

existed since the introduction of responsible government in this State. There is a clause in this Loan Bill foreign altogether to its purport and intention as first introduced here. Extraordinary exceptions demand extraordinary methods. The proper manner in which to deal with this position is to consider this clause in a special Bill, and deal with it on its merits and in the light of the peculiar circumstances existing. I hope members will stick solidly to the lines of procedure that have been handed down to them, and see that a Loan Bill is confined to loan purposes, and that nothing foreign to its purport is allowed to be embodied in it. This is an innovation, and innovations that are introduced into Bills and disturb the customary procedure of responsible government are dangerous, and should be dealt with as special legislation. Responsible government has been built up on well ordered and sound procedure.

Question put and passed.

Bill read a third time and passed.

ADJOURNMENT—SPECIAL.

The MINISTER FOR EDUCATION (Hon. J. Ewing—South-West) [12.26]: I move—

That the House at its rising adjourn until 2.30 p.m. this afternoon.

It is not my desire to hurry the work of the session. Members have done wonderfully well to-day and I am sure, if we meet at half-past two this afternoon, long before the time arrives for the Premier to go to Busselton at 11.30 to-night, the work of the session will be over. If members will assist me we should be able to adjourn in time to allow the Premier to go to Busselton.

Question put and passed.

House adjourned at 12.28 a.m. (Thursday).

Legislative Assembly,

Wednesday, 12th December, 1923.

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

QUESTION—WHEAT PRODUCTION, KONDININ.

Mr. HICKMOTT asked the Premier: 1, Is he aware that the new settlers east of Kondinin will have over 20,000 bags of wheat this season? 2, If so, how does he propose to assist them to get their wheat to the railway?

The PREMIER replied: 1, I accept the hon. member's statement as to the quantity available. 2, The Government do not cart wheat to the railway for farmers.

QUESTIONS (2)—MINING INDUSTRY.

Miner's Phthisis Act, Proclamation.

Mr. LUTEY asked the Minister for Mines: Is it the intention of the Government to have the Miner's Phthisis Act of last session made operative by proclamation before the 31st December next?

The PREMIER (for the Minister for Mines) replied: The matter is now under consideration, the proclamation of the Bill depending to some extent upon the date of the completion of the Commonwealth Laboratory at Kalgoorlie.

South African Mines, Inquiry.

Mr. LUTEY asked the Minister for Mines: 1, Is it the intention of the Government, as outlined by the Minister, to appoint a mining representative to inquire into the ventilation, sanitation, and working conditions of the gold mines of South Africa? 2, If so, when will the appointment be made?

The PREMIER (for the Minister for Mines) replied: 1, Yes. 2, Mr. W. Phoenix, Inspector of Mines, has been appointed, and will arrive in South Africa during February next.

QUESTION—STOCK DISEASE AND MILK SUPPLY.

Capt. CARTER asked the Minister for Agriculture: In view of the fact that serious damage to the milk vendors' trade has resulted because of certain rumours regarding the effect of the cattle disease on human life, will he state: 1, Whether expert medical opinion has been sought on the subject? 2, What that opinion is?

The MINISTER FOR AGRICULTURE replied: 1, Yes. 2, The disease rinderpest is not transmissible to man, and no ill effects are to be anticipated from consumption of milk, even were it not a fact that the flow of milk ceases immediately the animal becomes sick.

QUESTION—I.A.B. CLIENTS, AS TO PROTECTION.

Mr. JOHNSTON asked the Premier: 1, Is the Industries Assistance Board aware that an order has been made in the local court at Wagin for the imprisonment of a well-known returned soldier settler, resident in that district, who is working under the Industries Assistance Act, because he is unable to pay certain creditors? 2, As the Industries Assistance Board receives the whole of the settlers' crops to handle, what relief is to be given to this settler? 3, Is it the intention of the Government to introduce legislation this session for the protection of settlers working under the Industries Assistance Board from imprisonment for debt and other exploitation whilst the board is controlling their income and assets? 4, If not, why not?

The PREMIER replied: 1, Yes, because he did not pay one creditor an amount of £6 10s. 2d., plus costs, £6 0s. 10d. 2, No application was made by the client for an advance to meet this liability. Had it been made the Board could not have afforded preference to any creditor over others with claims against surplus proceeds. 3, No. Reasonable protection can be afforded under the Act. I am not aware of any exploitation. 4, Answered by Nos. 1, 2 and 3.

QUESTION—GOVERNMENT STORES, SADDLERY PURCHASES.

Mr. HUGHES (without notice) asked Mr. Speaker: Some time ago I asked a question regarding the purchases of saddlery by the Government Stores, and it was postponed. May I bring up that question again?

Mr. SPEAKER: The papers are on the Table.

BILL—YARRAMONY-EASTWARD RAILWAY.

Read a third time and transmitted to the Council.

BILL—VERMIN ACT AMENDMENT.

In Committee.

Resumed from the previous day. Mr. Stubbs in the Chair; the Minister for Agriculture in charge of the Bill.

The CHAIRMAN: When the Bill was last dealt with in Committee, the new clause moved by the Minister for Agriculture was ruled out of order. Hon. members will find a new clause to substitute the one dealt with yesterday on the addendum to Notice Paper No. 54.

The MINISTER FOR AGRICULTURE: I understand that the new clause I proposed yesterday was ruled out of order on the ground that a Bill imposing taxation must deal with taxation alone. If it had been ruled out of order on the point that it included an amendment to the Land Act, it would have created a difficult precedent, particularly if the ruling were made applicable to such measures as the Municipal Corporations Act, the Water Supply, Sewerage and Drainage Act, and the Road Districts Act.

Hon. W. C. ANGWIN: It was not ruled out of order on that point. I raised the point of order that the clause before us yesterday was not in accordance with the Order of Leave inasmuch as it included an amendment of the Land Act.

The MINISTER FOR AGRICULTURE: I move an amendment—

That the following new clause, to stand as Clause 7, be inserted: The Minister to supersede Boards except in the south-west division of the State. 7. (1.) This section shall come into force on a date to be fixed by proclamation. (2.) In all parts of the State, except the south-west division, the Minister for Agriculture shall be deemed to constitute and be the board of each district; and for that purpose shall, in respect of each district, be a corporation sole, with perpetual succession and a common seal, under the name of the board of such district, and by such name may hold real and personal property and sue and be sued; and in such parts of the State all the powers, authorities, immunities, rights, privileges, obligations, and duties vested in boards under the principal Act or the Vermin Boards Act, 1909, and in the Minister for Lands and Agriculture as set out by the Vermin Boards Act Amendment Act, 1915, shall, for the purposes of this section, be vested in and imposed on the Minister for Agriculture in such corporate capacity. (3.) The members of the boards existing in all parts of the State, except the south-west division, shall, on this section coming into operation, go out of office, and all property real and personal of such boards, and of the Minister for Lands and Agriculture under the Vermin Boards Act Amendment Act, 1915, including rates due and payable shall vest in the Minister for Agriculture in such corporate capacity. (4.) In all parts of the State, except the south-west division, such annual rate (if any) on the unim-

proved value of all pastoral holdings as assessed under the Land and Income Tax Assessment Act, 1907, as Parliament may impose or authorise, shall be payable in every year to the Minister for Agriculture, in his corporate capacity as aforesaid, by the owner of every pastoral holding within each district. The amount of any rate so imposed or authorised shall become due and payable on a date to be fixed by the Minister for Agriculture by notice in the "Gazette"; and the provisions of the principal Act relating to the recovery of rates and the application of the funds of a board shall apply to such annual rate. (5.) Nothing herein contained shall affect the exercise by the Minister for Agriculture, in his corporate capacity as aforesaid, of the powers relating to rating and the recovery of rates conferred on boards by Part V. of the principal Act, the provisions of this section being in addition thereto; but no rate shall be levied under section fifty-nine of the principal Act otherwise than for the purpose of defraying the cost of the erection, maintenance, and renewal of fences, and the payment of the interest and sinking fund of loans already or hereafter to be raised. (6.) The provisions of the principal Act relating to the fencing of water supplies on holdings shall cease to be in force in those parts of the State to which this section applies. (7.) In this section "the south-west division" means the South-West Division of the State under the Land Act, 1898.

The new clause provides that such rates shall be imposed as Parliament authorises. That is practically the only alteration from the clause ruled out yesterday, with the exception that we have eliminated the proviso that the rate shall be considered with rent and may constitute grounds for the forfeiture of a holding.

Hon. W. C. ANGWIN: I am surprised at the new clause. The Minister yesterday said it was being moved at the unanimous request of members representing pastoral areas outside the south-west division. A few weeks ago the member for Kanowna (Hon. T. Walker) and I were strongly criticised by the editor of a paper in the Gaseoyne district, because we suggested it would not be possible to have a separate division in the northern part of the State to form a new State. I do not know what that paper will say when it learns that the representatives of the northern constituencies have, at the request of the Minister, said in effect that the people there are unfit to control their own affairs. They do not believe in local government, because the new clause virtually prevents local government. They have not confidence in the people of the north to control their local requirements. I hope the member for Gaseoyne will transmit a copy of this proposal to Dr. Earle Page to indicate his views on local government. The new clause alters the Bill as it applies to the north. Members say they want no local boards up there.

They cannot trust local men to spend the money to the best advantage.

Mr. Teesdale: Some of them.

Hon. W. C. ANGWIN: We have to deal with the lot. They say in effect that the money will probably be wasted in administration or spent in works that will not be of advantage to the district. Therefore, they wish to come south and get a man to control the area for them. Such a man, they evidently think, will be more fair than the men living in the north. During the second reading I understood that members from the north desired that the money raised should be used expressly for the destruction of dingoes. The new clause does not provide for that. It will enable the Minister to strike any rate he chooses, unless a special Bill be brought down.

The Minister for Agriculture: A special Bill will specify the rate.

Hon. W. C. ANGWIN: If the Government intend to bring down a new Bill, that measure should deal with this question. A local rate struck by boards would not be in conflict with the Constitution Act and a message from the Governor would not be necessary to recommend such legislation. As a private member I introduced a Bill to amend the Municipal Corporations Act. It provided for increasing the rate and a message was not required. The new clause states that the amount shall become payable on a date to be fixed by the Minister for Agriculture, and shall be recoverable under the Vermin Act, but it does not provide for the payment of a bonus by the Government.

The Minister for Agriculture: That is done by regulation.

Hon. W. C. ANGWIN: Then it will be entirely at the will of the Minister, but Parliament has first to vote the money. Subsidies were paid to local authorities at one time, but Parliament struck out the vote and subsidies were abolished.

The Minister for Agriculture: An amount has been appropriated.

Hon. W. C. ANGWIN: Only a small amount. If a penny rate is to bring in £25,000 a year, there is not provision for the payment of half that amount by the Government.

The Minister for Agriculture: There will be only one-fourth of the year to provide for.

Hon. W. C. ANGWIN: The Bill should provide for the payment of a bonus and the amount of it should be stated. Then it would not be at the whim of the Minister. The amount would be set aside under a special Act. It would be better if the Bill dealt with the whole question of the tax in the south-west as well as in the north. There are pastoral areas in the south-west division that should have an opportunity to come under these provisions. If all pastoral areas contributed a flat rate, and an equal subsidy applied, all pastoralists would be on an equitable basis. The clause will not achieve that. It will mean two different laws for

two different parts of the State. In the southern portions the pastoralists may have to pay a 3d. rate and may not derive equal benefit. The south-eastern portions of the State particularly should be put on the same footing as other parts. Unless the Government make a grant, they will not be able to pay so much per head. In the south-west division the amount to be paid is left to the discretion of the board, who will be able to pay only in accordance with their finances. I admit something should be done, but the difficulties will not be overcome by the new clause.

Mr. DURACK: The member for North-East Fremantle was wrong in stating we had no confidence in the people of the north. It is not a question of having confidence in them; it is a question of getting the full benefit of the fund. We believe a lot of money has been wasted through boards dealing with the matter. Boards have struck varying rates in different districts, and we consider this has been an evil. Boards have paid from 10s. to £2 a scalp, and a few boards have paid as much as £3. We want a Bill that will deal entirely with the dingo pest. The leaseholders are prepared to agree to a levy to the extent of a penny in the pound which would produce a total of between £24,000 and £25,000. At the same time we want it clearly set forth that there is also an obligation on the Government to provide pound for pound. We have no objection to being mulct in the amount I have stated, provided the Government do their share. We consider that we should not be asked to provide money to be expended on the fence. Generally speaking, if we had a Bill that dealt entirely with the one issue we would be in a better position to cope with it. The provision before us is of no use to us and I intend to vote against it.

Mr. MONEY: With reference to the question of the fence the clause says "For the purpose of defraying the cost of the erection, maintenance, and renewal of fences." That means something to be done in the future. It does not refer to anything that exists already.

Mr. UNDERWOOD: The pastoralists are prepared to submit to a tax, but only on condition that it is spent in a definite way. The Minister says "We are going to do certain things by regulation," and then he adds, "Will you accept my word?" How about the pastoralists? Will he accept their word also? They will pay the tax. Why put the tax in the Bill and not the expenditure? If a tax is levied, the legislation should state what it is proposed to do with the money collected.

Mr. TEESDALE: Subclause 2 reads "In all parts of the State except the South-West division, the Minister for Agriculture shall be deemed to constitute and be the board of each district." Bearing in mind that the pastoralists are paying 50 per cent. of this amount to be devoted to the destruction of the dingo, it would be only fair to give them some representation. This would not mean

opposition to the Minister's policy, but the representation would be in the form of advisers to collaborate with him. They would be in a better position than the Minister to get information from the different districts on matters that were important. It would be a great help to him to have two or three leaseholders whom he could call together occasionally to discuss matters of interest to the pastoralists. He might favourably consider the nomination of three or perhaps two pastoralists, or rate-payers as I prefer to call them, together with a secretary, who would keep a careful record of all correspondence from districts interested. I shall probably move a new clause to that effect.

Mr. CHESSON: As representative of a pastoral area, I was one of the deputation who met the Minister to discuss the Bill. We suggested that the administration of the measure should be left entirely in the Minister's hands, though we asked for an advisory board. The chief desire was to obtain uniformity. Some vermin boards were paying as much as £5 for dingo scalps, while others were paying only £1. Naturally trappers disposed of the scalps wherever they could get most for them. The pastoralists were prepared to rate themselves to the extent of one penny in the pound on the unimproved value of their holdings, and they asked for a pound for pound subsidy from the State. Subclause 5 of the new clause provides that portion of the funds raised may go towards the erection or repairing of fences.

The Minister for Agriculture: No. That is specifically provided otherwise.

Mr. CHESSON: Though I have confidence in the local boards, I want the measure administered by the Minister. Otherwise there will be a repetition of high bonuses being offered by some boards and low bonuses by others, with the result that all the scalps will be sent to the boards paying the higher rates. The funds to be raised under the Bill should be earmarked for the destruction of dingoes.

The MINISTER FOR AGRICULTURE: I fail to understand the attitude of some members. They held that there was no good at all in the measure which provided for uniformity and the principle of local government. They said they could not trust the districts to govern themselves. Now those members say they cannot trust the Government. This is a Bill specially asked for by them. There is no need to fear that funds raised under the Bill will be used for any other purpose than the destruction of dingoes—say, for such a purpose as the maintenance of fences. It is not necessary for the member for Roebourne to move a clause for the appointment of advisory boards. A Government not prepared at all times to accept advice must be regarded as foolish. But no Government would be prepared to accept dictation.

Mr. Teesdale: There will be no dictation.

The MINISTER FOR AGRICULTURE: I shall be pleased to see a small advisory board

created. This measure could not be applied to the destruction of rabbits outside the South-West, seeing that all the pastoral members say their districts are not rabbit-infested. The measure, therefore, will be used solely for the destruction of dingoes, which at present constitute a serious pest.

Mr. DURACK: The Minister tells us that he is prepared to accept advice in this matter, and that the Government will nominate advisory boards. As a leaseholder I am prepared to accept that proposition; but would not the Minister accept a clause stating that the purpose of the Bill is to raise funds for the destruction of vermin on the basis of a pound for pound subsidy? Such being the intention of the Government, why should they object to such a clause?

Hon. M. F. TROY: I do not consider that the alarm of members with regard to this provision is justified. The chief objection is that the Minister still retains power under the principal Act to levy a rate for the destruction of rabbits and other vermin. That power ought to be in the Minister's hands. The Government have not so far enforced the section in the old Act because it has not been necessary to do so. Why should we say in this Bill, "Thus far shalt thou go and no further"? Then there would be no scope whatever for dealing with contingencies. The Minister is subject to the criticism and control of Parliament. If he acted without justification, this House would very soon censure him.

