

Legislative Council,*Wednesday, 1st October, 1930.*

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

QUESTION—WYNDHAM MEAT WORKS.

Hon. A. LOVEKIN asked the Minister for Country Water Supplies: 1, Of the 25,766 cattle slaughtered at the Wyndham Meat Works during the 1929 season, how many were purchased from holdings in Western Australia, and how many from owners and pastoralists outside the boundaries of Western Australia? 2, Do sellers from outside Western Australia contribute to Western Australian State taxation in any form? 3, Will the Minister supply particulars in connection with the 1930 kill, if available?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: 1, 15,639 purchased from Western Australia; 10,127 purchased from Northern Territory. 2, Yes, in so far as such sellers are liable to pay income Tax under the Land and Income Tax Assessment Act, 1907-1924. 3, No final returns are at present available, except the number of cattle slaughtered, namely, 31,051.

LEAVE OF ABSENCE.

On motion by Hon. E. H. Harris, leave of absence for six consecutive sittings granted to Hon. J. Cornell (South) on the ground of ill-health.

BILL—STATE TRADING CONCERNS ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. E. H. GRAY (West) [4.36]: I desire to speak briefly but strongly against this Bill. It seems to me there is on the part of

members a conspiracy of silence regarding this measure. In my view there should be a full dress debate from those supporting it, showing reasons why it should be necessary at this stage to pass an amending Bill of this character. I think it is the duty of members when an important, and one might say critical, proposal of this sort is brought before Parliament, to give reasons why they support the Bill. It is a very bad time for a Bill of this character to be brought down. The Bill means the giving to the Government power to dispose of all the State trading concerns. One distressing feature about Parliamentary government is the fact that one party may pursue over a course of years a given policy, and then suddenly a new Government come into power and destroy the work of many years, involving all the money invested on behalf of the people. To give the Government power to dispose of these trading concerns would be against the best interests of the State. All of us are aware that those opposing the policy of the Labour Party are strongly opposed to Government trading. I have always been puzzled over two phases of argument invariably advanced against the policy of State trading. When State enterprises, such as the brickworks or the sawmills, are successfully conducted the opponents of State trading always say there is an understanding between private enterprise and the Government utilities.

Hon. Sir William Lathlain: An honourable understanding.

Hon. E. H. GRAY: But when a State trading concern meets with difficulties, and perhaps incurs fairly large losses, the argument is advanced that lack of business acumen is responsible for the failure of the State enterprise. In my view, those two arguments will not tally. If the State Sawmills are run at a profit, at least it shows that the management and the people engaged in the industry have sufficient business acumen to run it properly. But I cannot see how it is possible logically to say that if one public utility meets with difficulties it is impossible to run State trading at a profit, because of the lack of business acumen. Certainly those of us who over a long series of years have consistently advocated State trading have been disappointed at the relative failure of certain State enterprises launched years ago by Labour Governments. But the opponents of State

trading never give any credit to those concerns which are run at a profit. I suggest that when studying this question we should consider those concerns and the benefit they have been to Consolidated Revenue. During last year five State trading concerns, namely hotels, ferries, quarries, brickworks and sawmills, after paying interest and sinking fund, returned a profit of £59,803. That is a very handy sum indeed for an impoverished Treasury to receive. In view of this, it would be disastrous to give power to any Government to dispose of any one of those State trading concerns. I have heard ridicule heaped by Sir William Lathlain on the State hotels. Of course, we know he has a prejudice against the liquor trade. I consider the State hotels in country districts should be continued and developed. Although it has been claimed that occasionally there have been in some of the hotels incidents which should not have happened, yet in the main we can say that the running of the State hotels has been excellent and of great benefit to the people.

Hon. Sir William Lathlain: Do you think it is a function of the Government to undertake such a business?

Hon. E. H. GRAY: In my view it is a function of the Government to run anything that will save money and give a better service than is given by private enterprise. Last year the State hotels returned a profit of £10,633.

Hon. Sir William Lathlain: They ought to have paid income tax.

Hon. E. H. GRAY: That would be a comparatively small amount as compared with the services they rendered to the people. The State hotels have been of immense convenience to those people who have to use hotels. Personally I would much rather stay at a State hotel than anywhere else. The State Ferries last year returned a profit of £752, and the State Quarries a profit of £4,249.

The PRESIDENT: Order! I have no objection to the hon. member referring incidentally to State trading, but the question before the House is not the merits of the State trading concerns. I ask the hon. member to connect his remarks with the subject of the Bill, which is to give the Government power to sell, lease or otherwise dispose of the State trading concerns.

Hon. E. H. GRAY: With all respect, I think I am connecting my remarks with the

Bill. I am trying to show the benefit the several concerns I have mentioned have been to the State.

The PRESIDENT: So long as the hon. member connects his remarks with the subject of the Bill, he will be in order.

Hon. E. H. GRAY: I contend that the profits returned by the several concerns constitute a very good reason why power should not be given to the Government to sell them. If I have transgressed, I am sorry for it. Take, for instance, the State Sawmills. They have had a very profitable run. Mr. Drew said the other night that they had shown a profit of £617,357 since their establishment.

Hon. A. Lovekin: But they have been selling a State asset and paying nothing for it.

