

brought up four weeks hence, he trusted and believed that before the session closed, he did not know the duration of the session, it would be possible, even with the enlargement of the work, to bring up a satisfactory report.

Question put and passed.

House adjourned at 10.7 p.m.

—
PAIN.

Hon. H. Gregory. Mr. A. A. Wilson.

Legislative Assembly,

Thursday, 7th October, 1909.

Papers presented ...	884
Questions: Sanatorium, Coolgardie ...	884
Blackboy Industry ...	884
Milk Preservation, Pusey process ...	884
Bills: Land Act Special Lease, 2a, Com. ...	884
Administration Act Amendment, Com. ...	900
Metropolitan Water Supply, Sewerage, and Drainage, Com. ...	902

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

PAPER PRESENTED.

By the Minister for Works: Return showing the amounts paid in grants and subsidies to the Miners' Institute at Cue. (Ordered on motion by Mr. Heitmann.)

QUESTION—SANATORIUM, COOLGARDIE.

Mr. GILL asked the Premier: Is it true that the wine and other stimulants that it has been customary to supply to patients at the sanatorium at Coolgardie have been stopped? If so, by whose instructions, and for what reason?

The PREMIER replied: No restriction has been placed upon the supply of stimulants whenever deemed necessary by the medical officer in charge of the sanatorium.

QUESTION—BLACKBOY INDUSTRY.

Mr. O'DOUGHLIN asked the Premier: 1, Has any further progress been made with the agreement between the Government and Dr. Black and others re the starting of the blackboy industry? 2, Can the Premier give the House any idea as to when this industry will be started?

The PREMIER replied: 1, The agreement was completed and signed on the 25th November last, and I am informed by his solicitor here that at the present time Dr. Black is in London making final arrangements. 2, By the terms of the agreement Dr. Black has to expend £1,000 on the undertaking before the 25th of next month, and failing compliance therewith within 30 days after notice of default has been sent to him, the agreement will be liable to forfeiture.

QUESTION—MILK PRESERVATION. PUSEY PROCESS.

Mr. WALKER asked the Premier: 1, When does the option of purchase of the Pusey process for the preservation of milk expire? 2, If it has already expired has provision been made for an extension of time in order to enable reports to be received and considered? 3, What has been the cause of the delay in obtaining and considering these reports?

The PREMIER replied: 1, On the 8th inst. 2, No. 3, The necessity for making full investigations.

BILL—LAND ACT SPECIAL LEASE.

Second Reading.

Debate resumed from the previous day.

Mr. BATH (Brown Hill): Since the Minister for Works introduced this measure and gave us detailed information, I have had an opportunity of perusing the lease which is embodied in the Bill, and, as far as I can see, the Government have endeavoured to the fullest extent in their power to safeguard the interests of the State. There is no doubt that the company, if they had so desired to establish the industry, could have found land which they could have purchased for the pur-

pose of erecting these works, and certainly, in accordance with the views enunciated on this side that where possible the Government should lease land in preference to selling it, in this case the Government seem to have secured a fair consideration in return for the grant they are handing over to the company. In every respect the Government seem to have profited by our experience in the past, and tried to safeguard our interests as far as possible. I know it is urged and, I believe, with a great deal of truth, that there is need for very strict examination on the part of the Government into the manner in which this industry is controlled. Our first duty, I take it, is to those who will be using artificial manures—the agriculturists, and if, as is stated, that there is anything in the shape of a combination amongst these people, then it is our plain duty to set to work and prevent that combination from extorting disadvantageous terms from the consumers of the product. I have had the chance of perusing the report of a select committee of the Legislative Council in Victoria, which was appointed as the result of charges made in the Legislative Council or, at least in the Parliament of that State, to the effect that not only were the manures being sold under the specified percentages, but that they were being adulterated with a considerable proportion of sand. In perusing the report of that select committee I think that the representatives of the various companies, including this particular company, were present at that meeting, and, in fact, the representatives read statements from their different points of view. The way in which they made charges against each other indicated that where private individuals fall out there is a chance for honest men to come by their own. In this case the charges were severe. One agent representing, I believe, a Japanese firm of manufacturers of artificial manures, made charges, including one against the Mount Lyell Company, that in what they called their No. 2 brand they placed as much as 30 per cent. of sand in the superphosphates, and this appeared to have been borne out by the analysis afterwards

carried out. If that is the case there will be need for great vigilance on the part of the Agricultural Department of this State to see that similar practices are not carried out within our borders. Of course, I recognise, even if there should be a combination of the trade, that this will not be so much a question affecting the Bill. After all, it is better to have the manufacturer within the State employing labour, and giving us a better chance of supervision than it would be to have the superphosphates manufactured outside the State. While I am on this question I would like to know something about the famous find of phosphatic manures in our own State. This find was going to revolutionise farming in Western Australia, and make the sandplain blossom like the rose, and convert it from 3s. an acre land to land worth £1 an acre. But this, apparently, was an advertisement for the glorification of those who made the discovery, and then absolute oblivion followed. We were told that a great deal was to be done towards the exploitation of the country containing these deposits, and in reply to a question the Premier expressly stated that there was no intention to part with these deposits, or to allow private exploitation, but whatever advantage was to accrue that advantage would be retained by the State for the benefit of the people in the State. I sincerely hope that resolution is to be adhered to.

Mr. Walker: No, it is not.

Mr. BATH: If it is not to be adhered to we should know something more about it. That was a solemn undertaking on the part of the Premier or, at least, it was a solemn assurance given by the Premier that we would not allow this advantage to be parted with. If it has been parted with then there has been a violation of the undertaking given to the House.

The Minister for Works: I have no knowledge that these deposits have been parted with.

Mr. BATH: Then the hon. member for Kanowna seems to have more knowledge than the Minister for Works. I want to point out that if the statements then made are true, if the deposits are of the

value that was then stated, there is no object to be gained by first parting with them and then later on fighting against inevitable difficulties that will arise in trying to keep the private individuals within bounds, whereas by retaining them we could avoid the necessity of adopting such a procedure. I know that this is not exactly apropos of the Bill, at the same time, while we are dealing with the question, and while the matter is fresh in our minds, I would like to know what the Government are doing with regard to the deposits. As far as this measure is concerned I see no justification for opposing it; on the other hand, I believe, as I said, our interests have been safeguarded, and we all want to see this industry established in the State and employment given to the labour which must be engaged in order to carry on the undertaking.

Mr. JOHNSON (Guildford): While I agree with the hon. member for Brown Hill that the Government in preparing this lease have provided sufficient safeguards from the State point of view, still, I desire to take this opportunity of expressing my regret that the Government did not use the selfsame site for the establishment of State works for the manufacture of superphosphates. The Minister for Works whistles, but I know perfectly well that his sympathies are always with the private manufacturers. I happen to have other views, and on this particular occasion I hold strong views. There is no other manufacture in Australia more profitable, nor is there any other manufactured material which lends itself to so much fraud as do superphosphates. Consequently, when on the one hand we have a profitable undertaking and on the other an article in respect to which the public can very easily be cheated, I think it is the duty of the State to step in and protect the people. The Government would lead us to believe their sympathies are ever with the agriculturist, that their one desire is to protect him from private enterprise where his interests are not already safeguarded. Here is an instance in which it was possible for the State to step in and guarantee to the agriculturist that

he would get what he was paying for; yet instead of undertaking to manufacture fertilisers themselves the Government lease the block to a private firm. The Leader of the Opposition said that if it be true a combine exists certain things should be done. As a matter of fact that combine does exist, and although a lot of people run away with the idea that because two firms are starting we are going to get competition, and with it protection, yet nothing is farther from the fact. The two firms are working together and have a close combination regulating the sale of superphosphates. The Leader of the Opposition referred to the report of a committee appointed by the Victorian Legislature to investigate this matter. For the information of the House I will read a few extracts from that report with a view to showing that a combination does exist, and is admitted to exist by the representative of Messrs. Cumming, Smith, & Company, who said—

“There is a Victorian Fertiliser Association, of which I have the honour to be chairman, just as there is a South Australian Fertiliser Association, just as there is a Hardware Association, Softgoods Association, Bankers’ Association, association of labour, and Shopkeepers’ Association, and they are all for their mutual protection to regulate competition, so that it may be carried on on fair lines. They are for exactly the same purpose as the Manures Act, the Pure Foods Act, and similar Acts, to prevent deception, so that no low-down trick may be played by one to get ahead of the others. And I say fearlessly they are more to the advantage of the consumer and the public generally than the unrestricted competition, where one vendor is squeezed or sweated against another till, if he is going to keep his customer, he must either sell at a loss—and that cannot last long—or deceive that customer to believe he is going to give him something which he cannot fulfil. Thus combinations—we must not use the word “combines” in regard to agriculturists—of farmers in the country sweated one vendor against the

other, the new firm, the Mount Lyell Co., with an immense capital and mines at their back determining to get the business, the old firms, such as Cumming, Smith, and Co., determining not to lose their old customers. And so the fight raged till abuses crept into the trade, which could not be carried on honourably under such circumstances. Surely it was time for such people to respect each other, and come to an honourable understanding not to prevent competition—that is as keen as ever—but to compete on fair and honourable lines."

The Minister for Works: Where are you quoting from?

Mr. JOHNSON: From the report referred to by the Leader of the Opposition. This is the statement made by Mr. Cumming, who was representing Messrs. Cumming, Smith, and Company. He is the chairman of the fertilisers' association, of which he forms one part and the Mount Lyell Company the other part, and they have an honourable understanding in connection with the sale of fertilisers. Then, to show also that this understanding does exist the following statement was made by Mr. Hasell, an importer of superphosphates, who had a difference with the Australian manufacturers. He had a quarrel with them and, as the Leader of the Opposition pointed out, through that quarrel we got certain information. Mr. Hasell said—

"This superphosphate, analysing 20 per cent. water and citrate soluble phosphoric acid was supplied by all the Victorian manufacturers to the farmers in Victoria during the two seasons 1906 and 1907 (*vide the Journal of the Department of Agriculture for 8th February, 1906, and 8th February, 1907*), in the latter year at £4 2s. 6d. per ton. But, during 1908, instead of supplying pure superphosphate of high grade, the local manufacturers having formed a combine, reduced the quality of their first quality superphosphate to 18 per cent. water and citrate soluble phosphoric acid by adding some 10 per cent. of sand (which they dignify with the name of guano)

the manurial value, as before stated, being about 1s. per ton of superphosphate. At the same time, they raised the price of the superphosphate to £4 7s. 6d. per ton."

The Minister for Works: What was the finding of the Commission?

Mr. JOHNSON: This does not give the finding. They were taking evidence in respect to an enactment before the Legislature. Then he goes on to say—

"I venture to say that no importer would accept the responsibility of making sales to farmers with the terrible risk hanging over his head of the combine dropping their prices 10s. to £1 per ton, which in the case of say, 10,000 tons of superphosphate, would practically ruin any importing firm. If one of the members of the combine can afford to sell superphosphate to New Zealand wholesale at equal to 62s. 6d. per ton f.o.b. Melbourne, with a larger percentage of phosphoric acid and only 3.70 per cent. of sand, while they are selling wholesale in Victoria at 80s. per ton, it is very evident that they are quite in a position to temporarily lower their prices for the purpose of crushing out competition should they find it desirable to do so."

Clearly showing the operation of this combine. They sold a better article in New Zealand at 62s. 6d. than they are selling in Victoria at 80s.

Mr. George: From where did they send it to New Zealand? From Tasmania?

Mr. JOHNSON: No, from Victoria. The Mount Lyell Company send theirs from Tasmania. The article they were selling in Victoria at 80s. was not up to the quality of the article they were selling in New Zealand at 62s. 6d. I quote this to show that a combination exists, and I claim that it was the duty of the Government to protect our farmers by manufacturing the superphosphates themselves. The Mount Lyell Company and Messrs. Cumming, Smith & Company have to go to Christmas Island or Ocean Island for the phosphatic rock, and we could go in and get the same article just as cheaply, and just as well as can these private firms. Again, other necessary ingredients we

could procure in the State, and the only ingredient we would have to import we could import just as favourably as can the companies. When we consider the action of these private firms in forming a combine in Victoria—and we have been suffering from it in Western Australia, because we have been using their product to a very large extent—and when we remember that the Government had these facts at their disposal, it will be seen that it would have been better for the Government to have established those works themselves instead of leasing the site to a private firm. I will be told by the Minister for Works that we have a Fertilisers Act in Western Australia for the protection of the farmer, but I would like to ask whether the provisions of that measure are ever enforced.

Mr. Walker: Is it not a fact that the superphosphates supplied to the farmers have to conform to a certain standard?

Mr. JOHNSON: I want the Minister to give us some assurance that the Government are going to see that the superphosphates as supplied to the farmers are up to the standard. We certainly have some protection if the administration is sufficiently good to enforce the provisions of the Act. From inquiries I have made it appears that the English imported stuff is analysed immediately on landing on the wharf in Western Australia. Not a bag of it may be removed before it has been analysed. (Interjection.) The member for Swan will find it is correct. I was told only this afternoon by an importer that it had all to be analysed.

The Premier: It is unlawful to have for sale manure which is not up to the required standard.

Mr. JOHNSON: If the Government do not see that the provisions of the Act are enforced what is the use of having the Act?

The Premier: That amendment was introduced four years ago as the result of certain abuses.

