

the south, where people can live in greater comfort. I approve of the suggestion, however, and hope that some inquiry will be made.

On motion by Mr. Coverley, debate adjourned.

House adjourned at 10.20 p.m.

Legislative Council.

Wednesday, 19th December, 1928.

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

HOSPITAL FUND BILL SELECT COMMITTEE.

Report presented.

Hon. A. LOVEKIN brought up the report of the select committee appointed to inquire into the Hospital Fund Bill.

Report received and read.

MOTION—FREMANTLE HARBOUR TRUST.

To disallow Regulation.

HON. C. F. BAXTER (East) [4.37]: I move—

That Regulation No. 112, made by the Fremantle Harbour Trust, relating to outward cargo (wheat for export), published in the "Government Gazette" on the 14th inst., and laid on the Table of the House this day, be and is hereby disallowed.

With the close of every session of Parliament we have a very real grievance against the Government bringing down Bills late in the session when there is not time to give consideration to them. Here we have something far worse, in that this regulation has only to be published in the "Government Gazette" to be put into effect, whereas a Bill has to pass both Houses before coming into operation. It ill becomes the Government to allow any department to put up regulations and have them laid on the Table of the House and gazetted during the closing hours of the session. In this instance the regulations were not laid on the Table until the very day when Parliament is likely to go into recess. The regulations contain outstanding increases in wheat charges as follows: Unloading wheat from trucks into stack and reloading wheat on to gentry or on to elevator, per bag .50d., per ton 6.15d. It would be interesting to know why those increases have been imposed. Already the charges for the handling of wheat at Fremantle are very high, owing to the fact that the handling is done by the Fremantle Harbour Trust. The wheat shippers themselves would be very pleased to handle the wheat at the old rates without any increase, and would not be at the work many years before making a very substantial profit out of it. And in addition to the wheat shippers, there are stevedores familiar with wheat handling who would be only too pleased to take a contract at the rate existing before these amended regulations were brought out. Let us examine the charges. The old charge per bag was 2s. 3.982d. per ton and the new charge is 2s. 10.132d. per ton, or an increase of 6.15d. per ton, or 22 per cent. These charges do not come out of the shippers, but are extracted from the producers of the State. I do not know when the Government are going to stop penalising the producers.

Hon. V. Hainersley: Wheat is coming down in price.

Hon. C. F. BAXTER: Yes, it is down now.

The Honorary Minister: The wheat men have not much to grumble at. They get concessions everywhere.

Hon. C. F. BAXTER: They have hardly any concessions, and when they do get one they have to pay for it pretty dearly. Almost every month the Government are bringing down some measure to penalise them. For instance, the Hospitals Bill will impose a heavy penalty on the producers. Recently the Government were generous enough to extend water supplies to farming districts. But the farmers have to pay for them. The hospital tax is a tax on the farmers of the State.

Hon. C. B. Williams: They get a return for it.

Hon. C. F. BAXTER: What return can they get when they have to pay an excessive charge for the handling of their wheat?

Hon. C. B. Williams: But I referred to the hospital tax.

Hon. C. F. BAXTER: The farmer will not get much return from the hospital tax, for he will have to arm himself with a supply of stamps, and he will not care to knock 3d. or 4d. off a man's wages. He cannot be expected to deduct such small amounts. In these regulations we have an increase for putting the wheat from trucks alongside the steamer in to ships' slings. The old charge was 750d. per bag, and 9.225d. per ton, whereas the new charge is 1.125d. per bag and 1s. 1.837d. per ton, or an increased charge of 375d. per bag and 4.612d. per ton, in the first place a 25 per cent. increase, and in the second place a 75 per cent. increase. At Bunbury the charge per bag is .66d. or five-eighths of a penny and per ton 8.118d., or 8½d. It will thus be seen that Bunbury, as compared with Fremantle, is half-penny per bag cheaper and 5¾d. per ton cheaper. Yet Fremantle has far better handling facilities than has Bunbury. It is time the Fremantle Harbour Trust gave up the handling of wheat and allowed some other body to do it who could do it at the old charges and make a handsome profit as well. I now come to the question of the penalty for the non-use of the gantry. Evidently the Harbour Trust are searching for means to squeeze as much as they can out of the growers as well as

the shippers. It is remarkable that when the Harbour Trust are sitting, the night watchman has to take off his working clothes, leave his duties, and dress for the sitting of the Trust. The official wheat weigher of the Harbour Trust has also to leave his work and dress so that he may attend the meeting, both being members of the Harbour Trust.

The Honorary Minister: Is it any detriment to the men that they should be filling that position?

Hon. C. F. BAXTER: It is detrimental to the farmer. What consideration could either of those gentlemen have for the wheat growers of the State? What consideration have the lumpers ever shown to the producers?

The Honorary Minister: There is no need to make that a personal matter.

Hon. C. F. BAXTER: The Honorary Minister has made it a personal matter by his interjection. For the non-use of the gantry the old charge was 5s. per hour, and the new charge is 15s., an increase of 10s. an hour, or 200 per cent. This shows what a drag-net regulation this is, and that the trust have no consideration for those unfortunate people who are struggling on the land, and who are working not eight hours a day, but up to 16, with very little result to show for their efforts. I ask the Minister to realise that wheat is not a commodity that can be cornered. How could the farmers corner wheat considering that it is a commodity sold in the markets of the world?

Hon. C. B. Williams: Was it not cornered during the war?

Hon. C. F. BAXTER: The British Government took control of it then.

Hon. C. B. Williams: It was a good thing for the farmers.

Hon. C. F. BAXTER: It was a good thing for the country. The hon. member does not realise the position as those who have handled wheat realise it.

Hon. C. B. Williams: That is how you all came to make a fortune out of it.

The PRESIDENT: I wish the hon. member would allow Mr. Baxter to proceed with his speech.

Hon. C. F. BAXTER: I do not know about a lot of fortunes being made. I am referring to bulk quantities of wheat only. The parcels of wheat would work out worse than my figures indicate. From the Fremantle zone alone this im-

post would mean an extra £11,200 for the farmers to pay. Considering the present price of wheat, that is a very heavy charge. The most glaring imposition is found in connection with No. 2, that is, in relation to the wheat shippers. Those people were negotiating for about two years concerning the delivery of wheat from the trucks to the ships. After much deliberation and worry a settlement was reached whereby the shipowners agreed to meet the shippers by bearing half the cost of delivering wheat from trucks to ship's slings. This work was done at the old rate. No sooner had these two bodies overcome the difficulty than the Harbour Trust swooped down upon them like an eagle on its prey and took all the benefit unto themselves. Whereas the wheatgrower was going to gain some advantage, the Harbour Trust grabbed the whole lot and has taken even more than that. Last year the Harbour Trust paid into Consolidated Revenue £133,000. That was done after providing for reconstruction work, interest and all other charges. This really amounts to an export tax on what we are producing. What could be more unfair? For years public men have bitterly complained about the iniquitous tariff imposed upon our primary industries, a tariff that is bolstering up new secondary industries in Australia. The position here is worse than that, for this amounts to a direct tax on what we are exporting. Surely the farmers are already sufficiently burdened with taxation not to have this unreasonable imposition foisted upon them. It is interesting to note that port dues totalling £16,000 were paid last year by ships loading wheat only. The obvious intention of the Government is expressed in the Fremantle Harbour Trust Act, No. 35 of 1906, Section 10 (55) of which says—

If, in the opinion of the Governor, the Commissioners shall not, in any year, have collected and received from dues, charges, rents, and other sources of revenue sufficient, or shall in any year have collected and received as aforesaid more than sufficient, to provide for the lawful expenditure of the Commissioners, including interest and contribution to the sinking fund, in respect of the value of the property vested in and charged against them under sections fifty-six and fifty-seven, or if for any other reason the Governor thinks fit so to do, the Governor may revise the harbour dues, harbour improvement rates, wharfage charges, and other dues, tolls,

rates, fees and charges prescribed by the regulations under this Act, and it shall be the duty of the Commissioners to impose and collect such dues and charges in accordance with such revision until the Governor shall otherwise order.