Hon. E. H. GRAY: Last year the State Sawmills showed a profit of £30,458, while the total profit from the five undertakings was £59,803. That is a very solid argument why the proposed power should not be given to the Government. Then I ask why at this late stage, after so many years of State trading, and in a period of depression when it would be almost impossible to dispose of any of these concerns with advantage to the State, we should give the power of sale to a Government who are hard-pushed for cash, and who may be strongly tempted to sacrifice one of these very prosperous concerns. It is a mistake. Let me take the State Implement Works as an example. I understand that is one reason why it is thought this concern should be sold. With others I have been very disappointed at the failure of these works to command the loyal support of our farmers. I contend it is not the fault of the management, of the works themselves, or the fault of the implements made there. It is due altogether to the failure of our farmers to trade with their own State works, and to their following the general practice of buying goods outside Western Australia rather than those made within it.

Hon. W. J. Mann: It is a question of the utility of the machines.

Hon. E. H. GRAY: I admit the works have made some mistakes. One big mistake they made was when, some years ago, at the time that the late Mr Basil Murray was general manager of the Westralian Farmers, they broke away from that organisation.

I believe the Westralian Farmers were then the selling agents for the works. From that time the works began to go back. The Westralian Farmers, on the other hand, a concern which was then growing rapidly, concentrated its efforts upon the selling of South Australian agricultural machinery, and sent its salesmen out all over the country. That is one reason why the State Implement Works began to go down. The machinery manufactured at these works will compare favourably with any that is imported into the Commonwealth, with the exception perhaps of the harvesting machinery. The ploughs, drills, harrows, chaff-cutters, windmills, etc., manufactured at the works will compare, for their adaptability to local requirements, with anything of the kind that is brought into the State.

Hon. Sir William Lathlain: You have not convinced the people of that view.

Hon. E. H. GRAY: The farmers are not the only ones to convince regarding the benefit of using local products. Our American friends manage better and have a better system of salesmanship. I well remember in 1910, in 1912, and in 1914, when the country was beginning rapidly to develop, the State was flooded with salesmen pushing the goods that were turned out by the International Harvester Company of America, and other enterprises. Their machinery could not compare in quality with that made by the State Implement Works, but owing to their improved selling methods they were able to delude the farmer into a belief to the contrary, and induce him to purchase their machinery. They were even able to oust the Sunshine Harvester Company, whose products in Victoria are well known and constitute perhaps the best machinery made in any part of the globe.

Hon. Sir William Lathlain: That is part of America's job.

Hon. E. H. GRAY: Perhaps that is one reason why the State Implement Works failed, namely, insufficient attention to the sales end of the business. There is no doubt about the quality of their machinery. It is a pity, after all these years of State trading, to see that the farmers have practically forsaken local products and given most of their support to American machinery. One would not complain much about any support given to Victorian or South Australian machinery, but it is a regrettable

state of affairs to find coming from the United States such huge imports of machinery that should be made within the Commonwealth.

Hon. A. Lovekin: Would not the same reasoning apply to bricks and timber?

Hon. E. H. GRAY: Our farmers are hard at work and are sagacious. They should have been able to look far enough ahead to realise the value of supporting their own industries.

Hon. W. J. Mann: They did that, and bought State implements.

Hon. E. H. GRAY: They did not. Boys who are leaving school to-day have to suffer because of the lack of loyalty on the part of our citizens over a period of years. It is not too late to stop the drift and make a determined stand to push local products. We have no other implement manufacturers in the State. That is one reason why the Government should nourish and develop the State works. It would be a serious blow if they were sold or closed down. It looks as if there are sufficient members in this Chamber to pass the Bill. If the Government do sell the works, I hope they will be loyal enough to the State to insist that they are carried on in Western Australia, and that this is made one of the conditions of sale. That would be preferable to selling them through panic, closing them down, and throwing a lot of men out of work. I understand about 240 men are employed there, and it would be a calamity just now to close down the works.

Hon. A. Lovekin: That position will be improved when private enterprise handles them.

Hon. E. H. GRAY: The attitude of those opposed to the Labour Party on the question of State trading is well known. There now appears to be an understanding between the A.L.P. and the Chamber of Manufacturers. It should not be too late for that Chamber to take a hand in the matter, and induce the Government to refrain from disposing of the works at this juncture. I have no doubt the Bill means the ultimate disposal of all State trading concerns, for the Government would not have brought it down had this not been their intention.

Hon. Sir William Lathlain: It is the first opportunity they have had in six years of doing so.

Hon. E. H. GRAY: The same party had the opportunity when in office before. The Minister for Works of that day (Mr. W. J. George) made no attempt to sell any of these concerns.

Hon. G. W. Miles: They went out of office because they did not carry out their pledges.

Hon. E. H. GRAY: I do not think the public would sanction the selling of concerns of this character at present. I hope even now members will seriously consider the effect this Bill will have. It meant putting into the hands of the Government the power to sell these undertakings, although it should be our object just now to keep every possible industry alive. The State Implement Works seem to be the concern calling for first attention at the hands of the Government. I judge that to be the case from the remarks made by previous speakers.

Hon. E. H. Harris: What reason have you for making that statement?

Hon. E. H. GRAY: The remarks of those who have supported the Bill.

Hon. E. H. Harris: You were complaining just now that members were not speaking upon it.

Hon. E. H. GRAY: Those who have spoken referred to the State Implement Works.

Hon. J. Nicholson: I did not say a word about them. I believe they have turned out some very good machinery.