Hon. W. C. Angwin: What is the good of attacking a Minister with 35 followers behind him?

Hon. M. F. TROY: Quite a number of the 35 are interested parties. The Minister would not be so foolish as to strain the law too far. He would act with discretion, and with due regard for what occurred in this Chamber. As regards the insertion of a provision that the Government shall subsidise pound for pound, no such provision appears in any previous measure. The Vermin Act contains no such stipulation as regards the South-West. Then why should we particularly insert such a provision here for the benefit of pastoral areas outside the South-West? I represent a great many pastoralists, and I do not think they desire such a provision.

The Minister for Agriculture: The Government have not inserted such a clause, and certainly it cannot be inserted by a private member.

Hon. M. F. TROY: I shall not expect special consideration for those whom I represent while other people, equally taxed, are not given such consideration.

Mr. Teesdale: But we want to be sure. We do not want to be landed with the cost of the Gascoyne fence.

Hon. M. F. TROY: We do not wish to take from the Government the power to tax the people who are protected by that fence. I do not think for a moment that any Minister will say that the funds raised for a specific

purpose under the Bill shall be utilised for any other purpose. If a Minister did that, he would be acting absolutely contrary to the intention of this legislation, and he would be quickly brought to book by Parliament. If the Minister wants advice, he will seek it, but he should have no objection to rate-payers making suggestions to him.

Hon. W. C. ANGWIN: I cannot understand the hon. member's argument. The pastoralists outside the South-West division have agreed to find a certain amount of money for certain purposes under certain conditions. The South-West should not be treated any differently from the North-West. The Bill discriminates. The hon. member says there is nothing to be afraid of in Clause 5. But can he show me any clause under which differential rating can be imposed? Can the Minister rate the Gascoyne people any higher than he can rate those of Roebourne, or of Kimberley? Of course he cannot. Immediately on the passing of the clause, the Minister will supersede the vermin boards, except those in the South-West.

The Minister for Agriculture: The Minister has already superseded the Gascoyne board.

Hon. W. C. ANGWIN: That is a different matter. In the same way it might be said the Minister for Works has superseded the Jandakot and the Bayswater road boards. But when the Minister for Agriculture takes control of the whole area outside the South-West, the rating must be the same over that area.

The Minister for Agriculture: I know that.

Hon. W. C. ANGWIN: And the Minister must also know that the rate for the upkeep of the Gascoyne fence has to come partly from outside the area. The Minister cannot strike one rate for one area, and another for a second area.

New clause put and passed.

Title—agreed to.

Bill reported with amendments, and the report adopted.

BILL—STATE TRADING CONCERNS ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

Mr. HUGHES (East Perth) [5.37]: I do not propose to delve into the whole question of State trading and show that, notwithstanding the statements yelled from the house-tops for years past, the State trading concerns have cost the State practically not a penny.

Mr. Teesdale: Oh, just a few bob!

Mr. HUGHES: Not even a few bob. I was gratified to hear the Premier say that while the losses amounted to £301,000, there had been provided sinking fund of £55,000, and depreciation of £332,000, showing clearly that State trading has not cost the State one penny. The Bill proposes to give the Government the right to sell the trading concerns

without reference to Parliament. Anybody holding that to be reasonable must, for consistency's sake, agree that the Government should have the right also to purchase a new trading concern, or initiate one, without the consent of Parliament. Yet the very people anxious to delegate the authority of Parliament to the Government, as proposed in the Bill, have set their faces against giving the Government the right to initiate a trading concern. The Government do not want the power given by the Bill; if they did, they would themselves ask the House for it. The Bill represents a departure from procedure. Here we have a private member, strongly opposed to the Government, asking additional power for the Government. One could understand it from a Government supporter but, coming from one who has jumped the preserves of those on this side and constituted himself an ultra-oppositionist to everything the Government proposes, it is absurd. It is merely an attack on State trading. I should have had more respect for the hon. member if he had brought down a Bill compelling the Government to sell trading concerns, for that is what is in his mind. However, that would be very unpopular, and so, instead, he brings down a Bill providing merely that the Government shall have the right to dispose of the trading concerns without reference to Parliament. The issue we are asked to decide was fought out in the House of Commons in the 17th century, namely, whether or not the power should be retained in the Parliament, and Ministers be answerable to Parliament. If we are to delegate to the Government the right to dispose of two and a half million pounds' worth of State assets without reference to Parliament, it is clear that Parliament has released its grip on public affairs. If a matter of such serious import is to be placed beyond the scope of Parliament, what is the use of Parliament at all? We might as well close up Parliament and appoint five or six men to carry on the country.

Mr. Money: It might be a good thing to do.

Mr. HUGHES: Perhaps so, but first of all let us go to the electors, whose rights we exercise in this House.

Mr. A. Thomson: Have you ever read the State Trading Concerns Act?

Mr. HUGHES: There are but three clauses in it, and I have read it several times during the last few days.

Mr. A. Thomson: Only three clauses!

Capt. Carter: The Bill proposes to amend Section 25 of the Act.

Mr. HUGHES: It is the Bill we are discussing. I should not be permitted to traverse the original Act.

Mr. Latham: But at least you ought to have read it.

Mr. A. Thomson: The Government have power to sell under Section 25 of the Act.

Mr. HUGHES: Subject to the approval of Parliament.

Mr. A. Thomson: That is correct.

Mr. HUGHES: That is a different thing from having power to dispose of them without the consent of Parliament.

Mr. A. Thomson: They can do that now.

Mr. HUGHES: Surely the hon. member does not suggest the Government can sell the State trading concerns without reference to this House.

Mr. Muncie: That is what he does suggest.

Mr. HUGHES: That is the right he wishes to give the Government. I have read a lot of Acts, as well as the constitutions of some political parties.

Mr. Latham: I hope they did you some good.

Mr. HUGHES: They did me more good than the executive's interpretation will do good for the hon. member.

Mr. Lutey: That is a hard one.

Mr. Latham: I do not think it will do me much harm.

Mr. HUGHES: It will probably send the hon. member back to his farm.

Mr. Latham: That might be a good thing.

Mr. HUGHES: What would be the use of Parliament if its functions were delegated entirely to Cabinet? This session we had a shocking instance of the result of the authority of Parliament being delegated to an individual who is not responsible to Parliament.

Mr. Latham: To whom do you refer?

Mr. HUGHES: The Commissioner of Railways.

Mr. Latham: He is responsible to Parliament.

Mr. HUGHES: No. Under statutory power he is independent of the Ministry.

Mr. Latham: But he is not independent of Parliament.

Mr. HUGHES: A coal contract involving over two million pounds was entered into by the Commissioner of Railways, who cannot be made to answer for it to members of this House. We are now asked to extend this delegation of power in other directions. It would be a complete negation of the rights of Parliament to do so. Under the Railways Act Parliament has no right to censure the Commissioner, because he has been given absolute power over the railway transport of the State. We are now asked to hand over, lock, stock and barrel, the right of the people to criticise the action of the Government in the way it may dispose of their property, without their representatives being given authority to veto such action. Members who support this Bill should tell the people there is no need for 50 representatives in this Chamber, and that they had better elect five men, to serve for three years, so that they may run the country.

Mr. Pickering: Why only three years?

Mr. HUGHES: If we pass this Bill we shall place Ministers above the realm of criticism in the matter of the disposal of our State trading concerns. If the Government decided to exercise their discretion and sell one or more of these concerns at a price which the other members of this House consider is a bad bargain for the State, the

Government could turn round and say, "You gave us discretion in the matter, and have no right to censure us." There is no virtue in the Bill, and it will not facilitate the sale of the State trading concerns. If the Government wanted to sell any of them and had a majority in this House behind them, their proposition could be carried through. What more does any Government want? The wishes of the majority of members must rule with the Government. The law does not prevent the sale of the State trading concerns, but I do not think the Government wish to sell them. They have, in fact, extended them. One of the first State trading concerns ever launched in this State was started by the late Lord Forrest when he opened a State coal mine at Collie. If transport facilities could be arranged for the people of the north I would not mind selling the State steamers, if they are showing a loss.

Lieut.-Col. Denton: Would you buy them?

Mr. HUGHES: If I had the cash I might buy the "Kangaroo," which cost £140,000 and made a profit of £300,000 in one year.

Mr. SPEAKER: Order! The "Kangaroo" is not under discussion.

Mr. Harrison: What would you sell her for now?

Mr. SPEAKER: Order!

Mr. HUGHES: If the Government had a splendid offer for the State steamers, what objection could they have to placing it before Parliament? Would they be afraid that members supporting them would not give an intelligent vote upon the question?

Hon. P. Collier: They might not get the deal off, as was the case with the Lake Clifton railway.

Mr. HUGHES: Surely the Government are not afraid of their supporters. What private firm would allow its manager to sell all the assets without the consent of the board of directors? He might be requested to obtain quotations for them, but the right to accept any offer would be reserved to the board. Why should not the Government adopt the ordinary commercial procedure in a matter of this kind? If we give the power sought under this Bill we shall be giving it to Cabinet. The constitution of Cabinet may be changed at any time. We must, therefore, ask ourselves whether it is safe to give such power to any body of men who may be occupying the Treasury benches.

Hon. P. Collier: If we occupy the Treasury benches we might sell the State Sawmills to the Timber Workers' Union at bargain rates.

Mr. HUGHES: If after the elections we sold the State Sawmills to the timber workers members might agree that they had no longer any right to veto the sale. Disgraceful things have occurred in recent years over the disposal of the country's money.

Hon. P. Collier: And during recess.

Mr. HUGHES: During recess about £80,000 of the people's money was spent on the Lake Clifton railway. The Government practically gave that amount to some political supporters for an asset that was not worth it.

Mr. Pickering: It has shown a loss of over £3,000.

Mr. HUGHES: And will continue to show a loss.

Hon. P. Collier: It is closed down definitely.

Mr. HUGHES: Interest and sinking fund on the loan have still to be paid.

Hon. P. Collier: The whole thing is abandoned.

Mr. HUGHES: Could we have vetoed that transaction the country would have been saved this loss.

Hon. P. Collier: The Government would never have brought such a rotten proposition before the House.

Mr. HUGHES: If the Government had had the courage to bring it before the House I feel sure that some members opposite would have vetoed it.

Hon. P. Collier: They would never have had the courage to do it.

Mr. HUGHES: With the exception of the Scott Fell scandal, I do not know that there has ever been a bigger political job in the history of Australia during the last 10 years. Having that precedent before us, we must consider what is likely to happen if we forego the rights of Parliament and extend the privileges of Cabinet along the lines suggested in the Bill. I do not propose to deal exhaustively with the financial position of the State trading concerns, but I would like to refute one statement made by the Premier regarding the State Sawmills. The cost of that concern has been £254,000, and during the 10 years it has been in operation, £170,000 has been extracted for depreciation from the profits made and a further £29,000 has been paid from profits into a sinking fund. Altogether the profits, as the result of the expenditure of a quarter of a million of money, total £370,000. The capital outlay has been entirely recouped and the State is £116,000 to the good. Notwithstanding that the sawmills owe the Treasury £128,000 on current account, that concern has liquid assets amounting to £184,000, apart from plant, building and machinery. There are creditors to the extent of £47,000 and debtors by whom £55,000 is owing. Thus the amounts owed by debtors exceed those owed to creditors, the liquid assets exceed the overdraft with the Treasury, and, in addition, a profit of £116,000 over and above the total capital cost of the concern has been made within a decade. The Bill asks that we should hand over, lock, stock and barrel, such a profitable concern as this to the Government. There is another important reason why we should not do that. For years past the State trading concerns have been misrepresented. In this year's annual report presented by the Minister for Works and State Trading Concerns, there is a glaring misstatement concerning the sawmills. On page 6 of that report it is stated that depreciation amounting to £140,000 has been provided, but in the financial statement the amount is shown as £170,000. That means to say that the amount provided for deprecia-

tion has been understated by £30,000. I do not know whether that is merely an error, or whether it has been done wilfully. If it is an error, it is most unpardonable for any officer to submit such a statement to his Minister and through his Minister to the House. In view of the general policy of misrepresentation regarding State trading concerns, I am inclined to think that the report is furnished with the object of making the position of the State Sawmills look as bad as possible. We are asked to hand over a gold mine like the State Sawmills to the whim of five individuals, who are to be given power to dispose of that enterprise whenever they feel so inclined. As the member for North-East Fremantle (Hon. W. C. Angwin) has pointed out, any member who would forego his right to veto such a transaction, would act disloyally to his constituents. It is the very essence of representation that an hon. member shall hold for the people all the powers he possesses on their behalf. I would not be justified in relinquishing one right I possess as a member of Parliament without the full consent of my electors.

Mr. A. Thomson: Can you give me one instance of a Ministerial action having been vetoed in this House?

Mr. HUGHES: I can give many instances where Ministers have not been permitted to do what they desired.

Hon. P. Collier: It is an every day occurrence in every session of Parliament.

Mr. HUGHES: Last night the House vetoed the action of a Minister regarding the Connolly case.

Mr. SPEAKER: Order! The hon. member must not continue along those lines. I am allowing him a lot of latitude.

Mr. HUGHES: Parliament demands from Ministers that they shall advise members what they intend to do. We would not dream of giving a Minister a blank cheque and authorising him to impose taxation without reference to Parliament. We demand an explanation of what the amount of tax is to be, how it will be collected and how the money derived from that source is to be expended. In this instance, should a Minister desire to sell a State trading concern, we should know the conditions under which the concern is to be sold, the price to be paid, and the period over which the debt is to be liquidated. We should require to know everything that a director of a business would want to have before he agreed to dispose of the assets of his business. If we were prepared to accept less, we would not be carrying out our duties on behalf of our constituents. We are asked to trust Cabinet. We are not prepared to do so. There is no Parliament throughout the British Empire that is prepared to trust a Cabinet. As a constitutional Assembly we have certain rights empowering us to review the actions of the Government before, and not after, actions, such as those contemplated in the Bill, are undertaken. The right of veto is the only

privilege worth having. If we give up that right and permit a Government to do as they like we will not be carrying out our functions properly. We might have the utmost confidence in the business acumen and commercial integrity of the Government now in charge of the Treasury bench. If we foolishly delegated our powers to them, however, we might make a grievous mistake, because in the course of time a new Cabinet might take charge of the State's affairs and Ministers in that Cabinet might be devoid of business acumen or commercial integrity.

Mr. A. Thomson: They would be the representatives of the people just the same.

Mr. HUGHES: But the Cabinet might not have the ability to handle such a proposition as is contemplated by the Bill.

Mr. A. Thomson: The fact remains that they would be sent there to represent the people.

Mr. HUGHES: We must remember that at one time we had a Premier who, it was said, lacked business acumen and who, when he came in contact with smart business men, proved to be the proverbial "mug." He committed the State to a certain proposition which created much adverse criticism. He was charged with doing this thing behind the backs of Parliament. He was pursued for years by the very people who are now seeking to make possible a similar state of affairs. Had Parliament of that day the right of veto we now possess, the Premier I refer to would have had to submit his proposal to hon. members.

Mr. A. Thomson: You are only flogging a dead horse, because if a Premier has an absolute majority in the House, he can get through anything he wants to.

Hon. T. Walker: But the matter would have to be brought before the House and be discussed.

Mr. Corboy: The public would then know something about it.

Mr. HUGHES: Even with a majority such as is suggested by the member for Kataning (Mr. A. Thomson), a Premier is not assured of support for everything he proposes. If a proposal he has in hand is detrimental to the interests of the State—

Mr. A. Thomson: And he has a majority behind him, he can get it through.

Mr. HUGHES: From time to time when such cases have arisen, some of the Government's supporters have crossed the floor and voted against such propositions with the result that the Government have been defeated. That is the crux of the position. Members have the right now to veto a proposal which they do not regard as in the interests of the State.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. HUGHES: The Bill seeks to delete a proviso from the State Trading Concerns Act. To decide whether such a course is justified we must examine the reasons that

actuated Parliament in placing that proviso in the Act. Section 25 of the Act reads—

Subject as hereinafter provided the Minister may sell or lease any trading concern for such amount and upon such terms and conditions as may be approved by the Governor in Council. Provided that possession shall not be given to any intended purchaser or lessee under a contract of sale or agreement for lease until the approval of Parliament has been obtained.

It is proposed to delete the proviso that makes it mandatory for the consent of Parliament to be first obtained. When the Parliament of 1916-17 placed that restraining proviso in the Act, they did so for a good and definite object. Clause 25 of the measure occasioned more discussion than all the other clauses put together. The pros and cons of the intention of the clause were fully debated. Before we can cast an intelligent vote upon this Bill, we should consider a few extracts from the speeches on that occasion.