Mr. JOHNSON: Yes, but an amendment is not going to overcome those abuses unless it be strictly enforced.

Mr. Jacoby: It has overcome them absolutely.

Mr. JOHNSON: Nothing of the sort: I have heard that the locally manufactured article is not subjected to the same test; nor is it under the same restrictions as the imported article.

Mr. George: It should be.

Mr. JOHNSON: Certainly. I am not one of those who would give undue preference to any imported article; rather would I favour the locally manufactured article. When we have an Act designed to see that the superphosphates are analysed, it is the duty of the Government to see that the Act is enforced, and I want an assurance from the Government that the provisions of that measure will be strictly enforced. I would suggest that they adopt the precautions obtaining in Victoria. There at the end of every week a sample of the locally manufactured article is sent to the Agricultural Department; at the end of every month those samples are mixed up. The weekly sampling continues, and at the end of the quarter all the samples are again mixed up. Then the bulk is analysed with a view to determining whether it is up to the value as declared by the manufacturers. We want to do something like that in Western Australia. Under the present system superphosphates may be sent out to the agriculturist, and he may have used the stuff, and yet after its being tested we find that it is not up to the standard. But if we have a sample from the manufactory that will shortly be in our midst it would simplify matters and give that guarantee to the agriculturist which I want to see given. Of course it is too late at the present juncture to propose anything in the interests of State manufacture, but I maintain the Government have lost an opportunity of granting absolute protection to our agriculturists in this very important matter; because the superphosphates are the life-blood of agriculture: they have revolutionised agriculture in Western Australia. Seeing that they form such an important part in the development of agriculture I think the State should guarantee that they are up to the standard, and there is only one sure way of doing that, and that is by the State manufacturing

them. However, the Government have neglected their opportunity, and now it is decided to lease this land to this company. I have no desire to oppose the Bill. I agree that every precaution is taken in the lease to protect the State, but my grievance is that we are not using the land ourselves for the manufacture of these superphosphates.

Mr. GEORGE (Murray): The hon. member seems to think that the whole position would have been saved had the Government started the manufacture of superphosphates; but the establishment of another firm at Guildford on land with which the Government have nothing to do is an answer to the attitude of the hon. member in regard to the establishment of these works at Rocky Bay. I have used superphosphates, and I hope to use more if the price is brought down to a reasonable sum; and I have no fear, and I do not think the farmers are under any misapprehension, in regard to the manufacture of the superphosphates in the State. Every person purchasing these fertilisers gets with his invoice a certificate, and if he has any doubt as to the value of the manure it is open to him to have it analysed, and when that is done the Fertilisers Act comes in very strongly on any person who has supplied an article not up to the standard on the certificate. We are not legislating for children, we are supposed to be legislating for men, and if men refuse to avail themselves of their privileges why should the House be asked to make provision as if the farmers were children? The farmer has his remedy, and it is easy for him, without any expense, to ascertain whether he has or has not been properly treated with regard to manures. The Leader of the Opposition brought forward a matter that I think he was justified in bringing forward, and if it is pertinent to the debate I should like to add a few remarks. Officers of the State found what are described as splendid deposits of manure somewhere up the coast, and we were told there were thousands of tons there and that the farmer was going to get it for 30s. or £2 a ton. What has been the result? No doubt the Government could

explain the matter, and they should explain it. They have evidently parted with these phosphatic deposits and someone else is running them at present.

The Minister for Works: That is not so.

Mr. GEORGE: At least, that is what I am told.

The Premier: It will save a lot of trouble if I tell you that the whole coastline has been reserved.

Mr. GEORGE: Then how is it that an agent for a private company came to me and asked me to purchase this particular fertiliser and gave me a sample of it? I may inform the Premier that the cabbages I used it on did not grow, and others on which I used other fertilisers I had purchased did grow. I would like to know the full facts. If the Government have simply leased the land very likely we shall hear good reasons for it. However, in regard to what the member for Guildford said, in my opinion the Fertilisers Act gives sufficient power if the people interested like to put it into force. At the same time I think it would not be out of place if there was an officer whose duty it was to take samples as the hon. member proposed. If there is already such an officer then let him get to work, and if he does we will all help him. I know that a great many people, with myself, believe that with the establishment of these firms we will get cheaper phosphates, and much better. If we do not get them much better and cheaper there are enough of us to growl. If the shoe pinches we will growl soon enough. The hon. member claimed that the Victorian farmers were paying £4 2s. 6d. for phosphates, but I have purchased No. 1 Mount Lyell at £4 5s. and £4 7s. 6d. in this State, and it had to be imported from Victoria, so that we have been getting a fair deal in that regard.

Mr. Johnson: Yes, as compared with Victoria, but how about New Zealand?

Mr. GEORGE: If they can sell the same quality—

Mr. Johnson: A higher quality.

Mr. GEORGE: I will say the same quality. If they can sell the same quality even in New Zealand at £1 less than

they charge us there is "something wrong in the State of Denmark," and the hon. member will find out when the farmers read his remarks through the medium of the Press that they will soon inquire if they cannot buy for £3 2s. 6d., and get a better quality than they are now paying £4 5s. for. Many people are, like myself, looking forward with joy to the establishment of these works; and though it may be better from the point of view of some to have the manufacture carried out by the Government, we are satisfied to have the superphosphates manufactured in any way so as to have them manufactured in the State, and we will take good care that we will get the quality, and we will certainly try to get them cheaper.

Mr. ANGWIN (East Fremantle): I congratulate the Government on the exceedingly good terms of this lease. Knowing the land well I consider that the rental they will obtain for the small area the company will have is a very fair one. I merely rise to object to a statement of the member for Guildford (Mr. Johnson). I have never known an industry to be established in Australia yet but some importer condemns the article turned out. No matter in what line it is, it is always considered by the importer to be of inferior quality. Importers are bound to do this, because they realise that in all probability the Australian article will run them out of the trade. The hon. member referred to Mr. Hasell, an importer in Victoria, but we could not expect anything from him but that he would condemn the local article. I was pleased to hear that Mr. Cumming, who is establishing works at Midland Junction said, on the same Commission referred to by the hon. member, that an understanding had been arrived at to compete on fair and honourable lines. I do not think that any member will object to an understanding that competition is to be on honourable lines, that is, honourable to the consumer as well as to the manufacturer. The great difficulty we have to contend with is that when competition cuts down prices below a fair value it has a tendency, nine times out

of ten, to reduce the wages of the employees to such an extent that it is almost impossible to get employment in these industries at fair wages; and I certainly think that so long as the competition is carried out on honourable lines we will have nothing to fear. I agree with the hon. member that it is a pity the Government could not have taken on the manufacture of the superphosphates themselves. Seeing that the agricultural development of the State is just commencing, if the Government had started to manufacture superphosphates, in all probability we could have supplied the agriculturists at such a cost that it would be of greater advantage than to have private companies established; but seeing that the agreement entered into by the Minister is fairly satisfactory to the State, I sincerely hope the Bill will become law at an early date. I know that for a considerable time past a large number of persons throughout the State have been looking anxiously towards the commencement of these works, and I know that there have been a large number of men employed in the preparatory work at Rocky Bay, and unless there is some understanding arrived at at an early date there is a probability that some of these men will lose their employment pending the settlement of the agreement. Therefore, I hope Parliament will not delay the measure and that the agreement will be arrived at a very early date.

Mr. JACOBY (Swan): The great difficulty with producers in this State at present is that superphosphates are not made in the State and we are dependent upon the safety of a ship for our supplies. I welcome the establishment of these factories because it will relieve the farmers from that anxiety, which is no small one. It has happened that, owing to a sailing ship, carrying practically the whole of the supplies for the State, going astray, nearly the whole of the season's crop has been imperilled. Farmers are still in that danger, but the establishment of these works and the local supply of superphosphates will overcome it. I welcome the establishment of these factories

for more reasons than one. Not only will they ensure more regular supplies of fertilisers, but it is a sign that the people of the Eastern States are waking up to the fact that such a place as Western Australia exists and has a big future ahead of it, and is a good place in which to invest their capital. The superphosphates trade is a growing one, and is one that is likely in a few years to reach important dimensions. We now import 19,000 tons of fertilisers at a value of £70,000, and members will recognise that if we can keep in the State the money spent on shipping and manufacturing these fertilisers we will be doing something greatly to our benefit. I wish to refer to one or two remarks made by the member for Guildford (Mr. Johnson). I regret I was not in the Chamber to hear the whole of his remarks, but it appears that he is still hankering after the ideal time when the State will employ everybody and do everything. When any proposal is made for the encouragement or manufacture of any article then we find the hon. member and others making representations to get the article manufactured by the State. The hon. member will, perhaps, allow me to give him my experience of State enterprise. I have had two such experiences lately. Last year the department of Agriculture made up their minds that they could do certain work much better than private individuals, and certain growers, who evidently thought there was something in the plea of the department, started to take advantage of the offer of the Government and put certain shipping through them, with the result that we went to a considerable amount of trouble to prepare fruit for shipment. The fruit was sent to the boat but was left on the wharf because the department in charge had not worked out their figures sufficiently well to realise and provide what space was needed. We paid for space, and our fruit was left on the wharf.

Mr. Angwin: How long ago was that?

Mr. JACOBY: Last year. Then the Government entered into the fertilising business, and I made arrangements to purchase 12 tons of fertiliser from them to be delivered on a certain date. I went

away to the Eastern States being quite content with the contract I had made, and satisfied that the department would carry out the work properly and deliver the fertiliser on the specified date. I was convinced that everything would run smoothly. Three months after the date fixed for delivery, 5 tons of the fertiliser had been received, and that is all I have had delivered. The result was that the work on my place was very considerably thrown back, and loss of time resulted. Possibly the Government could do these things better than other people if they would undertake the same methods of working their propositions as private people do. In order to do this, however, a responsible officer must be placed in charge, and he must have power to employ or dismiss what men he likes. We have not an officer in the Government in charge of a large department who has not been attacked in this House and outside because he has had the temerity to dismiss someone from the service. Last night we debated for several hours on the fact that a certain State officer had dismissed someone, or had said something cross to someone. The officers of the State are in a very different position from those in any other employment, for they have to be treated tenderly as invalids in a hospital, to be wrapped up in cotton wool, and they cannot be dismissed without the aid of a dynamite explosion.

Mr. Walker: What about the jam factory at Donnybrook?

Mr. JACOBY: That is a case where the Government are assisting private enterprise. It is not a case where the Government are supplanting the private individual. The contention of the member for Guildford was that the Government should supplant the manufacturers of fertilisers in the State. If the Government were to supply fertilisers, and the farmers suffered the same experience as I did with regard to obtaining supplies, there would be continual trouble.

Mr. Angwin: Did you leave the Government a cheque for the fertiliser before you went away?

Mr. JACOBY: Yes; the money was sent with the order, and I received back the sum I had paid for the fertiliser not

delivered. I would much rather have had the fertiliser, for considerable loss was sustained through non-delivery; the Government have not paid me for that loss. It was stated by the member for Guildford that proper samples of fertilisers made in the State were not taken. That is not so; for if he looks at the reports published in the *Journal of the Department of Agriculture* he will see that samples of fertilisers are taken every month, and the results are published. The Department are continually testing the fertilisers, both manufactured in the State and imported. It must be remembered that the manufacturer registers a brand and guarantees that his fertiliser contains a certain minimum of fertilising ingredients. If at any time after the registration an analysis is made, and it is found that the particular brand does not contain the minimum provided for under the registration, the manufacturer is liable to be proceeded against by law. When buying a fertiliser one sees what the registered minimum is, and if the fertiliser is not up to that minimum there is a legal remedy.

Mr. Gill: What is the remedy?

Mr. JACOBY: The remedy against anyone who breaks a contract.

Mr. Scaddan: Are any of the brands mentioned in the *Journal* not up to the standard?

Mr. JACOBY: I have not gone through them all. As one who has to buy a good deal of fertiliser I can say that we are thoroughly protected. I was a member of the select committee that drew up the Bill, and I have now to report with satisfaction that the measure has been working smoothly and well, and has achieved the purpose for which it was introduced, namely, to prevent the sale of worthless fertilisers to the people of the State. I welcome the Mount Lyell people to the State. We shall have to be on our guard for anything in the shape of a combine, and I will join with any member, if it can be proved that a combine exists, in adopting the necessary measures, legislative or otherwise, to prevent that combine working successfully against the farmers of the State.

Mr. BOLTON (North Fremantle): Every member of this Chamber would welcome the introduction of a Bill of a similar character to this three times a week for the rest of the session. If we had the introduction of similar measures more often, we should not need a select committee to deal with the question of immigration. If we can persuade manufacturers to manufacture here instead of importing the manufactured article, we would require very little advertising for immigrants. I gather from the remarks of the member for Guildford (Mr. Johnson) that he desires to protect the farmer and see that the latter gets the grade of superphosphates he pays for. I would have been quite prepared to see the member attack the Government for mal-administration on the part of the department in not having sufficient tests made of the superphosphates manufactured in the State. I understand from a good authority that it is competent for the Government to enter the premises at any time and take tests, not once a year, a quarter, or a month, but at any time. If the Government do not do that, surely it is the farmers' fault for not seeing that this protection is afforded to them.

Mr. Heitmann: It is right that the Government should go to a certain expense to protect the farmer.

Mr. BOLTON: Yes; it is necessary that the farmer should be protected, and there will be no objection on the part of manufacturers to the Government officials entering their premises. Why do not the Government have the tests made?