This amendment gives the Government power to do what they like in respect of harbour dues. Surely it does not authorise the Government to act in the way they have done in this regulation, and to come down in the dying hours of Parliament and place these papers on the Table of the House. Had it not been known that I was moving this motion, I wonder if the department would have seen fit to place this regulation on the Table to-day. But for this motion, during the whole of this wheat season the Trust would have been in the happy position of being able to collect these extra charges.

Hon. J. J. Holmes: They can be disallowed now.

Hon. C. F. BAXTER: It is only by the merest accident that we have the opportunity to disallow them. The Leader of the House and the Honorary Minister ought to circularise departments and to see that nothing of the kind occurs again. This is a reflection upon departmental administration. The figures and information I have given should warrant members in doing justice to the producers and disallowing this regulation. The old charges are quite sufficient for the Trust. If they cannot make the business pay, let them relinquish it in favour of others who are competent to handle it. I admit that the Trust must impose some charges in order to cover the cost of administration, but there is no justification for these new charges. If the regulation is disallowed, as I hope it will be, the State in general will benefit. I advise the Government to approach the Trust and say, "If you cannot handle wheat at the old rate there are others quite prepared to do so; let them do it." The result would be more satisfactory than the position is to-day, and the people who would handle the wheat could make a good profit out of it at the old rate.

HON. J. NICHOLSON (Metropolitan) [4.56]: I second the motion. I gather that Mr. Baxter proposes that the whole of the regulation should be disallowed. It comprehends various increases in charges for the

handling of wheat. Mr. Baxter has drawn attention particularly to two items. The first is a charge for removing the wheat from the truck to the gantry, or the place where it has to be loaded aboard ship. Another increased charge is for removing the wheat in bags from trucks into slings for the purpose of hoisting it aboard. In each case the rate has been raised by at least one half-penny per bag. As a result of those charges the Government will receive additional revenue on the quantity of wheat loaded, of approximately £10,000. That seems to me very like imposing an export duty on wheat. The Harbour Trust should administer their department at the lowest possible cost to the people. The accounts disclose the fact that over a long period of years the Trust have made a large sum of money, which causes one to wonder whether such charges as these are justified. It will be seen from the report of the Trust of the 30th June, 1928, that the gross earnings for the year amounted to £535,502 14s. 6d., which is referred to as easily a record, being in excess of the previous record, which was obtained in the previous year, by £35,566 3s. 1d., and is more than the pre-war record of 1914 by the large sum of £331,734 17s. 8d. Out of that large sum the Harbour Trust last year, in conformity with the Act, set aside one per cent. for a sinking fund. They have also paid to the Treasury interest at the average rate of 4.2 per cent. and it amounted to £97,536. Sinking fund at 1 per cent. amounted to £23,170 and the annual contribution for renewals and replacement fund £2,000. After deducting all those amounts and wages, etc., there remained a surplus of £133,849 which was handed over to the Treasury for Consolidated Revenue. In the previous year's report there appears a resume of the revenue earned in certain years. For example, in the pre-war year, 1913-14, the gross revenue was £203,767, with a cash surplus of £43,691. That was the cash surplus handed over to Consolidated Revenue. Coming to 1925-26, the Trust had a gross revenue of £443,395 and a surplus was handed over of £113,290. Last year, 1926-27, the gross revenue amounted to £499,936 and the surplus handed over to revenue, after deducting interest, sinking fund, renewal and replacement charges, was £142,245. It will be seen from the figures that the revenue of the State has benefited to an unduly large extent and there is no

justification, therefore, to impose any extra charges. I am supported in that view by the provisions of the Act which are in force. The original Fremantle Harbour Trust Act provided that all dues, charges, rents and other moneys levied and collected by the Commissioners should be collected and received by them or their various officers for the use of His Majesty and paid into the Treasury to be credited to what was to be called the Fremantle Harbour Trust Account, and in each year to be chargeable, with all dues, salaries and wages paid by the Commissioners, and with all expenditure lawfully incurred by the board, in exercise of their lawful powers, the balance to be carried to Consolidated Revenue subject to such regulations to be made by the Governor for the payment of interest and the provision of a sinking fund. So that, in addition to sinking fund, interest, renewal and replacement charges, the board also paid all their expenses and had handsome surpluses to hand over each year to the Government for the benefit of general revenue. It was found that in the principal Act there was no provision made in the event of there being a shortage in place of a surplus. That is to say, that if the expenses of the Trust exceeded the revenue, there was no direct provision made in the principal Act, and accordingly the provision was inserted in the amending Act which was read by Mr. Baxter, a provision that provides what was the clear and obvious intention of the Government. That section gave power as follows:—

If, in the opinion of the Governor, the Commissioners shall not, in any year, have collected and received from dues, charges, rents and other sources of revenue sufficient, or shall in any year have collected and received as aforesaid more than sufficient, to provide for the lawful expenditure of the Commissioners, including interest and contribution to the sinking fund, in respect of the value of the property vested in and charged against them under Sections 56 and 57, or if for any other reason the Government thinks fit so to do, the Governor may revise the harbour dues, harbour improvement rates, wharfage charges, and other dues, tolls, rates, fees and charges prescribed by the regulations under this Act, and it shall be the duty of the Commissioners to impose and collect such dues and charges in accordance with such revision until the Governor shall otherwise order.

It was contemplated, and it was clearly implied, that the utmost facilities should be given by the Harbour Trust at the lowest possible cost to the people of the State, and

when the Harbour Trust Act was passed it was never intended for one moment that the Trust should be a source of more than a reasonable amount of revenue, and should not be a means for the exploitation of revenue. I contend that the impost now sought to be made by the new regulations is an exploitation by the Harbour Trust to derive revenue from what is not a proper source. If the Government desire to get more revenue, there is an ordinary and legitimate course to pursue; they can adopt the usual procedure of raising it by means of additional income or land tax, or, in fact, any of the other channels through which revenue is usually raised. The Government must surely be aware of the fact that the impost has been made, and that it is going to bring in something like an extra £10,000 in addition to the surplus of £133,000. Doubtless, with the extra amount of wheat that will probably be handled, the sum to be derived may be considerably greater. When one is dealing with millions of bags, and when a Government or board impose what seems a very harmless tax of 1d. per bag in addition to other charges, it means that an enormous sum will be collected, and it then becomes an undue tax on the people. If the Trust had acted wisely, and done that which they might have done, I contend they might have used some of the surplus of the £133,000 for capital expenditure. For instance, in their report the Trust point out that the capital value of the harbour has been increased. That is to say, capital expenditure has been incurred during the year to the amount of £127,160, and the total capital now stands at £2,444,245. Here was the surplus which was handed over, and the board failed to use this money for carrying out what was apparently essential works, and I am advised that what was done was that a sum was raised by way of loan, and the capital expenditure has increased the capital account of the Trust by the extra amount of £127,000. If the Trust had used portion of the surplus revenue of £133,840, they would still have had a surplus available to hand over to the Government. But they chose not to do that, but rather to hand over the whole amount. Now the Government come forward, despite the fact that they have had the advantage of this large sum of money paid into Consolidated Revenue, and they say, "We will approve of this regulation." That is the connection the Government have with it. If the regula-

tion had not been approved we could have recognised that the Government had nothing to do with it. But the regulation having come before us, the Government undoubtedly are in some measure to blame for the framing of it.

Hon. C. F. Baxter: The Commissioners are responsible to the Minister.

Hon. J. NICHOLSON: Undoubtedly. Having regard to these facts, there can be no question that it is nothing more nor less than an indirect taxation of the people, and it is an unwise method, I contend, in view of the different methods that have been adopted and suggested. I remind hon. members that this charge relates only to the port of Fremantle.

Hon. H. Stewart: And only to wheat.