Hon. E. H. GRAY: There is no doubt about that, and it would be a calamity to sell them. Public meetings are being held all over the State in advocacy of supporting local products. There are no other machinery manufacturers in the State, and for that reason alone this Bill should be defeated.

Hon. A. Lovekin: Do you really think this Bill is intended to injure the State, and that this is the reason why it was brought forward?

Hon. E. H. GRAY: I do not say the Government desire to injure the State, but I hold that the policy of selling State trading concerns is injurious to Western Australia.

Hon. J. Nicholson: Do you think it is right in principle for the Government to carry on State trading against the taxpayers?

Hon. E. H. GRAY: I do think so.

Hon. J. Nicholson: I should like to hear your arguments in support of that.

Hon. E. H. GRAY: I believe in any enterprise that will enable the State to develop, and will give employment to our young men who desire to take up different trades.

Hon. Sir William Lathlain: Private enterprise could do all that.

Hon. E. H. GRAY: It has not done so up to date. Ever since the State began to expand no private agricultural machinery works have thought fit to start operations here. Every argument has been advanced to indicate that the State implements are no good.

Hon. Sir William Lathlain: Who would start making machinery with the State in opposition?

Hon. E. H. GRAY: The fact that the State Implement Works were in existence would not have prejudiced the position. The McKay works could have started here had they desired to do so.

Hon. G. W. Miles: Had the unions permitted them.

Hon. E. H. GRAY: They could have established their business in Western Australia, and competed successfully against the State Implement Works without doing harm to anyone. Some of their people certainly made a short visit here and a few inquiries, but they afterwards turned their attention to mass production in Victoria, and shipped their machinery across to Fremantle. They found that the cheaper method. They were not prepared to establish themselves in Western Australia, or they would have done so years before. The same remark applies to the South Australian manufacturer. They regard it as sounder business to concentrate their works in one State, or perhaps two, rather than have them scattered all over the Commonwealth. The reason why they did not come to Western Australia was that they desired to dump their machinery here, and it was no concern of theirs that local secondary industries were affected. The people blindly followed that policy. Western Australians have not been loyal to the goods made within the State. They will not buy local jam, butter, clothing or machinery, but they will buy anything that is imported. At this juncture we should stand together, and see if we cannot increase local production. Both in the Press and in

Parliament we read of the proposal to nationalise the railways of Great Britain. That is a tremendous system, for it practically controls the roads as well as the railways, and runs its own bus services as feeders. It is wonderful to think that it is now suggested these railways should all be brought under Government ownership. Great Britain has led the world in railway enterprise, but it is now believed to be the best thing to put them under Government control.

Hon. G. W. Miles: Who believes that?

Hon. E. H. GRAY: It was stated in the Press recently. The statement emanated from the companies themselves, that the Government should merge the whole thing into one big State utility. This was advocated to avoid wasteful competition.

Hon. Sir William Lathlain: They do not run State implement works there.

Hon. E. H. GRAY: The railways are greater than any State implement works.

Hon. Sir William Lathlain: They do not run butcher shops either.

Hon. E. H. GRAY: All sorts of arguments are brought forward against State trading. The fact remains that the position the world finds itself in is due to failure on the part of private enterprise, and not to anything that is done by Government enterprise. The whole world is in trouble and Mr. Mann, who has just returned from a long holiday abroad has told us that the position everywhere is as it is in Western Australia. Private enterprise has run the world for a good many years, and it is now up against it by being unable to solve the problems facing it. This is mainly the result of the operations and ramifications of commerce and business as controlled by private enterprise. I oppose the Bill, conscientiously believing that it will be against the best interests of the State if it is carried. I hope members will seriously consider their attitude towards those industries already established in Western Australia, and refuse to give the Government power to dispose of the State enterprises without the sanction of Parliament.

HON. SIR EDWARD WITTENOOM
(North) [5.3]: I must express my amusement, if not surprise, at the rebuke that

came from Mr. Gray, because of the silence which he said was being observed by those members who were in favour of the amending Bill, and were refraining from speaking to it. It recalls to my mind many other debates in years gone by when another Government was in power, when certain proposals were brought down and were silently put to the House without support from anyone on the side from which those proposals emanated. I am glad this incident was called to my memory by the hon. member's remarks; I had almost forgotten it. I assure the hon. member that he will find there will be a good deal of support for the Bill we are now considering. Sir William Lathlain dealt with the subject so fully the other day that I feel it is almost unnecessary to say anything further. At the same time I should not like to give a silent vote, and therefore, at the risk of being accused of repetition, I intend to give my ideas on the subject of State trading. First of all the Government are not here to conduct trading enterprises; they are here to govern the people, and to see that the people have all the facilities to which they are entitled. Then the people themselves can find the capital and will manage their affairs. It must be obvious to Mr. Gray, who is by no means a small-minded man, and who, I am sure, has some idea of business, that no one would think of starting an enterprise in competition with the Government, that is, if he could possibly help it. Everyone is aware that a Government enterprise does not have to pay many of the costs to which a private concern is subjected. For instance, a State concern does not have to pay income tax or rates and other charges which amount to a considerable sum. Then again, if there is any loss the State concern does not have to bear it: the people have to bear it. These are my principal reasons for supporting the Bill. If we were to dispose of State enterprises, I am convinced we should have more private concerns established; more people would enter the arena of enterprise than dare do now. We have a number of State trading concerns at the present time which have been responsible for the loss of a good deal of money. I admit some have been successful, but that is no argument why trading enterprises should be carried on by the Government.