The Premier: The member who just sat down said they do.

Mr. BOLTON: He said they did it once a month periodically.

Mr. Heitmann: Spasmodically.

Mr. BOLTON: Yes; more spasmodically than periodically. If they frequently made these tests and surprise visits the farmer would be well protected. It was quite certain that the manufacturer would raise no objection to the Government entering his premises at any time.

Mr. JOHNSON: Did they give you that assurance?

Mr. BOLTON: No. I understand a regulation that permits this was in force a few years ago, and that successive Governments have had the right to enter the premises of local manufacturers of superphosphates. Surely it must be an additional benefit to farmers for the superphosphates to be made locally. Those members who were in Parliament at the time will well remember when the Bill relating to the manufacture of rolling stock in the State was introduced. The Government gave the firm in question an added price provided that the rolling stock was made in the State. The price in fact was a good deal higher on that account. It seems to me that as members supported that measure they must recognise the added value there is of having superphosphates manufactured here, without any additional expense to the Government; on the contrary, the result will be an addition to the revenue in the shape of rent. I congratulate the Government upon having leased the land to the company instead of having sold it. Great dissatisfaction would have been shown had the Government parted with the fee simple to this company. Under the conditions of the agreement, which I have inspected before to-day, I feel sure the Government are well protected. Mention has been made of the danger of establishing a combine, and it is said that the companies which have started work here have arrived at an agreement as to the price to be charged for superphosphates. I am in accord with the member for Guildford when he said that if it could be proved that companies starting in this State were taking an undue advantage it would be the duty of the Government to interfere. That is quite right, but there would be time enough for that when the position arose. It must surely be recognised by members that it is impossible to get the Government to enter into such an enterprise as the manufacture of superphosphates. Surely if this is recognised the member for Guildford will not advance as an argument that because the State will not start the works no one else should be encouraged to do so. Any company desir-

ous of starting such works here and putting down a plant of the magnitude of the one to be erected by this company should be encouraged. My private opinion is that this company have not received too much encouragement, but if they are satisfied to pay the rent and to abide by the terms of the agreement we have no reason to complain. If they and the Government are satisfied, I as an individual am perfectly satisfied that the State is protected, and I welcome the arrival of the firm in this State. I wish we had a few others, not, perhaps, superphosphate makers, but other manufacturers. We could easily welcome a dozen such, and then we would see the State deriving a great benefit.

The HONORARY MINISTER (Hon. J. Price): I hope the House will pass this Bill with as little delay as possible because the company in question have already entered into an obligation to the extent of an expenditure well on the other side of £30,000. I am not going to argue the question of State enterprise, which constantly crops up when the Government are making an endeavour in any direction by the energy and enterprise of individuals to develop the resources of the State. Hon. members do not always oppose such matters directly, but invariably we hear all sorts of criticisms and objections advanced as to the course the Government have taken.

Mr. Heitmann: I suppose the Opposition are within bounds when they do so?

The HONORARY MINISTER: I am not denying their right to do so, but I think the country should take notice that the Government never bring down any proposition for the development of the resources of the State by private enterprise, unless objections are raised by members on the other side of the House. I have seen illustrations of what has happened under Government management which, in my opinion, go a long way to prove to me that a firm, intelligently managed, a person having his own individual interests to watch, or a firm dependent upon the way it serves its customers, will always be able to compete with State enterprise. It is not

long—some 18 months ago, I think—since I had occasion to go to the Perth railway station to see the stationmaster to ask him if he would provide a train to Fremantle. The stationmaster called a guard and asked him whether he would take charge of the train, and the guard replied, “I do not care about it; I do not feel very well,” or something of that kind. The stationmaster replied that he had no one else to send, but the guard insisted that he did not care about going. The stationmaster eventually got that man to admit that he had worked between seven and eight hours, and that he did not feel inclined to work overtime in connection with this particular matter.

Mr. Gill: Are you sure that it was seven or eight hours that he worked?

The HONORARY MINISTER: It may have been eight hours that he said, or it may have been seven hours; at any rate, it was not more than eight hours. If the guard had taken this train it would have resulted in the addition of two or three hours’ overtime. However, the stationmaster had no one else available to send with the train, and after cajoling the fellow for 10 minutes he succeeded in inducing him to accompany that train. I asked the stationmaster then why he argued with the man and why he did not sack him, and the stationmaster replied that he would have laid himself open to an investigation by a board of inquiry and all sorts of things. If we are going to allow State enterprises to be conducted in that style—

Mr. Gill: The stationmaster must have been a jellyfish.

Mr. Heitmann: Compare the two railways, the Midland railway and the Government lines.

The HONORARY MINISTER: Some friends of mine who own properties along the Midland railway, and who are constant users of that railway, tell me that they can get just as good conditions out of the Midland Company as they can from the Government, and frequently they get more consideration from the company than they do from the Government. I merely wish to point out that

the members of the Opposition advocate a form of activity in connection with our enterprises, and yet they surround these enterprises with restrictions which must foredoom them to failure. If we want to make a success of a State concern it is necessary to conduct it on business lines. As far as the question of the examination of fertilisers is concerned, the manufacturer has to describe what the article is, and the Bill provides that if the farmer calls upon the Government to analyse a sample of the fertiliser, this shall be done. The farmers of the State know their business, and they are quite up to every move to protect their interests. If this particular firm, or any other firm, attempted to palm off on a farmer an article which was not up to description, the manufacturers would soon be brought to book, especially with the aid of a measure like the one before the House.

Mr. Heitmann: Suppose a farmer bought a ton of superphosphates and he sent a small sample in for analysis, would you expect him to wait for the return of the analysis, before he could use the balance?

The HONORARY MINISTER: Let me give an instance of what a farmer on a comparatively small scale would do. In his second year he might require 10 tons of superphosphates. Is it not worth that man’s while to spend £1 on getting a sample analysed.

Mr. Heitmann: If the State manufactured the article there would be no necessity for analysis.

The HONORARY MINISTER: If the State manufactured the article there would be every reason to analyse it; the State would have a monopoly. If not to-day, at all events sooner or later, in connection with this matter we are bound to have competition. With State enterprise dealing with the question you eliminate the element of competition, and you practically sell what you like and ask what price you like.

Mr. Heitmann: Has the Colonial Sugar Refining Company got much competition?

The HONORARY MINISTER: I do not know what the Colonial Sugar Re-

fining Company has, but I wish it would take the hon. member and put him on one of its sugar fields in the furthest portion of Queensland. While we have a number of manufactures of this description going on, we can rest assured that these manufactures controlled by private individuals must turn out a good article. This must lead to added income. It will be an advantage to have these things manufactured in our own State because a good deal of labour will be engaged, some raw material obtained and paid for in the State will be used, and, to that extent, the State will benefit. Furthermore, it means a considerably enhanced income by reason of the freights over our railways, and even the possibility of the building up of an export trade in this commodity. I hope the House will pass the measure without delay.

Mr. SCADDAN (Ivanhoe): It is refreshing to hear the Minister who has just handed in his portfolio condemning fore and aft the administration of the Government.

The Honorary Minister: No, I did not.

Mr. SCADDAN: The hon. member actually gave an instance where a department was mismanaged; where it seemed that men were allowed to do as they liked.

The Honorary Minister: I pointed out that the departments were hampered by Acts of Parliament passed by this House.

Mr. SCADDAN: The hon. member said definitely that the State was unable to manage their concerns in a businesslike manner. We appoint a certain number of Ministers—six in all—in order to see that the departments are properly managed, and we pay them a salary in order to keep them at their duty the whole of the time and attend to various matters.

Mr. Brown: You are always interfering.

Mr. SCADDAN: The hon. member for Perth is always interfering. At the present time we are speaking of the control of Government departments and, necessarily, we interfere if we find any individual is unfairly treated. I want to remind the Minister that there are in-

stances of State control at the present time that he would not dream of handing over to private enterprise; and if he is consistent in saying that the State is unable to control the departments, he should move that we should hand over all the concerns we have at the present time to private enterprise. For instance, would the hon. member propose to hand over our railways to private enterprise?

Mr. Male: Every time.

Mr. SCADDAN: I want to know whether the member for Fremantle would hand over the pipe works at Fremantle to private enterprise, or would he go so far as to hand over the control of the harbour works to private enterprise. The hon. member would not dare say so at Fremantle at election time. The hon. member for Fremantle when he was in charge of the Works Department, bought up all the dams on the goldfields in order to create a monopoly of the water supply.

The Honorary Minister: Quite right.

Mr. SCADDAN: In one breath he says that we should not monopolise and yet, in connection with the goldfields water scheme, he created a monopoly by buying all the dams in Coolgardie so as to compel the consumers to purchase water from the Government.

The Honorary Minister: I was your agent, and I had to do it.

Mr. SCADDAN: The Honorary Minister was no agent of mine. The members representing the goldfields were not consulted in that action and, perhaps, wisely so from the standpoint of getting to the end he desired, to compel the people to pay the price he wanted them to pay. Then, with regard to the State batteries, I know instances where State batteries have compelled private batteries to go out of existence because the latter could not pay.

Mr. Heitmann: That is quite right too.

Mr. SCADDAN: That is what I want to prove, that the State can manage their affairs in a businesslike manner and compete with private enterprise in any walk of life. It is only a few days ago that the Honorary Minister left the Works Department, and naturally he would have a knowledge of how it is mismanaged, and, perhaps, he could give us some more in-

formation about its mismanagement. With regard to the arguments the hon. member for Swan has used that members on this side of the House continually desire to displace the individual in order to introduce State control, let me ask him when he is speaking of the farmer, whether he speaks of him as an individual or as a producer. To my way of thinking there are two persons in the State that must have consideration, and they are the producer and the consumer, and the man who stands between them should have no consideration at all. The farmer, we know, cannot produce a crop without a fertiliser, and the Government render him assistance in carrying this fertiliser over the railways at a loss.

The Premier: In order to get increased freight subsequently from the increased crops. Is that not a good business arrangement?

Mr. SCADDAN: If the railways were handed over to private enterprise I am sure they would not carry fertilisers at a loss.

The Premier: Oh yes they would, if they got a better rate subsequently from increased trade.

Mr. SCADDAN: Try the Midland Company.

The Premier: I know the Midland Company would do just as we have done. It is certainly a good proposition if they get two or three times the business afterwards.

Mr. SCADDAN: But I am not condemning the Government for doing this. They can see these things in a businesslike manner and they can carry them out in a businesslike manner. The member for Swan says they cannot do it, and the honorary Minister, one of their number, says they have no business foresight.

The Premier: I say why should not the private individual do the same if it is a good business project?

Mr. SCADDAN: There is a possibility that he may, but if he have a monopoly he is not likely to do it. In a large measure the farmer depends for the result of his crop on the cheapness of his fertiliser, and the State recognises that by practi-

cally carrying fertilisers free over the railways. A farthing per ton per mile is all that is charged. It is carried at a loss. Yet the State will not go the extent of manufacturing the fertilisers in order to cheapen the cost in the first instance to the farmer. The farmer is the producer, and the only other individual that requires consideration is the consumer. But we are allowing these, to the State, most important people to be fleeced by private enterprise.

Mr. Jacoby: I do not think the Government could carry it out.

Mr. SCADDAN: There may be something in the fact that for some months past the Government have been urged by more or less prominent citizens, who themselves carry on farming operations, to take over the manufacture of fertilisers in the State, and the distribution of fertilisers among the farmers. This was before these firms arrived. Now is it not somewhat remarkable that these two firms should at this juncture arrive and commence operations in Western Australia, thereby precluding the Government from undertaking any such enterprise?

Mr. Brown: Are you for or against the Bill?

Mr. SCADDAN: I am always ready to give an answer to a fair question. The hon. member will have an opportunity of seeing how I vote on the matter, for, unlike the hon. member, I do not run out into the corridor when a vote is to be taken. In connection with the Bill I am sorry to see that the Government have not undertaken the enterprise themselves. But if we are going to have private enterprise, I believe the Government have taken every precaution to protect the State in respect to the lease granted. I hold that we ought to lease all our lands in a similar manner and dispose of none of them to any person. The land is the people's. It is here for the use of the people, and is not for abuse. I want to say that I believe the Bill has been drawn up in a manner fully protecting the interests of the State.

The Premier: So long as you are satisfied, that is all we want.

Mr. SCADDAN: I can quite realise that after the serious reverses the Government sustained last evening and the appointment of myself on the select committee, they are anxious to ascertain as early as possible what attitude I intend to adopt. But I do not waver one iota from the attitude I have always adopted in matters of this kind. Where the State can assist the purchaser—just as for the treatment of ore on the goldfields State batteries are provided, so the State should manufacture fertilisers, which it could do just as well as can the combine. I regret that in this matter the Government did not accept the advice of those who ought to know and determine to manufacture it themselves.

Mr. HAYWARD (Wellington): The question of adulteration of fertilisers has been brought forward. But it is to be remembered that if the manufacturers were to indulge in any such practices it would be detected in the analysis, and that of 59 samples taken 95 per cent. were proved to be better than their declared value.

Mr. Johnson: How often are these samples taken?

Mr. HAYWARD: They are taken from one end of the State to the other.

Mr. Johnson: Yes, but only once a year.

Mr. Scaddan: Last year hardly any samples were taken.