Hon. J. NICHOLSON: Nothing else. The greater portion of the wheat exported passes through Fremantle. The quantity I think is 75 per cent. of the total exported. The charges at Fremantle have so alarmed shippers that they feel somewhat diffident about loading there. It will not do the port of Fremantle any good to impose this extra charge. I venture to make some comparisons between the charges at Fremantle and some of the other ports in our own State. Here are some of the charges imposed at Fremantle. In connection with the steamer "Matheran" the total amounted to £617 18s. 11d., and the cost per ton of the cargo loaded—merely loading charges—was 2s. 5d. Another vessel, the "Bencleugh," had to pay £1,074 6s. 3d., and the cost per ton was 2s. 9½d., again for loading charges only. Another vessel, the "Bosworth," paid £1,123 17s. 5d., and the cost per ton was 2s. 5d. Another vessel, the "Prunus," paid £970 16s. 4d., the cost being 2s. 4¾d. per ton. Compare those charges with the charges at Geraldton. It has to be borne in mind that greater facilities exist at the port of Fremantle than at any other port in the State. Instead of the charges being greater at Fremantle, as I have shown they are, they should be infinitely less than those at any other port. But the state of affairs is alarming for I shall show that other ports that are deficient in harbour and loading facilities can load cargo ever so much cheaper than at Fremantle. I ask the Honorary Minister to take this matter into consideration and view it from the standpoint that the port of Fremantle

is being seriously damaged in the eyes of shippers by the heavy costs ruling at that port.

Hon. G. W. Miles: The harbour is used as a taxation department.

Hon. J. NICHOLSON: Yes, and nothing else. The ship "Passat" loaded at Geraldton and her total charges amounted to £620 18s. 8d., the cost per ton being 2s. 2s compared with 2s. 5d., 2s. 9½d., 2s. 5d., and 2s. 4¾d. for the boats loaded at Fremantle.

The Honorary Minister: What were the handling charges?

Hon. J. NICHOLSON: Those were the whole of the charges.

The Honorary Minister: Will you make a comparison of the handling charges?

Hon. J. NICHOLSON: I am taking the whole of the port charges, which are set out in detail. They comprise gantry hire, crane hire, riggers, electricians, fitters, etc., mooring, slinging, delays and overtime, pilotage, spring hire, towage, running lines and berthage. Those are the total port charges for loading.

Hon. J. J. Holmes: There is a difference of over £500.

Hon. J. NICHOLSON: The difference per ton is 9½d. in one case.

The Honorary Minister. The hon. member has not proved his case yet.

Hon. J. NICHOLSON: Another vessel named the "Maidan" loaded at Geraldton and her costs worked out at 2s. 2d. per ton. Another vessel, the "Dunaff Head," loaded at Bunbury and, strange to relate, her loading cost per ton averaged the small sum of 11¾d.

Hon. C. F. Baxter: And that port has not the loading facilities that Fremantle has.

The Honorary Minister: What were those boats loading?

Hon. J. NICHOLSON: Wheat.

The Honorary Minister: In each instance?

Hon. J. NICHOLSON: Yes. The Minister is at liberty to inspect the list.

Hon. G. W. Miles: The Harbour Trust paid over £130,000 into Consolidated Revenue last year.

Hon. J. NICHOLSON: I now have a most extraordinary instance, and I quote it as an illustration of what can be done at other ports as compared with Fremantle. The "Fernland" loaded at Bunbury and her

total charges amounted to £274 17s. 9d., while the cost per ton was only 9½d. That was actually 2s. less than the charges against the "Benleuch," which loaded at Fremantle. That is a serious reflection on the management of the Fremantle Harbour Trust. Even at Albany where one would expect the charges to be heavier—

Hon. H. Stewart: Because the Railway Department have a lot to do with it there and Albany cannot get a harbour board.

Hon. J. NICHOLSON: Notwithstanding the difficulties under which Albany labours the "Pareora" loaded there and her total charges amounted to £721 11s. 8d., while the cost per ton was only 1s. 4½d., or 1s. 5d. per ton less than the "Benleuch."

Hon. W. J. Mann: And the despatch was quicker.

Hon. J. NICHOLSON: Yes. This table has been given to me to illustrate what is happening each wheat season, and I say it is indeed a grave reflection on the port authority at Fremantle that their charges compare so unfavourably with those of other ports. But they are now seeking to make a further impost, which is not required. I hope with all confidence the Harbour Trust Commissioners will recognise that what they are doing is wrong in the interests of the port. I hope, too, that members will view the matter in that light and will support the motion.

HON. W. T. GLASHEEN (South-East) [5.21]: Needless to say, I am supporting the motion for the disallowance of the regulations. I am wondering which is calculated to create most amazement—the consent of the Government to the regulations or the desire of the Harbour Trust to enforce them. Since the war, wheat has never been so low in price as it is at present. The price is now round about 4s. a bushel and we have no guarantee that it will not fall still lower. It is generally admitted all over Australia, not only by farmers, but by commercial people competent to judge, that the 4s. basis for wheat is below the bread-and-butter line. Recognising the great importance of wheat production and what it means to the future of this State, I am amazed that any Government should agree to impose an extra charge upon it. I was surprised to hear the statement by Mr. Baxter or Mr. Nicholson that the total profit of the Harbour Trust over

and above working expenses last year was £133,000.

Hon. J. Nicholson: It was nearly £134,000.

Hon. W. T. GLASHEEN: In spite of that, the Harbour Trust pick out one commodity on which they claim they are making insufficient to pay handling charges and apply for permission to increase the costs. It is amazing that they should suggest such a thing, especially as all the freight of Western Australia depends to a great extent upon the quantity of wheat produced and shipped abroad. By picking out wheat and shipping to impose increased charges upon it, they will discount the production of wheat, and will undermine the whole of their revenue. It is amazing that any Government should propose an increase in the charges on wheat at present, especially in view of the fact that they have in hand one of the most gigantic settlement schemes—the 3,500 farms scheme. The people who take up those farms will be a long way from the port, their freight charges will be great and the cost of establishing them on their holdings will be very heavy. Any cost added to their present charges will be taken from them and will discount that great scheme as well as the wheat-growing future of the State generally. The Agricultural Bank has about five millions of money wrapped up in wheat-growing securities. Anything that takes away from the farmers some of the money they get for the production of wheat is going to undermine those securities as well. This proposal of the Harbour Trust affects big principles at the very foundation of the State, as well as the ability of the Harbour Trust to get revenue. I can only repeat that I am amazed that they should pick out the one item of wheat and say it is not paying. Every commodity depends upon the success of wheat, and it is not good business to increase the charges. Last year a sum of £16,000 was paid by way of shipping dues on wheat alone.

Hon. C. F. Baxter: That was on fully loaded ships and not on parcels of wheat.

Hon. W. T. GLASHEEN: We are told by shipping people that if the Fremantle Harbour Trust cannot make the handling of cargo pay at the present charges, they had better get out of the business. The shippers themselves will do the job and will be satisfied with the prospect of what they can make at present rates. Other people are standing by apparently ready to do the job, and if

the trust cannot do it, it is most unwise to allow them to continue at the expense of the wheatgrowers of the State. In a wider sense, much of our ability to secure our overseas debts depends upon the export of wheat, and every little bit that is taken from the amount the farmer gets for doing the job of producing the wheat is going to affect our ability to borrow money and repay our debts. I support the motion heartily and sincerely.

THE HONORARY MINISTER (Hon. W. H. Kitson—West) [5.27]: In view of the serious nature of the charges that have been made I move—

That the debate be adjourned until 7.30 p.m.

I feel sure I shall then be able to give an adequate reply to everything that has been said.

Motion put and passed; debate adjourned.

MOTION—VERMIN ACT.

To disallow regulation.

HON. V. HAMERSLEY (East) [5.28]: I move (without notice)—

That Regulation 93 (d), made under the Vermin Act of 1918, published in the "Government Gazette" on the 30th November, 1928, and laid on the Table of this House on the 13th instant, be and is hereby disallowed.

The **PRESIDENT**: It is necessary that the hon. member obtain the leave of the House in order to move the motion without notice.

Leave granted.

