freezing, transport and selling, £6 14s. 9d. per head, or a total of £14 0s. 2d. per head, making a grand total on a turnover of 30,000 cattle, a matter of £420,000. The realisation charges per head have been fixed at £13 0s. 3d., which would return £394,500, or a loss, not including interest and depreciation charges, of £25,750. It was stated that the works should be saddled with their legitimate charges and that being so, the works should carry charges for interest and depreciation. No one will dispute that fact and the amount required works out at £3 16s. per head, making a total of £114,000, which would bring the total loss to £139,750. Although the Minister has told us that if the works operate, Mr. McGhie will provide for a turnover of 19,000 head, he expected on that operation a loss of £71,000 not including interest and sinking fund.

The Minister for Education: I did not say that. I said after paying interest and depreciation.

Hon. J. CORNELL: I took the Minister to say, and it was so reported, that it was not including interest and depreciation.

The Minister for Education: No, I said that would be the position after paying interest and depreciation.

Hon. J. CORNELL: That may be a happy interjection on the part of the Minister, because it destroys all the figures that I have prepared. I ask Mr. Holmes, however, to take up that aspect where I have left off, because the Minister has said that on a turnover of 19,000 head, at a cost of £5 per head there will be a loss of £71,000, including interest and depreciation. The Minister, however, has not informed the House what amount of money Mr. McGhie proposed to set out as necessary for interest and depreciation. He has not informed the House what Mr.

McGhie estimates will be the cost of realisation.

Hon. G. W. Miles: Yet he said a balance sheet was presented such as a business man would put up!

Hon. J. CORNELL: He gave information upon none of these things.

The Minister for Education: I gave the figures. They would be about £30,000 on 19,000 head.

Hon. J. CORNELL: There is only one phase I take back. However, the Minister did not show what appears to me the absolute impossibility of getting some reasonable comparison with what would be secured on a turnover of 30,000 head. Putting down the cost of depreciation per head at £1, it will represent a loss of £30,000 under that heading. The Minister on a turnover of 19,000 head gives practically the same figures, but he does not give the cost per head.

The Minister for Education: It would be about 30s. per head.

Hon. J. CORNELL: The House has not been given to understand what the overhead charges will be. The contention has not been combatted that the cost of administration, slaughtering, and freezing, etc., will be about £4 11s. 6d., that the cost of transport and selling will be about £2 3s. 3d.; nor yet that the realisation charges will be about £13 3s. per head. These are the figures which the committee has placed before hon. members in the course of its report. It would have been a courtesy on the part of the Minister and on the part of Mr. McGhie, to take those figures into consideration, and throw some light on that aspect. I will leave that position for a few moments to deal with the State Shipping Service. The Minister has not devoted much time, attention or words, to the shipping service. I suppose one of his colleagues is particularly pleased that he has not done so. However, if hon. members will take the trouble to read the report of the select committee, they will find that the history of the administration of the State Shipping Service is one of the saddest and most woeful tales yet unfolded in connection with the administration. It gives one the opinion that, however one may be infatuated with the advisability of State trading concerns, and the utility and desirability of having such concerns, if any individual reads the section of the report dealing with our shipping service he must be forced to the conclusion that we are better without them. If hon. members will turn to the report they will find a section headed "Politics and State Enterprise." I will not weary hon. members by reading that report at length—the Press will not report me, and no one reads "Hansard"—but if they turn to that portion of the report, they will see what the manager of the shipping service is asked to do by the Minister, who happens to be the member for the district, regarding the harbour at Albany. Let them read what the responsible officer charged with the administration of this concern has

had to put up with, and they will realise that the farce of "Charlie's Aunt" is nothing to it. That is one phase of the aspect the Minister did not deal with. He said, however, that Cabinet agreed to sell the "Kangaroo." The question whether the "Kangaroo" should or should not have been sold from a party point of view does not enter into the matter; but when we understand how the decision was arrived at to sell the "Kangaroo" we cannot take any exception.

Hon. G. W. Miles: Would the Albany elections have resulted as it did?

Hon. J. CORNELL: If we take the evidence of witnesses as to how the decision not to sell the "Kangaroo" was arrived at, we can only come to one conclusion: that is, that it was considered that upon the sale, or otherwise, depended the loss or otherwise of a seat and of a member of the Government. One thing I have always stood for is administration, clean, open, and above board.

Hon. A. H. Panton: He was elected on law and order.

Hon. J. CORNELL: If the community tolerate such deeds, we are entitled to all we get, and that is not one-half of what we deserve.

Hon. G. W. Miles: Would not your electors oppose that?

Hon. J. CORNELL: Members will recollect that the State Shipping Service was inaugurated on similar lines to the Wyndham Meat Works, with the object of transporting cattle from the North to the South. It was done by Cabinet decision; it would have been impossible for the Government to get the necessary authority from Parliament. What was their motive? Again, the question of a cheap meat supply influenced them. The first and best ship purchased, the "Kwinana," was to facilitate the transport of cattle in order that the grower and consumer might get a better deal. Then the "Western Australia" was purchased, and we all know what she was. Then we got the "Kangaroo." She has been a good asset.

Hon. J. J. Holmes: Profitteering!

Hon. J. CORNELL: Absolutely. She was too slow for transport purposes during the war. It would have been suicidal to put soldiers on board of her. One of the most effective safeguards against the submarines was a turn of speed. It has been said that the "Kangaroo" made gigantic profits. If the position were balanced up in six months' time, I venture to say we should find that the "Kangaroo" was not the asset some people think. The manager is of opinion that, with the latest additional charges, there is very little, if any, chance of making her pay.

Hon. G. W. Miles: The additional cost will eat out all the profits she ever made.

Hon. J. CORNELL: Primarily, the State Shipping Service was designed to transport cattle from the North, just as a railway would transport them. The service now consists of the "Eucla" and the "Kangaroo," in addition to the "Bambra," which is on

loan from the Federal Government. Our pious hope should be that the Federal Government may forget we have got her. The only two boats we have to carry stock from the North are the "Kangaroo" and the "Bambra." So far back as the 26th August, the manager reported to the Minister the seriousness of the outlook for the cattle trade, and pointed out that if the "Bambra" remained on the coast and the "Kangaroo," between her trips to Java, squeezed in three trips to the North-West, the utmost these boats could lift would be 2,800 head of cattle during the season. Other boats on the coast would probably lift 3,000 head, a total of 10,800 head, compared with 17,000 brought down last season.

Hon. G. W. Miles: And that was not sufficient, either.

Hon. J. CORNELL: I asked Mr. Glyde (Question 1,550) what was the average number of stock carried by the "Kwinana" each season, and his reply was "Between 6,000 and 7,000 head." The State Shipping Service, therefore, is not going to be the salvation of the grower in the North or the consumer in the South. They must depend on other steamers to bring down meat. It may be said that a boat will be chartered. The position, however, was put up to the Minister on the 26th August and, up to the time of the select committee closing its inquiry, the minute had not been acknowledged. It is time we had someone in office who will take matters seriously. I wish to reply to one or two statements made by the Minister in reply to Mr. Miles. The Minister said that to date it could not honestly be stated that there had been a loss on the State Trading Concerns. I am prepared to accept that statement.

Hon. G. W. Miles: I am not.

Hon. J. CORNELL: The Minister went on to venture the opinion that this happy position was due to the enormous profits made by the "Kangaroo." In his evidence, however, the manager told us that the "Kangaroo," loaded up with present day charges, would be a very difficult proposition. It would be hard to make her pay and her profits would be eaten up. He also said that the country must look forward to a very serious loss during the coming year. The committee have endeavoured to point out that the loss would not be so great if the meat works did not operate this year. The Government, however, appear to be like the man in the two-up school—prepared to put in the last pound. I wish to emphasise that Mr. Moore and I have not deviated from the principle of State ownership and control. The fact that we subscribed our names to the report shows that we strongly condemn the administration of these two concerns. If these concerns are to be given the chance, which they have never yet received, competent administration must be set up. There is only one recommendation with regard to the Wyndham Meat Works and there was only one point on which members

of the select committee differed, and that was on the question whether the works should be leased or sold. The Government have told us that the Wyndham Meat Works will probably operate this season. Therefore, I may be beating the air somewhat by stressing this point.

Hon. G. W. Miles: But the Government are opposed on principle to trading concerns.

Hon. J. CORNELL: It is only fair to reply to the Minister's statement that he could not understand a majority of the committee recommending that the works be leased or sold and Mr. Moore and myself dissenting. I reasoned that this was a question which the committee were not bound to answer. We recommended that the works be closed down indefinitely. If the Government agreed to that, they would then have to decide whether they would bear the burden of the interest or endeavour to negotiate for the leasing or sale of the works. The works, however, cannot be leased or sold without the sanction of Parliament. I take the line of reasoning that when the Government muster up enough courage to back up what they have given utterance to, to enable members to test the feeling of Parliament as to whether or not the works should be disposed of, then and then only shall I answer the question. If the Government do approach the situation in accordance with their utterances, and if Parliament does not sanction the sale of the enterprises, the Government can then say "You can get someone else to carry on." That will be the only logical outcome if Parliament turns down the proposal. That will be the time for me to answer the question.

Hon. A. H. Panton: You will never be asked to answer it.

Hon. J. CORNELL: I do not know whether I would be right in moving an amendment, but I would like to say that if this recommendation remains in the report, the decision may be on a false issue, because there are some hon. members who are in entire accord with the report, barring that one recommendation. On the same process of reasoning they are not bound to answer that question until the Government bring down a Bill. With that recommendation out of the report this House would unanimously adopt the report. I regret Mr. President, if I have wearied you and hon. members because of the time I have taken to deal with the subject. I can only say that the relations amongst the members of the select committee were most cordial, and that those members put their best energies and ability into the work that they carried out.

Hon. H. STEWART (South-East) [5.48]: It is not my intention to speak at any length, but I feel constrained to compliment the committee and to thank them for the report which they have put before us and which is evidence of the thoroughness of the work which was carried out. I compliment the select committee also on the temperate char-

acter of the report. Certainly one member of the committee who has just sat down has spoken with more feeling than anyone else we have heard. I feel in entire sympathy with the committee after having read the report which gives so much evidence of mal-administration. Remembering that the forte of the Government was business acumen, we are led to wonder where that actually existed. We must conclude also that in other departments as well, where their responsibility is exercised, things must be transpiring which, were there a change in the personnel of the Government, would be put an end to and would bring about a different condition of affairs. I simply wish to draw attention to the evidence which exists of mal-administration, although I fear most of the instances which I might quote have already been referred to. First of all, we have the appointment of Mr. Dalton. One would have thought that before appointing him, those who were going to carry out this project would have satisfied themselves that the individual to be chosen for the post was familiar with the very latest methods in the business of freezing. This man was appointed and he carried out his work. Shortly after another officer is appointed who condemns the whole principle of the cold pickle process inaugurated by the first man. This consequently involves considerable expenditure in effecting alterations. Both these appointments were made by what was practically the same Government. It certainly seems that judgment was not exercised in either instance when making the appointment, or in carefully looking into the position at the time. At any rate that which transpired cannot be pointed to as an instance of that effective administration which one expects to find in connection with successful private enterprise.

Hon. C. F. Baxter: Both those men were chosen by the Public Service Commissioner of the day.

Hon. H. STEWART: The Public Service Commissioner doubtless made the recommendation, but Cabinet would be the final authority in making the appointment. It seems that all that is required nowadays is for someone to put up a recommendation for the appointment of an officer or anything of that kind for the matter to go through. That brings me to a second illustration. On page 4 of the report we find that Mr. McGhie urged the provision of additional storage accommodation. The report sets out:

For the purpose of designing this he applied for permission to engage the services of Mr. Allen, a meat works architect, then resident in Brisbane. Cabinet approval was given on the recommendation of Mr. Colebatch, who was evidently under the impression that the cost would involve £30,000 or £40,000. Mr. Allen was employed and subsequently submitted an estimate for £217,000. When this estimate was passed on to the Premier he minuted Mr. Colebatch that the money

could not then be found. On 29/10/20 Mr. Colebatch thereupon forwarded the file to Mr. Baxter with a minute that he "gathered that an expenditure of £30,000 or £40,000 would be required."

I recently said in this Chamber that if the speech the Leader of the House made in favour of the Public Works Bill had been published in extenso in the "West Australian," it would have condemned the Government in the eyes of the public. I cannot conceive of a weaker statement from a man occupying a Ministerial position than the above minute by Mr. Colebatch. The temperate statement of the case by the members of the select committee invests the matter with weight and power, and any invective which might have been brought to bear would have been less condemnatory. At least so it seems to me. Any man administering a financial matter of this description would gather that there was something radically wrong about a recommendation for an estimate for works of the value of £30,000 or £40,000 which we find later actually materialised to the extent of £200,000. The Ministerial signature should have been over any minute where it involved the expenditure of £30,000, £40,000 or £50,000.

Hon. J. Ewing: You can blame Mr. McGhie for that.

Hon. H. STEWART: Can you blame Mr. McGhie when there is someone who minuted the matter? Cabinet approval was given on the recommendation of Mr. Colebatch, and Mr. Colebatch says later on, "I need hardly say that had I thought the cost would run into upwards of £200,000 I would never have put the recommendation forward."

The Minister for Education: I took every step that was available to me to find out how much it would cost.