Mr. HAYWARD: They are bound to be subjected to analysis, and as I say, if there be any adulteration it would be detected in this analysis; besides it will be seen that the risk is altogether too great for any reputable firm to take merely for the sake of adding a little adulteration. It would not pay such a firm.

Mr. Hudson: Yet we have to legislate to prevent it.

Mr. HAYWARD: Yes, I know that. I remember that a firm tried hard some years ago to secure a site at Fremantle for the establishment of works for the manufacturing of fertilisers, but the people objected to it because they were afraid it would be a nuisance and injurious to health. The manufactories would have been established here seven or eight years

ago if the people had not put obstacles in the way.

The MINISTER FOR WORKS (in reply): I would like to say a few words in reply. Not that it requires very much replying so far as the Bill itself is concerned. It is gratifying to me to hear from all parts of the House expressions of approval of the lease which has been drafted under my supervision. That, of course is as far as I am concerned in the matter. However, the Leader of the Opposition has put several questions to me during the course of his remarks in connection with the local supply of phosphatic deposits, and has also stated, upon the information of the member for Kāwharua, that the Government has parted with the right to any local deposits we have discovered. I wish to give that a direct denial. I have asked the Minister for Agriculture and he declares that no rights of this description have been parted with.

Mr. Walker: Are they under offer?

The MINISTER FOR WORKS: No, but the Government did take certain action at the instigation of the Premier, who was then Minister for Lands. Indeed, a strip of land was reserved some 15 miles wide, right round the coast from the Leeuwin up to a point between Fremantle and Geraldton; a strip of land upon which, it was said, caves existed with fairly large deposits of phosphatic manures. Now, so far we have not, I believe, made any very important discoveries, although many thousands of tons of deposits were to be found in some of the caves. A cave some 60 miles north of Fremantle was discovered containing some 6,000 or 7,000 tons of these deposits, and this was the cave operated upon for some time. It was found difficult to get the vessels to a suitable spot for shipping the manure from this cave, and there is, no doubt, some justification for the complaint of the member for Swan that he could not get supplied with this native manure. But the reason is not far to seek. The steamer which was supposed to bring back the guano ordered by the hon. member was given up as lost for a time, and eventually was found sheltering under

the lee of an island, where she had been for a fortnight or three weeks owing to the heavy weather.

Mr. O'Loughlen: You would have the same difficulty with any private person?

The MINISTER FOR WORKS: Yes. It was of course an act of Providence which prevented the hon. member from getting a supply of fertiliser.

Mr. Underwood: Private enterprise would overcome that.

The MINISTER FOR WORKS: Perhaps it would. I am not concerned with private enterprise. I was sorry to hear of the trouble the hon. member had with his apples. It is a very serious matter to have a shipment of apples shut out from a steamer instead of being forwarded on to the market. It may be with some justification that hon. members have hinted that private enterprise has suffered in that direction. I myself have had cargo shut out from steamers, and I do not know that it was altogether the fault of the department.

Mr. Jacoby: The department overspaced, and did not know it.

The MINISTER FOR WORKS: If that was so, then the officer concerned was blamable, no doubt of it. It is a very serious matter for a shipper of fruit to have that fruit left on the wharves instead of reaching the market in good time and securing the best prices. However, I do not think we are going to get any absolute cure for all these ills under which shippers labour. Whether the arrangements are made by State officers or private individuals it matters not, we are not going to get a panacea for these troubles by adopting State control for everything nor, on the other hand, by saying "We will shut out State control and stick to private enterprise entirely." I want to point out that if we are going to get the best result from either we must be prepared to adopt either as circumstances warrant. Certainly, as far as I am concerned, when the State invests large sums of money in an industry of this or any other description I want to see the State have the same class of monopoly that it has in its railway system and in its Goldfields Water Supply. If the community as a whole are to utilise the public

funds for any given object, then I do not think they ought to be thrown into direct competition with private enterprise. That I have voiced on many occasions, and I think that is where we may draw a clear line of demarcation between private enterprise and State enterprise. With regard to the question raised by the Leader of the Opposition that adulterated fertilisers had been sold from this and other works, I do not know of any direct proof in that direction. The matter was raised in the Victorian Parliament on one occasion, as members have stated, and perhaps there may have been indications that such was the case, but in our statutes we have ample power to see that it does not occur in Western Australia, and if we do not have sufficient power and we find that this or any other company is taking an undue advantage of the farmers in this respect we will not be slow in introducing legislation to give us the power to stop such nefarious practices. The inspectors who undertake the duty in regard to imported fertilisers will, undoubtedly, exercise the same powers in connection with these works, and I go further than that and say that we shall not get away from the liability of the inferior article being imported even if we put up State works of this description, because the importers, even our Japanese friends spoken of, who export fertilisers to the Eastern States, will not be shut out of the Western Australian market without a struggle. They will not throw up their trade whether we have these works established by the aid of State funds or otherwise.

Mr. Bath: According to the Director of Agriculture the Japanese fertilisers are the best value of any on the market; he reckons they cost only 4s. 6d. a unit.

The MINISTER FOR WORKS: I know that when I was visiting Japan a year or two since I got some information on this matter among other things. They then said that they were quite prepared, if we could give them a supply of phosphatic rock on the islands on the coast of Western Australia, to treat it. At that time there was talk of large deposits on some of the islands close to Esperance Bay. They were quite prepared to work

up that deposit, take it to Japan and treat it and send it back to us in the shape of manures. They make a great study of it in Japan, and they can work it very cheaply. As they do not have to pay the same wages as we have to pay in Australia it is only natural to suppose that they can do so. There was one other matter on which the member for Kanowna asked information, by way of interjection, as to whether we had made any offer. We have not made any offer for the deposits on our coasts. We have under consideration, so I understand, an offer or a suggestion; but the only suggestion that will be considered by the Government is that these deposits shall be worked on a co-operative basis, that is, that they shall be worked for the farmers as a whole. No individuals will get any control over the guano deposits on our coast, so my colleague says, unless they can be worked on a co-operative system by someone representing the producers as a body so that the farmers can all benefit thereby. There is another matter with regard to inspection I omitted to mention, and that is that the bulk of these superphosphates are imported into this State during a certain season. I understand that February and March are the months, and that the inspectors are very busy then, and as necessity requires visit the merchants' warehouses in order to take samples and have the manures analysed, and to see that they are up to the mark. I understand that it is not necessary to go once a month, or once a quarter, but that it is necessary to go much oftener during the certain months the fertilisers are imported into the State.

Mr. Johnson: They are distributed straight from the ship. There is very little stored.

The MINISTER FOR WORKS: There is a good deal stored.

Mr. Hayward: Hundreds of tons.

The MINISTER FOR WORKS: The same thing applies to the works. The works have a very big season between January and May. I think I said the other night when introducing the measure, and that is when they will be manufacturing the great bulk of their super-

phosphates, and that is when the inspectors of the Agricultural Department will be most persistent in their visits to the works and in their analyses. So there can be no fear—we have the power—but that we will get a proper article for the farmers in the interests of their industry. The member for Murray, in his usual facetious style, told us his experience with regard to some manure he had purchased which would not grow his cabbages.

Mr. George: I did not say that. It was some from the phosphatic caves given to me to try. The superphosphates I bought were all right, but the special phosphatic deposit, or whatever they call it, that came from Moora way, which I got in a tin, was a sample given to me. I got it from an individual whom I do not want to advertise, but it did not grow my cabbages.

The MINISTER FOR WORKS: Exactly, the material the hon. member speaks of was taken from private land and produced by a private individual, from his own block.

Mr. George: Oh, I understood it was from the Government: then that is all right.

The MINISTER FOR WORKS: Perhaps that may have lent some colour to the member for Kanowna's complaint that we had been parting with some of the sources of the supply.

Mr. Walker: It would need something more than that. As a matter of fact I have the weight of the offer you said you were considering. You have stopped supplies of this phosphatic, have you not?

The MINISTER FOR WORKS: Yes, because we could not make it pay. It was costing us about double the price we got for it. We are now considering a co-operative scheme, but not to lease it to any individual. I do not think I need labour the question any further. My concern as Minister for Works was to make a proper businesslike agreement with this company to safeguard the interests of the State, and to get the best return I could for the facilities we gave to the company for a lengthy period. I

think I have been successful in that direction, and from the expressions of hon. members I think they are satisfied with the lease we are giving. I hope, therefore, that hon. members will agree to put the measure through Committee this evening.

Question put and passed.

Bill read a second time.

In Committee.

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

(Sitting suspended from 6.15 to 7.30 p.m.)

BILL — ADMINISTRATION ACT AMENDMENT.

In Committee.

Resumed from the 30th September.

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

Clause 2—Repeal of second schedule:

Mr. DRAPER: What amount of revenue would be obtained by this fresh taxation?

The PREMIER: Taking last year as a basis it was estimated there would be an increase of about £7,000.

Mr. DRAPER: In the circumstances, then, he would oppose the clause, for it was a violation of the speech the Premier made at Bunbury, in the course of which he said he hoped to be able to carry out his programme without any increase of taxation. If the Budget speech were reliable the Premier would reduce the debt this year by £50,000. There was no necessity to wipe off all the deficit in one year, and there was no need to make fresh taxation this year. The people were heavily enough taxed already. It was easy enough to tax people who had not votes, and all that was being done now was to tax the dead. The method was a simple one of raising the revenue, but it should not be adopted now. The only argument adduced in its favour was that the same percentage was charged in the Eastern States. That was no argument.

The PREMIER: Evidently the member was not in favour of reducing the

deficit at all. It was estimated that the surplus on the year's operations would be £49,000, including the £7,000 from this taxation. When speaking at Bunbury he had expressed the hope that it would be unnecessary to increase taxation. If a much more substantial reduction in the deficit could have been made we would have been prepared to forego this tax, but in the present position of affairs we should endeavour to make reasonable provision without curtailing to too great an extent necessary expenditure, and so make some progress towards wiping out the deficit of £300,000. It could not be contended that it was unreasonable to ask the House to agree to a proposal that meant £7,000 to the revenue. By the tax we were only bringing the charges into line with those in the Eastern States, some of which had very large surpluses. If the schedule were perused, it would be seen that the tax up to £500 would remain as before, with an increase gradually until we came into line with the Victorian schedule at £7,000, following on from that point on the same lines. Our death dues were the lowest in Australia. In the case of money left to near relatives only one-half the percentage would be charged. For instance, where a man left money to his near relatives, the amount, instead of being 10 per cent. for a considerable fortune, would be only 5 per cent.

Mr. DRAPER: Either the Premier had forgotten what he said at Bunbury, or he was incorrectly reported. On that occasion, after reviewing the financial position and talking of the reduction in municipal subsidies, he went on to say, "The Government, however, had no intention of imposing any increased taxation."

Mr. WALKER: What we were concerned about at present was the value of the measure, not the Premier's speech at Bunbury. The Government were to be congratulated upon the Bill.

The Attorney General: It is not new taxation, but a revision of old.

Mr. WALKER: It hardly came under the category of taxation, for a dead per-

son could not be taxed. The dead did not feel anything.

Mr. George: But their relatives do.

Mr. WALKER: They received a little less of a blessing, and it was no burden to get a little less than one expected. If a man had amassed a fortune to leave to his children, he had been benefited by the State he had lived in to that extent. The State had contributed towards the making of the fortune, and it was not wrong that, having enjoyed it during his life time, he should hand a little back at the time of his death to those who had helped to create that fortune for him.

Mr. George: He paid that while he lived.

Mr. WALKER: If he could pay while alive all the burdens connected with citizenship, and still have a surplus to hand on to others, he had not much to complain of.

Mr. Davies: A dead man cannot complain.

Mr. Taylor: Well, you ought to know that.

Mr. WALKER: The difficulty of most people was to meet the burdens as they arrived in life; when most of us died we would leave a debt.

Mr. Taylor: That is what the Government will do.

Mr. WALKER: The Government had acted wisely, and more particularly would this be realised when we saw this form of taxation was resorted to in the more advanced countries of the world. The example had been set even by conservative England. At present we were behind the other States in the death dues. Undoubtedly the man who had got all his wealth from the State should be compelled when he could use it no longer to pay back a little of it to the State. The amount was not much in this instance. It was only on the level of the other States, and we had been set a good example by conservative England. If a property was left and those who received it were benefited thereby, there was no reason for them to growl because the State that had given them the facility to acquire the property took a little bit towards the expenses of

Government. There was no wrong, morally or otherwise, in a proposal of that kind.

Mr. GEORGE: There was no objection on his part to contribute a share to relieve the burdens of the State, but the point that he desired to make was that in the course of his career in Australia he had been executor of various wills, and in some instances there had been a lot of land left and very little money. There may have been some land producing property, and from this the widow and children had to get their living. The State, under the original Act, had the opportunity of taking whichever portion they liked of the property, to dispose of for the purpose of obtaining death dues, and it was possible that they would take that portion which was bringing in a livelihood to the widow and children. There was nothing wrong in putting that view before the House.

The CHAIRMAN: The discussion was getting somewhat beyond the limits of the clause. The member for Murray was not the only member transgressing in that direction. Hon. members should confine their remarks to the clause, and not to the principle of death dues, which was not affected by the clause.

Mr. GEORGE: If that was the ruling then members could not discuss it at all; but members should have the right to point out whether these dues were likely to be a blessing. In Western Australia there was hardly anyone who was not land poor. If one had acquired land, and on dying left a property apparently worth £5,000 according to valuation, and left in cash perhaps only a few hundred pounds, under the existing law the Government could come down on that at once.