Mr. SPEAKER: What purpose will they serve?

Mr. HUGHES: They will show why the proviso was considered necessary. That is the whole crux of the argument. We should have regard for the reasons that prompted the insertion of the proviso before hastily removing it from the Act. "Hansard" of the 15th November, 1916, page 947, reports the member for Boulder (Hon. P. Collier) as having interjected, "They might sell without reference to Parliament." The Minister for Works and Trading Concerns (Hon. W. J. George) was emphatic in his reply—

They could start a trading concern without reference to Parliament. We on this side of the House say that that view is wrong; that if the State is to enter into competition with its own taxpayers, the representatives of the people in Parliament should have a voice in saying whether or not such a concern should be started.

Mr. SPEAKER: The starting point has nothing to do with the present Bill.

Mr. HUGHES: I am trying to illustrate the principle and to show why Parliament should retain this power. The Minister for Works was fully seized of the necessity for maintaining the power in the hands of Parliament. He said, "We say that view is wrong," thus inferring that members of the then Opposition thought otherwise. There was no doubt in the mind of the Minister for Works that the proviso was vitally necessary. I now propose to quote from a speech of your own, Mr. Speaker, and I am sure you will agree with the wisdom of it—

We find that the real essence of the policy of the Liberal Government is to dispose of the people's property without asking the permission of the people.

No doubt there is a fund of wisdom in that sentence. It puts the whole case in a nutshell—

The people of the country can no longer believe in them after having watched the reports of the financial operations as they

appear each month. We find the deficit is getting bigger and we find, too, that the losses each month are becoming greater, notwithstanding that the revenue shows an increase.

The Premier: What has that to do with the Bill?

Mr. HUGHES: It is a fine testimony to the Speaker in his younger days. I commend to the Premier the Speaker's words, "They want to sell the people's property without the permission of the people."

The Premier: The trading concerns were bought without the permission of the people.

Hon. T. Walker: No.

The Premier: They were.

Mr. HUGHES: Mr. W. D. Johnson said—

This is an important clause that cannot be agreed to in view of the divisions that have taken place. The very idea of the Minister for Works asking Parliament for power to dispose of State trading concerns without consulting Parliament is too ridiculous for comment.

Those quotations are largely from members supporting the Government. This goes to show that the Government do not want the measure. They never did want it. Those who constituted the Government in 1916 could see the folly of it, and had the wisdom to say it was not in the interests of the State. The member for Albany referred to the matter thus—

My proposal will get the Government out of the whole difficulty. It is that Parliamentary approval should be obtained before a contract for sale or lease is finalised. If the Government are not prepared to do this, I will move an amendment.

It is regrettable that the Minister for Railways is not here to-night to cast his vote. He was fully seized of the necessity for safeguarding the people's rights. It has been amply demonstrated that the proviso was inserted for a very good reason, namely, to prevent the Government from selling the people's property without the consent of the people. There are no restrictions upon the Government if they wish to sell the trading concerns. They have a clear majority of 14 and a very sympathetic Upper House. There is no reason why they should not sell the trading concerns to-morrow if they so desire. Under the Act they have the power to sell; they have a majority to put such a proposal through. Therefore it is a waste of time to debate the question of eliminating the proviso. I hope the Bill will not be agreed to.

Mr. PICKERING (Sussex) [7.43]: I support the second reading. It is not necessary to traverse the ground covered by previous speakers. The Bill simply seeks to excise a proviso of the Act that prevents the disposal of State trading concerns. I am surprised that the Government have not made this a Government measure. They were returned practically with an authorisation to dispose of the State trading concerns, and they realise

that unless this proviso is deleted, it is impossible to bring about a sale. Last session a similar Bill came to us from another place, but no notice was taken of a suggestion that the Government should introduce such a Bill. It has been left to the member for Kataning to introduce a measure which properly speaking should have emanated from the Government. I hope the House will come to a decision on the question. It is late in the session, and a further adjournment will mean shelving the Bill. There is no doubt if the Government are sincere on the question, they must oppose an adjournment. I hope the specious arguments advanced by members opposite as to the paying nature of the trading concerns will not weigh with members. It is not now a question as to whether the trading concerns pay or do not pay. It is a question as to whether their existence is regarding that which private enterprise might do.

Mr. Marshall: What is private enterprise?

Mr. SPEAKER: Order!

Mr. Marshall: I do not know whether the hon. member is ever in order.

Mr. SPEAKER: Order!

Mr. PICKERING: Those are my views. The huge profits made by the State Sawmills have been extracted from the people.

Mr. Marshall: And where does private enterprise get its profits?

Mr. PICKERING: The object of establishing the State Sawmills was to police the industry, but we find that they charge extortionate prices for timber in conjunction with the private companies that are operating.

Mr. Munsie: The State Sawmills are not being run by the State; they are being managed by Millars, and that is the fault of your Government.

Mr. PICKERING: It is my intention to vote for a measure that will assist to bring about the disposal of the State trading concerns.

Mr. Marshall: Of course.

Hon. W. C. Angwin: You have been instructed to do so.

Mr. PICKERING: I am not like the hon. member. I have at least maintained my position.

Mr. Marshall: You could twist and turn in any way.

Mr. SPEAKER: Order! The member for Murchison must keep order.

Mr. PICKERING: I have the courage of my convictions. I have always opposed State enterprises, and will take every opportunity in the future to do so. I am a supporter of the co-operative movement, and I have always been a strong advocate of a co-operative company holding the Busselton Butter Factory.

Mr. Hughes: With Government money.

Mr. Marshall interjected.

Mr. SPEAKER: The member for Murchison must keep order.

Mr. Marshall: Of course he must.

Mr. SPEAKER: Order!

Mr. PICKERING: My arguments apparently cannot be digested by the member for Murchison.

Mr. SPEAKER: The hon. member must keep to the Bill, and not discuss the member for Murchison.

Mr. PICKERING: The Bill is so simple that it does not need much argument to support it. The statements made as to whether the trading concerns are profitable or not have nothing to do with the Bill. It provides means by which it will be possible for the Government to dispose of the trading concerns. We know, of course, that under conditions existing to-day it will be almost impossible to find buyers. If the Government are in earnest, they should oppose any proposal to adjourn the debate and assist in the carrying of the second reading.

Mr. Marshall interjected.

Mr. SPEAKER: If the member for Murchison does not keep order I will have to take drastic measures.

Hon. T. WALKER (Kanowna) [7.50]: I have been endeavouring to gauge the consistency of hon. members opposite who have spoken on this question. It appears to me that they are not clear in their own minds on the subject.

Mr. A. Thomson: We are perfectly clear.

Hon. T. WALKER: I expected the hon. member to say that. Let me ask any member opposite whether he would sell the railways to-morrow?

Mr. Marshall: Not much.

Hon. T. WALKER: Not one member opposite would agree to the sale of the railways, or permit the Government to negotiate for their sale without the sanction of Parliament, or without giving Parliament an opportunity to speak on the matter. Would any of them to-morrow put into private hands our educational system?

Mr. Harrison: You would not call that a trading concern.

Hon. T. WALKER: It is a State monopoly of a public work. I want the member for Avon (Mr. Harrison), whose intelligence none of us will dispute, when he is free to exercise it apart from the prejudices created by the obscuration of this question from outside, to realise that the people violently attacked the State taking over the education of the children of the citizens. We have private enterprise educating our children, and there are those who would still take this work out of the hands of the State. The mere quibbling of words on the part of members opposite does not affect the principle.

Mr. SPEAKER: I do not think education has anything to do with the Bill, or the parent Act.

Hon. T. WALKER: The parent Act is, by the Bill before us, amended in reference to the sale of our industries, and by parity of reason I am showing the absurdity of attacking these and comparing them with other things that it is not desired to sell. There

we have lack of logic and want of consistency. The references I have made to education are perfectly legitimate; in fact, the debate will be impossible if we are not allowed to compare one thing with another having cogency and relationship. I am pointing out the inconsistency of the supporters of the measure now before the House. The principle of nationalisation in certain important enterprises has already been admitted, enterprises that not long ago were in the hands of private competitors. We have found the benefit of putting these under a central control, and their management by the Government of the day. Nobody would think of going back upon those roads of the old times. We have increased a number of the enterprises, but many of them were started for the same reasons that we started education, postal services, and the railways. All these now are nationalised, so to speak, and the member for Kimberley will admit that our State ships were started with a view to nationalising the utilities.

Mr. Durack: I will not admit that they have done better than private enterprise.

Hon. T. WALKER: They have carried on a service that would not have been rendered without them.

Mr. Marshall: Yeoman service.

Hon. T. WALKER: All I ask of hon. members is that they shall act with a fair absence of bias on a question of such importance as this.

Mr. A. Thomson: I trust you will do the same.

Hon. T. WALKER: I thank the hon. member for reminding me. I have no bias in this matter. My views are entirely guided by the services rendered to the public.

Mr. A. Thomson: So are mine.

Hon. W. C. Angwin: They are not.

Hon. T. WALKER: The hon. member is not consistent.

Mr. A. Thomson: I have always been consistent.

Hon. T. WALKER: The hon. member knows he is not consistent. The State Shipping Service could be disposed of under this measure.

Mr. A. Thomson: I will save your time by telling you that I have always been in favour of State ships on the coast.

Hon. T. WALKER: There is a confirmation of all I am contending. The hon. member says now definitely he is in favour of allowing the ships to remain on the coast.

Mr. A. Thomson: Provided the people on the coast cannot get a railway service.

Mr. Latham: The Bill does not say that any one of the concerns shall be sold.

Hon. T. WALKER: Let us take one point at a time. My point is that members opposite are not consistent. The member in charge of the measure advocates a continuance of the ships along the coast where railways are not provided.

Mr. A. Thomson: I said I was not opposed to them.

Hon. T. WALKER: If the hon. member believes that the State ships are for the

public good, and that a certain part of our State is being developed by means of the vessels, and that a number of citizens are being advantageously served, he cannot conscientiously delegate to a few, who may be approached behind the backs of Parliament, the power to sell the State ships which he considers are of so much utility.

Mr. Latham: But the few would not do anything contrary to the wishes of their supporters.

Hon. T. WALKER: I must remind the hon. member that this is not a Toodyay meeting. We are supposed to observe decorum and order.

Mr. McCallum: No biscuits and beer here!

Hon. T. WALKER: The lack of consistency must surely be obvious. Let me take another instance. I do not think I am going beyond the real history of events when I say that even the establishment of the Wyndham Meat Works was undertaken not only for a national but for an Imperial purpose. The whole of the facts cannot be openly stated, because the true genesis of the Wyndham Meat Works is contained in despatches which are the property of the representative of the Crown. But the establishment of the meat works was distinctly a move for preserving to the British Empire the meat supplies produced within the British Dominions. The works had an enormous value, and have done wonderful service. Notwithstanding the loss on the actual output, the value of the works has been of vital importance not only to this State, but to the British Empire. To sell the works and possibly revive the old condition of affairs, when the Empire's meat supplies passed into alien hands, would be a very dangerous step to delegate to a few people having the privilege of the Treasury bench for a brief hour, so to speak.

Mr. Durack: But private enterprise has profited better in the past.

Hon. T. WALKER: Possibly. Why has there been comparative failure in our Government enterprises? Because men like the hon. member interjecting have disseminated sentiments which reacted discouragingly upon the servants of the Government.

Mr. Durack: You are not justified in making that statement.

Hon. T. WALKER: I hope I am doing the hon. member no personal injustice. He has helped to disseminate sentiments that withered the spirit of those enterprises. No matter what work we undertake, we must undertake it with the spirit of success within us, with that optimism which is characteristic of the central figure on the Treasury bench. Otherwise the work languishes. Is it not a fact that in the way of these Government enterprises there have been thrown obstacles which no one would think of putting in the way of private enterprises?

The Premier: They have not had to pay rates or taxes—

Hon. T. WALKER: But there has never been any heart in them.

The Premier: You ran them for a long time yourselves.

Hon. T. WALKER: Yes, and we ran them fairly well.

The Premier: Very badly.

Hon. T. WALKER: We ran them fairly well, in spite of almost insuperable obstacles set at every angle against us.

The Premier: No.

Hon. T. WALKER: Yes.

Mr. SPEAKER: Order! That has nothing to do with the Bill.

Hon. T. WALKER: Pardon me, Mr. Speaker, it has. One of the arguments used by the Premier, and now repeated by him, is that the Bill should be passed because these undertakings have not paid.

Mr. A. Thomson: I did not say that.

Mr. Munzie: You are not the Premier yet. You are rather premature.

Hon. T. WALKER: Those State enterprises have never had a fair go. Every possible misrepresentation and sneer and belittling utterance of public speakers and the Press have been thrown against them.

Hon. W. C. Angwin: And against the men in charge of them.

Hon. T. WALKER: Yes, and the men in charge of them have not always been in sympathy with them. The marvel is that the enterprises have succeeded so well as they have.

Mr. Durack: That is a reflection.

The Premier: They have been honestly and fairly managed.

Mr. Marshall: Who is managing them, anyhow?

The Premier: The managers.

Mr. Hughes: One Minister admitted having restricted the output.

Hon. T. WALKER: Again and again we have had it from the opposite side of the House that the enterprises have been failures and that their management has not been successful. If I wished to detain the House, I could give instances where unsympathetic management has occurred.

Mr. Hughes: In the case of the brickworks for example.

Hon. T. WALKER: However, I do not wish to go into those details. The enterprises have not had a fair chance. Let us look at the facts. The State trading concerns have come in the natural growth, in the evolution, of society. The tendency is in that direction.

Mr. SPEAKER: Order! The hon. member is not discussing the Bill.

Hon. T. WALKER: Pardon me, Sir. With all due respect, I say every word I have uttered is relevant to the Bill.

Mr. SPEAKER: Order! The hon. member is discussing the principle of State trading as against private enterprise. That is the whole burden of his remarks.

Hon. T. WALKER: Quite so.

Mr. SPEAKER: Order! The question is whether the power to sell shall be transferred from Parliament to the Executive.

Hon. T. WALKER: I trust that the minds of all of us in this Chamber are sufficiently

conversant with what is relevant to a subject to know that private enterprise and State trading are both elements of this discussion, and must of necessity be. One must compare the two. Buying and selling are related firms. This Bill seeks to delegate the power to sell from Parliament to the Government. We must have some sense and knowledge of the relationship of terms to each other. I am discussing what is perfectly relevant. Before I was interrupted—and that is a point which, I respectfully submit, should not be permitted from the Chair any more than from a private member—

Mr. SPEAKER: I have no desire to interrupt the hon. member, but the hon. member must realise that he must confine himself to the subject matter.

Hon. T. WALKER: I realise it, but what I do not realise is that you grasp the scope of this great question and its importance.

Mr. SPEAKER: The hon. member can read the Bill that is before him. If there is anything in it dealing with the principle of State trading concerns—

Hon. T. WALKER: How is it possible, Mr. Speaker, without defining State trading concerns, and without understanding something of their origin and their history, to debate whether we shall delegate the power of this House to sell them or part with them? It cannot be done. Section 25 of the parent Act reads—

Subject as hereinafter provided, the Minister may sell or lease any trading concern for such amount, and upon such terms and conditions, as may be approved by the Governor in Council: Provided that possession shall not be given to an intended purchaser or lessee under a contract for sale or agreement for lease until the approval of Parliament has been obtained.

Mr. SPEAKER: That is the whole question.

Hon. T. WALKER: That is the whole question, but one must read the proposal in the Bill against the mutilated section which will stand if the Bill is passed—

Subject as hereinafter provided, the Minister may sell or lease any trading concern for such amount, and upon such terms and conditions, as may be approved by the Governor in Council.

When one gives power to sell, surely it is relevant to say what one is giving the power to sell. Surely one is entitled, in clear and logical discussion, to define what a State trading concern is.

Mr. SPEAKER: That is done in the schedule.

Hon. T. WALKER: Exactly. It is humiliating. Mr. Speaker, not to me, but to the House—

Mr. SPEAKER: The hon. member must not be offensive to the Chair.

Hon. T. WALKER: I do not desire to be, but I desire to discuss a great question, a national question, without being circumscribed or limited, when every sentence I utter is relevant to the issue.

Mr. SPEAKER: I cannot see it.

Hon. T. WALKER: That may be. I cannot help that. I was dealing with the Wyndham Meat Works as one State enterprise.

The Premier: What about the State hotels?

Hon. T. WALKER: The Bill includes the State hotels also. What I have reason to complain of is that the schedule does not include other nationalised works which are as distinctly interferences with private enterprises as are any of the State trading concerns. We are making an unfair distinction. We are asked to give the Government power to sell certain trading concerns.