Hon. H. STEWART: However, I will not proceed any further with that matter. It is no pleasure to me to bring forward these things. It is only to add weight when one speaks on other matters of general administration and when the judgment of a Minister who does things like this comes into conflict with the judgment of a private member, whose views in regard to administration of the affairs of the country are not in accord with the views held by that Minister. Consequently it is necessary on general grounds, and when the matter is fully warranted, to draw attention to administrative acts and acts of want of judgment. Then we come to the other matter of administration which has been dealt with by Mr. Cornell and that is the position of Mr. McGhie. I do not know what his position is with the Government nor do I know what his agreement is and what the Government intend to do, but apparently for some considerable time Mr. McGhie seems to have been administering in such a way that he has put the Minister and Cabinet in what would appear to be a most peculiar position. We see that he enters into an agreement not



only with Mr. Allen, but with Brown & Dureau. Here is another instance, and here we have the Under Secretary for Agriculture coming in, too, as he did with great effect, when he recommended to Mr. Baxter to advise the appointment of a general manager for these works. I am not saying that it was not necessary to appoint a general manager; but it does seem to me that proper care and caution were not exercised in that matter. If both the cold pickle and the hot pickle processes were available, the Government should have carefully inquired into the question, and obtained a manager who would inaugurate the cold pickle process, instead of getting a man who would alter the process at considerable expense. A mistake was involved, either initial or secondary; and it is evidence of bad administration. There is no use turning out products if the works are run at such a cost as involves a loss when the products are sold in the open market. In April of 1911 Brown & Dureau wrote offering to act as selling agents for the works at a commission of 1 per cent. on invoice values. Receiving no reply for 12 months, they wrote again offering to do the work at  $1\frac{1}{4}$  per cent., which offer was recommended by Mr. McGhie for acceptance. From the select committee's report it appears that Brown & Dureau were not all they were represented to be in point of office organisation and of agency facilities; at any rate, they have not proved to be what one might have expected from their earlier statements. On the 28th February, 1921, the Crown Solicitor submitted the draft of an agreement with Brown & Dureau, providing for a commission of  $1\frac{1}{4}$  per cent.; and that ends the matter so far as the files are concerned. From the account sales which reached Perth from London, however, it appears that a commission of 2 per cent. was charged by Dutton, Massey & Co.; and it has developed that Dutton, Massey & Co. and Brown & Dureau are practically the same firm. It has been explained that the 2 per cent. commission was granted to Dutton, Massey & Co. in order to allow for the firm's brokerage payments. Then I come to the agreement made by Mr. McGhie with Mr. Allen; and I am impelled to ask, who is running the business? I am also driven to ask, is Mr. McGhie above Cabinet, and can he do exactly as he likes in the matter of agreements as well as rates of commission? It would seem so. On that point I should have liked to get a little more light from the select committee. Apparently the Government are willing to allow such a state of affairs to exist. Turning now to the State Shipping Service, one is again struck with the evidence of bad administration. On page 56 of their report the select committee give instances of procrastination, under the heading of "Political Control." The members of the Government, who are supposed to be against State enterprise, but who are supposed to be possessed of the business acumen necessary for the running of trading con-

cerns, put off from month to month dealing with matters that urgently called for finalisation. They took no notice of what I might almost term the pleading of the officers concerned for finalisation of questions and for declarations of policy. There is only one instance I can find of Ministerial promptitude. Mr. Underwood, when in control of the State Shipping Service in 1915, was asked for a decision by the officer in charge, and gave his reply with a readiness which seems to have been utterly lacking in other Ministers who had to do with that particular State trading concern, except when it came to a question of selling the "Kangaroo"—and then there was no procrastination whatever; the newly appointed Minister controlling the State Shipping Service got to work right away on that occasion. I fully appreciate that the Leader of this House, on the question of the sale of the "Kangaroo," saw what was the true position. When Mr. Stevens recommended the sale of the vessel, the Minister unhesitatingly endorsed that recommendation, which was a sound one. It is in no way owing to the Leader of this House that the "Kangaroo" was retained, and that the heavy expenditure since incurred in connection with her has placed another incubus on the State Shipping Service.

Hon. G. W. Miles: He takes his share of the responsibility for that.

Hon. H. STEWART: Quite so. Mr. Sanderson is not in his place. I was about to direct that hon. member's attention to the position as regards the alterations to the "Kangaroo" while she was in London. Although the Agent General got an offer for the ship, and pressed that offer on the Government, doing excellent work in trying to effect the sale, yet there was an unaccountable amount expended in altering the ship. What was the idea of the Government in providing this additional refrigerated space? It is impossible to digest these things. I quote from paragraph 24 of the select committee's report—

File 105/20 shows that on January 12, 1920, it was suggested on the basis of an estimate made in 1917, that 193,000 cubic feet or 247,000 cubic feet of additional insulated space might be provided at costs "ranging from £63,000 to £120,000." As the result of a conference between departmental officers it was decided to provide 30,000 cubic feet only. Authority was given for the purchase of the necessary refrigerating machinery, etc., costing approximately £15,000, and for the placing of an order for alterations and installation of the insulation of 30,000 feet "to best advantage." The order was placed with Thorneroyoff, at Southampton, on a time and material arrangement . . . The evidence shows that no less a sum than £196,000 was spent on these alterations. . . . Thus one-sixth of the space which it was estimated could be provided for from £63,000 to £120,000 cost no less than £196,000. There is a slight difference in the dates, but that

difference does not account for anything like the discrepancy in the figures, on the score of increase in cost of wages and cost of materials in the interim. It is something more than I can digest. To my mind the facts clearly show that in the drawing up of contracts and agreements there has been no proper and careful business-like supervision, step by step, such as is necessary in the interests of the country, and such as Parliament and the people are entitled to expect.

Hon. A. LOVEKIN (Metropolitan) [6.12]: I would have said nothing during this debate, had it not been for a matter which has arisen since the select committee's report was drawn up. Let me say that at the very outset it was the select committee's desire to abstain, as far as we possibly could, from doing anything which would prejudice any person coming before us in the matter of reputation or otherwise, and also from doing anything which might tend to discount the value of any State asset. For those reasons the report which has been brought up is couched in what I think I may describe as moderate language. It casts no reflection upon any witness who appeared before the select committee. Neither does the report contain any statement which may discount in the eyes of possible purchasers the value of either the Wyndham Meat Works or any of the State steamers. I prefer to continue adhering to the policy which the select committee adopted all along, and therefore I do not propose now to break new ground. However, as a member of the select committee, I consider myself bound to traverse a few of the statements which were made by the Leader of the House when discussing this matter last week.

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

Hon. A. LOVEKIN: Before tea I was pointing out that the Committee in framing their report endeavoured not to reflect on any witness nor to discount any State asset. It has come to my knowledge that Mr. Tipping, a very competent and straightforward officer, objects to some interjections made by Mr. Holmes and myself to the effect that he had said the price that would be paid for the cattle next year was £7 5s. 5d. He says that was not his estimate. That is perfectly true. Mr. Tipping did not give the committee that estimate, and if Mr. Holmes and I have conveyed that impression, I at least wish to withdraw it. But £7 5s. 5d. was the price used in making calculations for next season. That was common ground with the committee and Mr. McGhie and Mr. Tipping, and the correctness of that price was never challenged by Mr. McGhie or Mr. Tipping. On page 5 of the report we say that Mr. McGhie advised us that if he did operate in 1922, his objective would be an out-turn of 30,000 cattle. And he supplied the committee with a return which showed that the operating cost would amount to £10 10s. 9d.

per head, while he expected to receive £13 3s. as out-turn. A little further down, this occurs: "Assuming the price paid for cattle to be the same as last year, namely, £7 5s. 5d., your committee obtained from Mr. Tipping an estimate of the probable result of the kill." However, it cannot be said that Mr. Tipping suggested that the price would be £7 5s. 5d. I do not think that would have been challenged had not Mr. McGhie evidently wanted to put up some new ideas to the Minister in order that he might go on next season. He now puts the price at £5 per head instead of £7 5s. 5d., and says that Mr. Holmes ought to have told the House it would have been only £5. We can hardly accept £5 as the price, because the Government had already advanced—not paid—£5 on the cattle, and there is a year's interest to provide on that £5. Moreover, that £5 represented cattle at 25s. per 100lbs. whereas Queensland was paying 50s. per 100 lbs.

The Minister for Education: That must have been long ago.

Hon. A. LOVEKIN: No doubt the Queensland price has since come down, but that does not alter the comparison. The evidence was given by Mr. McGhie that our price was equal to 35s. per 100 lbs. whereas the Queensland price was equal to 50s.

The Minister for Education: It is a long time since the Queensland price was 50s.

Hon. A. LOVEKIN: Then why did Mr. McGhie put up to us that we were paying 25s. while Queensland was paying 50s.? In answer to a question Mr. McGhie said that when Queensland was paying 50s. owners were accepting 25s. from us.

The Minister for Education: That refers to some years back.

Hon. A. LOVEKIN: Reckon out the £7 5s. 5d. and you find it comes to about 25s. per 100 lbs. That is the basis we all had in our minds. If the committee went wrong in estimating the price of the cattle, it was the fault, not of the committee, but of Mr. McGhie. The Minister when speaking refrained from giving us a frank statement of his own to the general attitude of the Government in regard to the meat works. He merely furnished us with matter which was evidently supplied to him by Mr. McGhie. He said the management complained that through misunderstanding on the part of the committee the report did not rightfully represent the case.

The Minister for Education: In certain particulars.

Hon. A. LOVEKIN: The Minister said there was no suggestion that the committee wilfully misrepresented it, but that Mr. McGhie contended that, because of misunderstanding, the position was put in a way which was not in accord with the facts. That is a reflection on the committee, and by interjection I asked the Minister to give us the details. The Minister also said Mr. McGhie complained that he was not allowed to rebut statements and explain matters which the report assumed to be facts.

I wanted to get from the Minister the instances, but he side-tracked and began to talk about State enterprises generally, and to criticise the remarks of Mr. Miles in that regard. During that diversion the Minister said "No" when I asked him whether the profits made by certain trading concerns were paid into revenue while losses came out of loans. On page 75 of the report, we find that Mr. Glyde, the manager of the State Steamship Service, supplies this memorandum:—

"The cash paid over to the Treasury for Consolidated Revenue totals £189,132, being £26,137 in excess of the aggregate net profits available."

So, at any rate in respect of the State Steamship Service, more than the profits were paid into Consolidated Revenue, whereas in respect of certain other concerns, their capital was derived from loan funds. In other words, where there were losses, loan money was found, whereas where there were profits Consolidated Revenue had the benefit. It supports what Mr. Miles said. To come back to the meat works, the Minister gave us some instances in support of Mr. McGhie's complaints. He said Mr. McGhie was entitled to sympathy because he did not complain of other people's blunders. That was very laudable on the part of Mr. McGhie, but the committee did not inquire into that, nor was the committee under any obligation to put up a commendatory paragraph to Mr. McGhie on that account. Again, the committee was not competent to judge whether others were right and Mr. McGhie wrong, or vice versa. Possibly a new manager would disagree with both Mr. McGhie and Mr. Dalton. Then, according to the Minister, Mr. McGhie complained that he was faced with a falling market. The committee neither commended, nor blamed Mr. McGhie for that; it had nothing to do with the inquiry. Mr. McGhie complained of another paragraph in the report which stated that he had proposed an alteration of the railway by cutting away a costly reinforced concrete platform, which the chief architect characterised as unreasonable and a waste of money. There was no cause for complaint, because Mr. McGhie, in reply to a question, said that when the estimated cost of this work was put before him by the chief architect he, Mr. McGhie, dropped the idea. Mr. McGhie has no ground for complaint on that score. The chief architect says it is a waste of money, and Mr. McGhie drops the subject. The chief architect also says that it was unnecessary to alter the cattle yards. The Minister says that Mr. McGhie and five other experts (unnamed) hold a different opinion. Mr. McGhie may be right or wrong, but there was no need for the committee to recall Mr. McGhie to rebut the statement of the chief architect. We had already obtained Mr. McGhie's statement that the work was necessary, and the chief architect's statement to the contrary. The committee was not competent to decide between the two

experts. It merely brought the facts before the House for their information. The next point the Minister makes is in regard to hot pickle and cold pickle. The report on this question says—

Mr. Dalton recommended what is known as the hot pickle process in respect of the canning—a process which, he said, was considered to be the latest thing—the cold pickle process being known as the old style. Mr. McGhie thinks that is a reflection upon him. The committee understood that hot pickle was the American system, under which it was possible to turn out the product cheaply on account of the process being such a rapid one. The hot pickle process takes 12 hours, whereas the cold pickle process, which probably turns out the better article, takes 12 days. In the one case 12 hours' labour only is involved, and in the other 12 days' labour. The question of the difference between the two systems is evidently a question of profit and loss.

Hon. Sir Edward Wittenoom: Are the results the same?

Hon. A. LOVEKIN: The cold pickle turns out the better article.

Hon. Sir Edward Wittenoom: But does not compensate for the extra labour.

Hon. A. LOVEKIN: I am not prepared to say. It was not for the committee to decide which was the better process, and which would give better results to meat works. They simply set out the facts that Mr. Dalton wanted the hot pickle and that Mr. McGhie wanted the cold. I think we should get better results from the financial point of view from the hot pickle than from the cold pickle process. The hot process is much cheaper and the article is not so much inferior. The cheaper one can sell a product the better is one able to dispose of it. No reflection was intended upon Mr. McGhie. Mr. McGhie complained that he knows nothing about the scrapping of certain trucks, etc. The paragraph of the report dealing with that question says—

Mr. McGhie, then in full control, commenced to convert the hot pickle process into the cold pickle process, which involved considerable expense for slate vats and open metal baths, the scrapping of 12 cold storage wagons, which had cost over £4,000, and the replacement of them by other trucks. In this change-over £16,400 worth of plant and material was scrapped. According to the Minister Mr. McGhie says he does not know that we have the figures correctly. If he had read the next few words on the file he should have obtained the information. It quotes file 4062/16. According to the Minister they received £3,900 for those trucks from the Fremantle Meat Works. That does not appear on the file, which was complete on the subject at the time. The transaction may have occurred later, and if Mr. McGhie knew about it, he did not point it out to the committee. The Minister said that Mr. Moore had declared there was no policy, and that

the management did not know what to do. He added that he could find nothing in Mr. McGhie's evidence to suggest such a thing. The Minister could scarcely have read the evidence. Almost at the outset, when Mr. McGhie was first called, he advocated the appointment of some of the members of the committee as a board to assist him, stating that there was too much circumlocution and that he could not get finality. The only time when he was satisfied was when the Leader of the House became Minister, for in that hon. gentleman he found a man who got a grip of things and came to a quick decision. Up to that time the position was the same as it was in with regard to the State Shipping Service—there was no policy and no finality. Mr. Moore was perfectly right in putting it in that way, and is supported by the evidence. If the Minister will turn to question 173 onward, he will gain the same impression that was gained by the committee. Nothing definite has been done to this day, and no decision arrived at as to whether the Wyndham Meat Works will go on next year or not, and nothing has been done in the way of reorganising the State Shipping Service. The last complaint put forward by the Minister on behalf of Mr. McGhie was that that gentleman did not say he could not see daylight in making the works a payable proposition. Although I do not see that question in the evidence I asked this question of Mr. McGhie, "Then you cannot see daylight in making this a payable proposition for many years." Mr. McGhie assented to that, and the phrase "see daylight" was picked up by other members of the committee. The Chairman, in question 362 said, "What is the daylight you are looking for," and in question 398 Mr. McGhie was asked, "If things are going on smoothly, what necessity is there for a committee to obtain daylight for you." If it had not been for my question there would have been no sense in the further questions regarding seeing daylight. It was a paltry thing to pick on the absence of this particular question. It was not a question the reporters could be blamed for not taking. It was really an aside following upon other questions. It was rather a mean thing to put into the Minister's mouth that this question was not put because it cannot be found in the report.

Hon. Sir Edward Wittenoom: The inference was that there was no hope of any profit.

Hon. A. LOVEKIN: Mr. McGhie practically says that in another form in question 259, put to him by myself—

Boiled down, the position, I take it, is this, that even assuming you write the Wyndham works down to the absolute present value, there is no possibility of their paying directly for a number of years? There is only an indirect gain to the cattle breeders?—That, of course, hinges on what beef is going to be worth ahead, and it would take a prophet to say that.

If that is not the same thing in other words, I do not know what it is. It was not worthy of Mr. McGhie to put this up as a complaint against the committee. I think I have now dealt with all the complaints put forward by Mr. McGhie. In connection with Messrs. Brown and Dureau, a definite contract was entered into between them and the Government. The Minister, however—I do not know at whose instance—has made a wrongful use of the Solicitor General in this matter, in order to side-track a definite contract. What has the opinion of the Crown Solicitor to do with what happened in London and other places with regard to brokerage, when there exists a definite contract? I fail to see the point made by the Minister in bringing forward the Crown Solicitor's opinion, unless it was to lead members off the track and there was something more than this arrangement entered into.

The Minister for Education: Do you not think it was a proper matter to refer to the Solicitor General?