Hon. V. HAMERSLEY: This matter has only been brought to my notice within the last hour. It is urgent and important—much more so than one might infer from a cursory view of the regulation. The regulation practically usurps the power of Parliament. The Vermin Act gives authority to make regulations controlling certain works associated with the disbursement of moneys collected under the Act and in connection with the general working out of the scheme that has been inaugurated. Section 10 of the Act provides—

All moneys appropriated by Parliament for the purposes of this Act may be applied to the following purposes:—For defraying the necessary expenses of the central administration of this Act, for paying to the board of any district the whole or any part of the amount of

the costs and expenses incurred by such board in repairing or maintaining Government fence

The Act further lays down that moneys for the administration of the measure shall be appropriated by Parliament. Parliament each year makes the appropriation, and we pass an Appropriation Act, and the money is spent accordingly. Section 100a of the Vermin Act says—

All rates recovered under this section shall be paid to the credit of an account to be kept at the Department of Agriculture, and subject to regulation shall be applied under the direction of the Minister in payment of such uniform bonus for the destruction of wild dogs, eagle hawks and foxes, and such other vermin as may be prescribed.

The whole of the rates collected are to be applied to that specific purpose and to no other. This is special taxation on one section of the community, but the whole of the funds collected are to be applied in that special direction of payment of bonuses to those who prove that they have complied with the requirements of the Act in the destruction of wild dogs, eagle-hawks and foxes. The regulation to which my motion refers will take away so much of the money subscribed, and will apply that proportion to the administration services. We do not know to what extent that principle may be carried. The regulation represents a distinct breach of the Act, and oversteps the limits of what we usually understand when we give power to make regulations. In fact, the regulation supersedes the Act.

On motion by the Chief Secretary, debate adjourned until a later stage of the sitting.

QUESTION—LIQUOR LICENSES, REVENUE.

Hon. A. LOVEKIN asked the Chief Secretary: For the licensing year ended December, 1927, (a) what was the net amount paid by licensees for liquor, and (b) what was the amount of duties and charges thereon?

The CHIEF SECRETARY replied: (a) £1,26,022, (b) the information asked for here can only be obtained after a considerable amount of work, and by putting on a special staff.

RETURN—LIQUOR LICENSES, REVENUE.

HON. A. LOVEKIN (Metropolitan) [5.55]: By leave of the House I shall move—

That a return be laid upon the Table showing (a) what was the net amount paid by licensees for liquor, and (b) what was the amount of duties and charges thereon, for the licensing year ended December, 1927.

I presume the Chief Secretary will have no objection to furnishing the return. The information can be obtained from the Government Statistician, I take it. If it would take some time to prepare, the return may be too late for this session. If the House approves of the information being obtained, I leave it to the Chief Secretary to give it as soon as practicable.

Leave given.

Question put and passed.

PAPERS—STATE IMPLEMENT WORKS AND WESTRALIAN FARMERS LIMITED.

Hon. H. A. Stephenson had given notice of a question as follows:—"Assuming there is no binding agreement in existence setting out the terms of the proposed partnership between the State Implement Works and the Westralian Farmers, Limited, will the Chief Secretary lay on the Table of the House the file relating to the negotiations for such a partnership?"

HON. H. A. STEPHENSON (Metropolitan-Suburban) [5.38]: In lieu of asking the question of which I have given notice, I ask the leave of the House to move—

That there be laid on the Table any agreement in existence setting out the terms of the proposed partnership between the State Implement Works and the Westralian Farmers, Limited, and in default of any such agreement the file containing the negotiations for the partnership referred to in the State Trading Concerns Act Amendment Bill.

Leave given.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [5.39]: I have here the reply to the question of which the hon. member gave notice, and that reply will probably furnish the information desired by him. It is as follows:—

There are no recorded papers. As a result of discussions that have taken place between the Minister's representatives and the repre-

sentatives of the Westralian Farmers Limited, a draft of an agreement has been prepared, and a copy of it is now laid upon the Table of the House. It must be distinctly understood that the document is in draft form only, and that it has not in any way been finalised by the two parties. For instance, Clause 4 is not acceptable to the Minister. Some provision will have to be made in the event of the three members of the committee representing the Minister not being able to arrive at an agreement on any important decision with the members representing the Westralian Farmers. In regard to Clause 5, no agreement has been arrived at as to exactly what the partnership will take over, and so no schedule has yet been prepared, nor has any rent been fixed. Clause 12 will, the Minister considers, have to be varied so as to provide that the committee of management shall take over from the Westralian Farmers the control of the machinery department, together with certain officers who are exclusively employed in connection with the sale, etc., of agricultural machinery. Other alterations might also be necessary when the draft has been critically examined by the two parties interested; and the schedule relating to machinery which is to be manufactured by the State Implement and Engineering Works has not been finalised, but generally it can be said that the two parties consider that if Parliament gives authority to make an agreement, a satisfactory one can be arrived at.

HON. A. LOVEKIN (Metropolitan) [5.41]: In view of the reply which the Chief Secretary has just given, the hon. gentleman can hardly expect the House to pass the Bill giving the Government practically a blank cheque to make any agreement with the Westralian Farmers. The proper way, I think, is to frame an agreement and bring it to the House, and ask the approval of the House to that agreement. It seems to me that the Government's proposal is to enter into a partnership with practically an individual. Mr. Nicholson will be able to tell us what the law of partnership is.

The PRESIDENT: Order! I think the proper time to discuss the State Trading Concerns Act Amendment Bill is when it comes before the House. This is simply a motion asking that certain information be laid on the Table.

Motion put and passed.

PAPERS—CHIEF ELECTORAL OFFICER, RETIREMENT.

On motion by Hon. A. Lovekin, ordered—

That there be laid upon the Table the papers, or copies thereof, relating to the retirement of Mr. T. E. Cooke, at present Chief Electoral Officer.

The Chief Secretary laid the papers on the Table.

BILL—STATE TRADING CONCERNS ACT AMENDMENT.

Second Reading—Defeated.

Debate resumed from the previous day.

HON. H. A. STEPHENSON (Metropolitan-Suburban) [5.45]: It is not my intention to take up much time of the House in discussing the Bill. Every hon. member knows my opinion regarding State trading concerns. I have opposed them on every occasion possible since I have been a member of this Chamber, and I am still of a like opinion. I have no hesitation in saying that I shall vote against the second reading of the Bill. It is a short one, but its effect will be widespread if it is allowed to become an Act. It comprises two clauses, the second of which provides for the State Implement Works entering into a partnership with the Westralian Farmers Ltd. to deal in agricultural implements. I regard such a proposal as most unjust to other traders and to private enterprise, and I do not think it is right that the Government should attempt to link up with a private concern to carry on business in the way suggested. The Government, through the Bill, ask the House to give them a blank cheque. I was surprised to hear the report read by the Chief Secretary in connection with my motion. He informed us that there was no agreement whatever, and that, as a matter of fact, neither party had been able to decide what they required, or on what terms they were prepared to enter into the partnership. I cannot understand the Government introducing a measure in such a crude form and asking the House to agree to it. I feel sure the Legislative Council will never pass such a Bill. Mr. Fraser told us last night that he had seen the agreement, but later suggested he had made a mistake, as he referred to the proposal. He appears to be the only person I have heard of who has seen the proposal.

Hon. G. Fraser: If you peruse my speech you will see that I misunderstood the interjection; I referred to the Bill.

Hon. H. A. STEPHENSON: He suggested that the reason why the State Implement Works had not been successful was that the concern had not had the advantage

of competent selling agents in disposing of the implements that were manufactured. I have received from some machinery agents and manufacturers in this State a few notes on the Bill and they have embodied a few questions that I will put to the Leader of the House. These people are much concerned about the Bill. I am informed by them that for some years the Westralian Farmers Co-operative Society held the agency for the State Implement Works. In the face of that, Mr. Fraser told us that the fact that the State Implement Works had not had the advantage of competent salesmen to dispose of the implements made by the State works, was the explanation of the non-success of the undertaking! He suggested that the implements turned out were first-class, yet he made that explanation! I think it is the most puerile explanation I have heard advanced in that regard. Notwithstanding the fact that almost invariably in the past the prices charged by the State Implement Works were less than those fixed by other merchants for a particular type of implement or machine, it can be said, generally speaking, that the State implements have never given satisfaction, nor have they succeeded in attracting business as compared with that done by other merchants. That referred to practically all lines handled by the agents. Although the State Implement Works were offering their lines at a lower price than were charged for similar implements by other firms and agents, the State machines could not be disposed of in any quantity. There is but one conclusion that we can come to, and that is that the quality of the machines was not satisfactory and, in fact, that the State Implement Works could not deliver the goods. In the statement furnished to me the manufacturers say—

The proposal means that the Government would join hands with one company to the detriment of other distributors of farming implements, and in the matter of spare parts, would be manufacturing, particularly tractor parts and other implement parts, in competition with local foundries, the owners of which are paying certain taxes to the Government and are employing much labour.