Hon. W. C. Angwin: We know why the meat distribution is not included. They made £20,000 profit from the works and collared it.

The Premier: What did you collar?

Hon. W. C. Angwin: Oh, you were not Premier then.

Hon. T. WALKER: They did not put into the schedule other trading concerns that are just as much an interference with private enterprise as are these. Why should this distinction be? Because all the trading concerns here included were created by the Labour Government.

The Premier: They belong, not to any Government, but to the people.

Hon. T. WALKER: But these have been put into the schedule simply because they came from a Labour Government, although everybody knows that the other concerns, such as railways and batteries, are just as much matters of private enterprise as is any of these. Now I want to deal with another phase of the question. If there be any value in Parliamentary government, it consists in giving the Parliament, more particularly this branch of Parliament, power over the purse. Every student of Responsible Government knows that has been the focus of battle for centuries, namely, the right of the Assembly to control the purse. We had to wrest from the king the power to sell behind the back of the common council, and afterwards of Parliament, what really belonged to the people. Our wars, our deposition and execution of kings, our placing of kings as part of the Government in a responsible position, but subject always to their lawful advisers—all that has come about through many a battle for the command of the purse. And so lightly is it considered here, that it is to be wiped away at the instigation of those who wish to enter into enterprise free from competition by the State. It is merely the speculative amongst the community who want this field cleared for themselves. And in response to that stimulus, we have members willing to throw away the rights so painfully established, forgetful of our history. If the Government cannot buy or establish a State enterprise without the consent of Parliament, surely they cannot sell without the consent of Parliament! One follows the same line of reasoning as the other. Once these works are established they are the people's works, and the only way the people can speak is through

their chosen representatives in this House. Every one of the State enterprises has become the property of the people. We cannot deal with the people's property without consulting them, and the only way to consult them is through their appointed representatives in this Chamber. To abolish this provision in the 1916 Act is to cut away the foundations of Responsible Government. We have a say, not only in the imposing of taxes, but in the handling of property belonging to the State. As the Leader of the Opposition clearly showed, we may not divert the purpose of a Class A reserve without bringing the matter to this House. Yet these great undertakings are just as much the people's property. The Bill proposes a violation of the sacred principles of constitutional Government, a serious departure from the rules that should guide a responsible Parliament. What is there to be afraid of?

Mr. A. Thomson: What are you afraid of? Why not let this go to the vote?

Hon. P. Collier: Why should you curtail debate on it?

Hon. T. WALKER: I have no objection to taking a vote as soon as possible, but I want the House to appreciate what it is asked to do. It is asked to sell the rights of Parliament in order to satisfy the clamours of a few speculators outside these walls. In point of money values, we in this House are the trustees of the people, and trustees cannot delegate their trust. We cannot get rid of our responsibilities. We must administer our trust, and we must be consulted, and must have a voice when the people's property is to be disposed of.

Mr. MANN (Perth) [8.25]: I move—

That the debate be adjourned.

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

Ayes	..	..	..	..	16
Noes	..	..	..	..	19

Majority against .. 3

AYES.

Mr. Brown	Sir James Mitchell
Mrs. Cowan	Mr. Plesse
Mr. Davies	Mr. Sampson
Mr. Denton	Mr. J. H. Smith
Mr. Durack	Mr. Stubbs
Mr. C. C. Maley	Mr. Teesdale
Mr. H. K. Maley	Mr. Underwood
Mr. Mann	Mr. Mullany

(Teller.)

NOES.

Mr. Angwin	Mr. Marshall
Mr. Carter	Mr. McCallum
Mr. Chesson	Mr. Money
Mr. Collier	Mr. Pickering
Mr. Corboy	Mr. A. Thomson
Mr. Heron	Mr. Troy
Mr. Hughes	Mr. Walker
Mr. Lambert	Mr. Willcock
Mr. Latham	Mr. Munsie
Mr. Lutey	

(Teller.)

PAIR.

Ayes:—Mr. Latham. Noes:—Mr. Wilson.

Motion thus negatived.

Mr. McCALLUM (South Fremantle) [3.28]: The issue we have to decide is, not whether or not we are against State enterprise, but whether or not we are against allowing the Executive power to sell the people's property or whether we think that power should be left with Parliament.

The Colonial Secretary: Is your mind still running on the executive?

Mr. McCALLUM: Yes, but not so much perhaps as is the mind of the Colonial Secretary, who has furnished me with an analogy. He and his party members are not prepared to vest party control in the executive of the 'Primary Producers' Association, but they are perfectly willing to vest in the State Executive the disposal of the people's property.

Mr. Mann: It is a very poor analogy.

Mr. McCALLUM: Six men in this Chamber are to be given power to dispose of the people's property.

Mr. Mann: Those are representatives of the people in a responsible position, while the others are irresponsible.

Mr. McCALLUM: Does not the hon. member represent the people of his electorate? Does he propose to hand his rights over to someone else in order that others may carry the responsibility? Why does he propose that an outside executive shall have the power and deny it to those who were elected by their organisation to stand for Parliament to represent the people? He proposes to give the executive power and take it out of the hands of those who represent the people. Is not the analogy a fair one?

Mr. SPEAKER: The hon. member cannot discuss that question.

Mr. McCALLUM: That is the point on which you desire to tie down other speakers. The question is whether the executive shall possess the authority, or whether it shall be possessed by the representatives of the country in Parliament. What a complete change of front there is on the part of some members. What has the member for York to say about it? He opposed the executive having the right to say whether he should contest his seat. He now wants to give the executive power to dispose of the assets of the people. He even went so far as to visit the timber mills and run about the Toodyay electorate, and here he is voting away his authority. The Minister for Agriculture fired his endorsement back into the hands of the executive.

Mr. Latham: That has nothing to do with State trading concerns.

Mr. SPEAKER: Order! It has nothing to do with the question before the Chair.

Mr. McCALLUM: I am entitled to draw this analogy. The member for Katanning and the member for Sussex say that they are consistent, and are accusing the Government of inconsistency. We are entitled to draw an analogy between the position taken

up by some members in giving the executive power, and the stand they adopt in their public capacity outside. The member for Sussex was anxious to be thought consistent.

Mr. Pickering: That is so.

Mr. McCALLUM: Perhaps he has proved his consistency. He has howed his head to an outside executive, and is prepared to submit to them and adopt the same attitude here. Whatever the executive do must be right in his eyes. He says to them, "You do the job; do not bother me with it. I do not care what you say outside, I will do what you indicate."

Mr. SPEAKER: Order! The hon. member must keep to the subject before the House.

Mr. McCALLUM: On our part we adopt the same principle here as we adopt outside. We are opposed to giving power to the executive; we want it kept in the hands of the rank and file. The power should be in the hands of the rank and file and not in that of the executive.

Mr. A. Thomson: I presume you are one of the executive.

Mr. McCALLUM: I was a member of it at one time.

Mr. Pickering: We heard about it. The power behind the throne.

Mr. McCALLUM: I was not the 'autocrat' some people claimed I was. I have always opposed power going to the executive of the movement.

Mr. A. Thomson: One could scarcely believe that.

Mr. McCALLUM: The strength of the Labour movement has come from the fact that the power is in the hands of the rank and file, and has never been vested in the executive. The power of Parliament should not be vested in the hands of any executive. We experienced enough of that during the war. We created a dictatorship, in the hands of one or two individuals, and the country suffered severely thereby. Need I illustrate what happened in the Eastern States where power has been given to the executive to dispose of public property? Within the last few weeks before the High Court of Australia in Sydney the judges definitely stated that the late Prime Minister of Australia had entered into an illegal bargain and a dishonest contract to dispose of public property and assist private individuals. They branded Mr. Hughes as the individual who had disposed of public property at a loss to suit certain trading concerns, against the public interest, so that big profits might be made by certain companies. That was proved before the law courts. Should we not take a lesson from that? Should we trust any half-a-dozen men and give them power to dispose of public property irrespective of what the people think? Have we forgotten the sale of the wheat silos in Sydney? What a scandal surrounded that business! Have we learned no lesson from what has happened when Governments have been given these powers and exercised them? I could go through a long list of scandals

and abuses incidental to this kind of thing. I am surprised that members should give this Bill two minutes' consideration, and should agree to follow on the lines adopted in the Eastern States. No doubt the Premier, who professed to be fair, attempted to be so when he set out the financial position of the State trading concerns since their inception. He was, however, not altogether fair in what he said. He stated that the State Shipping Service had made abnormal profits during the war, that they could not be expected to make them now, and that the loss on the State trading concerns would be considerable from now on. He did not point out that while the State steamers made abnormal profits during the war, the State Sawmills and the meat works at Wyndham made abnormal losses because of the war. Now the war is over the State steamers will go back to normal, and these other two works will go back to normal. When trade resumes its normal position this should happen. Is it fair to say this about one State activity and not about the others?

Mr. Mann: Timber has been at an abnormal price.

Mr. McCALLUM: I have never known it to be so dear. While the war was on, the State financed a number of timber hewers to cut sleepers for stock, there being no market for such things at the time. Hundreds of thousands of sleepers were lying alongside the railways, and numbers of men were employed to cut them.

Mr. Mann: There was no loss on them.

Mr. McCALLUM: The Government were out of the money for some years, and could get no sale for the sleepers. What they ultimately fetched, I do not know.

Hon. P. Collier: Over £100,000 was laid out in stock.

Mr. McCALLUM: In order to give employment. There is reason to believe that the position at Wyndham will improve. There are losses at present on those works, but if the State had not undertaken them, the loss to the country would have been greater, because of the setback to the cattle raising industry, than would have been the case if the works had not been established. What would have become of the 30,000 head of stock already treated this year? What would the growers have done but for these works? The first outcry for them came from the pastoralists. The statement was made in St. George's terrace by wealthy stock owners that if the State Government did not erect meat works in the North-West, they would appeal to the Commonwealth Government to do so.

Mr. Mann: At the price of meat to-day it does not pay the growers.

Mr. McCALLUM: The meat market is in a chaotic condition.

Mr. Mann: They are getting £4 for a fat bullock.

Mr. McCALLUM: What did they get before?

Mr. Hughes: About £2 10s., and they could not sell them.

Mr. McCALLUM: Under £2.

Mr. Durack: How do you think we existed before?

Mr. Hughes: You would not let the small man sell his cattle.

Mr. Durack: We existed for 30 years before the works were established.

Mr. McCALLUM: We could tell a tale of how some people existed. I do not know who are included by the hon. member's "we."

Mr. Underwood: All the people in Kimberley.

Mr. McCALLUM: He has no right to speak for them all, for the people of Kimberley asked for the works, and would not agree to selling them. Perhaps the attitude of the member for Kimberley in this Chamber brought about the meeting in his electorate asking for his resignation, and accounted for his not being nominated for the seat. He has been practically pushed out of his seat, and told by the residents of his electorate that he was not wanted.

Mr. Durack: Thank you for the information.

Mr. McCALLUM: I read in the local paper an account of the meeting.

Mr. SPEAKER: Order!

Mr. McCALLUM: I saw a copy of a telegram sent to the hon. member, practically telling him he was not wanted in Wyndham and that the people were looking for a local man.

Mr. Durack: Plenty of people have been told that.

Mr. McCALLUM: I have given the hon. member information that I read in the paper published in his district.

Mr. SPEAKER: Order! That has nothing to do with the Bill.

Hon. P. Collier: He is getting out while the going is good!

Mr. McCALLUM: The Premier made another extraordinary statement when he said that not one extra person had been employed in Western Australia because of the existence of the State trading concerns. I can hardly believe that the Premier really thinks that is so.

Mr. Munsie: He did not mean it.

Hon. M. F. Troy: If he did, the statement was ridiculous.

Mr. McCALLUM: He must be convinced on that point himself. The whole field is open to anyone to establish works to manufacture, for instance, agricultural implements.

Hon. M. F. Troy: It is free for anyone to do that now.

Mr. McCALLUM: That is so. Why did private enterprise fail for all the years prior to the establishment of the State Implement Works, to undertake the manufacture of those implements?

Hon. P. Collier: They did not even make a spade!

Mr. McCALLUM: We are importing half a million pounds' worth of agricultural implements annually now, and why is not that

field exploited? Is it because of the few thousand pounds' worth of machinery that the State Implement Works turn out, that private enterprise is prevented from exploiting such an enormous field? Is it because of the State works that individuals are not content to establish works here and enter into competition with the Eastern manufacturers? We know that is not the position, and yet they say that on account of this little concern at North Fremantle, private enterprise is prevented from entering the field.

Hon. M. F. Troy: We are told, too, that the State works are out-of-date.

Mr. McCALLUM: Yea, and badly managed. We are told that everything there is obsolete, that the management is not possessed of business acumen, and that the concern is run at a loss. We are told that is the position, and yet, because of the existence of the State works, manufacturers are not prepared to come here and open up!

Mr. Munsie: They do not believe those statements, for they know they are not true.

Mr. McCALLUM: The statements amount to mere rubbish.

Mr. Marshall: The National Party believe them, though.

Mr. McCALLUM: This argument is put up for purely private purposes, because certain importers in Western Australia wish to keep the market free. They do not want local manufacturers to start. There are too many traders here who are opposed to the establishment of secondary industries in Western Australia, because their interests are with the Eastern manufacturers. The fact that this is so, is to be found in the financing of the leaflets with which hon. members have been bombarded for so long past, leaflets that contain all the misrepresentation and false statements that can be imagined.

Hon. P. Collier: But the Colonial Secretary erected a new building out of the profits from those pamphlets.

Mr. McCALLUM: Yes, he got the job of printing those documents, and it enabled him to erect commodious premises in Hay-street. If there is no money to be made in manufacturing State implements, there certainly is money to be made in printing pamphlets denouncing State enterprise.

Mr. SPEAKER: Order! The hon. member must keep to the subject.

The Colonial Secretary: Most of that came from the Eastern States.

Mr. McCALLUM: The name of the hon. member's firm appeared on most of them we saw!

The Colonial Secretary: Those pamphlets advocated local private enterprise.

Mr. McCALLUM: There is not one member of this Chamber who does not believe that if the State Implement Works were sold to-day, they would be closed down. As a matter of fact, if they were put up for sale to-morrow, the highest bidders would be interested manufacturers from the Eastern States who would close down the works and thus

leave the Western Australian market open to them without any State competition.

The Colonial Secretary: You do not know that as a fact.

Mr. McCALLUM: I am certain of it.

Hon. P. Collier: They have done it.

Mr. Mann: It would depend upon the conditions of sale.

Mr. McCALLUM: Here is a new argument!

Mr. Munsie: Here is a brain wave at last!

Mr. McCALLUM: The member for Perth (Mr. Mann) says that it should be a condition of sale that the purchaser must carry on the works. If he can get individuals to believe that type of argument, no wonder they can believe some of the arguments advanced against State trading!

Mr. SPEAKER: This has nothing to do with State enterprise.

Mr. McCALLUM: My word it has! Fancy the gullibility of the member for Perth who can believe such a statement as that.

Mr. Corboy: Fancy that, after all the tales he has listened to during his lifetime.

Mr. McCALLUM: Fancy suggesting that it should be a condition of sale that the works must be carried on!

Mr. Hughes: The member for Perth did not consult the member for Bunbury before making such a statement.

Mr. McCALLUM: Suppose Hugh Victor McKay bought the State Implement Works for three-quarters of a million, and those works became private property. Suppose it was a condition of sale that he should carry on the business. In the event of him saying, "I will shift these works to Sunshine," what would the member for Perth do?

Hon. P. Collier: Cancel the sale!

Mr. McCALLUM: And we would retain his three-quarters of a million! That is a fine argument.

Mr. Mann: It is a good one, too.

Mr. McCALLUM: It is the most extraordinary argument I have ever heard yet.

Mr. Durack: We would probably get much cheaper machinery.

Hon. P. Collier: The member for Perth's argument was original, anyhow.

Mr. McCALLUM: If that suggestion could be applied to State enterprise, why is it that such a proposal has not been advanced before? Why is it that our captains of industry and men who are leaders in the commercial life of the community have not thought of any such thing before? Why has not the member for Bunbury (Mr. Money) suggested such a thing when he has framed conditions of sale for his clients?

Mr. Money: The member for Bunbury confined his argument to the amendment when he spoke.

The Colonial Secretary: What about coming back to earth?

Mr. McCALLUM: Another contention raised by the Premier was that the establishment of State enterprise had not resulted in a check against the increase in the prices of different commodities, such as timber, bricks, and so forth.

Mr. Duraek: The freights have been higher on the North-West coast, notwithstanding the existence of the State Shipping Service.