Hon. A. LOVEKIN: His advice might have been sought as to whether the firm should get 2 per cent. or  $1\frac{1}{4}$  per cent. commission, but it was not a proper thing to give the Crown Solicitor's reasons why the 2 per cent. should be paid in the face of a definite contract to pay  $1\frac{1}{4}$  per cent. I have yet another matter to deal with, upon which the Minister cannot have been fully advised by Mr. McGhie. This is in connection with next season's killing, if there is to be one. When the Minister was sneaking I took a note of what he said. The Minister used these words:—

The sum of £5 per head would be a reasonable one and cattle owners would be well pleased to get it. If we could operate during the coming season and pay £5 per head for cattle, the loss on those figures would be £71,625. After providing interest £83,000, fire insurance £3,500, depreciation £30,000, cost of machinery £5,700—

This is the maintenance, I suppose, amounting to £5,700.

The Minister for Education: That last item is wrong. That only applies to works not operating.

Hon. A. LOVEKIN: I am omitting this position, because I can see that the Minister has not been advised as correctly as he should have been, to enable him to make a statement that would carry weight with the House. I am giving what the Minister said to this House. His statement proceeded—

—or a total of £122,500. If this proved to be the case, it would be a better proposition to work in 1922 than to be idle.

And so on. I do not think I am divulging anything when I say that I saw the official report and it contains the references to £5,700 and £122,500. The corrected report, however, omits those items. There is no doubt that the Minister read from Mr. McGhie's typed copy, and he was not correctly informed. I do not cast any blame

upon the Minister but I tried to reconcile the figures he gave to us, with those given by Mr. McGhie on a 30,000 kill. I worked the interest and other charges out on the lines of the table appearing on page 5 of the report. I find that the result works out as follows: The interest comes out at £4 7s. 6d. per head on a 19,000 kill, whereas the insurance works out at 3s. 8d. per head, depreciation to £1 12s. 6d., and the maintenance of plant, which the Minister now says should not be in—I think it certainly should be in because one has to maintain the plant and especially a refrigerating plant, which should be subject to heavy wear and tear on account of the ammonia used.

The Minister for Education: It would be maintained in the ordinary course of operations as working costs.

Hon. A. LOVEKIN: Where does the Minister get his working costs? There is no item to cover it except this one of 6s. per head. These figures do not quite add up to £122,500, but I pass that aspect, because evidently the Minister has not been correctly informed. Even taking the figures on a 19,000 kill, the total works out at £6 9s. 8d. per bullock.

Hon. J. Duffell: That is practically the actual overhead charges.

Hon. A. LOVEKIN: Yes, and, curiously enough, a most important factor is omitted from this consideration. It is certainly lumped in the £71,625 which the Minister refers to, on the same basis as a 30,000 kill. It is admitted by Mr. McGhie that the costs spread over a 19,000 kill would be more than the amount spread over a 30,000 head kill. Mr. McGhie puts it up to the Minister as £71,000 on the basis of a 30,000 kill, and then tells the Minister that it is just as well to go on as to stop, because the loss is not much different. The facts are quite to the contrary. I put this up as showing the absurdity of what is put up to the Minister. If I add Mr. McGhie's own estimate of the cost per head on a 30,000 kill, we get the following result: Cattle purchase, £5 per head; slaughtering, administration costs and so on, £4 11s. 6d.—it is perfectly obvious that this amount, spread over 19,000 instead of 30,000, must be almost double—transport, £2 3s. 3d., making a total of £18 4s. 5d. per bullock. Mr. McGhie expects to realise £13 3s. as compared with what he formerly got—£12 17s. He then would make a loss of £5 1s. 5d. per bullock, or a total of £95,989. I am putting this up to the Minister because I do not want him to be led into allowing Mr. McGhie to go on with the work on the statements put up to him. I warn the Minister against giving his consent to the kill proceeding, unless he is thoroughly satisfied that we will not make another huge loss. I have been in business for a good many years and I think I am able to analyse business statements. I say in all sincerity, as one having some interest in this country, it would be utter madness on the part of Ministers to commit themselves to the slaughtering of cattle at Wyndham this year. The

Minister is optimistic but we must be reasonably optimistic. The Minister admits there is a glut in the meat market in London. That is quite true. There is plenty of meat there at any price. The Minister says that events change rapidly and that there are millions in Europe who want meat but who are unable to buy it because the exchange is against them. He contends that as soon as that position alters these people will be able to buy meat, in which event the congestion will be relieved and we will be able to sell our products once more. That is a perfectly sound statement to make. In Austria and other countries of Europe there are millions of people who want meat but cannot pay for it because of the adverse exchange. Does the Minister suggest that the change he predicts will come about within the next six months? There would be too much optimism about such a contention. Take the Austrian kronen, which is now at the rate of 4,000 to the pound sterling. Sixty millions of people want to spend money on meat, but it will be much longer than six months before the value of the kronen will appreciate so that they can buy Australian beef even if sold at threepence per lb. The same position applies to the German mark, and the Germans want meat.

Hon. J. Cornell: The same applies to France.

Hon. A. LOVEKIN: It applies all round. They all want to buy meat but cannot pay because of the exchange. If the Government are going to carry on the works next season, on the hope of a fall in exchange—it is the only slight cobweb on which they hang their opinion—they will court great disaster indeed. It is no use telling those of us who have travelled that we will sell frozen meat with ease, particularly in Great Britain. The people there prefer chilled meat to frozen meat, which can only be sold in the poorer quarters. Chilled meat is taken to England in large ships from the Argentine. The people do not want frozen meat and, in any case, there is plenty of it there now. The difficulty is that we cannot supply our own metropolitan area with chilled meat. Chilled meat must be hung separately in large ships so that the carcasses do not touch each other. Frozen meat, on the contrary, can be dumped into the hold and stacked in the ordinary way. I warn the Government against going on with these works, at any rate, during next season. I trust the Government will take the advice of the committee and postpone re-opening the works indefinitely. I do not propose to take up any further time of the House in discussing this motion.

Hon. J. J. HOLMES (North—in reply) [8.12]: Before I get down to discussing the main question, may I be permitted to make a personal explanation which I think is due to the House and to myself. The House should know that everyone who has spoken in connection with this matter has done so in

a complimentary manner, regarding the committee's work. The Minister alone took up an exactly contrary attitude. It is evident to me that the Minister searched through the report from end to end in order that he might find something so as to bring a charge home to me.

The Minister for Education: That assertion is not correct.

Hon A. Lovekin: You are getting too sensitive.

Hon. J. J. HOLMES: He came to the conclusion that I was instrumental in fixing a fictitious value for bullocks in the Kimberleys, or, at any rate, that if I was not instrumental in fixing that fictitious value, I knew it was such, and it was my duty to tell the committee. The Minister knows and no one better, that the committee did not fix any figures appearing in the report. We knew the department and the gentlemen we were dealing with. We had evidence before we went far to enlighten us on that point, and we put the responsibility for the figures upon the department. Not one figure did we compile for ourselves. The Minister now claims that the value of cattle is £5 per head. Mr. McGhie should be able to give the best advice upon that point, and he should have given it to the committee as his idea of the value of cattle. As a matter of fact, what Mr. McGhie told us was that he had bought cattle from Kimberley owners for 25s. per 100lbs. at a time when private enterprise was paying 50s. per 100 lbs. That, however, is by the way. The only comment we have to make is that the Government had advanced £5 per head on these cattle. They bought 15,000 cattle last year under a contract that no reputable firm would have suggested, namely, that if the Government did not want them they need not take them. If private enterprise did that, there would be a demand for a Royal Commission. The Government advanced the £5 per head on cattle which the Minister now says are valued at £5. Is that a good business transaction? Does that show any of the business acumen of which we have heard so much? When the Minister questioned my attitude in connection with the cattle, why did not he tell the House and the country that I have refused to accept any advance on my cattle? Did he ever say a word on this or any other occasion that would do me justice in the eyes of the community?

The Minister for Education: I never suggested that you did accept the advance.

Hon. J. J. HOLMES: The hon. member did not tell the House that I had refused to take any advance from the Government. He might have gone further and told the House that I acted, in an honorary capacity for one client, who had sold the Government 3,500 head of cattle and that client is the only man who has had an advance of £4 per head, and I was instrumental in squeezing it down from £5 to £4 so that the State has an additional security of £3,500 in that instance. Did the hon. member tell that to the country?

No, because it would have been an exact contradiction of what he has said about me during the last five years.

The Minister for Education: It was not within my knowledge.

Hon. J. J. HOLMES: The recommendation of the committee of which I was chairman is entirely in conflict with my own interests. Every member of the committee can bear me out in that. It is clearly in conflict with the interests of some of the people I represent in Parliament, but it is in accord with the best interests of the State. Did the hon. member say that I had sunk my personal interests and the interests of my political supporters in order to protect the interests of the State? No, because it did not suit his book.

The Minister for Education: I think the hon. member is quite capable of saying those things for himself.

Hon. J. J. HOLMES: I am quite capable of replying to the Minister. May I be permitted to mention another matter, and that is the question of insurance? I mention it here because the question of insurance has not been raised, but I propose to raise it in connection with this report. Some few weeks ago, when dealing on the floor of the House with the insurance carried on by the Westralian Farmers Ltd.—

The PRESIDENT: Is the hon. member dealing with the report?

Hon. J. J. HOLMES: I intend to connect my remarks with it. One of the items is insurance.

The PRESIDENT: The hon. member must connect his remarks in some way. The question is that the report be adopted. If the hon. member thinks the question of insurance has anything to do with the adoption of the report, he may proceed.

Hon. J. J. HOLMES: In the first instance I asked to be permitted to make a personal explanation before dealing with the report.

The PRESIDENT: The hon. member must know that he cannot on this debate make a personal explanation on a matter which occurred weeks ago in connection with another question.

Hon. J. J. HOLMES: Then I shall leave it for the time being; another opportunity will present itself. Now I come to the report of the select committee. One would have thought that the Minister would have had something complimentary to say about the committee.

Hon. H. Stewart: He did not want the committee appointed.

The Minister for Education: I am not aware that you said anything complimentary about me.

Hon. J. J. HOLMES: It was due to the incompetence of the Minister and the incompetence of those associated with him that an inquiry was necessary. I venture to suggest that the committee has enlightened not only the Minister, but his colleagues and the country on matters affecting the Wyndham Meat Works and State Shipping Service. For

this reason the Minister might have sunk his individual opinions and admitted that the committee had done good work for the country, but he said not a word.

Hon. J. Cornell: Posterity will do that for us.

Hon. J. J. HOLMES: During the debate on the motion for the appointment of the select committee one member suggested that one of these concerns would be enough for any committee to investigate, and the Minister smiled and said, "One would have thought so." The committee tackled both concerns. At first it seemed an impossible task. If all the witnesses had been like Mr. McGhie, at first it seemed an impossible task. Thank goodness all witnesses are not the same, and all select committees are not prepared to be side-tracked by witnesses. One point raised by Mr. McGhie is that regarding "daylight" and unfortunately "daylight" seems to have disappeared from the report. Heaven knows there is need enough for daylight! The evidence was revised after it left us from day to day. No further comment is necessary on that point.

Hon. J. Ewing: Who revised it?

Hon. J. J. HOLMES: The person who gave the evidence.

Hon. J. Ewing: Surely nothing was kept out of the evidence!

Hon. J. J. HOLMES: I should like to compare Mr. McGhie's evidence as manager of the Wyndham Meat Works with that of Mr. Glyde, the manager of the State Shipping Service. Mr. Glyde came forward and in a frank, open manner gave his evidence and placed his file at the disposal of the committee and was openly desirous of throwing all possible light on the question. Several important questions are raised in these reports and not one of them has been answered by the Minister. First of all we say that a declaration of policy is due to the country and those engaged in the development of the North. It is imperative that the Government should declare whether they are going to operate the Wyndham Meat Works during the 1922 season or not. We say neither the State Shipping Service nor the Wyndham Meat Works can succeed under political control. We refer to Ministerial incompetence and departmental incompetence. One other thing we say, namely, that the works are good works and well constructed. We do not say whether the works are as valuable as they appear in the books; that was not a matter for us to decide. The only way to arrive at this would be by sending an expert to Wyndham to examine the works and set a value upon them. On the question of policy, there is no declaration whatever from the Minister. He stands up there as a representative of the Government and gives his individual opinion. He says, "I am opposed to these trading concerns and always have been." But what is the Government policy? We do not want the individual opinion of the Minister. We want the opinion of his Government. Yet

he gives us only his own personal view. His personal view is that the policy of State trading concerns is wrong, and that he has always thought so. Yet he continues to be a member of the Ministry who attempt to carry on that policy. Surely, if he is out of sympathy with the policy altogether, one need not be surprised to find the lack of sympathy reflected in the results of these trading concerns. In common justice, if the Minister is not in sympathy with the policy, he has no right to administer it, and if the Government have no sympathy with the policy, they have no right to administer it. We had a declaration quite recently that a Bill would be introduced to give the Government power to sell these trading concerns. I have looked through the Notice Paper and can find no reference to such a measure.

Hon. J. Cornell: The Minister for Works made a threat that he would introduce such a Bill.

Hon. A. Lovekin: And he stopped there.

Hon. J. J. HOLMES: On account of the trading concerns having got into such a hopeless muddle, the Leader of the Opposition one day last week extracted a promise from the Premier in another place that the Government would not embark upon any more trading concerns. The fear is that the Government will start more trading concerns, and will carry them on in the same slipshod manner as these have been carried on. The Minister for Education continues to administer this policy, although he admitted that while in the past huge profits had been made by the "Kangaroo" the trading concerns had become too great a burden on the State and the future outlook appeared to be hopeless. Yet we are asked to go into recess in a day or two without doing anything to deal with these hopeless propositions. As to the Minister's figures and the correction by Mr. Lovekin, I do not propose to enter into that matter. It is quite evident that the figures put up by the Minister unintentionally, I admit, are wrong. I am not prepared to depart from the figures which were supplied by the department and which appear in the committee's report. In connection with the operating system for 1922, it is up to the Government to tell the country and the cattle owners definitely and clearly whether they intend to operate the works or not. Let me direct attention to two facts. When the committee met Mr. McGhie for the first time in October last, he told us the inquiry was holding him up in the matter of making arrangements to commence operations in April next. He said he ought then to be in Melbourne arranging freights. In view of that statement I came back to the House and publicly informed Mr. McGhie that we at all events accepted no responsibility, but that he must go straight ahead with his work. The committee went further and by sheer hard work put up an early report dealing with the Wyndham Meat Works in order that Mr. McGhie might get going. Now what has happened? The Minister came along on Friday

last and told us there was no hurry for a decision, that the Government might operate in May next. If the Government did operate it would be time enough to let the people know in April. Does the Minister think we are a set of children? Does he think that it is possible to organise a complete slaughtering staff from all parts of Australia and make the shipping service fit in to take the men to Wyndham and arrange for delivery of the cattle—some of which will take two months to deliver owing to the distance they have to travel—and to arrange freight with a stroke of the pen? The hon. member should know this. Mr. McGhie told us in October last that we were holding him up. He was trying to bluff the committee, who knew better. If I were permitted to say so, I should declare that the Minister was doing the same thing when he told us that the Government were unable to decide whether they would operate or not. His excuse last time was that by not operating, the cost to the country would be £75,000. That was the result of deciding at the last minute.