Every hon. member will appreciate that position and, to my mind, it is very unfair and unjust for the Government to step in and participate in such business. As pointed out by Sir William Lathlain, it is the func-

tion of a Government to govern and not to trade. Again, the manufacturers say—

We consider it most unfair that any particular concern should be selected by the Government in order that they may enter into a partnership under the present or, indeed, under any circumstances. In addition to the obsolete plant that the State Implement Works have at the present time, it is understood that the other partner, the Westralian Farmers Limited, also have a large quantity of obsolete and inferior spare parts, running into thousands of pounds. Will they be taken over by the partnership? If so, the taxpayers of the State will be paying for them.

I wish to put that question to the Chief Secretary. Will those obsolete and inferior spare parts be taken over by the partnership?

Hon. H. J. Yelland: Where did you get that information?

Hon. J. J. Holmes: That is an impertinent question!

Hon. H. A. STEPHENSON: I told the hon. member that this information had come from machinery manufacturers and agents in this State.

Hon. J. R. Brown: In opposition to the Westralian Farmers!

Hon. H. A. STEPHENSON: But those people are here and are paying taxes. They employ a large number of men, and they should be encouraged, not discouraged. Another point raised by my informants is contained in the following:—

It is rumoured that for some considerable time the agreement between the agents and the manufacturers of the Case tractor has not been working too smoothly. It is generally understood amongst distributors of tractors that the Westralian Farmers entered into an agreement with the Case people to sell a given number of tractors per annum over a period of years. Will this undertaking be binding on the new proposed agreement partnership? If so, who is going to pay for the undoubted loss?

That is another question I will put to the Chief Secretary. We must remember that there are always conditions attached to such agreements, and if the party that agrees to sell does not fulfil the terms of the agreement, there are usually heavy penalties attaching to the default. That point may be borne in mind by the Chief Secretary when he deals with the question.

Hon. A. Lovekin: Clause 14 of the proposed agreement sets out that they do not take them over.

Hon. H. A. STEPHENSON: But that agreement is not worth the paper it is written on. An agreement involving over £10, is worth nothing unless it is in writing and signed by both parties. Until such a document is signed and completed, either side to the negotiations can withdraw, and that is the end of the agreement. Again, the manufacturers state—

Surely the ratepayers of the State have a right to know the actual text of the agreement so that they can form their own conclusions as to the actual amount of liability to be incurred under that agreement.

Hon. A. Lovekin: The proposal is a most illuminating one.

Hon. H. A. STEPHENSON: It is most absurd and I am sure the House will not agree to it. The notes I have been furnished with also contain the following references:—

Seeing that the terms allowed farmers for Case tractors extend to two years and in some instances to three years, is the proposed new company going to take over those unexpired hire agreements, some of which will undoubtedly involve great difficulty in collection? Also it is understood that a lengthy contract still exists between the Westralian Farmers and its principals, the Case Tractor Company. The taxpayer naturally wants to know all the circumstances referred to and whether the new company so formed will take over that obligation. These remarks also apply to obsolete stocks, such as inferior extras and second-hand tractors, and tractors not re-possessed under hire purchase agreement, including a number of tractors sold in the Esperance-Salmon Gums district where the trustees of the Agricultural Bank have announced their intention of withholding their financial assistance.

As for the ploughs that Mr. Fraser had so much to say about, I made inquiries and was informed on good authority that the sales of ploughs by the State Implement Works did not amount to more than 5 per cent. of the total ploughs sold in the State.

Hon. J. R. Brown: But that is information from an opposition firm.

Hon. H. A. STEPHENSON: They represent practically the whole of the machinery agents and manufacturers of the State. There are something like 20 different tractors on the market to-day. That gives some idea of the number of agents endeavouring to place their various lines on the market. If the partnership were to sell tractors only in proportion to the ploughs they have sold, I am afraid their turnover would be very far short of the figures stated by the Chief

Secretary yesterday. Another thing I object to is the amount of money that will have to be found. The Chief Secretary informed us yesterday that there would have to be an increased capital of £300,000, representing £150,000 to be found by the Government and £150,000 to be found by the Westralian Farmers Ltd. It is not easy, indeed it is very difficult to find so large a sum, and I suppose it will be a case of guarantee. No money will be put up, and in the end the poor old State will be called upon to foot the bill.

Hon. A. Lovekin: The parties will sign a joint and several.

Hon. H. A. STEPHENSON: I suppose so. The Chief Secretary said the main object of the partnership was to endeavour to retain in the State some of the money that is being sent out of the State for these tractors and other machines. I do not think the Minister will get very much of that money retained in the State under this proposed partnership. Seeing that the Government have admitted that the State Implement Works are an absolute failure, my idea is that they should put those works up for sale. Then if the Westralian Farmers Ltd. wanted to buy the works, I would be only too pleased to assist them in a reasonable way to get hold of the works and run them as a private concern. But as it stands to-day I am strongly opposed to the proposal.

HON. A. LOVEKIN (Metropolitan) [6.5]: I have perused the proposals for the agreement between the State Implement Works and the Westralian Farmers, Limited, and the verdict I give on the document is that any man of business capacity who would enter into an agreement on these lines ought to be taken to Dr. Saw or some other doctor to be examined. In my time I have seen many agreements and documents, but never anything to equal this.

Hon. Sir Edward Wittenoom: But why worry Dr. Saw?

Hon. A. LOVEKIN: Only because I should like him to examine any business man who would come in under this proposed agreement, a copy of which I have in my hand.

Hon. W. T. Glasheen: We are all mad in patches.

Hon. A. LOVEKIN: Perhaps so, but he would be specially mad who agreed to this proposal. This document is very illumin-

ating, and I cannot resist the impulse to give to the House the substance of it. It is not an agreement, but only the proposed draft of an agreement that may be entered into between the Minister for Works and the Westralian Farmers, Limited. The partnership is to begin on the first day of January, 1929, and to continue in force for 10 years from that date. Clause 2 seems to anticipate the scrapping of the State Implement Works lock, stock and barrel. It reads—

Except as hereinafter provided, the State Implement and Engineering Works and the Westralian Farmers Limited shall not during the currency of the partnership deal in agricultural engines, tractors, machines, machinery, or implements otherwise than in partnership under this agreement.

Then here is Clause 3—

The partnership concerned shall be under the management and control of a committee of six members; three to be appointed from time to time by the State Implement and Engineering Works, and three to be appointed from time to time by the Westralian Farmers Limited.

It does not state the salary. Apparently it is to be an honorary committee of management. The committee are to meet and vote, and if there is any dispute between the sections they are to call in an umpire. The partnership business is to be carried on in portion of the premises of the State Implement Works, and the partnership is to pay the State Implement Works an annual rent of blank pounds in equal quarterly instalments, and the partnership is to pay all rates and taxes, and to keep the premises in repair and insured against loss or damage by fire. Now we come to the next clause, Clause 6, a vital clause, as follows:—

The capital of the partnership shall be contributed by the partners in equal shares from time to time as required by the committee of management.

It does not say what the capital is to be. The Chief Secretary says it is to be £150,000 each. But under this agreement the capital is to be unlimited.

Hon. J. Nicholson: But surely the first thing will be to take over all the plant and machinery down there?