Hon. J. Nicholson: It is wrong in principle.

Hon. Sir EDWARD WITTENOOM: With the Government in the field, private enterprise does not dare to compete. If the Bill is passed, it does not follow that the State enterprises will be sold at a loss. The other day Mr. Drew referred to the position of the State Shipping Service, and he declared it would never do to get rid of it. If we sold the Shipping Service, we should require to have an alternative; other shipping lines would have to tender and submit a schedule of rates and cargo prices. There must be a shipping service along the North-West coast, and such a service is of similar advantage along that coast to that rendered by the railways of the State. Unless the people are afforded shipping facilities they will not live in the North-West, but if, as Mr. Drew suggested, we should not sell the State Shipping Service, we should see to it that it is conducted with less loss. Of course, if private enterprise could serve us better and enable the State to save a considerable amount of money, then let private enterprise do it. I do not agree with Mr. Gray's argument that private enterprise has not been successful elsewhere. I think in most instances private enterprise has been successful, but there may be cases where that is not so. Take the case of the State Sawmills. I am correct in saying that one of the objects of Mr. McCallum's visit to London some little time back was to start branches of this State enterprise so that those branches might come into competition with anyone else selling timber. There were plenty of timber merchants prepared to do all that without going to the expense to which Mr. McCallum put the State. Eight or ten firms were prepared to supply all that was necessary without the Government interfering. I intend to support the Bill and hope, as the opportunity arises, that State trading concerns will be disposed of, and that private enterprise will then have an opportunity of coming into the field.

HON. G. FRASER (West) [5.8]: Like Mr. Gray, I regret that this Bill has been introduced. So far most of the debate has centred around the question whether State trading should or should not be carried on, not as to whether the State trading concerns should be sold without the consent of Parliament. I know it is difficult to discuss the question of the disposal of the

State enterprises without discussing State trading itself, but at the same time I doubt whether any speaker on the opposition side, or any supporting the Bill, has yet touched upon the principle as to whether it is right or otherwise that the trading concerns should be sold without the consent of Parliament. My own opinion is that no public utility involving the amount of money that has been sunk in the trading concerns should be sold without the authority of Parliament.

Hon. Sir Edward Wittenoom: The Bill provides that they shall be sold without reference to Parliament.

Hon. G. FRASER: Hon. members when discussing the matter should not side-track that part of the Bill. The whole of the arguments advanced by members in support of the Bill have been in connection with State trading, and not the principle involved in the Bill. The Bill itself does not deal with the question whether State trading is in the best interests of the community; the Bill asks that Parliament shall give to the Government power to sell the enterprises without any reference to Parliament.

Hon. Sir William Lathlain: It would be impossible to sell them without.

Hon. G. FRASER: In my opinion that phase of the question is debatable. It has been stated that it would be impossible to sell the trading concerns if the details of the sale were to be placed before members of Parliament. Those who are selling are the people who lay their cards on the table, not the people who are buying. It has been stated by some members in this Chamber and in another place as well, that the whole of the details in connection with the sale should be made available to Parliament, and that the secrets in connection with the whole business should be made public. The man who is buying has no secrets; it is the man who is selling who has to give out the trade secrets. So I do not think there is much in that argument. If permission is given to sell the concerns, do hon. members think it would be right and fair to do that without Parliament having some say in the matter? I do not think so.

Hon. Sir William Lathlain: Do you think it was right to grant the 44-hour week without the sanction of Parliament?

Hon. G. FRASER: We are not dealing with that question; when we come to it I shall give my opinion on it. At the moment we are concentrating on the question whether it is right to dispose of the trading concerns without reference to Parliament.

Hon. J. Nicholson: What about selling other assets of the Government?

Hon. G. FRASER: Any assets in which large sums of money are involved should not be disposed of without the authority of Parliament.

Hon. W. J. Mann: What would you do with concerns that have been established without the consent of Parliament?

Hon. G. FRASER: I do not know of any except perhaps the State Insurance office. That is not involved in this particular Bill and therefore I am not prepared to discuss it. We had a Bill before us last year which certainly was not for the sale of any particular industry but it was a Bill which in my opinion would have done something towards placing one of the trading concerns on a proper footing. Mr. Gray mentioned that one of the features lacking at the State Implement Works was the sales. I agree that that is one of the faults that can be found there.

Hon. Sir William Lathlain: They have had a fair time in which to arrange sales; they have been in existence for 18 years.

Hon. G. FRASER: Yes, they were started in 1912, because of the simple fact that there were too many brass plates and not enough chimney tops in this State. The idea of establishing the works was to create a few more chimney tops and provide openings for young men to learn the trade.

Hon. Sir William Lathlain: What has been the result of the 18 years' experience?

Hon. G. FRASER: Many young men have been given an opportunity to learn trades, not only connected with agricultural machinery but other forms of engineering. Many of those lads are now highly qualified. Apart from that, some hundreds of men have been able to earn a living in this State who otherwise perhaps would have been driven to some other State to seek a livelihood. The argument has often been advanced that if the State Implement Works had not been established, the firm of H. V. McKay would have opened works here. McKay or any other firm had ample oppor-

tunity to start in business in this State. We have been told that the State implements are no good and that farmers will not buy them. If that be so, the works would not have come into competition with H. V. McKay.

Hon. A. Lovekin: Do you expect an individual to compete against the State which is using the taxpayers' money?