Hon. H. Stewart: The £70,000 seems to be a sort of standard amount with the Government.

Hon. J. J. HOLMES: What is going to happen this year is another matter altogether. No one knows better than those concerned that a decision should have been arrived at long since. The Minister protects himself by saying that there has been no declaration on the part of any other private company. I venture to suggest, and I know it is in accordance with fact, that other companies have decided what they are going to do, and they are making their arrangements accordingly. We want to know what it is proposed to do, that those people who have cattle may know whether they will be expected to sell their stock to the Wyndham Meat Works or look for another market. I have informed the House what Mr. McGhie told the committee in October last about the necessity for definite action. Let me now tell the House what the Minister said last Friday evening. The Minister said this—

In discussing this matter with Mr. McGhie yesterday, he said that no sane man with any sense of his responsibility would dare, at the present moment, to make any recommendation to the Government as to whether the works should or should not operate this season.

I am not going to attack Mr. McGhie on the floor of this House, but if he were here to defend himself, I could promise him a lively time. I have said what Mr. McGhie told the committee in October and what he told the Minister last week. With regard to the question of political control, although we had four distinct sets of political opinion on that committee, we were unanimous on the point, that under political control, as we have it at the present time, no trading concern can hope to succeed. The Minister told us the same thing. But read-

ing through his remarks on Friday night last whilst he is prepared to admit, and does admit, that to be correct, he proposes to blunder on, until when, we do not know. The Minister told this House only on one point of Ministerial control fail, and that was in connection with the additions at Wyndham. Surely it is an absurdity to put up a proposal like that to this House. Political incompetence has been shown and admitted by all, and the incompetence on the part of the executive officers has been about the same. In connection with the evidence given regarding both the meat works and the shipping service, both managers, Mr. McGhie and Mr. Glyde had beseeched for some sort of control that they might appeal to for definite decisions upon which they could act.

Hon. J. Cornell: They asked for quick and final answers.

Hon. J. J. HOLMES: The Minister says that in only one instance did Ministers fail to carry out their duty. On the question of departmental administration I would like to raise the subject here, with all due respect to Mr. McGhie, as to what that gentleman is. Is he a freezing works engineer? Is he a frozen meat man? Is he a chilled meat man or is he a livestock man? I asked him the question "What are you?" and I got the usual side-tracked answer. I know this, that a man cannot pretend to be proficient as an engineer, a frozen meat man, a chilled meat man and a livestock man. He can only become proficient in one of these. You might as well take the captain off the bridge and ask him to run the engines as to ask Mr. McGhie to be an expert engineer, an expert frozen meat man, or an expert cattle man. If Mr. McGhie is a frozen meat expert, then he has never had time to give to the engineering branch. You may as well take an engineer from the bottom of a ship and put him on the bridge and ask him to navigate the ship. Mr. McGhie, it would appear, holds all the qualifications necessary to run all the concerns at Wyndham. Mr. Dalton, we were told, did possess two qualifications when he was appointed, one, that he was an expert frozen meat man and the other that he was an expert cattle man. I think I am right there because it was Mr. Willmott who told us that at the time. The late Mr. Jull, when Public Service Commissioner, selected Mr. Dalton, and said that he was the one man in Australia who possessed the two qualifications. I there and then stated that he could not be proficient in both because he had not lived long enough. The department discovered, wrongly I think, that he did not possess either qualifications, and they paid him £500 to get rid of him. On the question of the hot and cold pickle process, while Mr. McGhie converted it from the hot to the cold, we have never yet had a tin of the latter, and if we operate this year we shall have no tinned meat at all, because it is found that the cost price is too high to command a ready sale, or in fact any sale at all. On this point I would like hon. members, if they



could get hold of the file, to read the minute written by Mr. Scaddan after he had sampled a tin of ox tongue from Wyndham. What he wrote was: "Quality all right but figure out what it would cost to feed a family on this. Price —; enough said." The point I want to make is that, whilst we spent thousands of pounds to alter the process from the hot to the cold, we have not had a tin of either. We have thousands of tins of meat in London and this year, if we operate, one point is clear, there will be no tinned meat put up. That is something, of course, for which the Minister will give credit to Mr. McGhie. I would like to make reference to the evidence given by Mr. Tipping, whom we found to be a very valuable officer. Mr. McGhie said, "These are Mr. Tipping's figures, not my figures." But we could not get anything out of Mr. McGhie. The only way we could get information out of him was by having Mr. Tipping alongside, and when Mr. Tipping gave figures, to ask Mr. McGhie to endorse them. Sometimes a question arose as to whether it should go down as Mr. Tipping's reply or as Mr. McGhie's reply. It will be seen, therefore, that we had a pretty happy time, and certainly did not deserve the dressing down we got from the Minister the other day. I come now to Mr. Allen's appointment. Perhaps I had better deal with Brown and Dureau first.

Hon. J. Ewing: Both equally bad.

Hon. J. J. HOLMES: I propose to put them in a different light from what they have been in previously. The first request for Brown and Dureau to act as agents came from that firm, and the proposal was on the basis of one per cent. There does not appear to have been any answer sent to that. Next year they renewed the offer and asked for 1½ per cent., and upon that an agreement was drawn up. I do not know that that agreement was ever signed. I never saw a signed copy of it. Subsequently, Brown and Dureau were paid 2 per cent., but I could not find, nor did the committee ever find, that the suggestion for the increased commission came from Brown and Dureau. I repeat that. The suggestion that the increase on 1½ per cent. came from Mr. McGhie by wire from Wyndham. The Minister told us that he took Brown and Dureau's agreement to the Crown Law Department. The Minister must think that we are—

Members: What?

Hon. J. J. HOLMES: A set of empty-headed individuals. Where was the necessity for taking that agreement to the Crown Law Department? This was not a question of law; it was a question of fact. There was a contract for 1½ per cent. Why drag the Solicitor General into it? What did the Minister get out of the Solicitor General?

Hon. J. Cornell: He went down to find a way out.

Hon. J. J. HOLMES: The hon. member correctly interprets the position. We were told that if it was the custom in Queensland,

it was all right; if it was not, it was all wrong. But the Minister went to the Crown Law Department in connection with Brown and Dureau's agreement. I ask the Minister here and now why did he not go to the Crown Law Department in connection with Mr. Allen's agreement? There was a question of law in that.

The Minister for Education: That is before the Crown Law Department. There is an agreement.

Hon. J. J. HOLMES: Why did not the Minister say previously that it was before the Crown Law Department? There is an agreement drawn up under Mr. McGhie's instructions on behalf of the Minister as between Mr. Allen and this State, and there is another agreement in which Mr. McGhie is prohibited from making a contract of that description. There is a legal question as to whether Mr. McGhie has over-stepped the bounds of propriety or whether the Government are bound by Mr. McGhie's attitude. Surely it is up to the Minister to tell the country that he is going to honour Mr. Allen's agreement or that he is not. If he honours Mr. Allen's agreement, well and good; but I presume he will not be able to keep Mr. McGhie. All the select committee do is to set out the facts and to ask the Minister to tell the country what he proposes to do. I ask him to tell the country why he consulted the Crown Law Department on a matter which did not call for any legal advice. The Minister evaded the question of the contract between Mr. Allen and this State. Mr. McGhie's action left no doubt on that point. He sent the agreement to the select committee by Mr. Tipping. Mr. Tipping told the committee, "I am instructed by Mr. McGhie to tell the committee that this agreement is binding." That was Mr. McGhie's pronouncement. I think the select committee may fairly expect the Minister to clear up that point. Another question which crops up is that of insurance. In the course of our investigations we discovered that a Mr. Clarke, who was at one time the Queensland Meat Export Company's representative here, is now a sort of insurance agent to the Government. The Wyndham Meat Works pay Mr. Clarke £200 per year to act as their insurance agent.

Hon. J. Cornell: Three hundred pounds a year.

Hon. J. J. HOLMES: The State Sawmills also pay Mr. Clarke a couple of hundred a year to fix up insurances for them. I venture to suggest that if I had any insurance to cover to-morrow, and telephoned two insurance offices that the business was available, a representative from each office would make a bee line for my address seeing who could get there first. Yet the State pays this officer such fees to act as insurance agent.

Hon. C. F. Baxter: You would not get the special conditions which the Government get.

Hon. J. J. HOLMES: Special conditions! We know there are about 50 insurance com-

panies in Western Australia, all looking for business. Mr. Clarke can get no better terms than anybody else can get.

Hon. C. F. Baxter: He got better terms for the Government.

Hon. J. Duffell: He got schedule rates.

Hon. J. J. HOLMES: Yes, schedule rates.

Hon. C. F. Baxter: He got under schedule rates.

Hon. J. Duffell: Nothing of the kind.

The PRESIDENT: Order! Hon. members must not conduct conversations with one another behind the back of the hon. member speaking.

Hon. J. J. HOLMES: Wherever one looks, one sees Queensland Meat Export Company men attached to the Wyndham Meat Works. We know those works are idle at the present time. Mr. McGhie is a Q.M.E. man; so is Mr. Allen; and so is Mr. Clarke; moreover, Brown & Dureau are connected with the Q.M.E. Company. I wonder if amongst the members of the Ministry this question ever cropped up, as to whether the gentlemen I have named are or are not simply filling the bill here until the Q.M.E. Co. again require them? If that is so, what hope can this State have of getting any satisfaction out of the Wyndham Meat Works? I would like the Minister for Education to tell me whether that question has ever been discussed in Cabinet. This query has not originated with me; but, when one sees all these special agents brought in, one is apt to think that some further inquiry is necessary. Then there is the question of the salaried staff of the Wyndham Meat Works, a question which the select committee did not deal with. The works ceased operating in, I think, October of 1920. We know that there is a large salaried staff, with special quarters erected for them at Wyndham, and the bulk of them now down here and drawing sustenance allowances as well as their salaries. The only men connected with the works who appear to be doing anything are the men who work with their coats off, the men up at Wyndham. I just mention this to show that all the "pointing" is not done by the under-dog. In this instance the bulk of the "pointing" has been and is being done by the upper-dog. Those members of the salaried staff of the works are here, and the longer a decision as to whether the works shall operate or not is staved off, the longer will they be wandering about the city of Perth with their coats on and with their salaries and sustenance allowances, and with their quarters at Wyndham vacant. These things are hard to say, but they are facts—facts which the country should know. With some considerable difficulty—at first I was told the information could not be provided—I obtained pages of foolscap showing advances of £30, £10, £20 to this man, that man, and the other man, all of them away from the home station, all of them waiting here for the decision whether the works shall or shall not operate.

Hon. J. Ewing: Are they doing anything?

Hon. J. J. HOLMES: What can they be doing down here? Nothing can be done until April next, according to the Minister; nothing can happen, except that the salaries and sustenance allowances will go on. The Minister raised the question of the loss on trading. As regards the Wyndham Meat Works alone, assuming even that we realise what the works have cost to construct, less depreciation, we can never get out under loss of about half-a-million. That is, I repeat, assuming that the works realise that figure. As for the State Shipping Service, owing to the extravagant, reckless expenditure of nearly £200,000 on the "Kangaroo," Western Australia will be lucky if it gets out at a loss of a quarter of a million; and we shall have to get out pretty quickly if we are not to make a heavier loss. I say nothing about the other State trading concerns, the State Sawmills and so forth; because I have never inquired into them. As regards the State Sawmills, however, there is just one thing I know from personal experience, and that is that the sawmills are made to pay by entering into a sort of combine with other timber enterprises to put up prices, whereas we understood that the State Sawmills were started to be a sort of commercial policeman watching over timber prices. Reverting to the State Shipping Service, I can honestly say, entirely without jocularity, that that is a going concern. And that is the best that can be said of it. The "Kangaroo" is absolutely unsuited to the trade she is engaged in, and should never have had that additional £200,000 expended upon her. So far as the select committee could learn, only £15,000 had ever been authorised in connection with the refrigerating of the "Kangaroo"; but, according to the evidence before us to-day, a sum of nearly £200,000 has been spent. And yet the Minister says, "We did everything we were asked to do; we were asked to provide £15,000, and somebody spent £200,000." And still that State trading concern goes on! The Minister now proposes that we shall go into recess and let the State Shipping Service go on as hitherto. Such a course may be in the interests of the Government; but some of us have the interests of the country at heart; some of us are compelled to take a definite stand, if only in order to protect our own interests. Matters are becoming more serious every day from a financial aspect. Coming back now to the "Kangaroo," let me remind hon. members that that vessel was carrying the State Shipping Service, and helping to carry some of the other State trading concerns. No one knows better than the Minister to-day that this country now has to carry the "Kangaroo" as well as the other State trading concerns. There was a time when the "Kangaroo" might have captured the trade of the Far East. That was when she was about the only free ship in the British Empire—the only free ship, so far as I know, during the war. During that

period, when she might have been carrying our products to the Far East, and securing a remunerative trade there, she was profiteering in other parts of the world. When the war was coming to an end, our Government, if they had given their best attention to the matter, might have re-chartered the "Kangaroo" for two or three years. Instead of doing that, however, they let her go into a British port and remain there for many months, while they were making up their minds what to do with her. Then they decided to spend £15,000 on her for refrigerated space, and they actually spent about £200,000. Now, when the Commonwealth steamship line and the private shipping companies have embarked on the Far Eastern trade, we come along with our over-capitalised ship to endeavour to capture a trade which formerly might have been profitable to us. In the pre-war days this State used to bring down 27,000 cattle from the Kimberleys. Last year we brought down 17,000. This year the State Shipping Service can carry 2,800 cattle from the Kimberleys to Fremantle, and private shipping enterprise may, or may not, be able to carry the rest of the cattle required here. The select committee asked what was to prevent the State Shipping Service from sending the "Kangaroo" to Derby and running her between Derby and Fremantle carrying cattle? The reply was that that was impossible because of the Commonwealth Navigation Act and also over-capitalisation of the ship, because the freight which the State Shipping Service would have to charge on cattle rendered the proposition impracticable. The best that can be done with the "Kangaroo," the select committee were told, is to let her make three trips to Singapore during the cattle season, and let her pick up 600 cattle at Derby and bring them to Fremantle. That accounts for 1,800 cattle; and the "Bambra," the select committee were told, making four trips, would carry another 1,000 cattle. Those are the limits the Government have got down to as regards relieving the congested cattle position in the North. To some extent, undoubtedly, this is the result of the over-capitalisation of the ship, the result of spending about three times as much as should have been spent on her. One could go on for ever upon this subject, putting to oneself such questions as this, for example, "Why have we reached such a condition of affairs?" Our present position is due to one thing, and one thing only, and that is the application of State control to commercial pursuits. We could have sold the "Kangaroo" at a price which would have bought us two ships suitable for the North-West cattle trade. Two Ministers—or, rather, one Minister who was a member of Parliament, and one Minister who was not a member of Parliament—controlling the State Shipping Service decided that the "Kangaroo" should not be sold. Why were the Albany people told that the "Kangaroo" was not going to be sold? There was an election

on at Albany, and the Minister in control of the State Shipping Service was a candidate. Now, the "Eucla" was part of Albany's preserve; and the Albany electors naturally would ask themselves, "If the Government are going to sell the 'Kangaroo,' will not the next step be to sell the 'Eucla'?" Therefore, the only thing for the Government candidate to do was to declare that the "Kangaroo" would not be sold. And the "Kangaroo" was not sold. Such is the result of political influence brought to bear on commercial pursuits. I ask my Labour friends, can any trading concern of any description prosper under such conditions?