Hon. A. LOVEKIN: We have not yet come to that. It is all very illuminating. I suppose this unlimited capital will be a very good thing for one of the partners, when we remember that one of the partners will be responsible for the other partner's share.

We have on the one side a company already engaged in trade, a company that at any time might lose heavily in wheat dealing. And now that company is to take into partnership a sovereign State with unlimited capital, and that State will be responsible for the capital of the joint concern. I suggest that, since the Treasury is in a somewhat parlous condition at the present time, both partners will meet and will go to some bank that will readily let them have an overdraft. Because the State will come in and sign a joint and several, any bank will put up the money. This agreement contemplates a bank, but does not say which bank is going to find the money. Clause 7 reads—

The bankers of the partnership shall be blank bank, or such other bank as may from time to time be agreed upon. The banking account shall be operated upon by the committee of management and may be drawn upon by cheques signed by a member of the committee of management and countersigned by the accountant.

Then we get Clause 8, as follows:—

All costs, charges and expenses which shall be incurred in or about the business of the partnership, or in any wise relating thereto, and all losses which may happen in respect of the business, shall be paid out of the income or capital of the partnership, and in case of a deficiency thereof by the partners in equal shares.

Then this comes in—

The net profits of the partnership, after payment of all outgoings, and subject to the creation and maintenance of such reserve fund as the partnership may think fit, shall belong to the partners in equal shares.

What could be more delicious than that? Here is another thing—

As regards all lines produced by the State Implement and Engineering Works as set out in the second schedule—

The second schedule is a blank. The paragraph continues—

—the committee of management shall deal with the State Implement and Engineering Works; and before entering into any contract for the importation or purchase of stock in trade of other manufacture, quotations shall be obtained by the committee from the State Implement and Engineering Works; and if such quotations would enable the committee to meet its requirements, and such engines, tractors, machines, machinery, and implements can be sold satisfactorily in competition with other dealers who may be in competition with the committee, preference shall be given to the State Implement and Engineering Works in the manufacture and supply thereof.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. A. LOVEKIN: Before tea I was reading Clause 10 of the proposed agreement. This shows what will happen if the Bill is passed. That clause says, after referring to the second schedule, that the State Implement and Engineering Works shall be in the hands of the committee of management, and before entering into any contract for the importation or purchase of stock-in-trade of other manufacture, quotations shall be obtained by the committee from the State Implement and Engineering Works, and if such quotations meet the requirements of the committee, and such engines, tractors, machines, machinery and implements can be sold satisfactorily in competition with other dealers who may be in competition with the committee, preference shall be given to the State Implement Works in the manufacture and supply thereof. That means that if an implement is wanted and they get a price from the State Implement Works, and this is satisfactory, the partnership may give an order to the implement works, but if not the partnership will import the article. Clause 11 provides that the existing contracts of the Westralian Farmers Ltd. relating to the purchase of agricultural engines, tractors, machines, machinery and implements current at the commencement of the agreement, 1st of January, shall, as regards orders to be placed after that date, be taken over by the committee on behalf of the partnership, and to that extent the committee shall perform the obligations of the Westralian Farmers Ltd. under such contracts.

Hon. Sir Edward Wittenoom: Where did you get that information?

Hon. A. LOVEKIN: From the Table of the House. This means that all existing contracts with the Westralian Farmers, some of which may be bad, and some orders may be at a price at which they could not be bought cheaper, are to be taken over by the committee, and the Government as partners in the concern will share in the profit and loss.

Hon. H. A. Stephenson: That is in reply to one of my questions.

Hon. A. LOVEKIN: The agreement goes on to say that so far as the Westralian Farmers Ltd., by any existing agreement, are under an obligation to deal exclusively with any manufacturer, or otherwise are subject to restrictive trading conditions, such obli-

gations shall be binding on and observed by the committee. That is another obligation the Government are taking on. If the committee of management are of opinion that any agricultural tractors or machines which under such contract are imported made up, can be economically and satisfactorily assembled by the committee within the State, the Westralian Farmers Ltd. will co-operate with the committee in endeavouring to arrange with the manufacturers for the importation of such machines in parts. It is obvious that very few manufacturers would agree to their parts coming out here and being manufactured locally. If there were any breakdowns, the machines would be condemned, though the fault would lie with the manufacturer of the parts. The agreement goes on to say that on the renewal of any such contracts by the committee of management, the Westralian Farmers Ltd. will co-operate with the committee in endeavouring to arrange with such manufacturers with a view to the manufacture and supply of tractors and machines by the State Implement and Engineering Works, so far as the State Implement Works satisfy the committee that such tractors or machines can be economically and satisfactorily produced at the works. That is all nonsense. The agreement continues to the effect that all sales should be effected on behalf of the partnership and the committee of management by the Westralian Farmers and their agents. This is in answer to Mr. Stephenson's question—

As soon as practicable after the 30th day of June in every year, a general account and valuation shall be taken and made up to such date of the stock in trade, credits, property, effects, debts and liabilities of the partnership, and all transactions, matters and things usually comprehended in a joint account of a like nature; every such account shall be balanced and shall be audited by an auditor to be appointed by the partners, or if they are unable to agree upon such appointment, by the Auditor General.

The last clause is very important. It also deals with the question put by Mr. Stephenson as to what will happen with the parts. Members will see that the partnership does not take over anything in stock prior to the 31st December next. Clause 14 reads—

This agreement does not extend to stocks of engines, tractors, machines, machinery, or implements held by the Westralian Farmers on the 31st December, 1928; such stocks may be disposed of as and when the Westralian

Farmers Limited think fit, nor does this agreement extend to such stocks held by the State Implement and Engineering Works on that date; provided that such stocks shall be disposed of through the agency of Westralian Farmers Limited on payment by the State Implement and Engineering Works of commission at such rates and expenses as mutually agreed.

Boiled down this agreement means that the Government propose as decently as possible to bury the State Implement Works. They are not to manufacture any more. Their stocks of parts are to remain in stock until such time as the Westralian Farmers Limited can find a purchaser for them on commission. All that will be left to the works will be the repairing of engines for ships, and most of this work will probably go to Midland Junction. I do not object to the Government getting rid of the works in any decent way as quickly as possible, but I do object to the establishment of another State enterprise. It is proposed, according to Clause 6, to find unlimited capital. The agreement says—

The capital of the partnership shall be contributed by the partners in equal shares and from time to time as is required by the committee of management.

No sum is mentioned.

The Chief Secretary read the clause.

Hon. A. LOVEKIN: I have just read it.

The Chief Secretary: There is an item that is not filled in.

Hon. A. LOVEKIN: There is no blank for any item.

The Chief Secretary: There must be.

Hon. A. LOVEKIN: There is a blank in the next clause to fill in the name of the bank.

The Chief Secretary: The agreement is not completed.

Hon. A. LOVEKIN: Clause 6 is completed. In the following clause there is a blank, which is some sort of evidence that there was none in Clause 6. Clause 7 says that the bankers of the partnership shall be . . . or such other bank as from time to time may be agreed upon.

Hon. A. J. H. Saw: Perhaps the limit of the capital of the partnership is the limit of the amount they can get from the bank.

Hon. A. LOVEKIN: The joint and several guarantee of the State and Westralian Farmers Limited would be good for a considerable amount at most banks. I object to

the Government entering into partnership with a private concern and becoming pledged to raise unlimited capital for the carrying on, not of the implement works, but some other trading concern, in the light of commission agents who would be taking commission on the sale of imported tractors, bags, machinery, etc., and sharing in the profit and loss of the wheat pool. The wheat pool in the twinkling of an eye may lose tens of thousands of pounds.

Hon. E. H. Gray: It has not done so yet.

Hon. V. Hamersley: The Westralian Farmers have nothing to do with that.

Hon. A. LOVEKIN: If the wheat pool were going to be profitable, probably the Westralian Farmers Limited would not wish to share the plunder with the Government.

Hon. E. H. Gray: That has nothing to do with it.

Hon. J. J. Holmes: The Westralian Farmers Ltd. and the wheat pool are separate.