Mr. Marshall: When private ownership controlled the shipping, they filled all the space and the small man could not get a look in. That was before the State steamers ran along the coast.

Mr. McCALLUM: The member for Kimberley (Mr. Duraek) knows the position well.

Mr. Marshall: I will give him some information on the point later on.

Mr. McCALLUM: The North-West coast of Western Australia was one of the few spots on earth during the war, where freights were not materially increased.

Mr. Duraek: They were increased, nevertheless.

Mr. McCALLUM: To an infinitesimal extent, as compared with freights from Fremantle to the Eastern States, and from here to the Old World. The establishment of State steamers, no doubt, accounted for the reasonable freights charged during that time.

Mr. Duraek: Perhaps you do not know that we chartered space at £2 8s. per head prior to the war. What is the freight charged now?

Mr. Hughes: You would not allow the small man to sell. If they did not sell to you, they could not dispose of their cattle.

Mr. Marshall: That is true.

Mr. SPEAKER: Order! The sale of cattle is not under discussion.

Mr. McCALLUM: My word, it is! It is a vital issue in connection with the subject under discussion. The existence of the Wyndham Meat Works, which is referred to in the Bill, meant the sale of 30,000 cattle last season.

Mr. SPEAKER: Will the hon. member read the Bill and show where that comes in?

Mr. McCALLUM: The Bill provides an amendment to the Act, the schedule of which includes reference to works which dealt with 30,000 cattle during the last season. If power is given to the Government to sell those works, it may mean that the small growers will not be able to carry on.

Hon. P. Collier: Sheed, Thomson & Co. will control the position for the American Meat Trust.

Mr. McCALLUM: All the cattle running in the North-West are affected by the Bill.

Mr. Duraek: You can assume that, but you cannot prove it.

Mr. McCALLUM: It is only since the Wyndham Meat Works were established that small men in the North have been freed from the grip of the monopolists. Prior to that the big men were able to charter all the ships and control the position.

Mr. Duraek: We have heard a lot about that in the past.

Mr. McCALLUM: Sales made by the small pastoralists were at the dictation of the bigger holders, as to whether shipping space would be available or not. Instances have been known where the big cattle people char-

tered the whole available space and ran boats down empty.

Mr. Marshall: That is quite right.

Mr. McCALLUM: Now the small holders can secure a market for their stock.

Mr. Duraek: Where did you get your information?

Mr. McCALLUM: This was the information that prompted the Labour Government to erect the works originally. This was made known to the public years ago. It was the case in favour of the establishment of the works.

The Minister for Agriculture: The Government had the right to establish works for the cattle growers in the North-West, just as much as we have the right to establish butter factories in the South West.

Mr. Marshall: Quite right, Harry!

Mr. McCALLUM: We have just as much right to say that the State shall keep the works going in the interests of the cattle industry in the North as we have to say that the State should step in and take over the butter factory at Northam from private enterprise. I do not know what the Premier had in his mind when he said that, despite the existence of State enterprise, the cost of timber, bricks and so on had gone up. I do not know on what argument he could base his statement that the prices had not been materially affected by the existence of the State trading concerns. If there had been no increase in the price of other commodities there might have been something in his argument. Can the Premier tell us any particular line that has not gone up in price since the war? Can he buy a suit of clothes at the price he paid previously?

Mr. SPEAKER: The hon. member cannot pursue that line of argument.

Mr. McCALLUM: Am I not entitled—

Mr. SPEAKER: You are not entitled to deal with everything from Dan to Beersheba—suits of clothes and everything else.

Mr. McCALLUM: Surely I am entitled to put up a case against that of the Premier.

Mr. SPEAKER: The hon. member must stick to the subject.

Mr. McCALLUM: The Premier tried to show that State enterprise had not proved a check on prices. I ask representatives of the farmers whether they have checked the prices of spare parts for agricultural implements here and in other parts of Australia.

Mr. Marshall: They have not checked their own waywardness yet.

Mr. McCALLUM: Have they checked those prices?

Hon. P. Collier: They have not bothered.

Mr. McCALLUM: If they checked them they would find that the State Implement Works had kept down the prices of spare parts. The member for Sussex (Mr. Pickering) admitted that the State Sawmills had made substantial profits.

Mr. Marshall: So have the architects.

Mr. McCALLUM: The hon. member said they had made over £100,000 profit but

argued that that money had been taken out of the pockets of the people.

Mr. Marshall: Have not the architects done the same?

Mr. McCALLUM: The hon. member's arguments remind me of the historic statement of the present Minister for Mines when he was Premier. In referring to the deficit he said, "What does it matter if we have a deficit of one million pounds? It is in the pockets of the people."

The Minister for Agriculture: They have a bigger pocket now; that is the difference.

Mr. McCALLUM: They have six millions in their pockets to-day.

Hon. P. Collier: How wealthy they are to-day!

Mr. McCALLUM: If the £100,000 profit from the State Sawmills has come out of the pockets of the people and there are considerable losses on other State activities, those losses must be in the pockets of the people.

Hon. P. Collier: That is what justifies the "West Australian" in saying there is such prosperity.

Mr. McCALLUM: We are led to believe the State was never so well off. According to some members the greater the deficit, the more the people have in their pockets. That is about as sound as the argument of the member for Perth (Mr. Mann) that these enterprises should be handed over only on condition that the purchasers carry them on. I had hoped that members supporting the Bill would show some sound business reason for it. They are always telling us it is bad business for the State to engage in industry, that it means throttling private enterprise and that it is no function of the State to take a hand in commerce. What business argument can be advanced in favour of the Bill? If these businesses belonged to them as private individuals, would they permit someone else to dispose of them without any reference to them? Would they delegate their power as owners to someone else to sell their business without reference to them? Are the people to have no say as to whether these concerns shall be sold? We have reason to believe that but for this proviso in the Act, the State Sawmills would have been sacrificed, notwithstanding that public opinion was strongly against their sale. Negotiations had been carried to a considerable length, but the Government knew they had no chance of getting through Parliament a resolution agreeing to the sale. The balance sheet shows that the State Sawmills have made a profit of £100,000. Now we are asked to hand over our veto to half a dozen men that they may do as they think fit with two and a half millions of the people's money. No concern would hand over to its manager the right to dispose of its business. No member on the Government side would agree to his manager disposing of his assets without reference to him. He would insist upon retaining the full power and would decline to delegate his authority to anyone. That is all we are asking. The State enterprises belong to the people and it is for the people's representa-

tives in Parliament to be consulted as to their sale. This Bill is only another means to deprive members of Parliament of their powers. After my short experience in Parliament, I am entirely disappointed with the power of an individual member to accomplish anything. The power has largely drifted from individual members to the Executive. There was a time when a member had some authority in the framing of legislation.

Mr. Money: You have had a fair hand in it lately.

Hon. P. Collier: Lately!

Mr. McCALLUM: The power has drifted into the hands of the Government. They are the controlling force. Parliament to-day has not the power or authority that Parliaments in days gone by possessed. Members have not safeguarded the rights of the people as they should have done. They have allowed to slip from their grasp many of the powers that individual members formerly exercised. Can it be said that any individual outside the Cabinet has any influence or power in directing the finances of the country?

Mr. Pickering: If we have, we do not use it.

Mr. McCALLUM: Of course we have not. The control of the finances is in the hands of one man.

Hon. M. F. Troy: A man that can do no wrong.

Mr. McCALLUM: And his power is seldom challenged. Instead of Parliament framing the financial policy of the country, the power passed into the hands of the Executive and from the Executive it has passed into the hands of the Treasurer. He does the whole job without consulting Ministers, and Parliament is impotent to control the finances of the country. In many ways Parliament has lost its grip and control. No wonder many men get sick and tired of coming here. No wonder they say it is a waste of time, because they cannot accomplish what they thought they could. This Bill suggests that concerns involving two and a half millions of the people's money should be placed entirely in the hands of the Government to do as they like with.

Mr. Hughes: Strictly speaking we cannot do it under the Constitution.

Mr. McCALLUM: If this Bill be passed it will mean that the control will slip from the hands of the people, and the Executive will be hedged in with such authority that we shall be virtually in the grip of a dictatorship. We are drifting back to the days when the people had no voice in the Government of the country, when Parliaments were unknown and when the rights of kings and nobles prevailed. We may as well revert to those conditions as say that six members of the Government shall exercise all authority. It has not been shown that any damage would result from consulting Parliament about the sale of any trading concern. No one has advanced that argument. There can be no argument against the Government putting their cards on the table and saying to Parliament, "These are our proposals; we ask for

your endorsement." This would have to be done by the manager of any business concern. He would have to place any such proposition before his employers. He could not sell a concern on his own account. No one would expect a purchase to be effected without the owners of the property having a say. If the Government wish to dispose of any of the trading concerns, they should negotiate up to the point of obtaining a firm offer and then consult Parliament. There can be no sound case established against that procedure. I hope members will not consent to hand over any of the very limited powers they still possess. We should not go on whittling away the powers of private members. Even now we might go to our electors and candidly admit that, unless we are amongst the six members constituting the Government, we have no more influence or power than have private citizens. We must not hand over extra authority and render ourselves impotent. Members should not agree to this extended power for the Government, because it would mean taking from Parliament the power it now possesses.

Hon. M. F. TROY: I move—

That the debate be adjourned to this day three weeks.

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

Ayes	..	..	..	..	16
Noes	..	..	..	..	22

Majority against .. 6

AYES.

Mr. Angwin	Mr. McCallum
Mr. Chenson	Mr. Richardson
Mr. Collier	Mr. Teesdale
Mr. Corboy	Mr. Troy
Mr. Heron	Mr. Walker
Mr. Hughes	Mr. Willcock
Mr. Lambert	Mr. Munis
Mr. Lutey	(Teller.)
Mr. Marshall	

NOES.

Mr. Broun	Mr. Mann
Mr. Carter	Sir James Mitchell
Mrs. Cowan	Mr. Money
Mr. Davies	Mr. Pickering
Mr. Denton	Mr. Plesse
Mr. Durack	Mr. Sampson
Mr. Harrison	Mr. J. H. Smith
Mr. Hickmott	Mr. Stubbs
Mr. Latham	Mr. A. Thomson
Mr. C. C. Maley	Mr. Underwood
Mr. H. K. Maley	Mr. Mullany
	(Teller.)

PAIR.

AYES.	NOES.
Mr. Cunningham	Mr. Johnston

Motion thus negatived.

Mr. UNDERWOOD (Pilbara) [9.20]: I support the Bill. I did all I could to oppose the Act being passed, and so did quite a num-

ber of other members, but the numbers were against us. I say unhesitatingly we should repeal the proviso in the Act which compels the Government to submit the question of proposed sale to Parliament. We have heard something about the whittling away of the power of Parliament and giving it to six Ministers, or rather five. But those five must have 20 members behind them, and if we do not like what the five Ministers do we can put five others in their places. That is sound logic.

Mr. Hughes: It is not even sense.

Mr. UNDERWOOD: After listening to the member for East Perth I do not think he is a judge of sense.

Mr. Hughes: I am a judge of nonsense.

Mr. UNDERWOOD: I admit that.

Mr. Hughes: I am glad you admit it is nonsense.

Mr. UNDERWOOD: No; I admit you are a judge of it. I am in favour of State trading concerns, and I am also in favour of the Government, with a majority behind them, doing the best they possibly can without referring every little detail to Parliament.

Hon. W. C. Angwin: Two and a-half millions, of course, is only a detail!

Mr. UNDERWOOD: The Government that introduced most of these concerns have had no restrictions whatever on them; all they had was the number sitting behind them. We have heard about Wyndham and we have said that the Wyndham works should not have been included. I want to keep my Parliamentary gold pass very much, but I will give it to anyone who can sell the Wyndham works. We have also heard a good deal about the cattle men, big and little, in the far North. I know more about them than do most hon. members, and I know that both the big and the little men are going out of the business. They cannot get £4 for a fat bullock at Wyndham; they cannot sell the bullocks. The Government are not obliged to continue operating the trading concerns. If hon. members decide that we shall not sell the brickworks, very well, we will not sell them. But there is no law that can compel us to continue to work them.

Mr. A. Thomson: That is true. Remember the fish shops and the meat shops.

Mr. UNDERWOOD: Regarding the State ships, did not the Government without referring the matter to Parliament, sell the "Western Australia." They could have sold the "Kangaroo"; they can sell any one of these ships. There is nothing to prevent the Government disposing of any vessel they own. This is only a camouflaged motion. It does not deal with the principle at all. I am in favour of the State trading concerns that we have, but I want to give a Government with a majority behind them in this House, the power to do the best they can in the way of dealing with any of the utilities owned by the State. Therefore I intend to support the Bill.

Hon. M. F. TROY (Mt. Magnet) [9.28]: The hon. member who has just resumed his seat told us that the Government could not sell the trading concerns because they would have to answer to their 25 supporters. That is a specious kind of argument and very plausible. But, when one remembers what the Government have already done, it will not carry much weight. Are not some of the members referred to by the member for Pilbara, guilty of having supported the Government that brought off the Lake Clifton railway job? Were they not silent for two years regarding that job? Did they not fight the elections with a gentleman who was associated with that job, and will not they again fight the elections with the same gentleman? Those members know that it was one of the greatest jobs perpetrated in this country, and that it resulted in the throwing away completely of £70,000. Now we find that the leases have been abandoned. The Government were not game to bring in a Bill themselves to provide for the disposal of the trading concerns without reference to Parliament; they left it to the leader of the party of three. The Government that wants to get rid of the people's property in this way have stood behind some of the rottenest business propositions in the State, to wit, the Fremantle freezing works and the Carnarvon freezing works, as well as the butter factories all over the State, and numerous private enterprises. The total of the enterprises which the present Government stand behind, and which are all failures, would amount to nearly £200,000. Now, if the Government got rid of the State trading concerns, what is going to take their place? Recently the member for Wagin (Mr. Stubbs) visited Java, and he with other members gave to the people of this country, through a Press interview, an account of what was happening there. From leading articles in the "West Australian" and the "Daily News," we have learnt that our commercial men have ruined the reputation of this country in Java and also in South Africa.

Hon. P. Collier: They sold rotten flour to South Africa, and ruined the reputation of Australian flour.

Mr. Marshall: And they sold rotten jams and fruits in Asia.

Mr. Lutey: Good old private enterprise!

[The Deputy Speaker took the Chair.]

Hon. M. F. TROY: Private enterprise cannot take the place of our State trading concerns, because private enterprise has not acted honestly by the country.

Hon. P. Collier: The Commonwealth paid £100,000 to compensate the people of South Africa for the rotten flour shipped there; the Commonwealth did that in order to preserve the good name of Australia.

Mr. Harrison: That flour was not grown in this State.

Hon. M. F. TROY: Never mind where it was grown. It was sold to South Africa

by private traders in the Eastern States. Reverting to our State enterprises, if Western Australia does not embark on those enterprises, who is going to do it? Private enterprise is dishonest, utterly dishonest, and proved to be so. It has ruined our markets abroad.

Hon. P. Collier: And profiteered on us at home.

Hon. M. F. TROY: Of the State enterprises we can say at least that they have turned out an honest article at an honest price. The mover of the Bill is alleged to be a member of the Country Party—I do not know which particular branch of the party at the present time. But the hon. member is here primarily representing the farmers. I do not think he has ever been engaged in the farming industry for one day of his life. He is a contractor. I am perfectly frank about this. We know that all the opposition to these State enterprises, all the clamour to sell them, has come from one class only—the business men of this city and those associated with them. We know that the State Implement Works have sold to the farmers hundreds of thousands of pounds worth of implements. That will not be denied. The farmer who purchased those implements has no desire to get rid of them. But he must get his spare parts. Without those he cannot carry on. If the State Implement Works closed to-morrow, then the Western Australian farmer would have to scrap machinery which cost him hundreds of thousands of pounds, and would have to buy afresh from somebody else. Is an honourable member who comes to this House asking that the works shall be sold or abolished acting in the interests of the farmer? The hon. member is not game to express an opinion. Let me read something published in the "Primary Producer" by a farmer—

What producers are thinking—State trading concerns. It will be noticed that a most determined attack is being made on State trading concerns in and out of Parliament, and chiefly by the Nationalist members, or the old Liberal element calling itself Nationalist. It behoves primary producers to keep a watchful eye on this movement, as their friends, the manufacturers, will spare no effort to destroy these concerns either in the present or the next Parliament. Generally it may be admitted that the primary producers do not favour State trading, but at the same time they look to the State to safeguard their interests in such concerns. The chief offender is frequently instanced as being the State Implement Works. It has erred only in the eyes of the manufacturers, but during past years and the present term, what a safeguard these works have been to producers by giving them some little assistance against tariffs and high machinery costs. Do not let us lightly lose this safeguard. One of the speakers at a manufacturers' meeting recently, in referring to the claim that such State enterprises acted as a check on manufacturers' prices, described it as "a gratui-

tous insult." Nevertheless it is true. Remove the implement works, and where shall we seek for any check on a united, non-competitive manufacturers' association? It is said that a prominent machinery manufacturer will start works here if we close or dispose of the State works. Of what benefit will this be to producers? Will he guarantee a minimum cost in machinery or duplicates? Will he guarantee duplicates for farmers who have already purchased State implements? What will the position of these latter unfortunates be if the implement works are closed? There is one thing certain, if the present agitation to close the State Implement Works continues it will turn thousands of farmers' votes to the candidate who promises to continue them. These works are a great asset to producers. Again, I say, do not let us lose them lightly.