Hon. A. H. Panton: We never expected the State trading concerns to prosper under the control of your political friends.

Hon. J. J. HOLMES: The hon. member need not bother about my political friends. The hon. member himself is sitting behind the party in power. If the members of the committee had done nothing else during the session than produce this report, it would still have reflected credit upon them. If ever I have another such inquiry, I hope I shall have a committee which will stand up for the chairman as this committee did. I think the reports will carry fair weight.

Hon. A. H. Panton: What effect will they have with the Governments?

Hon. J. J. HOLMES: That is not for me to say. If the meat works are continued on the old lines, the committee must be absolved from all responsibility, because they have done their best to make the position clear. I again thank the House for the reception given to the report, and I say that the Minister, in view of the thoroughness of the committee's work, might have been more gracious in his remarks concerning the committee.

Question put and passed; the reports adopted.

Hon. J. CORNELL: Shall I be in order in moving that the motion just passed be forwarded to the Assembly and their concurrence desired therein?

The PRESIDENT: Such a motion would be in order, but this being the report of a select committee of this House, the effect of such a message would be exceedingly doubtful.

#### SELECT COMMITTEE—TRAFFIC ACT AMENDMENT BILL.

Attendance of Assembly Member.

Message received from the Assembly notifying that leave had been given to the Hon. W. J. George to give evidence before the select committee of the Council on the Traffic Bill.

#### BILL—PRICES REGULATION ACT AMENDMENT.

Received from the Assembly and read a first time.

## BILL—INSPECTION OF MACHINERY ACT AMENDMENT.

### Assembly's further Message.

Message received from the Assembly notifying that it no longer disagreed to amendment No. 1 on which the Council had insisted, and that it had agreed to the alternative amendment to amendment No. 4 made by the Council.

## BILL—LAND AGENTS.

### Assembly's Message.

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

## BILL—CLOSER SETTLEMENT.

### Second Reading.

Debate resumed from 6th January.

Hon. J. MILLS (Central) [9.5]: Hon. members, I am sure, are willing and anxious to assist the Government in the passing of legislation having for its object the bringing into cultivation of lands lying idle. But I think the Bill will meet with considerable hostility. It proposes first to constitute a board which will examine big estates within 12 miles of a railway and determine whether they are to be compulsorily repurchased on the basis of the taxation assessment plus 10 per cent. Alternatively, the owner may subdivide the lands himself and sell them or, by paying three times the amount of taxation, he may retain them. If the Government intend to resume lands, I think it better to go straight at the matter and take them without further ado. The provision under which the owner may subdivide his land and sell it is entirely useless, for he will have to subdivide it under the direction of the board and sell it at a price fixed by the board. In addition, he has to accept all responsibility in respect of payment. In the circumstances, the least the Government could do would be to guarantee the payment. The further provision that the owner may retain his land on payment of a triple tax is little less than coercion. From Gilling, north, a district with which I am familiar, are to be found some very fine estates. For the most part they are developed, although not perhaps as highly as the board might require; still I think they are put to as good use as anybody else is likely to make of them. The only big estate up there not highly developed is the Midland Company's land, and I think if anybody wants that it is for sale. Rather than a compulsory Bill such as this, I should prefer to see the Government attempt to acquire the land by some other means. For instance, any man who has obtained a qualification certificate that he has practical experience of farming should be allowed to go anywhere amongst these idle lands within the 12 miles radius and ask the owner to sell him what he wants.

The area could be fixed by the board, and the price could be amicably arranged between the owner and the buyer, subject to the approval of the board. The man would then get the land he wanted, and the vendor would be satisfied. I realise that where big estates are not properly developed some pressure should be brought to bear.

Hon. F. E. S. Willmott: Where are they?

Hon. J. MILLS: I do not know, unless they are in the South-West. I have been informed by practical men that there are in the South-West, within 12 miles of a railway, numbers of big estates. The Bill would afford to the owners of those estates a fine opportunity for getting rid of them. The Government, if not exceedingly careful as to the amount they paid for the land, would make princes of the vendors and paupers of the men going on to the subdivided land. The country down there is essentially fruit and dairying land. If from £2 to £3 an acre is to be paid for the land, and if the clearing is to cost from £30 to £40 per acre, the proposition will become a pretty big burden. To kill the big trees down there, sweeten the soil, plant fruit trees, or even grasses, will take at least three or four years, during which time interest, probably at 7 per cent., is accumulating. How is a man to live in the meantime? That is not so with our wheat lands. In the first year, if the settler has got a good fire into his timber, he may get a return, and sometimes a handsome one. That does not apply to the South-West. It is the duty of the Government to be careful in their operations there. I know there is good land in many places, but it is a question of years before it can be brought into use. There should be no rush about the matter. It is not supposed that by borrowing a lot of money the country can be made re-productive in two or three years. There are many holders of estates who are prepared to be reasonable in the matter of cutting up their properties. They would be prepared to sell 500 acres or 1,000 acres at a reasonable price, and accept a reasonable rate of interest for five years, more or less. If the Government would bring in a measure along those lines they would not have to go upon the money market to raise the funds necessary to purchase large estates. The purchaser or lessee of such lands would be able to go to the bank and be financed for his improvements, while the vendor would be secured because he would have his interest guaranteed by the Government, and when the time arrived would get his capital. The scheme would be a good one, and I am sure that if the Government came down with a Bill along those lines, it would receive support.

Hon. J. Duffell: If this Bill goes to a select committee, you could get that put in.

Hon. J. W. Hickey: And report on Christmas Day.

Hon. J. MILLS: I hope the Bill will not reach the Committee stage to-night. There

are many holders of estates who have large families of boys. These estates are fairly well developed and are being further developed every day. Why should the owners be deprived of their land for closer settlement and have their boys denied the right to make a home for themselves upon it? That would be a cruel and unjust course to take. Something should be embodied in this Bill to make that kind of thing impossible. Although the Bill contains certain clauses to which I object, I will support the second reading with a view to securing amendments in Committee.

Hon. A. SANDERSON (Metropolitan-Suburban) [9.17]: We do not often have an opportunity of listening to Mr. Mills, and when he does speak we listen to him with great attention. His acquaintance with the subject of closer settlement is extensive, and he can speak upon it with authority. We have heard his hostility towards the Bill, but being of a kindly nature and somewhat unsophisticated in matters of this kind, he is going to permit the Bill to reach the Committee stage. If I can help it, it will not reach the Committee stage, and I hope I shall be supported by other members.

Hon. J. Cornall: Try to convert him.

Hon. A. SANDERSON: The hon. member has practically pledged himself to vote for the second reading, and in the circumstances, I would not seek unfairly to influence him. I trust other members will be here in sufficient numbers to prevent the Bill passing the second reading. We are going full steam ahead at this stage in the session. Anyone who wishes to follow any particular Bill will be compelled to sit here day and night to see that surprises are not sprung upon him.

Hon. J. W. Hickey: We are all dug in.

Hon. A. SANDERSON: I am opposed to the Bill for the reason that a measure of such first class importance should not be brought down at this stage. It was not even mentioned in the Governor's Speech. It deals with a subject that has been before all the Australian States for over 100 years. It affects closely a class of the community that everyone wishes to encourage, namely, the dweller in the country. It is the duty of the Government to openly announce to the country at the beginning of their career that they are going to grapple with the question, have a most carefully considered Bill introduced early in the session, and stand by it and see that it is put upon the statute-book? That is the constitutional method and the proper method of dealing with a measure of this kind. A week or 10 days before Christmas this Bill was introduced in another place, and is brought here after the holiday adjournment. Notice has been given to suspend the Standing Orders, which is a prelude to the finish of the session, and yet we are asked to pass this Bill through. I would recall the circumstances connected with another measure dealing with land, and that was the North-West Bill. That was introduced in similar circumstances at the closing

hours of the session. It was passed through without consideration and placed upon the statute-book. Next year it was found to be all wrong and another Bill was introduced to amend it. I ask anyone who has not pledged himself, or does not consider that party ties compel him to do otherwise, to vote against this Bill. Is it reasonable or proper that this House of review should be asked to deal with this measure at this stage? That is the principle reason why I have decided to vote against the second reading. I assure the Leader of the House that I am most anxious to give him every reasonable assistance in the proper conduct of public affairs.

Hon. A. H. Panton: I like the way you show it.

Hon. A. SANDERSON: It is open hostility at any rate. I am prepared to assist the Government in any fair and reasonable manner. My criticism will be short, and there will be no personal feeling in the matter. I am going to see the session through to the finish, no matter at what hour we may adjourn, or what proposals may be brought before us. I will at all events support the Leader of the House in conducting the business right up to the end of the session. I shall be here to follow through all these Bills. If this Bill gets into Committee I shall use all legitimate means to see that it does not get out. The Minister may tell his colleagues that this Bill will have my uncompromising hostility at this period of the session. If the Government consider this is a measure of first class importance they should bring it down early next session, after the matter has been discussed and reviewed both in town and country. In these circumstances I shall be prepared to give it fair and reasonable consideration, but not in the present circumstances.

Hon. Sir EDWARD WITTENOOM (North) [9.25]: I am rather surprised to hear Mr. Sanderson express so pronounced an opinion, especially when I look back and find the Bill has already been debated on two occasions. I was not here on either occasion, but have read up the speeches. I trust he will reconsider his emphatic statement, and allow the Bill to be dealt with on its merits. For some considerable time there has been an agitation both in the Press and at meetings, and on the part of private individuals, that in connection with unused lands adjoining our railways there should be an unimproved land tax, to force people either to sell the land or use it. On several occasions I have made statements here that I would never be a party to an unimproved land tax. I consider it would be confiscation and most unfair to the people who had acquired their land fairly and legally, and therefore had a right to it. If, however, they do not cultivate that land or make use of it, it is the duty of the Government to take it over after giving them 12 months' notice in which to do something, after which the Government should resume it

and pay whatever value is declared to be right by arbitration. I have always advocated that course. To some extent this Bill tries to realise that object. Instead of giving two alternatives the Bill gives practically four alternatives to the owner of land. He may first of all cut up his estate and sell it himself under certain conditions, one of which is that the price shall be reasonable. People may put on such prices that the object in view is defeated. The next alternative is that the owner may keep the land if he likes, and pay three times the amount of income tax on the unimproved value.

Hon. J. Cornell: As it is to-day.

Hon. Sir EDWARD WITTENOOM: The third alternative is that the Government may resume it and take it upon the lines I suggest as to valuation. The fourth is that he can hold the land himself and make it productive. In the circumstances the Bill appears to me to be a reasonable one. I agree that if there is land in the vicinity of our railways that is not being made use of, it should be brought into use by some method or other. My idea is to give the owner the choice of doing it himself, or that the Government take it over and pay him for it, and sell it to anyone who will buy it. Because of the financial state of our railways something should be done in this matter. Certainly I have never taken the idea seriously. I have travelled hundreds of miles and have never seen a piece of land unused on either side of a railway that I would take at a gift, and I have travelled from Bridgetown to Nanine. With one or two exceptions, I do not think there are 500 acres that I would accept at a gift on either side of the line.

Hon. G. W. Miles: I would not like to trust you.

Hon. Sir EDWARD WITTENOOM: If there is all this good land that has been referred to, let us get it put to use. That principle is quite in accordance with the views I have always held, but the Government have gone a bit further. The details may be a little harder than I imagine they are. Regarding the board, very shortly all Western Australia will be under the control of boards. There is hardly a Bill that has come before us that has not included provision for a board.

Hon. A. J. H. Saw: You did not like the Education "Board."

Hon. Sir EDWARD WITTENOOM: I thought that was a Royal Commission, not a board.

Hon. A. J. H. Saw: Mr. Board was on it.

Hon. Sir EDWARD WITTENOOM: I am afraid I am dense. I see the point and will promise to laugh to-morrow morning. So many Bills have been brought before Parliament of recent years, that soon everybody will be employed in connection with boards of one sort and another.

Hon. A. H. Panton: I am on some of these boards, but no fees attach to them.

Hon. Sir EDWARD WITTENOOM: I will support the second reading of the Bill but in Committee I shall move certain amendments. One provision regarding the Bill to which I take exception, is the inclusion of the lands belonging to the Midland Railway Company. Those lands were never intended to be taxed or to come under any such arrangement as that proposed under the Bill. I intend to move an amendment to delete reference to the Midland Company's land.

Hon. J. Cornell: Exactly the same line of argument will apply to freehold properties.

Hon. Sir EDWARD WITTENOOM: No, that is not so. Regarding the appointment of the board, it naturally follows that the persons appointed to that board will require to have considerable knowledge of the lands of Western Australia and a certain amount of discretion. The necessity for that will readily appeal to hon. members. Some people, for instance, hold the belief that unless land is used for wheat, it is not being put to its best use. Some of the land that I know of is used to very good purpose for running stock, and that land would be no good for grain growing. The board, therefore, will need to have considerable knowledge and discretion, for if that is not the position, then the powers vested in that body may be used oppressively. I support the second reading of the Bill and intend to go into one or two matters during the Committee stage.

Hon. F. E. S. WILLMOTT (South-West) [9.35]: I cannot see the great dangers that has been said by some hon. members to exist under this Bill. If these large estates exist—

Hon. J. Cornell: Where are they? No one has shown us so far.

Hon. F. E. S. WILLMOTT: If these estates exist within 12 miles of the railway, it is highly necessary that the State should step in and see that the land is put to proper use.

Hon. J. Cornell: But where is land of that description?

Hon. F. H. Harris: Can you tell us where there is any such land?

Hon. F. E. S. WILLMOTT: If I am permitted to get in an interjection occasionally, I desire to say that I do not know that such large estates exist in any portion of the State through which I have travelled.

Hon. T. Moore: Not at Pinjarra?

Hon. F. E. S. WILLMOTT: I do not know of any large estates existing within 12 miles of the railways—

Hon. T. Moore: You do not know your own district.

Hon. F. E. S. WILLMOTT:—that will come under this Bill.

Hon. G. W. Miles: In that case, it is no use passing a measure like this.

Hon. F. E. S. WILLMOTT: I do not think any Government, Liberal, Labour, Country Party or of any other description, would do anything detrimental to the holders of land because of the powers vested in them by the

Bill. I do not think any Government would use the resumption clause unfairly. If hon. members know the Land Act as it exists to-day, they will know that that measure contains unlimited power, which is vested in the Minister for Lands, to resume properties. Again, under the soldier settlement scheme, there is also that power, but the fly in the ointment in that connection is that there is a fixed price, below which land cannot be bought. Any mention of the South-West in this Chamber seems to be like a stinging fly in a herd of cattle. Everyone gets up and commences to buzz round. At such a time, the word "Pinjarra" comes out, as if Pinjarra were a huge territory containing a vast number of extensive estates.

Hon. T. Moore: It contains four large families, anyhow.