Hon. G. FRASER: If the State Implement Works are the absolute failure that some members would have us believe, they offered no competition of which H. V. McKay need have been afraid. State Saw-mills or other avenues of State trading which have proved successful might offer serious competition, but when that argument is advanced against the State Implement Works, it will not hold water. McKay endeavoured to establish works in this State at various times, and it has not been the existence of State Implement Works that has prevented him from doing so.

Hon. Sir William Lathlain: It is one of the principal factors.

Hon. G. FRASER: I have heard Sir William Lathlain say it was due to the attitude of the unions.

Hon. Sir William Lathlain: I say he had a dispute with the unions.

Hon. G. FRASER: And we have been led to believe that the dispute with the unions was the main factor which influenced McKay in not starting works here.

Hon. Sir William Lathlain: The unions would not let him work here on the same terms as in Victoria.

Hon. G. FRASER: Arbitration is the law of the land.

Hon. G. W. Miles: Yes, when it suits you, but you disobey it when it does not suit you.

Hon. G. FRASER: It has been disobeyed in some instances.

Hon. G. W. Miles: It is being disobeyed to-day.

The PRESIDENT: Order!

Hon. G. FRASER: We are told that because of the attitude of the unions, McKay would not establish works in this State and that those works would have come into competition with one of the State trading concerns. The arguments advanced will not bear investigation. Arbitration is the law of the land. Many people lose sight

of the fact that when the firm tried to fix up an agreement with the unions, there was nothing to prevent an application being made to the Arbitration Court. Engineering organisations approach the Court every year and McKay could have linked up with other employers in applying to the Court for what they required.

Hon. E. H. Harris: Before he could establish the business!

Hon. G. FRASER: McKay has, and for some years has had employees in this State.

Hon. E. H. Harris: In quite a different line. You cannot put that over us.

Hon. G. FRASER: McKay was not prevented from joining with other engineering firms and approaching the Court to obtain awards for the industry.

Hon. E. H. Harris: For people he did not employ! You cannot tell us that seriously.

Hon. G. FRASER: For people engaged in the industry. He could have obtained an award of the Court to govern the industry in which he is interested. That was not his purpose. He came to this State and endeavoured to lay down the conditions under which the men would be employed. If the employers and the employees had been able to agree upon conditions, the matter would have been submitted to the court and the court would have given its assent. In this instance, however, the parties were not able to reach an agreement, and McKay said in effect, "If you do not accept my terms, I shall not establish works here."

Hon. W. H. Kitson: We went to Canada instead.

Hon. G. FRASER: He had an establishment at Ballarat and subsequently moved to Sunshine where, he said, some of the conditions operating at Ballarat did not apply.

Hon. W. J. Mann: I do not believe that is correct.

Hon. G. FRASER: It is correct.

Hon. W. J. Mann: McKay has been dead for some time.

Hon. G. FRASER: I mean the firm of H. V. McKay. The State Implement Works are located in my district and I have a greater knowledge of them than of any other trading concern. I have watched them from their inauguration. While I regret that during their 18 years' existence they have not grown as might have been expected, there are various reasons to ac-

count for it. One of them was touched upon by Mr. Gray—the disloyalty of farmers who will not support local manufactures. Many farmers have supported the Implement Works but many, through prejudice, have refused to support them. The ploughs and other implements manufactured at the works compare more than favourably with imported machinery, but owing to prejudice against the local machines, the requisite support has not been forthcoming. Another factor that has militated against the success of the works has been that of the overhead charges. I have previously remarked in this House that I believed there were too many men at the works with their coats on and not enough with their coats off.

Hon. Sir William Lathlain: That applies to many Government concerns.

Hon. G. FRASER: Yes, but I think it applies to the Implement Works more than to most trading concerns. I have heard quite recently that it is intended to move the State Implement Works showrooms from Perth to North Fremantle. Whether that is correct I do not know.

Hon. W. H. Kitson: It is quite true.

Hon. G. FRASER: Then no more effective method could be devised to kill the business. Farmers visit the city and, if the showrooms are not located in the city, they are not likely to travel to Rocky Bay to see the implements.

Hon. Sir William Lathlain: They have the best position in Perth at present.

Hon. G. FRASER: It is a good position. I hope the Government will see the error of their way and will not give effect to that decision.

Hon. W. H. Kitson: They are crippling the sales organisation as an excuse to get rid of the works cheaply.

Hon. G. FRASER: The State Sawmills have shown a huge profit; I think it amounted to something like £40,000 last year. It would be unwise to dispose of the State Sawmills because timber merchants, who have small yards and secure their supplies from the State Sawmills, would be driven into the hands of Millar's or Bunning's.

Hon. Sir William Lathlain: Do not you think they are just as honest as any Government people?

Hon. G. FRASER: Yes, but small merchants have been dealing with the State

Sawmills ever since they were established, and the fact of their supplies being cut off by the sale of the State Sawmills would compel them to deal with other merchants, and that would not be in their interests. Many small yards in the metropolitan area deal with the State Sawmills.

Hon. E. H. Harris: Why.

Hon. G. FRASER: For business reasons; I suppose they find they get a better deal from them than from other merchants.

Hon. E. H. Harris: You know they all charge the same price and work in conjunction as a combine.