The Premier: Does the writer sign that letter?

Hon. M. F. TROY: He signs it "A Farmer." You, Mr. Deputy Speaker, know, and the Premier knows, that the other machinery merchants in this country have from time to time endeavoured to put pressure upon the State Implement Works to increase the price of their spare parts.

The Premier: I do not know it.

Hon. M. F. TROY: I know it. These dishonest manufacturers, so the Minister for Trading Concerns (Hon. W. J. George) told us, tried to bribe his workmen.

Mr. Marshall: The Minister flashed the bribe in this Chamber.

Hon. M. F. TROY: These commercial brigands tried to bribe the very workmen engaged in the State workshops, tried to bribe them either to destroy material or to produce a poor class of article.

Mr. Harrison: Have you evidence of that?

Hon. M. F. TROY: The evidence is in "Hansard," given by the Minister for Works, who controls the State Implement Works. The Minister read the letters here. Does the hon. member want any further evidence? I may be pardoned if I say that I have the gravest possible suspicion regarding what is behind this business. Who is it that raised all the clamour against the works? The farmer? No. The farmer has never raised any objection to the State Implement Works.

Hon. P. Collier: The objection has come from the man who manipulates the farmer.

Hon. M. F. TROY: If the question were put to a vote of the farmers—the dinkum farmers, not the St. George's-terrace crowd and the contractors who associate with them—the farmers would absolutely stand by the works.

Mr. Durack: A good deal would depend upon how the question was put before the farmers.

Hon. P. Collier: Your association bought its way into the Primary Producers' Association by contributing to the political funds of that association.

Hon. M. F. TROY: I would be quite willing to put this matter very plainly and definitely before the farmers. Hon. members opposite have never put it clearly before the farmers. They have filled the minds of the farmers with tales of tremendous losses, losses aggregating millions, made by the State trading concerns. I have heard it stated from the platform to the electors that the State trading concerns were responsible for all the difficulties of the State and for the whole of its deficit.

Hon. P. Collier: A Nationalist candidate at the last general election said that the State trading concerns had lost four millions sterling. He was appointed to a judicial position in Papua at a thousand a year for that.

Hon. M. F. TROY: Last night the Premier was very fair in saying that the losses on the State trading concerns had not been much. Moreover the Premier deprecated the clamour raised by the people opposed to the State trading concerns.

The Premier: We want the truth.

Hon. M. F. TROY: As pointed out by the member for North-East Fremantle (Hon. W. C. Angwin), if all the great profits made by the State Shipping Service and other State industries were credited to the State trading concerns as a whole, those undertakings as a whole would show a profit.

The Premier: No.

Hon. M. F. TROY: The "Kangaroo" made a profit of £300,000 in one year.

Hon. P. Collier: And now she has to pay 6 per cent. interest on working capital.

Hon. M. F. TROY: The policy of recent Governments has been to put the profits from State trading concerns into revenue, thus decreasing their deficit. Then they have advanced further capital to the State trading concerns, and on that further capital the concerns have had to pay a stiff rate of interest. That has been the course adopted instead of creating a definite fund for all these propositions and allowing their profits to finance them in the lean years. The hon. member who introduced the Bill has had no mandate from the people to ask that the Government should have the right to sell these concerns. His constituents are mostly grazing people, and so do not buy agricultural machinery. I can understand his attitude towards the State brickworks, for it is said he is interested in the brick combine.

Mr. A. Thomson: I have no interest in any brick works.

Hon. P. Collier: But you build brick churches that fall down.

Hon. M. F. TROY: The only people clamouring for the sale of the State trading concerns are the agents of manufacturers who operate in the Eastern States and abroad. Apart from the brick combine there are in this State no manufacturers who suffer from the competition of the State trading concerns; and the brick combine cannot complain that they are pushed out of the business,

for sufficient bricks to meet the demand cannot be produced. Again, the State Implement Works compete with only the manufacturers of the Eastern States. There are employed in the works 200 men; yet a loyal, patriotic Government want to abolish those works, throw 200 men out of employment, and import implements from the Eastern States!

The Premier: Nothing of the kind.

Hon. M. F. TROY: The State Implement Works are essential to the development of the State. If the Government were anxious to give farmers cheap implements they would not leave the implements works handicapped by obsolete machinery, but would modernise the plant. They have never given the works a chance. Implement manufacturers in the Eastern States introduce new appliances and devices every year, and so are able to produce a better article at a lower cost. For ten years now the Government of Western Australia have not introduced any new device in the State Implement Works, notwithstanding that they know the machinery there to be obsolete.

The Premier: They always were wretched works. Just the same, new machinery has been introduced down there.

Hon. M. F. TROY: Even if in the first instance the machinery was not satisfactory, one would have thought the Government would try to improve it.

The Premier: It has been improved.

Hon. M. F. TROY: Only the other night the Premier himself told us the machinery there was obsolete.

The Premier: Well, your Government had the works for four and a-half years.

Hon. W. C. Angwin: No, only one and a-half years.

Hon. M. F. TROY: The importing agents and the manufacturers are all mixed up together socially, politically, and financially. Men like McGibbon and Monger are social, personal friends, and their financial interests are closely related. One of the group screaming out for the disposal of the trading concerns is a member of Elder, Smith's. This is the humbug behind this agitation: Those people want the State Implement Works. They are not prepared to start such works themselves, but they hope that, backers as they are of the National Party and of the Country Party, they will be able to buy the works cheaply.

Hon. W. C. Angwin: And get the Government to lend them the money to pay for the works.

Hon. P. Collier: And then lend them the money to pay interest on the loan.

Hon. M. F. TROY: Yes, as with the freezing works.

The Premier: That was not so. You ought to be fair, even to the devil.

Hon. M. F. TROY: All the private concerns that are started in this State go to the Government for a loan.

Mr. Money: What has brought that about?

Hon. M. F. TROY: Nationalism. Everybody gets a loan from the Government. There was the proposed loan of £30,000 for Kendenup, moved by the member for Perth.

Hon. P. Collier: That was to be only the first instalment.

Hon. M. F. TROY: The trading concerns will be a worry to any Government that operates them, but what is the alternative? We have been told that private commercial men are dishonest.

The Premier: Only you told us.

Hon. M. F. TROY: The Deputy Speaker said so, and the member for Roebourne (Mr. Teesdale) said so, said that our markets in Java had been destroyed by those people.

Mr. Teesdale: That is right.

Hon. M. F. TROY: Well, those people are dishonest.

Mr. Money: It was the Commonwealth Government that sold the inferior wheat.

Mr. Marshall: No, the Commonwealth Government bought it to save the growers.

Hon. P. Collier: The Commonwealth Government had nothing to do with the sale of that wheat.

Hon. M. F. TROY: During the war the Commonwealth Government entered into a lot of private schemes. They built boats, iron vessels in which dummy bolts were used. The people responsible for the use of those dummy bolts are of a class with those that want us to hand over the State trading concerns to them. What would the people of the North do without the Wyndham Meat Works, or without the State steamers? I once came down on the "Minderoo" and was told by one or her officers that he did not think the Government were serious about the State steamers; that such steamers would be serviceable for only the little men. He admitted that the whole of the space on the "Minderoo" had been chartered by one company which, he said, was good business for the ship, although it meant shutting out small shippers.

Mr Durack: You know what happened to one small shipper by a State steamer.

Hon. M. F. TROY: The State steamers have been the salvation of the North-West, and the people of the North demand the maintenance of the service. Only last year the member for Gascoyne (Mr. Angelo) made a speech in which he referred to the great service extended by the State steamers to the people of the North-West, and in scathing terms spoke of what he called the dishonest practice of Dalgety and Co. in their treatment of the people of the North-West. During the war, freights on our north coast were the lowest in the world because of this State enterprise. Yet we are asked to give the Government, supported as they are by sinister interests in the community, the right to sell these enterprises. To whom are we to sell the State steamers; to the shipping combine? Will that be in the interests of the people?

Hon. P. Collier: It is a world-wide combine now since the war.

Hon. M. F. TROY: Are we to sell the State brickworks to the brick combine, and the State Sawmills to another combine?

Mr. Munsie: To their present managers.

Hon. M. F. TROY: Because of their association with the interests to which I refer the Government are not entitled to have this power. The Chamber of Commerce, and all those people who inundated Parliament and the Press of this country with misrepresentation regarding their losses, are the supporters of the Government. These people have never been game to go on the hustings and fight out the principle, but are now using the member for Katanning for their own purposes.

Mr. Teesdale: The Government are not using him.

Hon. M. F. TROY: I do not think so.

Hon. P. Collier: There is a parasitic influence just outside the House.

Hon. M. F. TROY: The Government are going to the country early next year. Who knows but that a Government headed by the member for Katanning will be returned to power? God forbid!

Hon. P. Collier: Who knows but that Mr. Robinson will be the head of the next Government? He is the man who put up the Lake Clifton joke. Sir Henry Lefroy, who was Premier then, may be Premier again.

Hon. M. F. TROY: Why should we give these people the power that is sought? I do not think members are influenced by the considerations I speak of, but political schemes are always afoot, and strings are continually being pulled. There never has been a matter brought before Parliament that concerns these people, but that they have pulled the strings.

Hon. P. Collier: The pastoralists, for instance.

Hon. M. F. TROY: If any Government is given this power these people will make use of their social, commercial and political influence to induce the Government to sell these trading concerns. The Government will sell at a great loss, and the Press will see that there is no criticism of their action. The Commonwealth Government have sold dozens of enterprises at a loss. They sold the Commonwealth Woollen Mills, one of the finest national enterprises in Australia, the steamships, and other enterprises inaugurated during the war, at a great loss. They sold these things because of the influence behind them demanding that they should be sold and brought into the hands of these people.

Mr. Munsie: Australian woollen goods went up 3s. a yard the week after the contract for purchase was signed.

Hon. M. F. TROY: Why is not the member for Katanning honest? Who is behind all this? Parliament has not asked for this measure.

Hon. P. Collier: A member in another place said the Wyndham Meat Works should be sold if they brought only 2s. 6d. There

is a little group behind the scenes that is willing to buy at a price.

Mr. Money: Would you find anyone, who gave nothing for them, guaranteeing to work them for the next 10 years?

Mr. McCallum: Basil Murray wanted the implement works for nothing.

The DEPUTY SPEAKER: Order!

Hon. M. F. TROY: If this matter had been made the subject of a general election, and members had been returned pledged to give this power to the Government, it could be claimed, but that is not the case. The people have never been consulted and no definite announcement has ever been made to them. The Press have said that the Government did not believe in these enterprises, but the people have never had the question put fairly and squarely in front of them. They have not been told the financial position of these concerns and what their abolition means to them. With the exception of the member for Kimberley, members representing the North-West are unanimous in supporting the retention of the State steamers.

Mr. Lutey: He is going out.

Hon. M. F. TROY: Even Mr. Holmes is in favour of that enterprise, and wants more steamers. He recognises the great value it has been to the people of the north.

Mr. Teesdale: He did pretty well out of the steamers at one time.

Hon. M. F. TROY: The member for Kimberley is not going to represent that electorate any longer. He is not a candidate.

Mr. Marshall: It would not matter if he were.

Hon. M. F. TROY: It would be impertinence on his part to say now that the Government should be given power to sell the State steamers, and that in saying this he is acting in the best interests of the people of Kimberley. When the member for Gascoyne spoke in defence of the State steamers the member for Kimberley plainly balanced on the subject. He supposed that the State steamers were essential.

Mr. Durack: Read what I said.

Hon. M. F. TROY: He was not violently antagonistic to them by any means, but was quite prepared to let all the others go.

Mr. Durack: On the broad principle of State trading I do not say they are much good. I am emphatic about that.

Hon. M. F. TROY: There were some people in the country who were complaining loudly against the firm of Connor, Doherty and Durack, and the meat ring. Almost every speech that was made at the time was in opposition to that firm. Men like Mr. Gregory, Sir Cornthwaite Rason and Sir Walter James were crying out against it. There is no doubt the member for Kimberley is still opposed to the State stepping in, because by stepping in the State can interfere with the prerogative of some of these people.

Mr. Durack: Not as far as we are concerned.

Hon. M. F. TROY: When Sir Walter James and Mr. Gregory were speaking at Cue the firm of Connor, Doherty & Durack was probably the best advertised in the State. The member for Kimberley would naturally be opposed to State enterprises. The State must step in from time to time.

Mr. Durack: I am not the only one who holds that view.

Hon. P. Collier: It is a question of personal interest against public welfare.

Hon. M. F. TROY: The State must step in to protect the interests of the general community. We may sell all these State enterprises, but the public will still clamour about the exploitation of combinations, which are called private enterprises, but which are really taking advantage of the necessities of the people. All the opposition to State trading comes from one little financial clique, which is not acting in the best interests of the country. No patriot who wants to see this country advance and the secondary industries built up can vote for the sale of State enterprises, because he will be voting for the destruction of the industries of the State and the support of ventures that will not be to its advantage. I am sure the Government of the day would not sell the State trading concerns at a loss. I admire the position taken up by the Minister for Works who is opposed to the unscrupulous clique that is operating in this State. The Government cannot sell a block of land or transfer a block of land without an Act of Parliament. They cannot purchase £10 worth of goods without the matter going through the Tender Board. All these restrictions have been placed upon Governments from time to time because of the dishonesty of Governments. Members sometimes laugh at our Standing Orders, but they have been framed to prevent dishonesty on the part of Ministers and Governments. There is no Standing Order that we observe here calculated to restrict the operations of Governments but was put there for a definite purpose. Some members complained that tramway extensions have been made without the consent of Parliament, and said that Parliament should have been consulted. Those very members now want to give the Government power to sell 2½ million pounds worth of material to someone else in the country who will not conserve the best interests of the community. I hope the Bill will be defeated.

Mr. MARSHALL: I move—

That the debate be adjourned.

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

Ayes	28
Noes	7
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Majority for	21	
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AYES.

Mr. Angelo	Mr. H. K. Maley
Mr. Angwin	Mr. Marshall
Mr. Cheeson	Mr. McCallum
Mr. Clydesdale	Sir James Mitchell
Mr. Collier	Mr. Munzie
Mr. Corboy	Mr. Piesse
Mr. Davies	Mr. Richardson
Mr. Denton	Mr. Sampson
Mr. Durack	Mr. J. H. Smith
Mr. Heron	Mr. Teesdale
Mr. Hickmott	Mr. Troy
Mr. Hughes	Mr. Walker
Mr. Lambert	Mr. Willcock
Mr. Lutey	Mr. Mullany

(Teller.)

NOES.

Mr. Carter	Mr. Pickering
Mrs. Cowan	Mr. A. Thomson
Mr. Harrison	Mr. Underwood
Mr. Money	(Teller.)

PART.

Ayes: Mr. Cunningham | Noes: Mr. Johnston

Motion thus passed; the debate adjourned.

BILL—FRIENDLY SOCIETIES ACT¹ AMENDMENT.

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

BILL—LOAN, £3,763,000.

Council's Requested Amendment.

Bill returned from the Council with a requested amendment, now considered.

In Committee.

Mr. Stubbs in the Chair; the Premier in charge of the Bill.

The CHAIRMAN: The Legislative Council request the Legislative Assembly to delete Clause 7.

The PREMIER: Hon. members will remember that when I introduced the Bill I pointed out that shortly after the war started we borrowed £3,100,000 from the Federal authorities. The interest was fixed at 4½ per cent. The whole of the States participated in that loan.

Hon. W. C. Angwin: Does this refer to the loan of £18,000,000 raised in London by the Commonwealth Government?