Hon. F. E. S. WILLMOTT: What is the position at Pinjarra? The Government were offered the largest estate in that district. I was Honorary Minister for Lands at the time and when the officers reported to me, the estate turned out to be comprised of excellent land on some portions, but, like nearly all the land in Western Australia, it is patchy.

Hon. J. Mills: The lands in the South-West, you mean.

Hon. F. E. S. WILLMOTT: No, I say the lands of Western Australia, and I defy contradiction on that point.

Hon. G. W. Miles: You are wrong then.

Hon. F. E. S. WILLMOTT: The land of Western Australia is patchy. In any case, it was found that such was the position in connection with this estate. Hon. members and the public generally seem to think that this measure would give the Government power to immediately gain possession of these different estates. In the case of this Pinjarra estate, it transpired that if we had taken over the property we would have taken over a lot of poor land with a certain amount of good land, which was excellent and worth a lot of money. The poor land, so far as we know at present, is worthless.

Hon. G. W. Miles: Not it.

Hon. F. E. S. WILLMOTT: So far as we know at present that land is worthless; otherwise it would have been brought into use long ago, because it is adjacent to the railway line. It is not even good for running stock to-day. The owners of this land are paying rates and taxes and if the Government bought the estate they would readily sell a good portion of it, but the remainder of it would be left on their hands for all time. The local board would suffer because no rates would be paid by the Government in respect of land which was not disposed of, and the Government in turn would not receive any taxes where now the owners of this estate are paying those taxes into the Treasury. Let hon. members go further south. Can any hon. member tell me of large estates between here and Busselton or between here and Nannup?

Hon. G. W. Miles: What about Dardanup?

Hon. F. E. S. WILLMOTT: Is the estate there not being put to good use?

Hon. G. W. Miles: No.

Hon. F. E. S. WILLMOTT: I know something about that estate and the man running it, and I say without fear of contradiction, that it is being excellently used at the present time. The man who grows, amongst other things, the biggest potato crop in the State—

Hon. G. W. Miles: It does not take 2,000 acres to grow a crop of potatoes.

Hon. F. E. S. WILLMOTT: No one can say that a holding of 2,000 acres is too much if it is properly used. I own a thundering lot more than 2,000 acres.

Hon. G. W. Miles: Then you have too much.

Hon. F. E. S. WILLMOTT: I will sell the land to the hon. member and if this land is so valuable, I will doubtless receive a good price from him.

Hon. C. F. Baxter: According to you, the land is not worth the rates you pay.

Hon. F. E. S. WILLMOTT: Some of the land is not worth the rates which are paid upon it.

Hon. G. W. Miles: You are a regular croaker.

Hon. F. E. S. WILLMOTT: On the other hand, we have very excellent land there indeed. But where is the bulk of the good land?

Hon. C. F. Baxter: In the wheat areas.

Hon. F. E. S. WILLMOTT: The wheat area is not in the South-West, you ignoramus! The bulk of the good land in the South-West is not touched to-day and there is no railway there.

Hon. G. W. Miles: You will never get a railway there.

Hon. J. Ewing: You mean out to Nornalup?

Hon. F. E. S. WILLMOTT: The land between Big Brook and Nornalup contains many excellent areas and includes land which would not cost £1 an acre to clear. That may be news to Mr. Mills who spoke about land, the clearing cost of which would run up to about £30 an acre.

Hon. E. H. Harris: Could that land be within 12 miles of a railway?

Hon. F. E. S. WILLMOTT: It starts within 12 miles.

Hon. T. Moore: What district do you refer to?

Hon. F. E. S. WILLMOTT: I refer to lands in the Warren district.

The PRESIDENT: I must ask hon. members not to keep interjecting. The speaker has already complained about it.

Hon. F. E. S. WILLMOTT: The power exists under the Land Act at the present time to forfeit property if the improvement conditions have not been complied with, but I do not know of such estates, certainly not in that portion of the country, that could be bought up under the Bill. If there are any such estates, I am with the Government in seeing that the State gets hold of them

and cuts them up for closer settlement purposes. I confess I do not know where they are and I know the country pretty well. Unfortunately, the land in the South-West is not sufficiently known, and I hope during the recess hon. members will inspect the lands in that part of the State in order to learn something about them.

Hon. C. F. Baxter: They had a fine picnic down there.

Hon. F. E. S. WILLMOTT: The hon. member could with advantage take a trip down there and learn something.

Hon. C. F. Baxter: Yes, when I go, it will be at my own expense.

Hon. F. E. S. WILLMOTT: Sir Edward Wittenoom dealt with the opinions expressed in the Press and said that they went to show that the people were now giving more consideration to this question than ever before. He referred to the unimproved land tax and suggested that it was wrong and strenuously opposed it. Some members may think that would be a better method of dealing with this question than the present Bill. My opinion is the same as Sir Edward Wittenoom's. It is rammed down the people's throats that an unimproved land tax would enable the Government to reduce the railway rates to the man on the land and that he would be better off. It is also held out as a great inducement that the people in the towns would pay 48 per cent. of this tax. If the people in the towns paid 48 per cent. they would pass it on to the man in the country who, in the long run, would pay the lot, and for what? For a slight reduction in his railway freights. If such an Act were ever put on the statute-book, what would the result be? The Commissioner would raise and raise his rates until the people of the country paid as much as they are paying to-day, and in addition they would be paying the unimproved land tax and would be paying the tax for the people in the towns as well. This Bill is a thousand times more welcome than any unimproved land tax.

Hon. C. F. Baxter: Yet you said it is of no value as there are no estates to cut up.

Hon. F. E. S. WILLMOTT: I said that to my knowledge there were no estates within 12 miles of a railway in the South-West. There may be some in other portions of the State. If there are, the Government should have an opportunity to deal with them. It is very cumbersome procedure, however, for the owner to be called upon to subdivide his land at a price approved by the board. I do not think many owners would avail themselves of that provision. What every owner would do would be to say to the board, "If you take any of my estate, you must take the lot." If anyone owns land and refuses to sell it, the Government can purchase it, but such an owner must be defrauding the State at the present time, or else he would be prepared to sell under the provisions of the Bill.

Hon. Sir Edward Wittenoom: Or he could pay three times the land tax.

Hon. F. E. S. WILLMOTT: Quite so.

Hon. J. W. Hickey: Three times nothing.

Hon. F. E. S. WILLMOTT: If the hon. member paid the land tax some people have to pay, he would not say three times nothing.

Hon. J. W. Hickey: Are you referring to freeholders?

Hon. F. E. S. WILLMOTT: Yes.

Hon. J. W. Hickey: There are not too many of them.

Hon. F. E. S. WILLMOTT: There are a good many. I hope Mr. Sanderson will not take the drastic step he threatened. Proposals of this kind have been before us for some time, but some of the clauses of the Bill are new. However, they are capable of being dealt with in Committee, and the hon. member should endeavour to amend them in accordance with his own views. I trust he will not endeavour to defeat the Bill, because it is an excellent measure if such estates exist. I assume that they do exist, or the Government would not bring down such a measure. Therefore we should give them a chance.

Hon. T. Moore: Were not you Minister for Lands for a time?

Hon. F. E. S. WILLMOTT: I was, and I can speak with some authority on this subject. For soldier settlement purposes we combed the country for estates. Some members have said how careful the Government must be not to pay too much for estates. The board dealing with the purchase of estates for returned soldiers turned down many offers by owners, because they considered the price too high, but the owners cut up and sold their land to private individuals for twice the amount.

Hon. J. W. Hickey: Are you supporting the Bill? You are talking against it.

Hon. F. E. S. WILLMOTT: Not at all. The board, instead of paying too much for these estates, will probably try to pay too little, but the owners are safeguarded by other clauses in the Bill. As a land owner I have no hesitation in supporting the second reading.

Hon. J. EWING (South-West) [9.51]: I am somewhat alarmed at the pessimistic speech of Mr. Willmott, one of my colleagues representing the South-West portion of the State. He has had far more experience of land settlement, farming and fruit growing than I have; yet I venture to set my opinion against his on this occasion. The hon. member did not accompany the parliamentary party which was piloted through the South-West recently by the Leader of the House. On all sides expressions of opinion were forthcoming regarding the wonderful fertility of the South-West and the great possibilities for development.

Hon. C. F. Baxter: Were you all land experts?

Hon. J. EWING: I do not know, but all of them were sensible men who did their



work well. Every portion of the South-West within reasonable distance of a line was investigated by the party.

Hon. F. E. S. WILLMOTT: Did you see any of these vast estates?

Hon. J. EWING: Some of them. In the South-West, within 12 miles of a railway, I think the Government will find a considerable area of land which will be suitable for resumption and closer settlement. The hon. member knows that the South-West has not yet been dealt with in the matter of drainage or irrigation. He must know as well as I do of the wonderful possibilities of draining in conjunction with irrigation. The Collie River itself is capable of impounding enough water to irrigate the South-West almost from Busselton to Perth. There is no exaggeration about that statement and Mr. Willmott, from the reports to which he had access while a Minister of the Crown, knows that that is so. I wish to draw attention to a significant fact. During the parliamentary trip, Mr. Powers, a dairy farmer at Capel, expressed anxiety that members of the party should see portion of an estate which, for generations past, had been considered worthless. It was a very wet day, but Mr. Heron and I ventured to wade through the water, and we saw the best possible land carrying the most beautiful subterranean clover and pasture. Mr. Powers assured me that that land had only been discovered and developed in recent years, and that there were thousands of acres of similar country between Capel and Boyanup.

Hon. F. E. S. WILLMOTT: It is not held in big estates.

Hon. J. EWING: That does not matter.

Hon. F. E. S. WILLMOTT: That is the whole point.

Hon. J. EWING: It is unimproved, and the land has shown productive capabilities unparalleled in my experience. I am a licensed surveyor and it was my duty in years past to value land for the Government. Had I been asked to put a value on that land while I was contracting for the Government, I should have said it was valueless. Yet this man has shown what it can produce if it is properly worked. Thousands of acres of land in the South-West, which is to-day considered valueless, will in years to come be of the greatest value to the State. Outside of that particular class of land the hon. member knows the beautiful land at Bridgetown, where he lives.

Hon. F. E. S. WILLMOTT: Are there any big estates there?

Hon. J. EWING: A considerable number.

Hon. F. E. S. WILLMOTT: Not one.

Hon. J. EWING: I am trying to point out that the advertisement given to the South-West by Mr. Willmott is not to my liking, and I want the South-West people to know that it is not my opinion that any considerable portion of the South-West consists of poor land. We are looking to this portion of the State to lift us out of our des-

perate financial position. We are asking people to come from the Old Country and we are asking the Federal Government to find considerable sums of money to bring people here and settle them on this land. Yet the hon. member has given it a bad advertisement. There is only a very small portion of the South-West which, under irrigation and drainage, cannot be made suitable for successful settlement.

Hon. G. W. MILES: The South-West can absorb millions of people.

Hon. J. EWING: Dealing particularly with the Bill, I do not feel justified in voting against the second reading, but the Government would be well advised to withdraw the measure and inquire further into a system which, in my opinion, would be far better than that outlined in the Bill.

Hon. J. DUFFELL: Move that it be referred to a select committee.

Hon. J. EWING: There are so many different ways in which an owner can evade giving up his land. What we have in view is that all the land available shall be utilised and not locked up. This Bill provides three or four different ways by which a man can avoid that. I shall not vote against the Bill, but I hope it will not become law. The Government should give the question more earnest consideration than is evidenced by this measure. This is not the Bill as it was introduced into another place by the Government. It does not represent the mature consideration of the Government. It is not what they require. Clause 3 provides that land within 12 miles of a railway may be resumed. When the measure was introduced in another place "State" railway was stipulated. In another place the word "State" was struck out. The mature idea of the Cabinet was to exclude the Midland Company's land. Now, however, it appears that the land occupied by the Midland Company will come within the purview of this measure. This, I consider, is highly improper. Mr. Sanderson, and those closely connected with finance who have studied the history of the Midland Company—I myself have been connected with it for many years in the way of contracting—know the difficulties they have had to contend with. They know that no man who has put money into it has made any money. They know that the debenture holders in London have not received anything approaching a reasonable or fair return for the work they have done for this State.

Hon. Sir Edward WITTENOOM: The land was payment for the railway instead of money.

Hon. J. EWING: The Midland Company during the last 10 years have exerted mighty efforts in order to populate the territory that for so many years has been lying idle, and have been very successful. Places which a few years ago were a wilderness are now dotted with smiling homesteads. The company are carrying on their policy of developing the land in every possible way; yet another

place has provided that if the board desire to resume the company's land, they shall either subdivide it and place a price upon it or pay three times the land tax. In Committee I hope some member will move that the word "State" which was excised by another place be reinserted. Its inclusion will get over the difficulty. I desire to enter my emphatic protest against the introduction of the Bill for the reason given by Mr. Willmott who was an honorary Minister in a previous Government, and who had the administration of the Lands Department, and who did excellent work for which he did not get due credit.

Hon. J. J. Holmes: He got the D.S.O.—"Destroyer of State orchards."

Hon. J. EWING: If there is any land in the South-West, the North-West or anywhere else in Western Australia which is not being utilised, and which the Government want, it is in the power of the Government to get it without the aid of this Bill. I do not believe in an unimproved land tax to force these people to do what the Government now desire—the people who have been pioneers in Western Australia, who came here 20 or 30 years ago, and who are the only ones affected by the Bill. A man may have 5,000 acres of which 2,000 acres may be cleared, and he, under the Bill, would be compelled to give up that uncleared portion of his estate under conditions which might not be altogether fair. Only one policy should be followed and that is a straightforward one. Say there are 5,000 acres at Boyanup that we want to resume for closer settlement. Let us send out an officer in a straightforward manner to the man who owns the land and say, "The Government require this land; what is your price?" The owner would reply so and so, and after due consideration the officer would come to the conclusion that the land was worth what was asked and the matter could then be put through.

Hon. A. J. H. Saw: The Government already have that power.

Hon. J. EWING: Yes, and if the hon. member had listened to me he would know what I mean. The Bill is not necessary because the Government already have the power to do what they wish to do. The Government can resume land and settle it in any way they like. If there is any difference of opinion as to the value, let the Government valuator place his value on the property and then let the question be determined in the hope of a compromise being effected. If the price be too high and terms cannot be arrived at, the property need not be acquired. Then certain conditions can be imposed in order to compel the owner to work the property effectively.

Hon. G. W. Miles: How will you do that?

Hon. J. EWING: The Government have full power at the present time to resume under the Land Act. In my opinion there is no necessity whatever for this Bill.

Members: Vote against it.

Hon. J. EWING: I will not take the responsibility of opposing the Bill on the

second reading, but if it goes into Committee I hope necessary amendments will be made.

Hon. H. Stewart: Why vote for it if you do not believe in it?

Hon. J. EWING: If I am put to it I will vote against it. If, however, it should go into Committee I hope that with regard to the Midland Railway Company, remembering the difficulties under which the company labour, due consideration will be given to their position, and that the land from Midland Junction to Walkaway will be exempt. If that be done, it will encourage people to continue to find money to develop that part of the State and at the same time it will do our credit some good. I have not quite made up my mind as to whether I shall, or shall not, vote for the second reading. Perhaps it will save a good deal of the time of this House if the Bill is set aside this session. The Government can then introduce it at an earlier period next session.