The CHAIRMAN: That argument did not affect the clause.

Mr. GEORGE: Then there was nothing more to be said about it.

The PREMIER: In the case of £500 at $\frac{1}{2}$ per cent., the death duties would amount to only £2 10s. With regard to a suggestion that the scale should ascend from 10 per cent. on £20,000 to 20 per cent. on amounts above that, no precedent could be found for it in Australia. In England the 10 per cent. duty was not

reached until an estate was worth £200,000.

Clause put and passed.

Title—agreed to.

Bill reported without amendment: the report adopted.

BILL — METROPOLITAN WATER SUPPLY, SEWERAGE, AND DRAINAGE.

In Committee.

Resumed from 5th October; Mr. Daglish in the Chair: the Minister for Works in charge of the Bill.

Clause 8—The Board:

Mr. JOHNSON: On the Notice Paper appeared a notice of his intention to move to strike the clause out, with the view of providing for control by the Minister for Works or the Minister for Water Supplies and Sewerage. His object was to indicate to the Minister that the control of water supply and sewerage should be Ministerial. As he could not move that the clause be struck out, in order to ascertain the views of the Committee on the question of control, he moved an amendment—

That in line 2 the words "the Board" be struck out.

That would give members an opportunity of saying whether the Committee favoured control by a board or by a Minister. It was not proposed by the Bill to place control in the hands of a board; the proposal was dual control, or partial control by a board and partial control by a Minister. Right through the Bill certain powers were given to the board, and the Minister reserved to himself certain powers. Dual control would increase administrative cost; the best way to economise in administration was to concentrate control. In the interests of economy, and better administration, members should favour administration by a Minister. By Clause 36 the Minister reserved to himself certain powers, and in Clause 39 he gave like powers to the board; he could carry out the work, or he could allow the board to do it; and so on right through the Bill the clauses were framed in the same way. The fact that the Minister proposed

to reserve certain powers to himself indicated that to carry those powers into effect he must have a certain staff. In Clause 36 it was provided that the Minister should have the right to construct, but the Minister could not construct without engineers, foremen, and the officers that he had at the present time under his control. The question of maintenance—and possibly the Bill contemplated it—and construction by the board would necessitate the employment of an exactly similar staff by the board. The board would require engineers, foremen, stores, and everything that would be identical with the requirements of the Minister: consequently there would be dual control and dual expense. The proposal that he (Mr. Johnson) submitted would overcome the difficulties that were in existence at the present time. We had to-day a water supply for Fremantle, a water supply for Claremont, another for Perth, and another for the goldfields, and now it was proposed to bring into existence a water supply in connection with the Agricultural Department. All these were practically separate concerns, and a number of them had separate administrations, separate engineers, separate stores and the like. The time had arrived when economy and finance demanded that we should bring into existence a Minister for Water Supply and Sewerage. This would represent a reduction in the cost of administration as it existed to-day. One or two of the engineers might be done away with.

The Premier: That would restrict the choice of the Minister.

Mr. JOHNSON: Only one or two engineers would be required at most. The cost to-day was increased by the fact that we had an engineer for the Goldfields Water Supply, and that lately another engineer had been placed on the temporary list as engineer for agricultural water supply, in addition to which we had another engineer in connection with Perth Water Supply, and still another for water supply generally. Then there were the junior engineers. One engineer for water supply and sewerage could attend to the

whole of the water supplies, and the creation of a special Minister for water supply and sewerage would be in the best interests of the State.

Mr. George: You would have to give him a good staff.

Mr. JOHNSON: Certainly, he would require a good staff. A re-arrangement of the stores system would in itself pay the salary of the Minister. It was proposed in the Bill to pay a salary of £1,000 per annum to the chairman of the board. This in itself would be sufficient to pay the Minister. Then there were the fees proposed to be given to other members of the board. He hoped that his amendment would be carried.

The MINISTER FOR WORKS: At this juncture it would perhaps be well to explain the reason why the Government had adopted the board as outlined in the clause, and also to reply briefly to the member for Guildford who had so forcibly advocated that the control of this, which after all was purely a local supply, should be retained in the hands of the Government. Surely it could not seriously be urged that every municipal supply in the State should be controlled by the Works Department! The member for Guildford himself would hesitate to advocate that every municipal water supply, or sewerage, or stormwater drainage, should be controlled by the Works Department. If it were believed that this system should be adopted in respect to the Perth and Fremantle, and Claremont supplies, then it might just as well be adopted in respect to every water supply or sewerage system carried out in any municipality in the State.

Mr. Angwin: . You are finding the money.

The MINISTER FOR WORKS: Certainly, the Government were finding the money for most water supplies. The Government financed a water supply if it were considered that the scheme would warrant the expenditure and give a fair prospect of paying its way. As a result of his experience in public life in Western Australia he could say that the very opposite was generally argued by mem-

bers on both sides of the House; that was to say that local bodies should control their own local affairs. He failed to see why that principle should be departed from to-night. Apart from that, whereas the Works Department and its staff had been quite able to control the metropolitan water supply up to the present and, by means of a separate staff of officers, had been able also to control the Goldfields Water Supply, yet if these supplies were to be multiplied by 40 or 50 as the State went on expanding, and numerous water supplies and sewerage schemes were adopted, such an accumulation of schemes would be set up, with such a mass of detail, that it would be absolutely impossible for the Minister for Works for the time being to control all these schemes satisfactorily.

Mr. Seaddan: That is what is happening under existing conditions with so many different boards.

The MINISTER FOR WORKS: That was a mistake into which the hon. member had fallen. Coming to the question of the board as suggested, he might say that the clause had been framed after all the local bodies had been consulted.

Mr. Angwin: Not all.

The MINISTER FOR WORKS: If all the local bodies had not been consulted at least they all had had an opportunity of attending the conference held in connection with the matter in Perth on 4th December last. On that occasion there were present, the Mayor of Perth with 10 councillors out of 16, the Mayor of Subiaco with one councillor, the Mayor of Leederville with 2 councillors, the Mayor of South Perth with one councillor, and the Mayor of North Perth.

Mr. Angwin: Where were Guildford and Midland Junction?

The MINISTER FOR WORKS: Those municipalities had not entered an appearance, presumably because they were satisfied to leave the matter in the hands of the responsible representative men who did attend. The conference had considered this very clause, and the Mayor of Perth had pointed out that the Minister proposed that the Government

should nominate three members, of whom one should be the chairman; that the mayors of Perth and Fremantle should be members of the board, and that two members should be chosen by the various suburban municipalities. After a long discussion Councillor Brady of Perth had proposed that "board" should be substituted for "Minister" wherever occurring in the Bill. That, of course, was the old Bill of 1904. The motion was carried, and then the same councillor had moved that the sewerage board when appointed should be of a composite nature; that was to say, that a certain number of members should be nominated by the Government and the balance elected by the people. This also was carried. Now, however, the Perth council, by certain amendments suggested on their behalf, still wanted an elective board but desired that that board should consist of eight members only, with no nominee members. That was to say, that the Government should have no voice on it, and that there should be no ex-officio members, but that the Perth council should have three members and that the other portion of the district should elect one member while Fremantle elected two members, Claremont one, and Guildford one member also. So although at the conference the Perth council, in conjunction with representatives of other municipalities, had been in favour of a composite board upon which the Government had to be represented, after a few months the city councillors had changed their tactics and now desired to have an elective board upon which the Perth council should have a very large representation. There were four different methods of control which suggested themselves to him, or had been suggested during the second reading. The first was that desired by Mr. Johnson and Mr. Angwin, namely, absolute Government control. The second was a nominee board such as was provided for in every Act of the description in existence in the State. The old Act had had a nominee board of 3 members. The Goldfields Water Supply Act had the same provision. That was the second class of board which might be suggested to con-

trol the huge undertaking. The third was a purely elective board irrespective of the Government or of the local authorities, while the fourth proposal was for a composite board as adopted at the December conference, and which embraced the principles underlying the other three systems of control. The municipality of North Perth on the 21st September passed a resolution protesting against the proposed constitution of the board as outlined in the Bill, and expressing the opinion that each local governing body, in the area over which the Act would operate, should have at least one representative on the board, and that such representatives should be elected by the local bodies concerned; yet the mayor of North Perth had attended the conference and was a party to the very resolution that influenced the late Minister for Works in adopting the system of a composite board. Notwithstanding that both the City council and the North Perth council had departed from what they approved a few months ago, and now wanted an elective board, neither body wanted the board to be elected by the ratepayers but wanted it to be elected by the municipal councillors. The Government, therefore, had to decide as to what was the best and fairest method of control; and believing that at any rate as economical management could be done by a board representing the different public bodies concerned as by the Public Works Department, and that the ratepayers who would have to bear the burden of the scheme, and who would have to pay the taxation, were the right people to have the principal say in the control, they had come to the conclusion that the people who would bear the burden should have some representation on a board of control. On the other hand, believing that the State, which had to undertake the responsibility of carrying out this huge work and that of providing the money during the construction, though it would ultimately become a debt of the board—

MR. BROWN: You forced it on them.

THE MINISTER FOR WORKS: The hon. member three years ago had been

one of a deputation that expressed satisfaction when it was decided that the storm water drainage would be carried out by the Works Department, though at the time it was clearly pointed out that the cost would have ultimately to be borne by any board that would be appointed to control the works. At any rate in regard to the appointment of the board the Government, believing that, owing to the responsibility they had to incur, both financially and during the construction of the works, they were also entitled to have some representation, decided that a composite type of board, as agreed to by the conference already referred to, was the best type to control these works, and that the State should be represented by three nominee members, one to be the chairman. It was realised that the chairman must be a man of administrative ability and business capacity, a man accustomed to controlling large undertakings, and one with some tact and diplomacy in dealing with the citizens who would come into contact with him daily in reference to the numerous accounts and works in connection with the reticulation system. It was provided, therefore, that the chairman should be appointed by the Governor-in-Council, and that two other members should be nominated in the same way. Perth district was considerably larger than the other three districts, so it was decided Perth must have special representation. It was decided that the mayor of Perth, for the time being, should be an *ex officio* member of the board, and that the local governing bodies in the Perth district should elect from among themselves two representatives. Fremantle, being the next in importance, would have its mayor an *ex officio* member, and would have the power to elect another representative; and Claremont would also elect a representative, while Guildford, when it was brought into the scheme, would elect a representative. Unless we could cut up the representatives into small particles it would be impossible to divide the representation on a more equitable basis. If the resolution of the North Perth council were carried into effect and we had a representative

from each local governing body concerned, there would be 25 members on the board, and that would be the miniature parliament that was found so cumbersome and unwieldy in Melbourne. That idea, therefore, must be dismissed. A board with nine members, including the chairman, or with 10 when Guildford came in, would be quite large enough. In the Perth district there were seven municipal councils with 82 councillors and three roads boards with 23 members, or a total of 105 members to elect two representatives, while the mayor of Perth would be an *ex officio* member.

Mr. Draper: What is the annual value of the property comprised in the district?

The MINISTER FOR WORKS: The hon. member should ask something easier than that. The information could be supplied later on. Claremont district comprised two municipalities with 20 councillors, and three roads boards with 21 members, making in all 41 members to elect one representative. Guildford, when it came in, would have two municipal councils with 20 councillors and three roads boards with 26 members, making in all 46 members to elect one representative. The Fremantle district contained three municipalities with 33 councillors and two roads boards with 14 members, making 47 members to elect one representative, but Fremantle had also direct representation through its mayor.

Mr. Scaddan: Do you propose that the local authorities shall vote as a unit, or that each member shall vote?

The MINISTER FOR WORKS: Each member, but it would ultimately be that each council would combine to select its man.

Mr. Scaddan: Will you allow plural voting, because many members and councillors are also members of roads boards?

The MINISTER FOR WORKS: The point had not been considered, but there appeared to be no objection to that system. To the question of representation the Government had given much thought and consideration, and members would do wisely in adopting the clause as it stood. Sydney had a composite board

of seven members, the chairman and two members being nominated by the Government. In Melbourne each local authority, irrespective of its ratable value, was represented, and there was a miniature parliament of 42 members. There was a composite board in Hobart, but much larger than the one proposed here. There were 17 members, five of whom were nominated by the Government, while the mayor of Hobart and the Principal Medical Officer were *ex officio*, and five were represented by the city council and five by the suburban councils. It could be seen that the same difficulties had to be overcome, and that they were overcome on lines similar to, but apparently not so equitable as those adopted in the Bill. The only State adopting Government control pure and simple was South Australia, where the Adelaide scheme was under the control of the Commissioner of Works and was apparently successful. There would certainly be a dual control in this State to the extent that before the board was appointed the Minister would assume the functions of a board, and when the board was appointed the construction of the main works would be continued by the Works Department. That would be the right thing to do. It would be a catastrophe if, when two-thirds of the works were constructed by the department, the board should come in and complete them. Whenever there were additions and extensions of any magnitude in the main works, as he hoped there would be in the very near future, the Government who were responsible for finding the capital for the time being should control that expenditure. It was idle to contend there were grounds for opposition on the score of economy. The duties of the board were merely those of management and the carrying out of works such as house connections and reticulation in connection with the sewerage scheme. All such work would be carried out by the board and their officers. Any surplus staff engaged in the Works Department on this special work could easily be transferred to the board. Even the engineers of the department could be consulted, as they were now, on many mat-

ters. In fact, the Engineer-in-Chief was the chairman of the present nominated board, but the Engineer for Water Supply, and his assistants, were often consulted in connection with the operations of the different water boards, and a portion of their salary was charged up for the work they performed. The same system could be continued, and any portion of the staff could be transferred, and if additional assistance were required from the officers engaged in the construction of the works, it would be easy to decide how much should be paid for the assistance so given. There was no ground for the argument that there would be extravagant management. Certainly the board would be paid, while the salary of the chairman was fixed at a maximum of £2,000 a year. He could not support the contention that such a salary was too great, for a big scheme of this sort to be properly administered and managed would necessitate the payment of a fair salary. A chairman worth his salt, with large experience in commercial pursuits, a good man, and the right man, would be well worth that salary, for he would save it many times over by his administrative skill and ability. Experience went to show that the right man, well paid, would much more than save his salary.