Hon. G. FRASER: I do not know their reasons, but the fact remains that they have dealt with the State Sawmills for many years. I do not wish to be mistaken; I am not referring to builders and contractors. I am referring to the owners of small timber yards. One of them told me recently that it would be a great pity if the State Sawmills were sold. There must be something to attract the custom of those small merchants, and in their interests I hope the State Sawmills will not be sold. The State ships have also been referred to. I have not heard any member suggest that the Government should dispose of the railways. I understood Sir Edward Wittenoom to say that he would be quite prepared to dispose of any concerns showing a profit, but not concerns that were a burden on the State; they should be retained by the Government. I place the Shipping Service in the same category as the railways. Mr. Nicholson interjected that the railways were a public utility.

Hon. Sir William Lathlain: On your own statement, they are not regarded so.

Hon. G. FRASER: I take it the State ships would be included in trading concerns.

Hon. Sir William Lathlain: The railways are not mentioned.

Hon. G. FRASER: I have mentioned them in order to draw a comparison. No member has suggested that we should dispose of the railways.

Hon. Sir William Lathlain: We are dealing with trading concerns, not with public utilities.

Hon. G. FRASER: The State ships are a public utility for the people of the North-West, just as much as are the railways for the people of the South-West, the gold-

fields and other areas. If the ships were disposed of, would members be prepared to throw out of work a number of our own men whose families, as well as themselves while the boats are in port, live in the State and who are the means of putting a fair amount of money into circulation amongst the business people of the metropolitan area? If the State ships were disposed of, there is no doubt what ships would take their place. They would be the black boats on the North-West coast.

Hon. Sir William Lathlain: That is not a correct statement. There was no black crew when the "Koombana" ran there. It was a better service than there is to-day.

Hon. G. FRASER: If the State ships were disposed of, does the hon. member think that the companies operating on the North-West coast would introduce new steamers? I do not think they would. On that run are ships manned with black crews.

Hon. Sir William Lathlain: We are not talking about black crews.

Hon. G. FRASER: I am talking about the boats running on the coast at present.

Hon. J. Nicholson: Did not Sir Edward Wittenoom correctly explain the position?

Hon. G. FRASER: I do not think so.

Hon. J. Nicholson: I think he did.

Hon. G. FRASER: He mentioned something about leasing or letting by tender.

Hon. J. Nicholson: He considered that the ships were as necessary to the people in the North as the railways are to the people in the southern and eastern portions of the State.

Hon. G. FRASER: I did not quite grasp the remarks of Sir Edward Wittenoom. Personally I am convinced that the only white boats operating on the coast at present are the State vessels. When these are sold, I do not know what will happen.

Hon. J. Nicholson: Sir Edward Wittenoom said that proper protection would be afforded.

Hon. G. FRASER: It only needs an alteration of the Navigation Act to permit black-labour boats to do the trade now done by the State Shipping Service. Even if a loss is shown on that service, what we lose on the merry-go-round we get back on the swing.

Hon. J. Nicholson: Where do we get it back?

Hon. G. FRASER: Through the fact of the families of the men employed on the State vessels being domiciled here.

Hon. G. W. Miles: The coloured crews saved the people of the North from starving when the white crews struck instead of carrying out an arbitration award.

Hon. G. FRASER: I do not know that the people of the North-West have ever been reduced to the straits described by Mr. Miles.

Hon. G. W. Miles: Yes; it is so.

Hon. G. FRASER: Last year we heard that the people of Wyndham were starving. I was acquainted with the majority of the men who went to the Wyndham Meat Works, and I remarked on their splendid appearance when they returned. Certainly they did not look like having starved for five or six weeks, as described by the daily Press, which, not being too impartial, always exaggerates in such circumstances. Hundreds of those men are personally known to me, and I can certify that there was nothing much wrong with them upon their return. The Leader of the House recently advanced a reason for extending rather than curtailing the State Shipping Service. Last week an hon. member mentioned the coal industry of New South Wales, and quoted the prices paid there for coal. Private concerns pay 17s. per ton, while the cost at the State mine is about 14s. What a glorious thing it would be for Western Australia if we had a State coal mine which would save us 3s. per ton! Instead of selling the State trading concerns that we have, we might well exploit other avenues similarly with benefit to the people. For example, there is motor transport in the metropolitan area. Years ago, the Government made a mistake in not anticipating the competition on the roads. They should have taken steps to retain traffic on the railways and tramways. They could have entered into the business as a public utility, since motor transport is something that has come to stay. Instead of placing heavy imposts on the transport section, the Government should give consideration to the advisableness of taking it over. That course would be more to the credit of the State. Many hon. members, I know, are prejudiced against State trading. Sir William Lathlain even went so far as to say that he would give the State

trading concerns away to persons prepared to take them over. I hope hon. members generally will approach the consideration of the Bill in a different frame of mind. They should ask themselves whether they are prepared to let the Government sell the trading concerns without reference to Parliament. That is the principle of the Bill, and I regard it as a wrong principle. The State trading concerns should not be sold without the approval of Parliament. In this Bill the Government seek certain powers which their supporters have for years advocated. This is not the first Bill of the kind. About 1916 and 1922 similar measures were before the Chamber. They were defeated, as I hope this Bill will be.

Hon. J. Nicholson: The 1923 Bill was carried here.

On motion by Hon. E. H. Harris, debate adjourned.

BILLS (3)—FIRST READING.

- 1, Anatomy.
 - 2, Inspection of Scaffolding Act Amendment.
 - 3, Supply (No. 2), £970,000.
- Received from the Assembly.