Hon. A. LOVEKIN: I may be wrong about that. At all events, the Government are going to share with the Westralian Farmers Limited.

Hon. H. J. Yelland: Does not the agreement restrict them to implements?

Hon. Sir William Lathlain: It covers everything.

Hon. A. LOVEKIN: It is not limited to machinery.

The Honorary Minister: Did not the hon. member hear the Chief Secretary's second reading speech?

Hon. A. LOVEKIN: I have the document that was laid on the Table of the House and I am going by what it says. It says they can enter into partnership.

The Honorary Minister: What for?

Hon. A. LOVEKIN: For dealing in agricultural engines, tractors, machines, machinery, or implements. I thought they ran the wheat pool, but apparently they do not. What I am objecting to is that the State Implement Works are resurrecting from the ashes a partnership in a trading concern with a private individual.

Hon. J. Nicholson: A partnership that was never contemplated when State trading concerns were started.

Hon. A. LOVEKIN: It is a partnership not for manufacturing anything, not for keeping down costs, but a partnership

to make profits out of commissions in the ordinary way of trading. We should not permit the Government to have a blank cheque to enter into such an agreement. If there is to be an agreement, it should be before the House as a schedule to the Bill, and we should be asked to endorse it or reject it. In any case, I strongly object to the Government pledging themselves to becoming guarantors with a private individual for the purpose of inaugurating another trading concern of a kind that was never contemplated by the Trading Concerns Act. As the agreement is unique and illuminating I have thought fit to read it so that it might go on the records of the House.

HON. J. CORNELL (South) [7.48]: I desire to offer a few words at the graveside of the Bill. The agreement that has been quoted should never have been made, and the attitude adopted here should have been the attitude adopted in another place. There can be no agreement until the Bill is passed. The proposal that we are asked to consider is not to discontinue the manufacturing part of the works.

Hon. A. Lovekin: It says so.

HON. J. CORNELL: As I read the Bill and as I understood the Chief Secretary, the object is to establish a partnership between the Westralian Farmers Ltd. and the State Implement Works, for the purpose of conducting an assembling department and a sales department. The State Implement Works will function as before in certain specified lines of machinery for which it has been demonstrated there is a demand.

Hon. A. Lovekin: That is contrary to what I have read.

HON. J. CORNELL: There are features connected with the State Implement Works that have not yet been touched upon by any other speaker. It is some 14 years since the State Implement Works were established for the purpose of manufacturing farm implements and for that purpose alone. At that time there was functioning at Fremantle a harbour board's engineering shop. Subsequently the two became amalgamated. There is no gainsaying this fact, that as a producer of farm implements the State Implement Works have failed in their purpose. The failure was written at the inception because the works were overcapitalised, the plant was unsuitable and they had no definite models ~~on~~ which to work. Anyone who has followed

the history of the works knows that though it may have been a mistake to start them, yet in continuing them a much bigger mistake was made. We have this position to-day, that the works as producers of farm implements are an absolute sink for money. There have been losses and losses and still more losses. There is no doubt there are many factors, other than the earlier factor to which I have referred, which have contributed to those losses. The taste of primary producers for implements is as varied as that of an eligible or ineligible young man for a wife, and it is well known and well established in the agricultural industry that there are certain makes of machines which a farmer intends to have, provided he is in such a financial position as to be able to purchase them. You can go on to any up-to-date farm, not only in this State but in any State of Australia, and you will find that the man who knows his job will have half a dozen different makes of implements on his property. It has been said that the mould-board plough made at the State Implement Works is the best obtainable in the State. That is generally accepted by those who know. So far as other implements are concerned, I have yet to find men who care to take them from the State Implement Works.

Hon. E. H. Gray: What about the drill?

Hon. W. T. Glasheen: They make one of the best windmills.

HON. J. CORNELL: In this State we must first find water before we can erect a windmill. Thus I cannot see much hope for the sale of too many windmills. We have come to this position: that while the State Implement Works as farm implement makers have failed, the engineering branch of the establishment has been an undoubted success. The position to-day is that if the engineering branch of the works ceased to function, 50 per cent. of the business now being done at Fremantle could not be carried on there. It is a well known fact that we have scarcely an engineering firm worthy of the name in this State. Practically the only engineering establishment here that can take on big work, particularly that connected with shipping that calls at the port, is the State Implement Works.

Hon. H. Stewart: Why?

HON. J. CORNELL: Because it is the only concern that has the machinery. There are two foundries at Fremantle, Chalmers is one

and Atlas is the other, and it is well known that were it not for the State Implement Works engineering branch 50 per cent. of the work that is done there now could not be carried out. What we have to concern ourselves about is that the object of the agreement is to endeavour to introduce the assembling of machinery and a sales branch with the idea of ascertaining by actual application whether or not the concern can be satisfactorily carried on. I recognise that if the agreement cannot be entered into, there is only one thing for the State Implement Works to do as a farm implement producing concern, and that is to close its doors, because figures speak for themselves. From the sales point of view the concern has failed. I can quote an incident to show where the State Implement Works are at fault. Only recently I visited the Esperance district and there met an old friend of mine who at one time was a farmer. This man was in the district as an agent for the State Implement Works. He was there in a Ford car in which I would not care to ride very far. Later I met him in Coolgardie on his return and he was carrying four new tubes and four new tyres. With that equipment he was travelling as a salesman expecting to do a 500 miles trip. That is one illustration of lack of foresight on the part of the State Implement Works, a sort of penny-in-the-pound policy of foolishness in the establishment of a sales branch. What I am really concerned about is as to what is going to become of that necessary adjunct, the engineering branch of the works. If there is power in the State Trading Concerns Act to set up the necessary machinery for establishing a sales branch, I would say to the Government, "Try it out." They should accept the inevitable if it fails, close the machinery part of the concern and provide for the carrying on of the engineering side. I venture to say that if the State Implement Works were put on the market to-morrow there are firms in Australia who would buy them, not the agricultural implement part, but the whole as a going concern. There is no doubt that from an engineering point of view—and any engineer in the city will tell us so—there are opportunities with the equipment of the works and the volume of trade for the investment of capital in the concern, not for the production of implements, but for the enlargement of the engineering side to cater for the require-

ments of the State. I am at a loss to find a reason why the Westralian Farmers Ltd. should desire to enter into this undertaking. They are agents for the Case tractor and for Bagshaw machinery. The Minister has told us they have all the organisation for their sales department, and I cannot understand why they should desire to enter into the agreement, unless it be for philanthropic purposes.

Hon. W. T. Glasheen: They want to cheapen the assembling costs for one thing.

Hon. J. CORNELL: They do, and I believe such an arrangement might have that effect.

Hon. W. T. Glasheen: They want to cheapen the cost of parts.

Hon. J. CORNELL: Yes, but I tremble to think what might happen to the reputation of Case tractors were an attempt made to manufacture spare parts there.

Hon. H. A. Stephenson: The Case people would not allow them to do it. You need not worry about that.

Hon. J. CORNELL: I am averse to entering into this agreement. The proper course for the Government to adopt is to endeavour to organise a proper sales department. If that fails, the Government should accept the inevitable and close up the implement manufacturing part of the concern. Had I desired to do so, I could have been most critical and caustic in regard to State trading and the actions of the Governments who started and continued it. If the agricultural machinery part of the works were all that was in the balance, I would probably not have been as rational and reasonable as I have been in speaking on this Bill. My sole object in speaking was to point out that there is much more than the closing of the works at stake. The closing of the industry would be a very serious matter. I would not be a party to the works being closed until some satisfactory understanding were arrived at under which the most essential part of the concern could be carried on. We owe a duty to the State and to the shipping that calls at our port, and that duty can be performed only by continuing the engineering side of the State Implement Works in as satisfactory a manner as it has been carried on in the past, either by the State or with a definite assurance from anyone who may take over the works that this essential service will be rendered in future.