The PREMIER: Yes. The States undertook to pay what it cost the Commonwealth to raise the loan. This was finally ascertained to work out at £4 14s. 5d. per cent. We are now asked to repay to the Commonwealth Government £130,000. We are not asked to make the payment in cash and the Commonwealth Government are willing to accept bonds to cover the amount. It is suggested as the loan will expire in 1925, that the bonds should be redeemable in 1925,

at which period the position can be reconsidered. I have asked that the bonds shall have a currency of 10 years. It would be difficult for the State Government to raise £130,000 at the present time, and so I hope, for the reasons I mentioned when introducing the Estimates, that the Committee will not agree to the Council's amendment.

Mr. McCallum: Does the amendment suggest repudiation?

The PREMIER: No. It means that we shall have to pay the £130,000 in cash, and not by way of bonds falling due over a term, whatever it may be.

Mr. Hughes: Are you capitalising the interest on the loan over a period of years?

The PREMIER: Yes.

Mr. Hughes: At what rate?

The PREMIER: At the rate of £4 14s. 5d. on the amount involved. We cannot transfer money from London at the present time and the Federal authorities are willing to accept payment in the way I have suggested. I move—

That the amendment be not made.

Hon. P. COLLIER: One can appreciate the position as stated by the Premier, although there can be no question that the amendment requested by the Legislative Council stands for sound principles. Under the Bill it is proposed to pay the accumulated arrears of interest since 1915, which now amounts to upwards of £130,000, out of loan fund.

The Premier: Yes, temporarily.

Hon. P. COLLIER: In requesting us to strike out Clause 7 the Council say in effect: "No, this being legitimate current expenditure, it should be met out of revenue." There is no question regarding the soundness of that principle.

The Premier: That is so.

Hon. P. COLLIER: We always meet interest out of revenue. At the same time it would be hard to compel the Government to meet the accumulated arrears out of revenue, seeing that this is not a debt of the present Government.

The Premier: Or of the present year.

Hon. P. COLLIER: Each Government since 1915 is concerned in this matter. I think the loan was contracted by the Labour Government and the Commonwealth borrowed in London the money required by all the States, who had to pay back the actual cost to the Government.

The Premier: That is so.

Hon. P. COLLIER: I do not know why the Commonwealth have not discovered the actual cost of the transaction long before this.

The Premier: That is so, but all the States are in the same position.

Hon. P. COLLIER: The difference between the rate we have been paying since 1915 and the actual cost of the loan flotation now amounts, in accumulated arrears, to £130,000. The Premier has explained how difficult it will be to find the whole of the money in one

year, and he proposes to meet the interest out of loan funds.

The Premier: Temporarily, of course.

Hon. P. COLLIER: For some years.

The Premier: That is a matter concerning the lenders.

Hon. P. COLLIER: They are willing to accept it in this form. It is a bad principle to pay interest out of loan money. The accumulated deficit for the State is really £130,000 more than has been shown. It is a large sum of money to ask the Government to meet in one year, but we should certainly endeavour to meet the current year's obligations.

The Premier: We shall have to.

Hon. P. COLLIER: No, it will go into the total. The Premier intends to issue bonds that may have a currency of 10 years. There is no doubt the Council is right in affirming the principle that the State should meet its interest obligations out of revenue. Do I understand that from the 1st July of this year the interest will be met out of revenue?

The Premier: Yes.

Hon. P. COLLIER: Then the Premier wishes to capitalise the accumulated amount to 30th June of this year?

The Premier: Yes.

Hon. P. COLLIER: The principle is wrong, but we can hardly ask the present Government to meet out of one year's revenue obligations extending over eight years.

Mr. WILLCOCK: The principle sought to be maintained by the Council is sound. The Premier was rather vague in introducing the Bill. Surely between the years 1915 and 1923 the State should have been notified that the loan would cost another 12s. per cent. In the past five or six years the deficit should have been £10,000, £15,000 or £20,000 greater annually. If this amount is not provided for as proposed under the Bill, it will have to be paid immediately and that will mean paying it out of revenue. Thus the deficit will be increased and it will cost us 6 per cent. interest. The State will then lose the difference between the £4 14s. 5d. and the £6 per cent. until the money is funded or the debt is extinguished. I agree that the amendment should not be made.

Hon. W. C. ANGWIN: I cannot understand the Premier's explanation regarding the increase of interest. The £3,100,000 loan was part of an £18,000,000 loan raised by the Commonwealth in Great Britain to meet various engagements just after the war commenced. The Labour Government arranged to have the money transferred to the State, but had no opportunity to spend it. This matter was discussed at a conference attended by Mr. James Gardiner, then Colonial Treasurer, and from his statement it appears that the money was raised at £4 2s. 6d. per cent., not £4 14s. 5d. per cent. Mr. Gardiner, in the course of a statement to the House on the 5th February, 1918, said—

The first matter dealt with at the conference was the question of the extension of time for the repayment of the £3,100,000

loan. As the House knows, this was a portion of the £18,000,000 loan raised by the Commonwealth for the States. That position I think I have on one or two occasions made abundantly clear, and that is the stand I took that the £18,000,000 was borrowed from the Imperial Government, but it was borrowed by the Commonwealth Government as agent for the whole of the States. The question of the repayment of this amount was raised at the conference, and Sir John Forrest, the Federal Treasurer, made a stipulation that, provided we agreed to take only such sums as the Commonwealth could agree to find for us during the present year, this repayment would be extended until one year after the war. I refused at the conference to discuss these two things together. I said these were two transactions distinctly apart one from the other. One was the sum of £18,000,000 raised by the Commonwealth. The other question was that of how much money we required to carry on the various States during the calendar year. And I did not want the whip to be held over our heads all the time we were considering this question. I made this abundantly clear to Sir John Forrest when he attended the conference and Mr. Holman, the Premier and Treasurer of New South Wales, gave me every support. When Sir John Forrest attended the conference again he said he was agreeable to consider our view, and would renew these loans till five years after the war, or at a period not later than 1925, which was the first date at which their loan, borrowed from the Imperial Government, matured. When I got that far I wanted to get a little farther if I could, because some of the loan matures in 1945. I tried to get conference to agree that if the British Government gave an extended term to the Commonwealth Government for the repayment of that £18,000,000, whatever terms they gave for the extension were due to the States, seeing that that money had been borrowed on the average at about £4 2s. 6d. per cent.

The Premier: That is what we paid for it.

Hon. W. C. ANGWIN: It appears from the statement of the then Treasurer that this money was borrowed at an average rate of £4 2s. 6d. per cent. If that is so, why should the Commonwealth Government now want to impose an increased rate upon us? The British Government were assisting the States to finance their obligations. The States undertook to pay the amount of interest charged to the Commonwealth. It appears that the Commonwealth Government want to make a little profit out of the transaction.

The Premier: No.

Hon. W. C. ANGWIN: Mr. Gardiner's report continued—

Conference thought we had gone far enough and that having got that far it was just as well to let the other question rest until the loan had matured.

I cannot understand the position. The Premier should make some inquiries. If he discussed the matter with Mr. Gardiner he would be able to explain the position more clearly.

The Premier: The money was raised years before.

Hon. W. C. ANGWIN: That is the loan I am referring to. The Premier said it was part of the loan of £18,000,000 raised by the Commonwealth Government from the British Government.

The Premier: It was raised in 1915.

Hon. W. C. ANGWIN: Yes, at £4 2s. 6d. per cent.

Mr. Munsie: And Mr. Gardiner was speaking in 1918.

Hon. W. C. ANGWIN: If it was borrowed at £4 2s. 6d. per cent., why should the Commonwealth Government now want to increase the rate of interest to us? The money was raised for the States and if the Commonwealth are paying only £4 2s. 6d. per cent., Mr. Gardiner's contention that we should pay only the rate charged to the Commonwealth should be given effect to. The Commonwealth evidently want to make a little more out of the States.

Hon. P. Collier: When was the claim for extra payment made?

The PREMIER: Just recently.

Hon. P. Collier: What are the reasons advanced by the Commonwealth in justification for the increased amount of their claim?

The PREMIER: The Governments that borrowed the money agreed to pay all that the money cost. It is now ascertained that the cost was £4 14s. 5d. per cent.

Hon. P. Collier: They must have known years ago what the cost was. How is it they make the claim only now?

The PREMIER: I cannot say. I have not the slightest doubt that the money cost £4 14s. 5d. The stipulation was that whatever the money cost, the amount would be paid. We will not be asked to pay a penny more than the money has cost. All the States that participated in that eighteen millions are in the same box as ourselves.

Mr. Willcock: In 1918 at the Treasurers' conference it was stated that the cost was 4¼ per cent. We should certainly have a satisfactory explanation now.

The PREMIER: They will give that. Before they are paid we shall have satisfactory proof that the loan cost £4 14s. 5d.

Mr. Munsie: Surely they could have found it out much earlier than the present time.

The PREMIER: I agree, but that would not be a justification for repudiation of payment.

Mr. WILLCOCK: We must be satisfied that the demand is correct. I am sorry the Premier has not been able to supply a better explanation. The Commonwealth raised this loan in Britain in 1915, and from all sources we learned that the cost was to be £4 2s. 6d. per cent. Several years later at a conference of Treasurers held in Melbourne the statement was made that the loan was raised at £4 2s. 6d. If there has been any alteration in the price since then we should have a more

satisfactory explanation than that given to us by the Premier. I would like to be told where it is shown that this money cost any more than £4 2s. 6d.

The Premier: There is an explanation.

Mr. WILLCOCK: Well, why not give it to us?

Hon. W. C. ANGWIN: On the 19th of October, 1915, the then Premier, in introducing his Loan Estimates, said—

Upon the outbreak of the war the London market became practically closed to the State, but fortunately, as a result of my visit to the Eastern States, I was able to arrange with the Commonwealth Government for a loan of £3,100,000, to be paid in monthly instalments commencing in December last. For the time being we are paying 4½ per cent. interest on these advances, which are covered by two years Treasury bills. Hon. members will notice that 4½ is higher than the amount which we are permitted to pay under the Inscribed Stock Act. I intend shortly to introduce a Bill which will enable us to increase the interest payable to 5 per cent. I may explain that the interest is to be adjusted in accordance with the terms under which the Commonwealth Government are ultimately able to raise the money in London.

That was on the 19th October, 1915. And we find that Mr. Gardiner was in the Eastern States at the Treasurers' conference in 1918, three years afterwards, and the statement he made to the House on his return was that the money had been borrowed at an average of £4 2s. 6d.

The Premier: I am afraid we shall have to pay under the agreement.

Hon. W. C. ANGWIN: Now, at the end of 1923, the Commonwealth come along and make this demand. I have not very much confidence in the Commonwealth Government, especially at the present time. I think they are anxious to make a profit out of the State, if possible. Surely, when Mr. Gardiner attended the Treasurers' conference in 1918, the Commonwealth should have been in a position to declare what the loan cost.

Hon. P. COLLIER: The points raised by my colleagues are pertinent. I would like to know what it is proposed to do in the way of calling upon the Commonwealth Government to establish their claims in this matter. There can be no question about our standing up to the agreement we made to pay whatever the cost was, but it is extraordinary to find that the Commonwealth, nearly nine years after the money was borrowed, come along with this claim. Why was there such absolute silence for a period of nine years? It seems extraordinary that the Commonwealth Government did not discover the position earlier and notify us of it earlier. It would be as well if the Government of this State got into communication with the other States involved so as to investigate the matter jointly and take concerted action.

The Premier: Mr. Scaddan, who raised the money, is in Melbourne now, and can go

into the matter again. He went into it there with Mr. Simpson, the Assistant Under Treasurer. The Treasury officer has told me that the demand is right.

Hon. P. COLLIER: Was the officer able to give any explanation from the Commonwealth Treasury of the delay in making the claim?

The Premier: I have not asked him for such an explanation.

Hon. P. COLLIER: I would not attribute anything underhand to the Commonwealth Government or any other Government, but I do think the Commonwealth officers might be capable of including in the flotation costs some charge not legitimate under the agreement. The Treasury officials are bound always to do the very best they can for their Government, and I have no doubt whatever that the Secretary to the Commonwealth Treasury would endeavour to make the best arrangement he legitimately could for the Government he serves. Thus the rate of interest payable by the States might be slightly increased. The Premier would do well to have the matter further investigated. Of the other Governments concerned, Victoria is at the seat of Federal Government and New South Wales is close at hand. Therefore those two States should be in a position to have the question closely investigated, and we might well accept their view without Western Australia going to any expense or trouble. At present the Premier is accepting the Commonwealth claim on the assurances of his officer.

The Premier: The officer assures me it is right.

Hon. P. COLLIER: I am unable to understand how the matter has remained in abeyance for nine years, more particularly as Mr. Gardiner, upon his return from a Treasurer's conference held in Melbourne during 1918, informed this House that the cost of the loan was £4 2s. 6d. Apparently the Commonwealth authorities themselves then believed that to be the rate. I took it for granted as regards this clause that the Premier had satisfied himself that the claim of the Commonwealth was valid. If the Premier has been good enough to accept the statements of the Commonwealth authorities on the matter, the question should be further investigated.

Mr. WILLCOCK: I do not think the Premier is taking the right course in this matter. A State official goes to Melbourne to negotiate about a vitally important matter, and the Premier does not even see that officer on his return for the purpose of obtaining an explanation to be submitted in turn to Parliament. The amount of back interest involved might be as much as £150,000. If the Premier has not got the explanation, of course we cannot get it, but I think it due to the House that the Premier should have the information.

The Premier: I did not make the agreement.

Mr. WILLCOCK: Surely the Premier and Treasurer should ask his officer what was the reason for the change. It is the Premier who

takes the responsibility and not the officer. The amount of retrospective payment involved is between £130,000 and £150,000, and goodness knows how much is involved in future payments. We know that the Commonwealth have not been entirely fair with us in regard to financial adjustments at all times.

The Premier: At no time.

Mr. WILLCOCK: If this claim is correct, our deficit should have been something like £20,000 more than has been shown each year during the currency of this loan. The Premier has been lax in regard to the whole business. He should have obtained an explanation from his officer and that explanation should have been given to this House.

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

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

BILL—VERMIN ACT AMENDMENT.

Read a third time, and transmitted to the Council.

BILLS (4)—RETURNED FROM THE COUNCIL.

- 1, Architects Act Amendment.
- 2, General Loan and Inscribed Stock Act Continuance.
- 3, Geraldton Harbour Works Railway.
- 4, Veterinary Surgeons Act Amendment.
Without amendment.

BILL—STAMP ACT AMENDMENT.

Council's requested amendment.

Amendment requested by the Council now considered.

In Committee.

Mr. Stubbs in the Chair; the Premier in charge of the Bill.

Council's requested amendment: Insert new clause to stand as Clause 2, as follows: Amendment of Section 73: Subsection 4 of Section 73 of the principal Act is amended by inserting after the word "duty" in the second line, the words "or refund any such duty paid after the commencement of the principal Act on"; and by inserting after "property" in line 4 the words "or any conveyance on the purchase of property."

The PREMIER: What the amendment seeks to do is to exempt from stamp duty a transfer of property purchased with a money gift. A little while ago a £5,000 property was thus purchased for the maimed and limbless soldiers. If the land had been given, the gift would have been exempt from stamp duty; but, the gift having been in money, unless the requested amendment be made, stamp duty must be charged on the purchase of the property.

Hon. P. COLLIER: The Council want a refund of such stamp duties as have been paid since the passing of the 1921 Act?

Mr. Willcock: Retrospective legislation!

Mr. Lambert: Are there any other cases?

The PREMIER: Not that I know of. I move—

That the Council's requested amendment be made.

Hon. P. COLLIER: You agree to refund stamp duty paid since the passing of the Act in 1921?

The Premier: Yes.

Hon. P. COLLIER: I do not know that we ought to agree to that. The Council's amendment seeks for a refund of all duties paid on properties purchased with a monetary gift since the passing of the Act of 1921. It is retrospective legislation.

The Premier: The only instance I know of is the property for the maimed and limbless soldiers.

Hon. P. COLLIER: Whilst we might exempt from stamp duty any such transactions in future, I do not know that we are called upon to make it retrospective.

The Premier: I think we ought to refund the duty paid in respect of the property for the maimed and limbless soldiers. It means only £60.

Hon. P. COLLIER: The donor of the monetary gift might carry that stamp duty. I scarcely think the payment of stamp duty would act as a deterrent to a person making so handsome a gift.

Mr. Mann: But the donor does not think of stamp duty when making the gift, and he becomes annoyed when called upon to pay stamp duty.

Hon. P. COLLIER: I do not know who the donor was.

Mrs. Cowan: It was not a person. It was the Red Cross Society.

Hon. W. C. Angwin: It would be better to refund the amount by means of an item on the next Estimates.