BILL—BEES.

Second Reading.

Debate resumed from the previous day.

HON. W. J. MANN (South-West [5.42]: I would like to congratulate the Government on having brought forward this Bill for the reason that the small but highly important industry it concerns has for a long time been allowed to languish. There has been no systematic control of the industry, and no adequate inspection. The people have not realised the advantage the industry is to the State. It has always been a matter of regret to me when moving about the South-Western portion of the State to see so few people with a few hives of bees. Occasionally one has made investigations and asked questions as to why more apiculture is not practised, and one is told that the business is rather precarious. If a man goes to the expense of securing clean stock, possibly importing it, he frequently finds

that a negligent and in this respect insanitary neighbour has allowed foul brood and other diseases to enter his hives. Consequently the man with clean stock is discouraged by the fact of not securing the benefit that he anticipated. I believe the Bill will give a fillip to what I have called a small but important industry. For many years Western Australia has been importing a considerable quantity of honey from the Eastern States annually. In these days of depression every pound that can be kept in our midst is an advantage. I do not wish to labour the subject to any extent, but there is one omission in the Bill. I refer to compulsory registration. In my opinion the Bill should provide for that. It would not inflict any hardship on those keeping bees. It is merely a matter of sending in a return to the Agricultural Department. The return would be a means of informing the department who was embarking in the industry, and there would be the added advantage that the departmental inspector could make a periodical examination. With that one addition I regard the Bill as admirable, and such as I can support with the greatest pleasure. It will prove of advantage to the rural districts, and will be welcomed there.

On motion by the Minister for Country Water Supplies, debate adjourned.

BILL—VERMIN ACT AMENDMENT.

Second Reading.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [5.45] in moving the second reading said: Experience in the administration of the Vermin Act has disclosed certain defects and shortcomings in the legislation. In pursuance of the policy of alert determination in the extermination of the pests so troublesome to our primary producers, the proposals in this Bill are being put forward in the hope that Parliament will agree that they are worthy of adoption. The first proposal in the Bill relates to the definition of "holding" in Section 4 of the Act. When the Act was amended to provide for the creation of a central fund for the payment of bonuses for the destruction of wild dogs, etc., it was agreed to exempt leases under the Mining Act from the scope of the Vermin Act. By that exemption,

mining leases enjoyed the consideration extended to areas under 160 acres. The result has been that considerable areas of land held for farming purposes in mining areas, such as in the Ravensthorpe district, have been exempted from rates levied by the local vermin boards. That unusual concession was never intended when the Act was amended. The exemption of holdings under the Mining Act, 1904, was meant only to relieve mining leases from the tax collected by the Taxation Department for the Central Vermin Fund for the destruction of dogs, foxes and eaglehawks. They were already free of the rates levied by the local vermin boards. However, the amendment to the Act went further than was intended and relieved agricultural holdings under the Mining Act of the payment of rates to the local vermin boards in addition to the tax for the central fund. If Clause 2 be agreed to, mining leases will still be exempt from the tax for the central fund and the rates of the local vermin boards, but agricultural holdings under the Mining Act will have to pay the tax to the central fund and rates to the local boards. Section 45 of the Act is also in need of amendment. It permits the adoption of road districts as vermin districts. Since that provision was made, it has been found that the names of road districts have been altered from time to time. To keep pace with the alterations in so far as the Vermin Act is concerned, it has been necessary to put forward separate Executive Council papers and to incur the expense of the gazettal of long descriptions of boundaries. It is now suggested in Clause 3 that the Department of Agriculture shall be saved that rigmarole of a procedure by the simple provision that the name of the vermin district shall continue to be the same as that of the road district. The method of making a rate is set forth in Section 60 of the Act and Clause 4 will amend that section by adding the words "and to be due and payable" at the end of Subsection (1). The same clause will also add a proviso to the same section, setting out that no proceedings to recover or enforce the payment of rates shall be taken until after the thirtieth day of September next following the making of the rate. Those alterations in the Act will bring the law into line with the Road Districts Act, permit of a uniformity of rating and simplify book-keeping. A further alteration with the same object in

view is contained in Clause 50. In Section 63a, a board is compelled to charge interest on unpaid rates, and it is now desired that that power shall be optional. In Clause 6, various amendments are proposed to Section 100a of the Act, which deals with the levying of a special rate for the central fund for the destruction of vermin. Paragraph (a) provides, as in the case of vermin boards, for the exemption of leases under the Land Act from payment to the central fund for a period of two years from the commencement of the lease. Paragraph (b) amends Subsection (3), as amended by the Vermin Act Amendment Act of 1926, to provide for the payment of expenses incurred by boards, etc. In the past, although these expenses have been charged to the central fund, there has been some doubt as to the legality of the action, and it is now desired to remove that uncertainty. In paragraphs (b) and (c), approval is sought to a new line of action in the extermination of pests. In those subclauses authority is asked for the employment and payment of trappers.