On motion by Hon. J. W. Hickey, debate adjourned.

## BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

Second Reading—Defeated.

Debate resumed from 5th January.

Hon. J. DUFFELL (Metropolitan-Suburban) [10.8]: The Bill before us furnishes another instance of the defects in the existing Arbitration Act, and my contention is that these defects have become so apparent that the Act is not in accord with the conditions which prevail to-day, and it is out of all reason to attempt to tinker with a statute of such importance as the Bill before us proposes to do. I have no hesitation in saying that the Arbitration Act has outlived its usefulness. It is only obeyed in its present form insofar as it applies to one section of the community. Eight years ago, when I was contesting a seat in this Chamber against the then sitting member who was a representative of labour, one of the main planks of my platform was that of wages boards versus the Arbitration Court. On that occasion I made it a very live question, and I gave reasons why I advocated the abolition of the Arbitration Act in favour of the benefits to be derived from the appointment of wages boards. Now it appears that a certain section of the community, to wit the insurance agents, have asked to be brought within the definition of "worker." The registrar refused to register them, and they appealed to the president of the Arbitration Court on the 13th September last. Mr. Justice Draper's decision was that they were not workers within the meaning of the Act.

Hon. A. H. Pantoun: Judge Rooth said that in 1915.

Hon. J. DUFFELL: That is so. I have yet to learn that it was the insurance agents themselves who first promulgated the idea of securing registration under the Arbitration

Act. As a matter of fact the idea emanated from another person altogether, and he advised the insurance agents by letter that they should come under this definition in order that they might secure better conditions and enjoy the benefits of the Arbitration Act. If Mr. Panton desires it, I can give him proof of the statement I have made. The fact remains that these men cannot be classified as workers within the meaning of the Act because they only work when it suits them. It must be borne in mind also that these men are not exclusively employed as canvassers or collectors for insurance companies. Many have agencies for other concerns. Therefore it cannot be argued that they are justified in claiming that they should be brought within the definition of "worker." My object in securing the adjournment of the debate at the last sitting of the House was for the purpose of getting information which I knew was extant for the purpose of refuting the statement made by Mr. Cornell to the effect that, as the result of the men having no machinery to which they could resort, they were compelled to have recourse to the barbarous weapon of the strike. At the time they went on strike the men were undoubtedly drawing good remuneration for their work as collectors. It is not generally known, but it is a fact, that a collector who gives satisfaction to the insurance company, one who is a good, live man, sober and energetic, willing to devote himself to maintaining and increasing the business of the company, is entrusted with what is called "a twenty pounds book." That is a "book" representing £20 of premiums for collection each week; and upon that amount he receives 15 per cent. commission. It will be admitted that that represents an excellent start. The collector finds that a very good adjunct to other business interests which he may have. The collectors felt that they would like to come within the purview of the Arbitration Court, but they discovered that they could not register under the Arbitration Act. Thereupon they adopted what Mr. Cornell has termed the barbarous method of the strike. They were out on strike for something like ten weeks, during which period they availed themselves of the ordinary conditions that prevail when men are "in conference," or, in other words, out on strike. Numbers of people who were affected by the strike, inasmuch as they were faced with the risk of their policies lapsing, went to the offices of the insurance companies to pay their premiums—this as the result of advertisements published in the Press. Many of them, of course, did not pay their premiums, for the simple reason that the men out on strike advised them not to do so. Others were afraid to pay their premiums, because the insurance offices were picketed.

Hon. J. Cornell: A lot of the insurance agents paid the premiums themselves.

The PRESIDENT: I do not think this discussion is really cognate to the Bill.

Hon. J. DUFFELL: With all due respect, Sir, I was speaking to Clause 2 of the Bill.

The PRESIDENT: The hon. member must speak to the whole of the Bill, as he knows.

Hon. J. DUFFELL: Yes, Sir; and I am now referring to what Clause 2 of the Bill provides, namely, that these collectors shall be brought within the definition of "Worker" in the Arbitration Act.

The PRESIDENT: If the hon. member speaks to that, he will be in order.

Hon. J. DUFFELL: That is what I am doing, Sir.

The PRESIDENT: I do not think so.

Hon. J. DUFFELL: I say that the collectors are men who, when they were refused permission to register as workers under the Arbitration Act, had recourse to the barbarous method of striking, as mentioned by Mr. Cornell, with your permission, Mr. President, on Friday last. Numbers of people refrained from paying their premiums because they were afraid of the pickets.

Hon. J. Cornell: I paid my premiums. I was not afraid of the pickets.

Hon. J. DUFFELL: I ask, what consideration was shown to the public when the collectors availed themselves of what they claim was the only means at their disposal? I find that the insurance companies made every provision for the policy holders.

The PRESIDENT: The hon. gentleman is not in order. Under this Bill the hon. gentleman cannot discuss what the insurance companies offered to the public. That is past history, and has nothing to do with the industrial insurance agents as workers. I am sorry to call the hon. member to order again.

Hon. J. DUFFELL: I, too, am very sorry, Sir, because at this very late hour of the night, after having sat here for seven hours, I do not feel in the best of condition to deal with the Bill. However, I am only rebutting an argument, or a damaging statement, advanced by an hon. member of this Chamber on Friday last, with your permission, Mr. President. For the sake of those honourable institutions, the insurance companies, I made inquiries into the allegations of the hon. member in question, and I procured certain evidence, which I desire now to lay before the House.

The PRESIDENT: The hon. member has done so, I take it.

Hon. J. DUFFELL: I have only just commenced.

The PRESIDENT: I cannot allow the hon. member to continue.

Hon. J. DUFFELL: Then I will just say that the companies referred to did not allow a single policy to lapse. As a result of the statement made by the hon. member, there was—

Hon. J. Cornell: I never referred to any company in particular.

Hon. J. DUFFELL: I took down the hon. member's words. The hon. member said—

What consideration was shown to the people who did not pay their premiums

during the strike, in consequence of which their policies lapsed?

I say not one policy was allowed to lapse as a result of that strike.

Hon. F. A. Baglin: The companies threatened that the policies would lapse, though.

Hon. J. DUFFELL: They never threatened anything of the kind, and the hon. member interjecting knows it.

Hon. F. A. Baglin: What were the advertisements for?

Hon. J. DUFFELL: To allow people to pay their premiums if they so desired. When it was found that the policy holders were being intimidated, the companies made this provision, that where it was proved that policy holders could not pay arrears of premiums accumulated during the strike, the period of the policy should be extended to cover the number of weeks the policy was in arrears by reason of the strike. I appreciate the latitude which you, Mr. President, have allowed me for dealing with this subject.

The PRESIDENT: The hon. member must now leave that subject. He is not discussing the Bill.

Hon. J. DUFFELL: I am discussing Clause 2 of the Bill.

The PRESIDENT: The hon. gentleman is not discussing Clause 2 of the Bill. I have allowed him a great deal of latitude, and he still persists.

Hon. J. DUFFELL: When you intervened, Sir, I had finished with that phase of the subject. I still maintain that I am within my rights in speaking on behalf of the residents of the metropolitan area who are interested in the Bill.

The PRESIDENT: The hon. gentleman cannot dispute my ruling.

Hon. J. DUFFELL: I am not disputing it, Sir. I shall now proceed to consider the case of the position of policy holders who were affected by the action of the men whom it is now proposed to include in the definition of "worker" under the Arbitration Act. The number of policy holders far exceeds the number of men engaged in collecting whom this Bill seeks to permit to come within the purview of the Arbitration Court. Industrial insurance is conducted mainly among that class of people who cannot afford to pay premiums of larger amounts at longer intervals, and who, but for industrial insurance, would not insure at all. The system has been a great success in all English-speaking countries, which proves that it supplies a want. At the close of 1919 there were in force in Australia and New Zealand 960,000 industrial policies, assuring £27,000,000; and this total has since considerably increased.

Hon. E. H. Harris: What society is that?

Hon. J. DUFFELL: Various societies which effect industrial insurance. There is also the fact that in certain portions of the Commonwealth this class of worker has already succeeded in bringing himself within the purview of the Arbitration Court.

Hon. A. H. Panton: Yes; in Queensland.

Hon. J. DUFFELL: That is so. If time permitted, I could show that many disadvantages have accrued and many hardships have been caused as a result of that alteration in the definition of "worker" under the Arbitration Act. The number of industrial policy holders in this State who would be affected if the alteration proposed by the Bill came into force would at present be about 9,000.

Hon. A. H. Panton: How would they be affected?

Hon. J. DUFFELL: If I go into that phase of the question, I shall be called to order again. I feel sure that you, Mr. President, would say that it had no bearing on the Bill; and Mr. Panton knows that. The number of agencies closed in Queensland by the five principal insurance offices there since the collectors' award commenced in 1918 is 62.

The PRESIDENT: The hon. member is quite in order in making that statement.

Hon. J. DUFFELL: I am greatly surprised to find myself in order at last, to find that I am in order when I go from here to Queensland, though I was not allowed to deal with a matter which directly affects the people I represent in this Chamber. I appreciate the latitude which was granted to me in replying to Mr. Cornell. I shall do what I can to get the second reading defeated.

Hon. A. H. Panton: How many agents do you say there are in Queensland?

Hon. T. MOORE (Central) [10.27]: At this late hour I shall be brief. Arbitration being the law of the land, I fail to see how any member can justify action which would prevent a section of workers from going before the Arbitration Court. The section of workers in question during this debate have had trouble in the past because of their inability to get before the Arbitration Court with their grievances, and in consequence have been forced to resort to other methods. In view of those facts I feel that hon. members, if they will just consider the question on its merits, casting aside all prejudice and only paying regard to what the Bill really means, will conclude that they would be doing an injustice if at this stage they prevented the industrial insurance agents from approaching the Arbitration Court, so long as that institution exists. Many of the arguments put up against this Bill have been really arguments against industrial arbitration. For the present purpose, arbitration may be right or may be wrong; but it is the law of the land. To-night, therefore, I am not concerned to defend arbitration, seeing that it is the existing law. I fail to grasp how any hon. member can logically see his way to prevent any section of workers from availing themselves of what is the existing law of the land. Why should the industrial insurance agents be debarred from access to a tribunal which exists for the definite purpose of fixing the wages and working conditions of practically all other workers in the State? Nevertheless,

the industrial insurance agents are at present so debarred. I can assure the House that these particular workers do not belong to the Trades Hall. I venture to assert that 75 per cent. of the industrial insurance agents work against the Labour Party, and vote against that party at election time. But that is no reason from my standpoint for debarring them from access to the Arbitration Court. One hon. member has asserted that the industrial insurance agents would, under this measure, become agents for the Trades Hall. I have often wished that these collectors were Labour agents. But they are a section of people who work with their coats on, and are not class-conscious, and consider themselves a bit above the man who takes his coat off to work. I do not recognise a difference between any two sections of the workers. The man who has to take off his coat thinks the other man, who works with his coat on, is better off than is he. Hon. members should ask themselves why, while arbitration is the law of the land, any section of the workers should be denied its benefits. Let us allow the same privilege to all. One hon. member interjected "Let us get rid of arbitration." That is another question altogether. While arbitration exists as the law, it should be accessible to all, irrespective of politics. As to the Bill having been brought down at so late an hour, that is not the fault of those who brought it down. It would be particularly unfair for any member to oppose it on that score. It is a private measure and, at most, private members can only make use of the opportunities afforded them by the Government.

Hon. J. W. HICKEY (Central) [10.34]: Apparently, during my absence from the Chamber, some hon. member expressed his intention of voting against the Bill on the score that it has been brought down so late. I wonder if that hon. member would use the same argument against the want of confidence vote passed to-night?

Hon. J. Duffell: Nobody has said he would vote against the Bill because it came down so late.

Hon. J. W. HICKEY: I am glad to hear that. While the hon. member would vote against all measures of reform, I can scarcely understand how he could reconcile his opposition to the Bill. The fact that it has come down so late is not the fault of those responsible for it. Its principal provision is to be found in Clause 2, which empowers insurance agents to go to the court. Closely associated as I was with the recent strike, I knew that sooner or later the trouble would have to be settled around a table. The men went on strike because they were refused registration under the Act, and the outcome of the dispute was a settlement at a round table conference. The settlement was effected on the basis of the registration of the men under the Arbitration Act. The Bill seeks to give effect to that. I can see no reasonable objection to the measure. However, I take strong

exception to some of the remarks made by Mr. Holmes, who is inherently suspicious of everything but himself. He said that if those men were registered they would be, not only insurance agents, but political agents for the Trades Hall. That statement serves to show that Mr. Holmes is quite prepared to take advantage of every opportunity to further his own political ends, and believe that others are prepared to do the same. I hope the Bill will be passed.

Hon. A. H. PANTON (West—in reply) [10.38]: I have listened with interest to those opposed to the Bill, and I regret that, with the exception of two, none of them are here now to hear my reply. In moving the second reading I did not enter into all the ramifications of arbitration, nor even those of insurance work; instead I confined myself to the Bill as closely as I could. Mr. Sanderson and Mr. Holmes object to the Bill being brought down so late, and by a private member. Mr. Holmes said that since the Leader of the House had been refused permission to introduce a new Bill, he did not see why I should have been allowed to do so. There is a good deal of justification for that contention, and had I been refused leave on the same ground as was the Minister, I should not have cavilled. But I disagree with Mr. Sanderson that its introduction by a private member should be a bar to the passing of a Bill in this House. If that contention be sound, we might as well not been here at all. There are in both Houses private members who are in a better position to sponsor Bills dealing with industrial matters than are any of the Ministers. I can quite understand Mr. Sanderson's attitude, since he has frequently declared his all round opposition to arbitration. By interjection he challenged me to say whether the majority of those in the Labour movement were satisfied with the existing system of arbitration. The principal objection we have to the existing system is that too much delay is involved in getting to the court. However, that is no reason for opposing the right of the insurance agents to go to the court. Mr. Sanderson also said that in his opinion insurance agents did not need any protection by the court; the audacity of those people, he said, was sufficient guarantee that they could look after themselves. However, that may be, I can say of my own knowledge that their alleged audacity does not get them very far with their local managers. Mr. Sanderson also objects to club employees being brought under the Arbitration Act, and declares that a club is in the nature of an Englishman's home. Probably we shall always disagree on that point. Club employees are servants, just as much as though they were serving in a private home. At present they are debarred from an important privilege enjoyed by other employees, namely the protection of the Arbitration Court. Mr. Holmes spoke of the anxiety of the Trades Hall to dominate the

position so far as insurance agents are concerned. In the province I represent there are 35 or 40 insurance agents. If I looked at the matter from a selfish point of view, I would hope that the Bill would be thrown out on the second reading, for I should then have 35 or 40 good men ready for my election next May. When the average trade unionist is opposed to anything that he wants, he usually puts up a good fight to get it. I hope, however, the Bill will not be thrown out. Mr. Holmes thinks there will be a good deal of difficulty if the insurance agents are registered. The Bill only permits of the registration of this organisation, which numbers 180 members. It will then be for the organisations and the societies to settle their differences in the Arbitration Court. The principal reason why these societies oppose the Bill, the passing of which will mean that the men can go to the Arbitration Court, is that they do not want all the ramifications of industrial insurance to be made public.