Hon. P. COLLIER: Yes. We frequently see on the Estimates money refunded in that way.

Question put and passed; the Council's requested amendment made.

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

BILL—LAND TAX AND INCOME TAX.

Council's requested amendments.

Message from the Council notifying that it had agreed to the Bill subject to certain amendments, in which it requested the concurrence of the Assembly, now considered.

In Committee.

Mr. Stubbs in the Chair; the Premier in charge of the Bill.

No. 1—Clause 6, delete Subclause (1):

The PREMIER: This deals with the super tax. Members of this Chamber sought to strike it out, but after mature consideration agreed to the Bill as submitted. I should be glad to reduce taxation because I realise that the higher incomes are heavily taxed, having regard to the amount collected by the Federal Government, and I should also be glad to be able to reduce the taxation on the lower incomes. The super tax is necessary because of the obligations of the country and the position the revenue occupies. Last year we had a deficit of £405,000. This year we hope it will not be more than £289,000, which is a substantial reduction. The position so far is looking very healthy, but we ought to endeavour to square the ledger. For that reason we should have the money which this super tax brings in. The amendment refers only to the super tax on the income tax. I move—

That the Council's amendment be not made.

[Mr. Angelo took the Chair.]

Mr. HUGHES: I hope the amendment will be made. Last year we amended the income tax to give exemption to people earning under £200 a year. The Premier told us that as a result of the amendment he would lose £30,000 of revenue. I and others pointed out that by increasing the rate from .006 to .007, he would recoup himself by far more than £30,000 and would make a profit of something like £64,000. The Premier pooch-pooched the idea, and claimed that all he would recover would be £30,000. He would not agree to take $7\frac{1}{2}$ per cent. super tax, which would have given him the £30,000, but preferred to gamble with the prospects of what he would get under the increased taxation. He budgeted in 1922-23 for £380,000 from income taxation, which was £60,000 in excess of the year before. Upon the assurance of the Premier and on the figures supplied, the majority of the House was induced to grant to the Premier this increase in the rate of taxation. He collected last year £390,000, and at the end of the year there was £147,500 outstanding. The taxation, instead of realising £380,000, came to £433,654, which was £54,000 more than the Premier assured us he would realise. He, therefore, received not only a recoup of £30,000 but an additional £54,000.

The Premier: No.

Mr. HUGHES: These are taken from the Premier's figures. In addition 900 assessments have yet to be made, which would further add to the increase in the amount received from taxation. Dividend duties will also bring in an additional sum. Taking everything into consideration, the Premier would receive an additional £160,000, which is too much to put on in one year.

The Premier: Do you say we would get £160,000 from the .001d. additional rate?

Mr. HUGHES: Whereas the Premier wanted an increase of £30,000, he got one of £120,000.

The figures that are now available show that through the action of the Premier certain taxpayers have been mulcted to the extent of £60,000 more than they paid before. We know that there is an additional amount of £53,000 for certain, and there is also the amount that the 900 assessments will bring in. The Premier: Do you say that the .001d. was worth £94,000?

Mr. HUGHES: The increase from .006d. to .007d., which the Premier said would result in £30,000, gave £60,000 in addition.

Hon. W. C. Angwin: According to the financial statements, the Government got only £10,000 extra.

Mr. HUGHES: As a result of the assessments made on the .007d. basis, the Premier received £286,000, and as at the 30th June there was outstanding unpaid taxation for that year of £147,500. If the member for North-East Fremantle will look up "Hansard" he will see that is the position.

Hon. W. C. Angwin: I am talking about the revenue.

Mr. HUGHES: That has been confusing the Committee. The two-year period confuses the issue. I challenge the member for North-East Fremantle to prove that the position is other than I have indicated. There is another feature. It might be pointed out by the Government, that if we dispose of the super tax we merely relieve the wealthy taxpayers. As a matter of fact, that is not the position, because last year, when increased taxation was agreed to, we fixed the maximum at 4s. in the pound. That maximum would have been reached at £7,766. In order that the increased rate should not apply to such incomes, the Government reduced the maximum to £6,672. The result was that the taxpayers receiving between £300 and £6,672 a year had to pay substantially increased taxation. The man in receipt of an income of £6,672 had an increase of over £200 in his taxation bill, but the man who received £6,673 had no increase at all. Those who received relief were the wealthiest people, while those who had to shoulder the burden of the increased taxation were those receiving from £300 to £6,672.

The Premier: It applied to the other people as well.

Mr. HUGHES: It did not. A person in receipt of over £7,766 did not pay a single penny more by way of taxation. I admit that anomalies are apt to creep in in the application of principles of this kind.

The Premier: The increase automatically affected the people in receipt of £7,766.

Mr. HUGHES: It did not.

The Premier: Of course it did.

Mr. HUGHES: I would not suggest anything to reduce taxation if it were not for the fact that the Premier received so much more revenue last year than he anticipated. He told us that he would collect £60,000, and in fact he got £120,000.

The Premier: I do not know where it is.

Mr. HUGHES: The effect was that Parliament granted the Government £60,000 more than they thought they were agreeing to. The simplest way to rectify the position is to wipe out the super tax rather than readjust the rates of taxation. I hope the Council's amendment will be agreed to.

Mr. JOHNSTON: It is difficult to alter the taxation proposals of the Government when half the year has already passed. We have not been able to deal with the question at an earlier stage of the session. It is unfortunate for Western Australia but it is a well-known fact that in some of the other States the rate of income tax reaches its maximum at 6½d. in the pound, while in this State the rate upon lower incomes amounts to 4s. 7d. in the pound. This is a serious difference. A man at Northam recently asked me to explain why it was that the income tax was so high in Western Australia as compared with Victoria. He added that he had just transferred £6,000 to Victoria because of the heavy taxation imposed here. I know that sort of thing is going on. I find that when the Perpetual Trustees Building was sold by Emanuel Bros. a condition of the transaction was that the money should be paid in Melbourne. In another place it was stated that the money had to be paid in London. I have been informed authoritatively that that was not so, but that the condition was that the money should be paid in Melbourne where the State taxation was so much lower than here.

Hon. W. C. Angwin: The Forrests and the Emanuels made their money here.

Mr. JOHNSTON: That is so, and I want to see money made in Western Australia kept here and circulated for the benefit of the State as a whole. We can assist in that direction by striking out the super tax. There is no State in Australia that needs money for developmental purposes more than Western Australia.

The Premier: There is no doubt about that.

Mr. JOHNSTON: Unfortunately while taxation is so heavy here compared with the Eastern States, we will continue to lose money. I regret exceedingly that men who have made their money here should send it to Victoria for investment, but I know that is going on.

Mr. Chesson: You will never stop that sort of thing either.

Mr. JOHNSTON: I wish this argument would have weight with the Premier and induce him to agree to the Council's amendment. I think the indirect benefit to Western Australia would be considerable in the long run. I moved this amendment when the Bill was before us.

Hon. W. C. Angwin: You did not. You only suggested it.

Mr. JOHNSTON: I moved the amendment and it was defeated on the voices in a thin Committee. I do not think the fullest consideration was given to the proposal.

The Premier: Of course it was.

Hon. W. C. ANGWIN: I support the contentions raised by the Premier. This Chamber controls finance. If we accept the amendment we give that right to members in another place.

Mr. A. Thomson: They have only requested that the amendment be made.

Mr. Hughes: Right is right, even if the request comes from the Legislative Council.

Hon. W. C. ANGWIN: We control the finances, and if we give the Council that right we will take the power away that is vested in the whole of the people of the State and place it in the hands of the representatives of one-third of the people. I oppose the Council's amendment for another reason. If the super tax is cut out it will relieve the men with the larger salaries. If the member for East Perth is correct in his contention, it simply means that an additional £60,000 has gone into the pockets of the workers on account of work that has been found for them. I do not care who the hon. member may be, if he had any intention of reducing taxation he should first start on the Estimates, and endeavour to reduce them to the amount by which he expected to curtail taxation. How can a man honestly agree to the expenditure of money and then oppose the raising of the necessary funds to provide for that expenditure? That is not the way to do it. We have passed the Estimates on the understanding that so much revenue would be raised. It is our duty now to stick to the Government, having passed the Estimates, and see that all money is raised. After six months of the financial year have lapsed it is impossible to reduce taxation, as suggested, this year. If we accepted the Council's amendment it would mean that men would be thrown out of employment in order to make up for the £60,000 involved.

Mr. DURACK: It is evident that money is going out of the State. When we consider the enormous rate charged here as compared with Victoria, only a madman would invest his money here. An income of £10,000 would pay in Western Australia £2,300 taxation as compared with £279 in Victoria.

The Premier: But if that taxpayer died, Victoria would have half of it.

Mr. DURACK: We do not want people to die here. We want good live people to develop the State. Much as we might desire to reduce taxation, however, it is the duty of this House to control the finances. The responsibility is on the Premier and we must assist the Premier to meet the State's liabilities. If taxation could be reduced I think the Government would be only too ready to reduce it.

Mr. HUGHES: In reply to the member for North-East Fremantle, I do not stand for the Upper House, but right is right even if it does emanate from the Council. We are not justified in taking the view that no good can come out of Nazareth. A mistake was made. This House did not intend to give the Gov-

ernment the amount of taxation that was realised. If another place directs attention to an error we should take notice of it. The member for North-East Fremantle suggested that by adopting the amendment there would be £60,000 worth less work. That is an old bogey. We always get the threat of unemployment; it is one of the whips the employers hold over the employees all the time.

Mr. Latham: The money will not be there to spend if you take it away. That is certain.

Mr. HUGHES: It is true we passed the Estimates on the understanding that £390,000 would be collected from income tax this year, but we have a balance of £147,000 owing from last year.

Mr. Latham: Will not there be some owing next year also?

Mr. HUGHES: Not if the Taxation Department get busy. This practice of carrying over from one year to another has prevented us from ascertaining where we stand. I defy any member to ascertain the position from the public accounts. It was not placed before us. We were asked to vote in the dark. I succeeded in ascertaining the position only by asking questions of the Premier. Members should not have to vote on a matter involving £150,000 without being appraised of the facts. Instead of the Government getting £390,000 from taxation this year, there is £147,000 to be collected from last year and, owing to the increased rate, even if the super tax were removed, there is no danger of the £390,000 not being realised. The Government have one-third of it already.

Mr. Latham: That is not in hand.

Mr. HUGHES: It is owing from last year. The Premier knows he will realise the £390,000 this year without any trouble. If the super tax be not abolished he will realise about £490,000. We cannot go on indefinitely carrying forward an increasing balance without reaching the point when the Treasurer will be over his Budget. Each year should stand alone. We were unable to discuss this matter on the second reading because we did not have the information. We thought the Government were realising £390,000, whereas they were actually realising £433,000.

Mr. LATHAM: As no doubt this will be used for electioneering purposes—

Mr. Hughes: On a point of order, the hon. member said—

The Premier: He did not accuse you.

Mr. Hughes: Yes, he did.

Mr. Teesdale: That is an extraordinary departure for you.

The CHAIRMAN: There is no point of order.

Mr. LATHAM: I did not refer to the hon. member.

Mr. Hughes: To whom did you refer?

Mr. LATHAM: I had in mind certain parties in the Chamber and I refuse to say to whom I referred. Everybody is anxious that taxation should be reduced, but the Estimates have now been passed. Why was not this matter dealt with on the Estimates and

why did not the hon. member move for reductions to the extent of £60,000?

Mr. Hughes: I made exactly the same speech last year.

Mr. LATHAM: Had the Estimates been reduced by £60,000 we would have been acting constitutionally and giving the Treasurer a chance to adjust the finances. Now in the dying hours of the session, another place has requested an amendment—as doubtless it was justified in doing—but we cannot be expected to accede to it. Many things are required that have to be paid for out of Consolidated Revenue, and I shall not stand for abolishing the super tax at the expense of requirements in country districts. We would have to bear our share of any cutting down of the Estimates.

Mr. Hughes: If you paid a fair share of railway freights there would be no need for it.

Mr. LATHAM: With the present price of wheat it will take the farmers all their time to make anything out of their work.

Mr. Hughes: They have been doing very well.

Mr. LATHAM: And they are entitled to all they have got.

Mr. Hughes: They ought to pay their share.

Mr. LATHAM: They have paid their share of freights and of income tax, too. I shall not allow any member of a city constituency to suggest I do not know what I am talking about.

Mr. Hughes: You do.

Mr. LATHAM: A lot of the farmers will have their work cut out to make ends meet on the present price of wheat.

Mr. Willcock: Well, get it out of the agricultural vote.

Hon. P. Collier: Meat and fruit are being subsidised.

Mr. LATHAM: I am not going to be led on to a side track like that.

Mr. Hughes: Your party are getting £200,000 in concessions.

Mr. LATHAM: The people we represent are doing a wonderful lot to build up the industries of the State.

Mr. Willcock: And we are doing a wonderful lot to help them.

Mr. LATHAM: That is so.

The CHAIRMAN: This discussion is quite foreign to the question.

Mr. LATHAM: It is not foreign. If this amount be cut out the people to whom I refer must suffer.

Hon. P. Collier: Which people?

Mr. LATHAM: The farming community.

Hon. P. Collier: In what way?

Mr. LATHAM: Because they will have to do with fewer hospitals and schools.

Hon. P. Collier: Schools and hospitals are all built out of loan money.

Mr. LATHAM: But they receive subsidies and maintenance out of Consolidated Revenue.

Hon. P. Collier: It all comes out of loan now.

Mr. LATHAM: Then what becomes of Consolidated Revenue? I shall vote against the Council's amendment. I wish to see taxation reduced, but this reduction may inflict hardships on the people I represent.

Mr. A. THOMSON: After perusing the reasons of another place for wishing to cut out the super tax, one feels inclined to agree with them. One member of the Council in dealing with the increase in the rate from .006d. to .007d. said—

It was definitely stated that the estimated revenue would be £30,000. The official figures showed we had 39,000 taxpayers and we released from taxation 27,000, whom the Leader of the Opposition said were on the bread line.

The CHAIRMAN: Is the hon. member reading from a newspaper?

Mr. A. THOMSON: Yes. We agreed to put the additional £30,000 on the shoulders of 11,700 taxpayers.

The CHAIRMAN: The Standing Orders preclude a member from reading from a report of any speech made in Parliament during the same session.

Mr. Teesdale: Especially from a paper like that.

Mr. A. THOMSON: Those facts were quoted extensively from "Hansard."

The CHAIRMAN: In the present session?

Mr. A. THOMSON: Yes.

The CHAIRMAN: I was not in the Chair at the time.

Mr. A. THOMSON: Yes you were, but I shall quote from memory. When the conference between the managers of the two Houses was held last year, it was said that £30,000 was all the Government expected to raise by the increased rate.

Hon. W. C. Angwin: That matter never came up at the conference.

Mr. A. THOMSON: That statement has been made by members in another place. The members for North-East Fremantle and York said this matter should have been dealt with on the general Estimates. If the estimated requirements last year were £30,000 to cover the additional exemptions, and if the incidence of the higher tax meant an additional impost of £90,000 on 11,700 taxpayers—

The Premier: There are nearer 40,000 taxpayers.

Mr. Hughes: According to the official figures there were only 39,000 before the additional exemptions were granted.

Mr. A. THOMSON: In the interests of the State economies should be exercised. I will support the recommendation sent forward by another place.

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

Ayes	..	..	..	..	25
Noes	..	..	..	..	11

Majority for 14

AYES.

Mr. Angwin	Mr. Mann
Mr. Broun	Sir James Mitchell
Mr. Carter	Mr. Money
Mr. Chesson	Mr. Piesse
Mr. Clydesdale	Mr. Richardson
Mrs. Cowan	Mr. Sampson
Mr. Denton	Mr. J. H. Smith
Mr. Durack	Mr. Stubbs
Mr. Gibson	Mr. Teesdale
Mr. Lambert	Mr. Underwood
Mr. Latham	Mr. Willcock
Mr. C. C. Maley	Mr. Mullany
Mr. H. K. Maley	

(Teller.)

NOES.

Mr. Collier	Mr. Marshall
Mr. Corboy	Mr. McCallum
Mr. Heron	Mr. Pickering
Mr. Hughes	Mr. A. Thomson
Mr. Johnston	Mr. Munie
Mr. Lutey	

(Teller.)

Question thus passed; the Council's amendment not made.

No. 2—Strike out Clause 7:

The PREMIER: This amendment deals with the payment of the tax in two moieties. I hope the Committee will not agree to it because it will mean if it is carried that we shall not be able to collect the whole of the tax this year. I move—

That the amendment be not made.

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

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

House adjourned at 12.25 a.m. (Thursday).