Many of the vermin boards in the South-Western Division pay, from their own funds, an enhanced bonus of from £3 to £5 per scalp for wild dogs. Those boards are composed of settlers who contribute to the central fund for the same purpose. The object in paying the increased bonus is to encourage trappers to go after the marauding dogs. In some districts dogs are scarce and, being continually hunted by inexperienced trappers, they quickly become cunning; hence the services of professional trappers are necessary. The South-West areas contribute considerably to the central fund, but receive comparatively little in the way of bonuses in return. Largely on that account, the Vermin Advisory Board consider it advisable to employ trappers to operate under the direction of the Vermin Advisory Board, and thus endeavour to cope with the cunning dog. That type of dog usually roams over a large tract of country and, unfortunately, the settler operates only around his own farm in his endeavours to trap the killer of his stock. In consequence, the dog is not caught and it continues its depredations in all directions. It is believed that a capable professional trapper would locate the dog's lair and rid the district of a pest that had probably caused serious loss to the settlers. In

paragraph (d) of Subclause (3) it will be seen that the name "eagle-hawk" has been altered to "wedge-tailed eagle." That alteration is considered necessary as the term "eagle-hawk" is altogether too vague. It has been applied to several hawks, eagles and their species, and bonuses are being paid for birds that are only a little larger than parrots, whereas it was only intended to pay for the destruction of the eagle causing damage to sheep—the wedge-tailed eagle. The amendment proposed in paragraph (d) will permit of land, held under the Mining Act for agricultural and pastoral purposes, being rated. The wording of the subsection will then be in accord with the definition of "holding."

Next, in paragraph (e), it is proposed that the Commissioner of Taxation may, with the approval of the Minister, write off arrears of rates assessed and due under Section 100a. That provision has been asked for by the Commissioner of Taxation because he desires to treat all rating matters in a uniform manner. If the authority is not given, it will be necessary for the Commissioner to keep on his books amounts that he is perfectly well aware can never be collected. The remaining amendment in the Bill is in respect to the Second Schedule. That schedule lays down the description of a fence and the department now asks that that description be struck out and the one set forth in Clause 8 inserted in lieu. In explanation, it is provided in Section 100a of the Act of 1918, that if a holding, or group of holdings, is wholly enclosed with a vermin fence to the satisfaction of the Chief Inspector, the owner shall not be liable for the payment of the rate. When that provision was made, the fence required by the Chief Inspector and recommended by the Road Boards Association, was 6ft. with 2ft. overhanging at an angle of 45 degrees. Later on it was ascertained that the Chief Inspector's fence could not be enforced because it did not conform to the description of a vermin fence outlined in Part I. of the Schedule referred to, and it was argued legally that the latter fence was all that was necessary to obtain exemption from the payment of the rate. As the fence described in the Second Schedule would not be dingo or fox proof, it was never intended that the erection of that fence would absolve the owner from the payment of the rate to the local board. To bring the standard of the

fence in the schedule up to that of an exempted fence, the amendment of the schedule, to provide for a fence 78 inches above ground, is necessary. It will be noted that the overhang is not now specified. That provision is not included as some of the road boards objected to the fence overhanging roads, and there was a possibility of owners being liable for damages if any person suffered injury through coming in contact with it. Before concluding, I desire to inform hon. members of the state of the fund to which the special tax for the destruction of wild dogs, foxes and eagle-hawks, is paid. As hon. members are aware, the maximum rate of tax permissible is 1d. in the £ on pastoral holdings and ½d. in the £ on farm lands. The maximum amount that can be obtained on that rate of tax is £47,000. Against that amount, the annual expenditure for the three years during which bonuses have been paid, is as follows:—

1927-28	£35,141
1928-29	£40,151
1929-30	£51,175

It will thus be seen that the maximum rate only provides sufficient for the annual expenditure. Admittedly there has been a considerable surplus at the Treasury since the fund was first collected. That surplus was due to the fact that the first year's rating overlapped the rating by the local vermin boards for the same purpose, and, in consequence, practically no expenditure was incurred from the fund for the first year. Because of that, the credit balance arose. To adjust the position, the rate of tax was reduced last year to ½d. in the £ on pastoral holdings and ¼d. in the £ on farm lands, and the amount collected was £23,500. The revised rate of tax resulted in the surplus being reduced by £27,675 and on the 30th June, 1930, there was a credit balance of £28,607 at the Treasury. This year it is intended again to levy the lower rate of tax, namely 50 per cent. of the maximum rate, and it is estimated that the amount collected, together with the credit balance, will provide only sufficient for the year's requirements. In fact, unless collections are well maintained, it is quite possible the assistance of the Treasury may be required before the end of the year. During the 12 months ended 30th June, 1930, the following vermin were paid for:—

Wild dogs	..	14,815, decrease of 2,135
Foxes	..	11,039, increase of 7,370
Eagles	..	10,859, increase of 5,924

Since the Act was amended to provide for increased bonuses, the number of dingoes paid for each year has shown a decrease, whilst foxes have not only increased in numbers, but appeared in fresh districts each year. I move—

That the Bill be now read a second time.

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

House adjourned at 6.2 p.m.

Legislative Assembly,

Wednesday, 1st October, 1930.

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

QUESTION—RAILWAY FREIGHTS.

Mr. WANSBROUGH asked the Minister for Railways: 1, Is it a fact that railway freights on small consignments of perishable goods, such as fruit and vegetables, have been increased 15 per cent. plus 9d. additional loading charges, as from the 22nd September? 2, If so, is it considered that this is in the best interests of the producer, consumer and State in general?

The MINISTER FOR RAILWAYS replied: 1, Freights on certain classes of goods have been increased by 15 per cent., and the loading charge by 3d. per ton, but the flat rate of 1s. 6d. per case on single cases of fruit by any train has not been altered. Other small consignments would come under the 15 per cent. increase, but the amount involved in such cases is not considerable.