Hon. A. Sanderson: Who do not?

Hon. A. H. PANTON: The societies do not. One of the chief reasons why I did not go into the question of industrial insurance was that the agents considered it would be doing a good deal of harm to their work, because if the public were acquainted with all the ramifications of the business, they would not want anything more to do with it. The societies do not want full publicity given to the work they are doing and the methods they employ. Mr. Stewart suggests that we might as well let machinery agents be registered. I would have no objection to that, or to commercial travellers being registered. Mr. Sanderson objects to the system of arbitration unless all sections of the community are brought into it. I am prepared to accept an amendment permitting any organisation to register even if it be the British Medical Association. It is a matter for the people concerned.

Hon. Sir Edward Wittenoom: Even members of Parliament.

Hon. A. H. PANTON: If members of Parliament had gone to the Arbitration Court for an increase in their salary, they would be getting more than £400, if we take New South Wales as an example. I am prepared to accept an amendment striking out Clause 2, and replacing it with a clause allowing everyone to come in. The Act under which we are now working, introduced in 1912, was brought in to supersede the 1902 Act. The latter Act had become obsolete owing to the fact that industrial organisations had undergone a change. When the old Act was placed on the statute-book the unions that existed were purely craft unions, and the Act brought down by Sir Walter James was for the purpose of registering these craft unions. In the meantime a different set of organisations sprang up, such as the clerical union and the shop assistants' union. To give these an opportunity of being registered, a new Bill

was introduced embodying a different interpretation in regard to industrial matters generally. Other organisations have now come into existence such as those affecting architects, nurses, and so on, having boards to control them. The members of these organisations naturally look round to see what the law of the land is. The law of the land so far as wages and salaries are concerned is that of arbitration. They then look round to see how they can become registered organisations under that law. They find they are not entitled to be registered. Mr. Duffell rightly pointed out that the judge had decided that these people were not entitled to be registered, because they were no workers within the meaning of the present Act. Dr. Saw asked me a pertinent question in regard to wages. My instructions are that the insurance agents have no desire to become wages men, but they desire to go to the Arbitration Court so that the court may decide regarding the matter. The hon. member produced the Queensland "Government Gazette" setting out the wages for agents. The latest copy I have is No. 82 of the 10th August, 1920. This sets out the minimum rate of wage to be paid to insurance agents. Those who have had six months' previous experience get £1 10s. per week by way of wages, and those who have had less experience than that get £4 a week. When these people originally went to the court they were advised to make an endeavour to agree with the other side as to the rate of commission they should have. The minimum wage was fixed at £4, and the judge considered this would be the best method of overcoming the difficulty. The "Gazette" in question says—

After a short argument it was decided that the remuneration of employees should be by wages of £4 10s. per week for those who have had six months' previous experience, and that any additional remuneration should be as mutually agreed upon between the employer and the employee. The scheme is thus changed from one of payment by commission only, subject to a minimum rate, to one of payment by fixed wage. No alterations except those necessary to carry this out have been made in the award.

Hon. J. Duffell: They had to devote the whole of their time to the work.

Hon. A. H. PANTON: They could please themselves when they worked.

Hon. J. Duffell: And yet receive £4 a week?

Hon. A. H. PANTON: That is the minimum rate after six months' experience. Whilst the dispute was on in this State, I received a letter from the chairman of the Associated Life Offices of W.A., in my capacity as chairman of the A.L.P. Disputes Committee. This is dated the 3rd August, 1920 and is signed by W. H. Derry. This gentleman says—

After very careful consideration, the companies have resolved to make the following offer to the Western Australian

agents—the companies are prepared to re-engage all agents on the commission terms on which they were engaged when they ceased work. The companies will arrange, as opportunities offer, to give each agent in the larger centres of population, who desires it, a collecting round of at least £20 per week, and in the meantime until a £20 agency is available to every such agent, will give agents on agencies smaller than £20 special field assistance, so that each agent's average weekly commission earnings will exceed £4.

That shows that even the local offices were prepared to recognise the minimum wage.

Hon. A. J. H. Saw: Only until they brought up the agency to £20.

Hon. J. Duffell: Twenty pounds premium.

Hon. A. H. PANTON: One of the chief arguments was that the men could not earn £4 a week. They wanted an opportunity to earn something like a reasonable wage.

Hon. J. Duffell: They got a £20 agency without any previous experience to commence with. That is £3 a week. Surely they had some ability to augment that.

Hon. A. H. PANTON: Then what is the hon. member afraid of if these people become registered?

Hon. J. Duffell: I am not afraid.

Hon. A. H. PANTON: Why not allow them to be registered?

Hon. J. Duffell: I am entitled to my own opinion.

Hon. A. H. PANTON: I am trying to alter that.

Hon. A. Lovekin: Why add to the pressure upon the court by sending more people to it?

Hon. A. H. PANTON: Why add to the pressure upon the divorce court or the criminal court? Every Act carries a penalty of some sort. The law of the State in industrial matters is the law of arbitration. There is no logical argument against these men having the right to go to the Arbitration Court. I have here a copy of the "Western Australian Industrial Gazette" issued from the Arbitration Court. In connection with the miners' award and piece work, the "Gazette" says—

There shall be implied in every contract in which a worker is engaged to perform any kind of work at or for a remuneration other than the rates fixed by this award the terms and conditions hereinafter set forth, viz., (d) the actual remuneration paid for the work done shall not be less than the amount which the worker would have received for the period of his work if he had been working for that period at the rate of wages fixed by this award for the work done.

Our Arbitration Court said what the Queensland award said, and what Mr. Derry was prepared to say, that although they want to pay according to the results of labour, they are prepared to lay down a minimum wage.

Hon. J. Duffell: Whether they work or not?

Hon. A. H. PANTON: Under the miners' award, the minimum wage is 96s. per week of 48 hours for men working on the surface, and 99s. per week of 44 hours for those working underground. For a rock-drill man the minimum rate per shift is 19s. 4d., and no matter what he earns he must be paid that amount per shift. Surely, if the Arbitration Court is allowed—and let me say that hon. members of this Chamber are just as much responsible as anybody else is for the Industrial Arbitration Act—allowed to make awards for any other section of workers, say for sleeper hewers, for miners, and for tailors and tailoresses—suits are made by piece work, but the Arbitration Court fixes the price at which each section of the work is done—the Arbitration Court should be allowed to fix the pay and working conditions of the industrial insurance agents as well.

Hon. J. Duffell: The other classes of workers whom you have mentioned devote the whole of their time to their particular trades.

Hon. A. H. PANTON: And so do 90 per cent. of the insurance agents.

Hon. J. Duffell: Not 20 per cent. of them.

Hon. A. H. PANTON: I have made a fairly definite statement, and the hon. member can please himself as to how he takes it. Under their agreement the industrial insurance agents are only permitted to work for one company. Neither Mr. Colebatch nor any other member of this House connected with an insurance company can deny that statement.

Hon. J. Duffell: I can deny it, and I can substantiate the denial.

Hon. A. H. PANTON: I am talking about industrial insurance agents, and not that class of people who run an insurance agency much in the fashion that Boan Bros. do. However, even if Mr. Duffell is right, even if a man following the calling of an industrial insurance agent finds something else to do in his spare time during the evenings, that fact should not debar the man from access to the Arbitration Court. I know of scores of men working in the daytime at a trade under an award of the Arbitration Court, who find something to do at night in a small shop.

Hon. J. Duffell: Do you advocate "one man two jobs"?

Hon. A. H. PANTON: No. Let me say that I have probably more jobs than any other member of this House, but that they are all honorary jobs except one. Mr. Duffell spoke of agencies closed in Queensland as the result of an arbitration award. The hon. member knows, or should know, that the statement he made is incorrect. Those Queensland agencies were closed because the Queensland Government estab-

lished State insurance, thus wiping out the industrial insurance companies.

The **PRESIDENT**: This has nothing to do with the Bill.

**Hon. A. H. PANTON**: I shall not go further into that phase of the matter. The Bill is purely and simply designed to afford relief to a section of workers who consider themselves entitled to approach the Arbitration Court. With regard to club employees, Mr. Holmes and I at last have something in common. He does not consider that those workers should be placed under the same conditions as all other sections of workers. On the question of apprentices, every member who so far has spoken on the Bill has practically confined himself to dealing with the industrial insurance agents phase, except Mr. Sanderson, who declared that the apprenticing of our youths was a most important matter, and let it go at that. No other member has even mentioned the apprenticeship question. I agree with Mr. Sanderson that apprenticeship is a very important subject. Almost every trade in this State has its apprentices apprenticed under the Arbitration Act. After long experience, Mr. Justice Burnside, I think, and the late Mr. Daglish and Mr. Somerville drew up a set of conditions under which the apprenticeship system has been worked here for many years past. We are desirous of getting back to that system, back to the conditions which the Arbitration Court originally fixed, conditions which satisfied everyone and turned out good tradesmen.

**Hon. A. Sanderson**: Surely that is a matter for the Government.

**Hon. A. H. PANTON**: The matter is an important factor in this State's industrial life. Every day we are sending out of Western Australia for experienced tradesmen, such as engineers. Yet, when we want an opportunity to train such tradesmen among our own youths, the hon. member says, "Surely that is a matter for the Government." The hon. member's attitude in this Chamber throughout the present session has been one of consistent condemnation of the Government. Yet, when something is brought forward of which he does not approve, he declares it to be a matter for the Government. I appeal to hon. members to let the Bill go into Committee, where they can amend it as they consider necessary. I personally have no axe whatever to grind, having simply taken up the matter in behalf of people who are anxious to obtain access to the Arbitration Court.

Question put, and a division taken with the following result:—

Ayes	..	..	..	..	6
Noes	..	..	..	..	14

Majority against	..	..	8
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AYES.

Hon. F. A. Baglin	Hon. J. W. Hickey
Hon. J. Cornell	Hon. T. Moore
Hon. J. Cunningham	Hon. A. H. Panton

(Teller.)

NOES.

Hon. H. P. Colebatch	Hon. G. W. Miles
Hon. J. Duffell	Hon. A. Sanderson
Hon. J. Ewing	Hon. A. J. H. Saw
Hon. V. Hamersley	Hon. H. Stewart
Hon. J. J. Holmes	Hon. F. E. S. Willmott
Hon. A. Lovekin	Hon. Sir E. H. Wittenoor
Hon. C. McKenzie	Hon. E. Rose

(Teller.)

Question thus negatived; the Bill defeated.

### BILL—STAMP.

#### Assembly's Message—Money Bills Procedure.

Message from the Assembly stating that it was unable to make the amendment requested by the Council and desiring the concurrence of the Council in the Bill as amended at the request of the Council, further considered from the 4th January.

#### In Committee.

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

The **CHAIRMAN**: When this message was previously considered, the Leader of the House moved that the Council's request be no longer pressed.

**Hon. A. LOVEKIN**: There is more in the message than the Leader of the House suggests. Recently we had the Constitution Amendment Bill before us, and that measure contained a clause denying this House the right to press certain amendments. The lower House agreed that it would not insist upon that particular clause, leaving it open to both Houses to fight out their rights and privileges at some more opportune occasion. Since then the Stamp Bill, which is a money Bill, was sent to another place. We requested an amendment, which was not agreed to. Subsequently we pressed that amendment exercising our right to press an amendment to a money Bill, if we deemed it necessary. In reply to that message, the Assembly sent the one which is now before hon. members, but which provides an entirely new form of procedure. Instead of seeking a conference, the Assembly forwards this message which, I suggest, is designedly framed for the purpose of creating a precedent, denying the right of this Chamber to press amendments to money Bills. I do not think it would be in the best interests of the State to promote friction between the two Houses of Parliament at the present juncture, but I cannot agree to a message of this description finding a place in our journals, thus creating a precedent which may be held up against us at a future time should we desire to press amendments to



money Bills. There is no need to raise that issue on the present occasion, because the amendment to which the message refers is one of absolutely no importance. It was moved by Mr. Nicholson and provided that inter-departmental receipts should not be taxable. The Leader of the House informed us that it was not the departmental practice to tax such receipts. The amendment would apply to a receipt given by one department of a firm like Boas, to another department for goods which are to be sent out in one consignment to a customer. In such instances the department does not require a stamped receipt. Mr. Nicholson merely proposed to make that practice legal. In order to conserve the rights and privileges of this House regarding the pressing of amendments to money Bills in future, I propose to move an amendment.

Hon. A. Sanderson: Do you say we pressed such an amendment?

Hon. A. LOVEKIN: Yes, but the amendment I propose to move now will not further press it. I move—

That a message be transmitted to the Assembly in reply to its Message No. 56 that, having now been advised that the amendment suggested in Message No. 36 and pressed in Message No. 40, would merely legalise an already existing departmental practice, it sees no reason to further press its amendment.

Hon. A. SANDERSON: I am amazed that we should have ever sent along such an amendment, and I should like to know who was responsible for pressing it. If that is the kind of thing we are rushed into at the close of the session, it is all the more reason for insisting upon going slowly. It is a ridiculous position in which we find ourselves.

Hon. H. Stewart: It was Mr. Nicholson's amendment.

Hon. A. SANDERSON: In the absence of the hon. member, one does not wish to say too much. Possibly the best way out of this ridiculous position is to be found in the plain statement we have just heard. What nonsense to have pressed such a request on another place! Truly, we have been making ourselves ridiculous! At all events, I have the consolation of knowing I was not here at the time. Mr. Lovekin has given us a clear explanation of the position, but I protest against the raising of these important constitutional issues and so finding ourselves in an untenable position.

Amendment put and passed; and a Message accordingly returned to the Assembly.

*House adjourned 11.25 p.m.*

## Legislative Assembly,

*Tuesday, 10th January, 1922.*

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

### QUESTION—RAILWAY COAL.

*Equitable Prices, Collic and Newcastle.*

Mr. WILSON asked the Minister for Railways: 1, What is the equitable price of Collic coal in relation to Newcastle coal (at present prices operating to the Railway Department) on the basis laid down by the late Chief Mechanical Engineer (Mr. Hume) and the Woolnough Royal Commission's report (both separately) on all railways other than the Geraldton and Northern portion? 2, If the Railway Department have now a different basis of comparison from the Hume and Woolnough basis, what are the figures of that basis?

The MINISTER FOR RAILWAYS replied: 1 and 2, It is not practicable to fix an equitable price of Collic coal in relation to Newcastle coal on the basis laid down by the late Chief Mechanical Engineer and Woolnough Royal Commission report, because that basis was fixed at the time when Newcastle coal was extensively used, and thus contracts at satisfactory rates could be arranged. Now, however, the present Commissioner in accordance with the policy of the Government, uses almost exclusively Collic coal so long as it is obtainable, except in certain portions of the agricultural area, for a very short period of the year. The quantities used for twelve months ended 27th November last were—Newcastle, 9,066 tons, Collic, 234,733 tons. Any Newcastle coal obtained under these conditions, being in small quantities and at special periods of the year, must be at a relatively higher price. The department, therefore, has no occasion to use a basis of comparison. The equitable price of Collic coal being a national asset used for a national purpose, should be the cost of production, based on fair rates and conditions to those employed in the industry, and a fair margin of profit on the capital invested therein, irrespective of the price of Newcastle, Welsh, American, or any other coal.