Mr. Foulkes: Do you propose to have an engineer as chairman?

The MINISTER FOR WORKS: That question was asked him previously. He had come to no decision with regard to the class of man to be appointed to that position; but, so far as he was personally concerned, he thought an administrator was wanted first, as engineering skill could always be obtained. There were several skilled engineers in the department now, and one who was exclusively concerned, for instance, in reticulation work and house connections, could be taken over by the board. Even with an engineer as chairman, there must be another engineer under him to deal with the mass of detail.

Mr. Angwin: The board can please themselves whom they appoint.

THE MINISTER FOR WORKS: The board had full power to engage and dismiss servants. The Government had endeavoured to arrive at something which would not only safeguard the interests of the people and public bodies, but also the interests of the State. He could not imagine any scheme that would conserve the interests of all concerned better than by the appointment of this composite board. If the board consisted of men appointed only by the local bodies, the interests of the State would not be conserved; whereas if the board were appointed solely by the State, local bodies would not be given any say in the matter. The Committee should do well to accept the clause as drafted, and thus give all interested a say in the control and management of the works.

MR. W. PRICE: It was hard to understand why the Minister desired to pass all the duties over to a board. Could it be possible that in the construction of the works there had been wasteful expenditure of public moneys, and that the Government feared the result when the public were called upon to pay? There must be some reason. We were told that the State should undertake great public works; they undertook this work and should retain control. At the head of the work there should be a Minister responsible to the House, so that if anything happened or explanations were required members would know to whom to go. A board had never been brought into existence to control the Goldfields Water Scheme. There had been no necessity for one, as the Minister had carried out the work so successfully. There should be a Minister to control water supply generally. There was provision in the Bill for the expenditure of £2,000 a year for the salary of the chairman; but it would be far better that the expenditure should be cut down one-half, and a Minister appointed who would be responsible to the House. What would have happened had a board carried out the works in connection with the scheme completed up to now? Members would have been unable to discuss many important matters. Again, there would be the possibility of a great deal of log rolling in regard to the

appointment of members of the board. The Minister had not satisfied him as to the manner in which the board would be brought into existence. That a man should first of all have a vote for a representative as a member of a municipal council, and then as a member of a roads board, was ridiculous.

The Minister for Works: It is done in the Eastern States.

MR. W. PRICE: Many things were done there that we should not follow. There were water supplies under Ministers in the other States.

The Minister for Works: Not in New South Wales, Victoria, or Tasmania.

MR. SCADDAN: But in South Australia.

MR. W. PRICE: The question should be dealt with on its merits, irrespective of what was done in the Eastern States. Members should reject the proposal in the Bill, and keep the control in the hands of the Minister. Why should the Mayors of Perth and Fremantle be *ex officio* members of the board.

MR. DRAPER: Neither the proposal of the Government, nor that of the member for Guildford, was satisfactory to him. There were difficulties connected with Ministerial control. At the present time the Minister for Works had more than sufficient under his control, and more than he could pay adequate attention to if he devoted all his time to that and nothing else. What would be the result if this large concern were placed under the control of the Minister? It would add enormous responsibility to his office, and it would not be possible for any man to pay sufficient attention to the work to satisfy those who would have to pay the vast sums of money necessary for the carrying out of the undertaking. The result would be that the work would be left to the subordinates of the Public Works Department. He did not desire to say one word against the officers there but, by reason of their training as public servants, they were placed somewhat apart from those engaged in the ordinary course of business, and who lived their lives among the rest of the community, they were out of sympathy with the wants of the people, and had not the same necessity for economising their work as the

individual who had to bear his own expenses. The proposal of the Government was unsatisfactory, because the board would not be representative of the people who had to find the money. When the Bill passed it was true that the board would take over all the liabilities and all the assets of the old board, and the liabilities in connection with the work. The money in order to carry out this work had been contributed principally by the Savings Bank, and the Government felt that they had some interest in the future conduct of the board and must, at any rate for the present, have some representation on it. He did not like the idea of nominee control, but if the Government for a short time had small representation on the board, he would be willing to accept that as satisfactory, provided that the other representation on the board was upon the same logical principle. What had been suggested? Apparently the only idea which had occurred to the Works Department, and which had been communicated, no doubt, to the Minister, was to take the water schemes in force and divide them up. The sewerage scheme, an hon. member suggested, had something to do with it. That scheme seemed to make confusion worse confounded. It was proposed that the Mayor of Perth and the Mayor of Fremantle should be ex officio members of the board; that secured to those two places one representative each. There was also one member to be appointed to represent the Fremantle district, one member for Claremont, one for Guildford, and two more for Perth. When we looked at the area, and remembered the figures which had been given when the Minister pointed out the number of municipalities and roads boards, it would be obvious that the only representative that Perth was certain of securing on this board was the mayor himself. It would be obvious that the outlying portions of the Perth district could secure representation by the two members allotted to them to appoint. That was not fair for the reason that it was not founded upon any logical basis. The municipality of Perth had provided by far the largest proportion of the security upon which the money

had been advanced, and when we examined the assessments it would be seen that the proportion of the representation of Perth upon this board was wholly inadequate for the liability it undertook, and the sum it would have to pay. The annual value within the municipality of Perth at the present time was, roughly, £420,000, and the annual value of the other portions of the Perth district was about £175,000. These districts were Subiaco, Leederville, Victoria Park, South Perth and North Perth, and the total annual value in the Perth district came to £600,000. If that were rated at 2s. 6d. in the pound, it would be found that Perth would have to find, roughly, £52,000 a year; Subiaco, £7,750; Leederville, £3,750; Victoria Park, £3,000; South Perth, £3,000; North Perth, £4,000, and the representation would be only three members; in other words, one member for every £200,000. When we looked at the Fremantle districts the annual value was found to be in Fremantle about £120,000; East Fremantle, about £24,000; and North Fremantle, about £21,000; or a total of about £165,000. Assuming it to be £200,000, Fremantle would have two members, or an average of one member for every £100,000, which was twice the representation given to Perth.

Mr. Brown: They are afraid of Fremantle every time.

Mr. DRAPER: Coming to Claremont, the annual value was found to be about £60,000, and Guildford and Midland Junction about £40,000. These figures would show hon. members that the representation which had been allotted in the Bill had been apportioned on no logical principle whatever, and members should urge upon the House to take into consideration that the Perth members were asking only for additional representation upon the board because of the additional liabilities which would fall upon the City and the annual expense they would have to contribute.

Mr. GILL: With regard to the amendment, it was hoped that the Minister for Works would have brought forward some reasonable argument against it. That, however, had not been done. Little indeed

was said by the Minister, with the exception of the remark about increasing the number of the civil servants or Government employees, and the establishment of the board being objectionable to that degree. In dealing with the composition of the board, the Minister impressed upon one that there was a necessity for some alteration of the proposal as it stood in the Bill, especially when he alluded to the requirements of the chairman of the board. The success or otherwise of the board would, to a great extent, rest with the chairman, who should be competent and qualified to act in that capacity. The Minister's idea of a chairman of a board differed from his. In stating the qualifications the Minister said that the Chairman must be a man of business capacity, and generally capable of dealing with a large number of people, not rectifying the penny-halfpennies and twopences that might be wrong in the accounts. Members would be sorry to see the Government appoint any gentleman to that position and pay him £1,000 a year to attend to petty details such as those mentioned by the Minister. What was required was a qualified engineer, one capable of expressing an opinion on any proposal put before him in connection with the water-works and sewerage, and if we appointed such an officer he would be well worth his £1,000 a year. The appointment of a board was not the best proposal that could be made. In dealing with the board the Minister stated that boards existed in the Eastern States with the exception of South Australia. Looking at South Australia, one should remember that Ministerial control had been an undoubted success there. Having worked under that board in South Australia, he knew that there were not one half the complaints there with regard to water supply and sewerage that had been made in Western Australia. It was one of the best managed departments in Australia, and its success had been brought about entirely under Ministerial control, with a competent engineer at the head of affairs.

Mr. Angwin: And he gets only £750 a year.

Mr. GILL: The officer was not as highly paid as he should be. He had

proved himself a fully competent officer, and to be worth much more than he was receiving. The great fear of the Minister was with regard to increases in our public service, and that was a matter which seemed to be worrying not only the Minister for Works but had worried the Honorary Minister earlier in the evening in connection with another question. It seemed that Ministers were afraid to control a few men. There was evidently some fear in their constitutions that they were not able or capable of controlling a few men. The proposal in the Bill would certainly not give satisfaction. It had been suggested at North Perth that there should be one representative from each local body. That was not a proposal, however, that could be entertained unless we were going to have a board that would be unmanageable. In South Australia the whole of the water supplies were under the control of one department.

The Minister for Works: All the municipal water supplies?

Mr. GILL: All the supplies, municipal and otherwise, were under the control of the water department, at the head of which was the Minister for Works. And not only the municipal supplies, but the supplies for stock routes were under the one department.

The Minister for Works: They come under departmental control here; we are not discussing that.

Mr. GILL: Why should not the whole of our supplies be brought under one head instead of having them under so many different heads? It was most unsatisfactory and more expensive in every way.

[Mr. Foulkes took the Chair.]

The HONORARY MINISTER: To put all the water supplies and sewerage schemes under the control of the Minister would be to revert to continental methods of local government, and would be quite opposed to the ideas of British communities.

Mr. Walker: Quite the reverse. This is a Russian scheme.

The HONORARY MINISTER: It had always been recognised that it was desirable to give the residents of a local-

ity full local self-governing powers. That principle was recognised in our municipalities and our roads boards. The functions of the proposed board would in many directions run almost parallel with those of a big municipality administering local affairs. To all intents and purposes it would represent the adoption of the elective principle, except for the provision of three nominee members appointed by the Government. The object of appointing these members was, of course, to safeguard the Government interests, and furthermore, to prevent any district by combination with another obtaining an unfair control on the board. The three Government members would be men who had no parochial interests in the matter. They would be able to hold the balance of power on the board. It was an unfair thing that the men who for many years had served the metropolitan area without fee and reward should be denied an opportunity of serving in positions to which some salary attached; and the giving to these men of an opportunity to serve on the proposed board would tend to secure for the local governing bodies perhaps even a better class of representation than we had to-day, because a seat on a local governing body would then serve as a stepping stone to a more remunerative post. Men would offer themselves for election to the local governing bodies in the belief that they were peculiarly adapted for seats on the board. And the electors would recognise that they were not only sending men to the local councils or roads boards, but that probably they were selecting men for the important offices created under the Bill. Clearly it was a full recognition of the elective principle. Moreover, if separate elections to the board were to be held throughout the metropolitan area, it would entail a very heavy expense for practically the same result as would be achieved under the system proposed in the Bill. Again, people in the metropolitan area should not have their water supply and sewerage practically governed by a Minister who was responsible to Parliament, which was not by any

means representative of the metropolitan area alone.

Mr. Angwin: What about the Goldfields Water Supply?

The HONORARY MINISTER: That would be referred to later. Parliament was representative of the whole of the State, and consequently the people of the metropolitan area should be given a body more directly in touch with them and more directly responsible to them than would be a Minister of the Crown. As to the Goldfields Water Supply, there was no analogy between the conditions of that supply and those of the metropolitan water supply, as established under the Bill. In the first place the metropolitan area was fairly compact with practically identical interests. On the other hand there was an area stretching from Midland Junction right up to Kanowna and Bulong, with intermittent points of supply. It would be practically impossible to secure a small board which could represent all the various interests throughout that large district.

Mr. Scaddan: Has it always been the case that you could not get a board to attend to the Goldfields Water Scheme?

The HONORARY MINISTER: No, it had not; still it would be very difficult to get any but an extremely large board to equitably represent the various interests concerned.

Mr. Scaddan: What about the conditions in years past? They had no board.

The HONORARY MINISTER: It was not proposed to go into ancient history. He was merely taking things as they were to-day. Again, it was proposed to make the people pay exactly what the metropolitan scheme might cost. On the other hand the Goldfields Water Supply had always been looked upon as a method whereby the development of the mining industry, and in the second place, of the agricultural industry, might be assisted. With that end in view the State, for years past, had devoted from £60,000 to £80,000 a year from the public funds to recoup the deficits resultant on that scheme. The member for West Perth had complained of the representation on the board, holding that

because the rateable value of Perth was considerably greater than that of Fremantle or of Claremont the people of Perth were entitled to a greater proportion of representation on the board. In other words, the hon. member had advocated representation according to rateable value. We had not Parliamentary representation according to population, and for many reasons it would be impossible to adopt this parallel in connection with the representation on the board, namely, representation according to rateable value. In the House the city and its immediate suburbs were represented by seven members, Fremantle by four members, Guildford by one member and Claremont by one member, a proportion very nearly approximating that proposed in the Bill. In Melbourne, owing to an effort to work on rateable values, the board had proved to be of unwieldy size, and had become quite unworkable. We required to keep the dimensions of the board within reasonable bounds.

Mr. Draper: The principle is right.

The HONORARY MINISTER: Theoretically, the principle might be correct, but practically it did not work out. His desire had been to keep the board down to workable limits. Like many other workable suggestions the provision made in the clause was practically a compromise. Those for straight-out Ministerial control could not be pleased. There was much opposition to that principle. The local authorities, taken as a whole, did not believe in it, and their views on the matter were entitled to recognition. This being an important problem of local self-government they were entitled to a respectful hearing on the point. The proposal in the Bill embodied in an economical way the elective principle, and members would recognise that it was an endeavour to reconcile conflicting interests to bring about a method of control that would be workable and fair, and that, while giving the different localities fair and reasonable representation, would safeguard Government interests.

Mr. BATH: Though we should facilitate the passage of the Bill by avoiding

too much discussion on the clauses, this was an important matter and worthy of discussion. The Honorary Minister was not right in saying that members of the Opposition were in favour of the continental method of control, and that control by local authorities should be encouraged. As a matter of fact, the determination as to whether anything should be left to the local authorities or to Parliament was entirely dependent on the circumstances. The local authorities represented only a portion of those who would have to ultimately foot the bill for these works. No business man took into consideration rates and taxes without passing them on to the ordinary consuming public, and though the ordinary consuming public had to bear their share of the responsibility for the taxation on these works they would be excluded from the control of the works if control were entrusted entirely to representatives of the local authorities. Members of the Opposition were not prepared to go bald-headed for continental control; but in recent years, not only on the continent but in the United Kingdom and in America, there was a growing movement in favour of handing over big schemes to the control of the central government. There was an example in the United Kingdom where the Local Government Board had, to a large extent, taken over from the local governing bodies the administration of the funds provided for relief. There were boards and boards. Some boards gave recognition to control by the people; other boards were constituted merely to take away from the Minister the responsibilities that should be borne by him; and in many instances, although boards were established to take over liabilities, the Government had still to continue to bear the liability. There was an illustration of this in the irrigation trusts of Victoria. Our experience in connection with the Goldfields Water Scheme should teach the Government that they would be well advised in retaining control of the metropolitan scheme for many years to come, because the people of the State would have to find the money to pay the interest on the debt incurred.

The Minister for Works: The board will strike a sufficient rate to cover that.

Mr. BATH: But in many instances the liability was still left for the Government to provide.

The Minister for Works: That is not likely in connection with these works.

Mr. BATH: Until that was certain Ministerial control should be retained. The Honorary Minister contended that under Ministerial control the Minister, representing the people of the whole State, would control a scheme affecting only a small portion of the State, but that was the case with many of our undertakings, especially the mines water supply. There was no need to fear in regard to a great increase in the number of civil servants by having Ministerial control. We were getting over the old idea that the civil service existed for those in power to find billets for their relatives and friends. We now employed officers for their administrative ability, and when the State set out on schemes for the advantage of the people as a whole it did not matter how many public servants were employed. It did not matter in this work; there would be more economical administration because there was already in existence all the necessary machinery, and there would be more effective administration because those now carrying out the scheme would on its completion be more acquainted with the technical details. He therefore supported the amendment.

Mr. George: Ministerial control will mean taxation without representation.

Mr. BATH: On the other hand, taxation did not end with the imposition of the rate on and the payment of the rate by the person immediately called upon to pay. Hon. members conveniently forgot the fact that the rate was afterwards passed on to the great body of the people.

The Minister for Works: How can you pass on a rate to the great body of the people?

Mr. BATH: The tenant, if a business man, took it out of his customers. There was no shadow of escape for the great body of the people to pay for the whole thing.

The Minister for Works: Then the Government should control municipal taxation.

Mr. BATH: The constitution of municipalities and roads boards entirely depended on the wisdom of handing over certain specific duties to them; but if we concluded that work would be better administered by the central administration, which usually meant more economy and effectiveness, then there was no reason for making a general rule apply. Everything was determined by circumstances. No general rule could be prescribed. It was necessary to find out what the circumstances were, and then to make our decision on that issue.

Mr. SCADDAN: Works of such magnitude as water supply and sewerage for so extended a district should be controlled by the people. The various local authorities did not represent the people but only a section of them. Many of the men sitting on local bodies, such as municipalities and roads boards, would not receive consideration for a moment if they attempted to get into Parliament or any other body representative of the people.

The Minister for Works: They represent the ratepayers.

Mr. SCADDAN: They represented bricks and mortar, hotels, theatres, etcetera. Where was the necessity for having a board to control the work. It was proposed by the Bill to hand over only the maintenance of work done by the Government. It was proposed to retain the present engineers and that there should be a chairman with a salary of a thousand pounds a year, and nine members who would receive two guineas a sitting, with a weekly meeting. The total cost of the board would be about £40 a week. There would be a responsible engineer to recommend how the board should maintain, alter, or reject any existing work: while, if fresh construction work were required, the engineer, with whatever officers he might require, would draw up a report which would be submitted in the form of plans and specifications to the Minister, who might then appoint another Works Department en-

gineer to inspect the work. The board would not be allowed to undertake the work until the Minister had had all the plans, etcetera, examined by his engineer, and submitted to the Governor in Council for approval. The board could construct no work without the approval of the Minister.

The Minister for Works: Quite right too.

Mr. SCADDAN: Well, what was the necessity for the Board? Why could not the Minister control the work as in the case of the Goldfields Water Supply? Clauses 39 and 40 dealt with the power to construct works and the preliminaries to construction. [Clauses read.] Clause 42 set out that "On the deposit of the plans, sections, specifications, and estimates in the office of the Minister, the Minister may cause them to be examined, and reported on by an engineer." The department were going to do everything. Further it was provided by Clause 44 that the Governor might authorise the construction of works. [Clause read.] If the Minister did not approve, the board could do nothing, except in connection with reticulation, a work which could be carried out by the department much more easily than the work they had done in connection with the sewerage system and the storm-water drainage. There was no reason for handing over such a small amount of work to a board. The members of the board were to be paid to do nothing but appoint a few engineers who would make a report to be examined by other engineers. Another power, an unpleasant one, left to the board, was to put in distress warrants to recover amounts due for house connections. The board would have to take the odium of that work. The salary proposed to be paid to the chairman had been described as being paltry. He had looked up several reports of meetings of the Metropolitan Board of Water Supply and Sewerage and as an example of the work done would read the latest. [Report of meeting held on 28th September read.] The board were to be paid £40 a week to receive the reports of engineers, and approve of them sub-

ject to the Minister's approval. All reports of meetings of the existing board were of a like character to the one he had read. There were no suggestions from the board, and it was very clear that all the work they did could be easily and much better done by the Minister and his officers. It was evidently the desire of the existing board to hurry through the report of the district engineer as fast as possible, and then go and collect their fees. He would not be a party to the continuance of that folly. The Government had been wise in retaining control of the goldfields water scheme, because it was a public concern that could not be represented by a few individuals. Local bodies were not representative of the people, therefore they could not represent the voice of the people. The statement made by the Minister that there were 70 municipalities within the radius shown on the map was astounding, and the House should consider the advisableness of reducing that number by half; in fact, the cost of the administration of these local bodies was a matter that should be seriously considered by the Government. The control of the works in question should be in the hands of the Minister. The Minister had retained control of the water supply for the metropolitan area for a few years past with considerable success, whereas the board which existed previously had failed.

[Mr. Daglish resumed the Chair.]

Mr. ANGWIN: The Minister had pointed out that the board was proposed at the request of the local authorities within the area shown on the map. While the Minister had shown that within a particular radius there were between 20 and 30 local authorities, he said that there were only five represented at the conference.

The Minister for Works: All were invited.

Mr. ANGWIN: Nevertheless, only five attended. Perth was represented by the mayor and ten councillors; Subiaco by the mayor and one councillor; Leederville by the mayor and two councillors; South

Perth by the mayor and one councillor, and North Perth by the mayor and one councillor. Perth, therefore, was represented by eleven people and the others by nine. The member for Ivanhoe was quite right when he said that the proposal contained in the Bill emanated from Brady and Company. There were only five bodies out of 25 represented, and these five came from what was actually the Perth district, where there were ten local authorities. The Minister stated that the local authorities were in favour of control by a board, but it had not been possible to obtain information in that respect. Outside of Perth there had been no requests at all for a board. Perth had been continually writing letters to the Press condemning the Works Department and its work, which it said was a disgrace. The letters were not justified, but they were of a condemnatory character, and that frightened the Minister into providing control by a board. Members had always given the Minister for Works credit for having some backbone.

The Minister for Works: The Bill was drafted last year.

Mr. ANGWIN: The letters ceased for a time when it became known that control by a board was proposed, but as soon as some members started to object to the board the letters appeared in the newspapers again.

The Minister for Works: I have not seen any letters.

Mr. ANGWIN: These letters had appeared since the Bill had passed its second reading.

The Minister for Works: Who are they from?

Mr. ANGWIN: Brady and Company. It would appear that the Minister himself was not favourably disposed towards a board, but he allowed the conference to pull his leg. The Minister had also told the Committee that since then the Perth council had sent in another recommendation.

The Minister for Works: I was showing how inconsistent they were.

Mr. ANGWIN: Then why should any notice be taken of them? The Minister also stated that the local authorities

should have local control, but the scheme covered a large area and it was not as if Perth had started a water scheme of its own. If Perth itself had started such a scheme there would be no objection to the City controlling it, but this was a scheme which covered a very large area, and ran through the districts of various local bodies. The Minister had stated, too, that men who had given their time to the work of local government should be elected to a board in connection with which there was some payment for services rendered, and the sound of that remark had scarcely got across the Chamber before he added that if there was payment attached to such services, no doubt some gentlemen would become municipal councillors for the express purpose of securing election on the board. That was the argument used, and it was an argument which was condemned by the Minister's own words. The member for West Perth brought forward strong arguments in regard to representation on the annual value, but owners of property in the City would have the right to double representation. A large number of those owners resided outside Perth, and thereby would have the opportunity of electing persons representing other districts as well as Perth. The member for Brown Hill had pointed out that the country was responsible for the money invested in the scheme, and it was only right that Parliament, which was responsible for this money, should have full control. The South Australian scheme was about on a par with what that of Western Australia would be in, perhaps, 50 years' time. An expert report, submitted to the Engineer-in-Chief, on the various Australian schemes had warmly extolled the advantages of the system in vogue in South Australia. He (Mr. Angwin) had read that report through very carefully on many occasions and had come to the conclusion that it had been written in a fair and impartial spirit. While in South Australia they had the lowest rate to pay, the people were better satisfied with their scheme than were the people in any other State. He hoped that the Minister, even if he had no confidence in himself, would assist other hon. mem-

bers who desired to show confidence in him and in his officers.

Mr. BROWN: The member for East Fremantle had at one time been a strong advocate for municipal control, but since entering Parliament he had advocated Parliamentary control. He (Mr. Brown) believed in municipal control and would record his vote against anything in the nature of Ministerial control. Clause 155 provided that the various corporations should raise money by debentures to pay off the debt on this particular undertaking. That being so, the Government should have no representation on the board at all. It was refreshing to hear members on the Opposition side of the House praising Ministerial control. When the Estimates came round those same hon. members would be heard damning every Government department for maladministration. We had already had Ministerial control of the metropolitan waterworks. We had had the Government appointing a board consisting of Mr. Traylen and two other members. He (Mr. Brown) had served on that board for some years with Mr. Traylen as chairman. Under that regime if two members of the board proposed and seconded a certain resolution the chairman would vote against it and give his casting vote against it also. It was said that that was precisely what was happening on the present board. The suggested representation of Perth on the proposed board was absolutely inadequate. He felt satisfied that Perth was going to get an unfair deal by the passing of the Bill.

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

Ayes	22
Noes	20

Majority for .. 2

AYES.

Mr. Angwin
Mr. Bath
Mr. Bolton
Mr. Collier
Mr. Davies
Mr. Gill
Mr. Gourley
Mr. Heltmann
Mr. Holman
Mr. Horan
Mr. Hudson
Mr. Johnson

Mr. McDowall
Mr. O'Loughlen
Mr. W. Price
Mr. Scaddan
Mr. Swan
Mr. Taylor
Mr. Underwood
Mr. Walker
Mr. Ware
Mr. Troy

(Teller).

NOES.

Mr. Layman
Mr. Male
Mr. Mitchell
Mr. Monger
Mr. N. J. Moore
Mr. Nanson
Mr. J. Price
Mr. F. Wilson
Mr. Gordon
(Teller).

Amendment thus passed; the words struck out.

The MINISTER FOR WORKS: In view of the decision of the Committee in respect to the amendment it would be necessary to report progress to allow of a re-drafting of the clause. He moved—

That progress be reported.

Mr. JOHNSON: May I offer an explanation?

The CHAIRMAN: I cannot allow discussion on a motion to report progress.

Mr. JOHNSON: I think it is necessary—I think the Minister should make some explanation.

Motion put and a division called for.

Bells rung.

Call for division withdrawn.

Motion passed; progress reported.

BILL—AGRICULTURAL BANK ACT AMENDMENT.

Second Reading.

Debate resumed from the 23rd September.

Mr. UNDERWOOD (Pilbara): I have to congratulate the Minister on the struggle he has made to become socialistic to an extent, but it is a very small extent. I have listened to several speeches, and I have read many articles in the Press regarding the proposals of the Government; and, speaking agriculturally, it is possible that many members have noticed that when a hen produces an egg she makes a considerable noise about it, what is termed cackling. I have listened to the Minister, and to several speeches on the Bill, and have been reminded of the pullet. There is another point members may have regarded as to poultry, and that is, that if the egg is a very small one, and it is the first, the

hen makes more noise than seems to be warranted by the size of the egg. Possibly members have also noticed that the rooster seems to take considerable credit for the egg, and after reading the articles that have appeared in the *West Australian* one would really imagine that the *West Australian* was responsible for this socialistic egg. There is no possible doubt, it crows considerably about a small circumstance. There is nothing great about the present proposal, and there is nothing new about it. This proposal has been before the world practically for many years. The Labour party has spoken of an agricultural bank or a State bank ever since there has been a Labour party, and a bank of this description was advocated before ever the Labour party was heard of. Yet the Minister and others say this is an extraordinary proposal, and that the success of it—they take credit for the success—has been something extraordinary. I heard His Excellency the Governor at Fremantle say that it was past a wonder, it was an absolute phenomenon. To some people it may be a phenomenon, but when we consider that they have the Credit Foncier system in France, and that they have had it in almost all the States of the Commonwealth and New Zealand for a considerable time, we come to the conclusion that if it is a phenomenon it is a very common one at least. If we look through the Year Book of New Zealand we will find that the New Zealand Act goes considerably further than the proposals of the present Government. For instance, we find there that the bank will lend money on all freeholds up to three-fifths total value and all leaseholds to three-fifths of the assets value, and there are provisions for lending to workers. If a worker has a lease of a block of land he can go to the State bank and obtain a loan to enable him to build or do whatever he likes on his property.

Mr. Jacoby: Is that a 99 years' lease?

Mr. UNDERWOOD: It does not mention what sort of lease it is, but they have several descriptions of leases in New Zealand.

Mr. Bath: It is the 999 years' lease, what they call a perpetual lease.

The Minister for Lands: Practically freeholds.

Mr. UNDERWOOD: They are like freeholds with this difference, that they are perpetually paying rents on them, and I would like to see all the land in Western Australia under the same conditions. I do not think we have tried to do anything near what it is possible to do under this system. The Bill does not go anything near what it is possible to go in this direction. The Minister seems astounded that what we told him years ago is true. I am convinced we can go considerably further than is proposed in the Bill, and we can take the New Zealand Act as a fair example. It is not experimental legislation, it is legislation on a line that has been tried and found absolutely safe. I am reminded of a story told by the Leader of the Opposition about a man who got a little bantam hen for his son. This hen had naturally laid a very small egg, and the boy, noticing the diminutive size of the egg obtained an ostrich egg, I think it was, and placed it in the laying place near the nest with a notice on it, "Keep your eye on this and do your best." I would like the Minister to keep his eye on New Zealand and make an effort.

The Minister for Lands: I would be sorry to do so.

Mr. UNDERWOOD: And he will certainly produce a well-developed egg and may possibly have a double yolk in it. I want first to refer to the grandfatherly and godfatherly manner in which the trustees and general manager of the Agricultural Bank treat applicants for loans. One would imagine they were doing the applicants some great favour, and they browbeat them and look at them, and hum and haw; but after all, have not those people the right to go to the Bank; are they getting anything from the State it does not pay the State to give them? The Minister tells us the Bank is absolutely sound and that the business is good, and that the State is losing nothing by it. In fact, the State is reaping a profit, for the Bank borrows the money at 3¾ per cent. and lends it out at 5 per cent.; and it has been found beyond a shadow of doubt that the mar-

gin allows any amount of room for working expenses. That being so, why should they imagine for one moment that they are doing these settlers some particular favour? In fact, I am of opinion that the man who goes to the Bank to borrow is certainly dealing fairly by every other citizen in the State, and gets no advantage he is not entitled to. Another matter I think should be remedied is what I have already read in the New Zealand Act. Under the present system in this State a man can borrow only to do improvements or to complete improvements, but if a man has improved his property and then finds the necessity for a loan, the Bank will not treat with him. I want to know from the Minister when he replies why we cannot deal with a man who has already improved his property as well as with the man who has his property to improve. There are hundreds, possibly thousands of people in the State, who have spent all their money and found themselves pushed for capital. They have cleared their land, they have really got it ready for the plough, but the Bank will not lend them money, will not assist them. The only man the Bank will assist is the man who has not cleared his land. I cannot see why the Bank cannot lend to people who have already got their land cleared, and still find that they need a loan for some purpose or other. The security is equally as good after the land is cleared as it is before. It is a fair proposition to the State. The Bank is paying; there is no loss on it, and why cannot we lend money to the man who has his land cleared? I know why the Minister will not lend it. It may be hard to say so, but it is really because the other banks, the private banks, will lend money at that stage, and because those banks get 7, 8, 10 or 20 per cent; that is why the Government will not lend the money. They want to let the other banks get the benefit of it. That is the position.

The Minister for Lands: It was so when your party were in power.

Mr. UNDERWOOD: I was not in Parliament then, and if the present Government cannot do better than my Party

did then they had better get out; for the present Government came into office because they were going to do better than my Party.

The Minister for Lands: So we have.

Mr. UNDERWOOD: You have not; you have not done half so well, although the opportunities have been much better. The old parrot cry, "Your Party did better" is no argument. That the present Government are not so good as the Labour Government the people now fully realise, as was shown recently at Albany.

The Minister for Lands: And at Northam.

Mr. UNDERWOOD: That was a mistake. The Bank is a sound financial proposition. It is not offering charity to anyone by advancing loans, for the people are paying for what they get; yet we find, notwithstanding the abnormal success of the Bank to which the Minister has referred, the Government let the private banks get in and lend money to the farmers. I know numbers of cases where men, worthy men, who have taken up land, have spent their little capital they had in clearing, and then got into the hands of the storekeepers and the machinery agents. Finding it necessary to get money they were forced to go to the banks. The land is just as good as the land which is not cleared, and yet they cannot get an advance from the Agricultural Bank but have to go to the private banks who charge twice the percentage. Seeing this the Government are not worthy of receiving any consideration from the settlers' point of view. I could go into this question of the storekeepers' treatment of the farmers, but I need not deal with that to-night. The Minister told us that 400 acres could be ringbarked at as low a price as 1s. 6d. per acre, but my experience goes to show that in nearly every case the cost is nearer 2s. 6d. than that figure. Then he also says that 400 acres could be cleared for £400, but in that he is wrong again, for in most parts of the country it will cost up to £1 10s. an acre. The most extravagant statement the Minister made was that the Bank would lend £100 for machinery, and that the sum would be sufficient for the pur-

pose. That sum is absolutely useless, and the Minister knows it; every man knows it who has tried to buy agricultural machinery. A seed drill and a four-furrow plough will cost £100.

The Minister for Lands: You have not bought much machinery, and when you want some you had better get someone else to buy it for you.

Mr. UNDERWOOD: There would not be much change out of £100 by the time one had paid for a four-furrow plough and a seed drill.

The Minister for Lands: The sum of £70 would be sufficient for the two.

Mr. Jacoby: You could get them for £50.

Mr. UNDERWOOD: The plough would cost between £40 and £50, and the seed drill about the same price.

Mr. Cowher: The drill would be £40, a three-furrow plough £27 and a four-furrow plough about £30.

Mr. UNDERWOOD: Throssell & Co., of Northam quote £41 for a drill. It will cost £250 to get a decent set of agricultural machinery, and the Minister proposes to lend £100, and by such loans he hopes to induce manufacturers to come to the State. In that the Minister is doomed to disappointment. As a matter of fact a very bad system is being adopted by the machinery agents. There is a combine here which has an honourable understanding as to the price at which to sell, and as to the terms. Those terms are the most iniquitous ever proposed by any set of men. There is a Bill being introduced into the Legislative Council to place some control upon these machinery harpies—blood-suckers would be a better name for them. Their system is that they sell on credit, but, a man who pays cash gets no reduction whatever. They try to claim that they carry agriculture on their shoulders and give long terms, but, as a matter of fact, when you come to buy you will find that they offer three years' terms and that if you offer to pay cash you must give them the same price.

The Minister for Lands: I think you are wrong.

Mr. UNDERWOOD: The Minister may think I am wrong but I am sure I am right. If the Ministry desires to

assist farmers they should certainly extend the conditions of the bank very considerably; they should not only lend to people who have land to clear but to people who have land already cleared. They should lend money to enable farmers to be independent of these blood-sucking harpies, storekeepers, and machinery agents.

Mr. Jacoby: Some of these people may take risks.

Mr. UNDERWOOD: The land value is the same whether it is cleared or not. I cannot see why the bank should not go to the assistance of those who have put their money into the land and cleared it, and then find themselves in the hands of mortgagees who are closing on them and shutting them out. These are the people who are going to save Western Australia if it wants any saving, or if it has to be saved.

Mr. Jacoby: The bank will take over such a mortgage.

Mr. UNDERWOOD: I have been to the Agricultural Bank, and the manager said he could not take over that mortgage because 8 per cent. was being paid and the Agricultural Bank only charged 5 per cent. This man in the Agricultural Bank thinks he is the godfather of the agriculturists, and you have to absolutely kneel to him to get what is a fair business proposition from him.

Mr. Monger: Nonsense.

Mr. UNDERWOOD: Perhaps the hon. member has been there.

Mr. Monger: I have been to the Agricultural Bank on fewer occasions than any member in this House.

Mr. UNDERWOOD: I have never been there at all, but I know hon. members who have accompanied some of their constituents to the bank with the view of getting that bank to take up a mortgage, and the bank refused, Mr. Paterson stating that the Agricultural Bank was never intended to take over mortgages because that would be a form of private enterprise, and the Government should not interfere with private enterprise.

The Honorary Minister: You do not know a single case where a bank is charging the interest you mentioned.

Mr. UNDERWOOD: I know they are charging 10 per cent., and it would be no loss if the Agricultural Bank were to take over mortgages. We are getting fair interest on our money, and we have any amount of margin to pay the difference between the two interests. A borrower from a bank is not a mendicant, he is not looking for charity, and Mr. Paterson when he treats it as a case of charity is out of his place. Mr. Paterson should look at such applications as fair business propositions, and treat applicants as men looking for something that he is paid well by the State to give.

Mr. Jacoby: He cannot go beyond the Act.

Mr. UNDERWOOD: He does not try to, and there are instances where he has not gone so far as the Act permits him to go. This instance I am speaking of, where the Act gives him power to take up a mortgage, he refused to do it. He refused because some other bank was getting 8 per cent., and the Government lend at 5 per cent.

The Attorney General: Can you furnish the name?

Mr. UNDERWOOD: I will give it tomorrow.

Mr. Foulkes: There may have been other reasons.

Mr. UNDERWOOD: With regard to agricultural machinery, I have already said that the proposition in the Bill is inadequate and will be non-effective. The £100 proposed for machinery is inadequate, and, furthermore, it will have no effect whatever in inducing manufacturers to come to this State. As a matter of fact, the manufacturers of machinery have a grip on the agriculturists of the State at the present time, and they will eventually become the biggest land holders. The conditions under which they sell machinery are most iniquitous, and, indeed, likely to have the effect of ruining half the men who are going on the land. It has been stated by the member for Swan that the chief cost is in the sale of the machinery. That is one of the reasons why I am strongly in favour of the State manufacturing machinery for agriculture. As has been shown over and over again in this discussion, the machinery can be

manufactured for about half the price the farmer has to pay, and the other half is made up by those parasites I spoke about last night, who go about canvassing and keeping shops and doing nothing whatever in the way of genuine work. Now if the Government were to manufacture the machinery, and instead of charging £80 for a harvester were to charge only £50, there would be no necessity whatever to employ agents to sell the machines, for the people would come right down to the Government workshops to get them. There would be not one penny of cost in regard to the selling of machines. If we can do away with the man who makes the commission, and so save the £40 or £50 received by the middle man, we could hand that to the agriculturist and so do a very good work for the State. Until the Minister realises that he has to throw over his old friends, the mortgagor and the interest collector, he is not likely to make a success of agriculture in Western Australia. I am disappointed with the proposals contained in the Bill, and I would urge upon the Minister the advisability of reconsidering them. In the first place the amount loaned is insufficient, and in the second place there should be money loaned on land already cleared, as well as on land that has to be cleared. More money should be loaned to purchase machinery: but far better still would it be if the Government would endeavour to do away with the middleman who is getting practically as much for that machinery as the manufacturer himself receives. It seems to me this is a serious question. The manufacturer—whom I respect—does all the work, takes all the risk, and gets £50 for the machine, while the humming, buzzing bagman comes along and gets £50 for selling the machine. It seems a fair proposition that we should do away with the humming, buzzing bagman, and I would seriously put this proposition before the Government.

On motion by Mr. Layman debate adjourned.

House adjourned at 11.51 p.m.

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PAIR.

Hon. H. Gregory Mr. A. A. Wilson