HON. J. J. HOLMES (North) [8.6]: Before I address my remarks to the Bill, I shall endeavour to lift off the mind of the previous speaker what appears to be a heavy load. He said that as far as agricultural machinery was concerned the works were dead and buried or ought to be, but the engineering side should be maintained almost at any cost. He told us there had been engineering works in connection with the Fremantle harbour and they had been amalgamated with the State Implement Works. Presumably it was more economical to do the work at North Fremantle than it was to do the work in the immediate vicinity of the harbour. The hon. member appears to have overlooked the fact that at Midland Junction we have another Government concern with engineering works that appear capable of meeting any emergency that might arise.

Hon. E. H. Gray: They are too far away.

Hon. J. J. HOLMES: On the showing of the previous speaker it was not too far to shift the engineering works from the harbour to North Fremantle.

Hon. E. H. Gray: That was only a stone's throw.

Hon. J. J. HOLMES: But there had to be some means of transport from the harbour to the works and the only means was by railway truck. Once a piece of machinery was on the truck, it would be an easy matter to send it to Midland Junction and have the work done there. So much for the engineering side. The hon. member said there should be one more chance to organise the sales department. Why is it that sales are not effected?

Hon. W. T. Glasheen: Because of lack of quality.

Hon. J. J. HOLMES: The organisation of the sales department will not improve the position.

Hon. W. T. Glasheen: I agree.

Hon. J. J. HOLMES: The first principle of business that I was taught was that goods properly manufactured were half sold and that goods badly manufactured would never sell. The idea of re-organising the sales department is too absurd for words. Coming to the question of the agreement, we are here as the custodians of the public.

Hon. J. R. Brown: Very bad ones.

Hon. J. J. HOLMES: I do not want to say a word about the Westralian Farmers Ltd., except that they are a very reputable firm.

I should like to correct a misapprehension that Mr. Lovekin created quite unwittingly. The Westralian Farmers Ltd. do not comprise the wheat pool. The wheat pool is a separate institution and I understand that the Westralian Farmers Ltd. act as handling agents for the pool. For this House to give the Government a blank cheque to make any agreement they think fit would be a breach of trust and nothing else. I do not accept this document as an agreement, and I do not propose to refer to it as such. It is only a proposed agreement. We are told that some of the clauses have been approved.

Hon. E. H. Gray: The agreement may have been approved.

Hon. J. J. HOLMES: Before I consent to any Bill of this kind, I want the agreement to form a schedule of the Bill. Let us see what the agreement is and whether it is wise to proceed with it or amend it. What is the necessity for the partnership? Do the Government want a partnership with a private institution in order to be taught the business, or do the Westralian Farmers Ltd. want to help the Government out of a difficulty? Either or both have got some ulterior object in view. We can make up our minds about that.

Hon. E. H. Gray: The Westralian Farmers Ltd. want to make some money.

Hon. G. W. Miles: What do the Government want to do?

Hon. J. J. HOLMES: How are they going to make the money? I have a copy of the Auditor General's report and I find that the total liability of the State Implement Works to the Treasury is £300,687. There is a footnote stating that, in addition to the liability shown above, the capital of the concern was written down £120,140 on the 30th June, 1917. Consequently we can see that what is really owing to the Treasury is £420,000, and presumably what the Government are going to sell to the Westralian Farmers Ltd. is half of that amount for £150,000.

The Chief Secretary: Sell it?

Hon. J. J. HOLMES: Yes. We are told the Westralian Farmers Ltd. are going to buy half of it. The capital is to be £300,000, and presumably £150,000 is to be put up by the Government and £150,000 by the Westralian Farmers Ltd. Some people might think it is a very easy matter to get hold of £150,000 to put into the State

Implement Works, but if the company is to be formed with a capital of £300,000, the money will be found by some bank on a joint and several guarantee. If I were a banker and difficulty arose—as it might arise at any time with the Government entering into a contract with the assets of the State on one side and the assets of the company on the other—I would do as bankers always do in connection with any joint and several guarantees; I would call on the person with the greatest assets to meet the liability. There one sees the far-reaching effect on the State of coupling with a private company to carry on together. The Auditor-General's report shows that on this State trading concern, from its inception up to the 30th June last, apart from the writing off of £120,000 there has been a loss of £156,044. There is evidence that the Government want to get out of the enterprise. Why do the Westralian Farmers want to get in? The Government's object is to get out. The Westralian Farmers probably have some object in getting in. Certainly that object is not disclosed in the agreement.

Hon. W. T. Glasheen: The proposal in the first place emanated from the Westralian Farmers.

Hon. J. J. HOLMES: I know nothing about that. All I know is that the Westralian Farmers are a trading concern. I am not even a member of the Country Party, and I know nothing as to where the proposal emanated. However, I am concerned about how it will finish. The Auditor-General's last report sets out that the losses on the State trading concerns since their inception amount to £1,363,937, and that the profits total £367,715. Thus there is a loss of about a million of money on the State trading concerns. It is admitted that the reason why the State Implement Works want to bring about a partnership is that they cannot sell their implements. Presumably somebody said to the management of the works, "Appoint us your selling agents, and we will sell your implements." But we know that is a fallacy. Let me take hon. members back to the Royal Commission on the Peel estate. We had it there on indisputable evidence that if a man on the land had a chance of succeeding he was allowed to buy his implements elsewhere, but that if he was up against it and not likely to succeed, he was forced to take State implements. In other

words, the Government department hurried his end by forcing on him implements that were no good.

The Chief Secretary: Is the hon. member sure that that is correct?

Hon. J. J. HOLMES: Yes. I have a pretty good memory.

Hon. W. T. Glasheen: That policy was altered by the Government later.

Hon. J. J. HOLMES: The hon. member has information that I do not possess. He has already been able to tell us where the proposal for the partnership emanated. Mr. Lovekin considers that this proposal amounts to burying the State Implement Works. If it did that, I would be quite satisfied. But the agreement seems to link up the State in a partnership on a joint and several guarantee—a case of "Heads I win, tails you lose." I am afraid the State in that case will be the loser. We are told—it is not in the agreement—that the term is to be one of 10 years. Surely the Government, when entering into an agreement with a private firm for 10 years, should tell the House and the country what the agreement is. The proper course would be to proceed as the Government of Queensland have proceeded. Our friends opposite are fond of quoting Queensland to us; let me quote it back to them. Queensland has come to the conclusion that State trading is a fallacy. The Queensland Government have had the courage to tell the country that the whole thing is a fallacy. It would be a right procedure for the Government of this State to follow the same course. If our State trading concerns are to be sold, let tenders be called, and let them be sold to the highest bidders. But let us not pass a Bill for an agreement that ties the assets of the State with the assets of a company for 10 years, irrespective of what may happen in the meantime. When it comes to the question of taxation, anything may happen. By a system of book-keeping, the State implements might make profits which would pay no taxation, and the Westralian Farmers might make no profits at all. Such complications can arise in a partnership of this kind. Let us remember always that the whole of the assets of the State are behind the proposed partnership. We must bear in mind that if anything happens in connection with the proposed partnership—not as to the engineering part, but from any other aspect—the State will still be tied with the Westralian Farmers, and would have to see them

through. One hon. member—I think it was Mr. Cornell—referred to the assembling in this State of implements manufactured outside its borders, and spoke of the desirability of that being done. We know that McKay and other manufacturers are waiting to come to this State to manufacture and assemble.

Hon. E. H. Gray: They are assembling here now.

Hon. J. J. HOLMES: They will not come until the tradesmen of this State adopt the same attitude as tradesmen in the Eastern States, and agree to accept piece work. As soon as the workers of Western Australia will adopt that method of working, so soon will the manufacturing and assembling of implements take place here. That is the only thing that is holding the matter up. It seems a suicidal policy for the workers of this State to say, "We will not assemble by piece work," while allowing their comrades in the Eastern States to do that work and to send the machines over here. If our workers could see further than the front door of the Trades Hall, they would see that they are driving work out of this country and not getting results elsewhere. Piece work in this State would remove all the difficulties that the Government and my friend Mr. Cornell are up against as regards assembling machines here. I do not want to get on to the agreement, because it is too funny for words. From an ordinary, commonsense, business standpoint it is, to use an every-day expression, the funniest thing on God's earth. I know that time is limited, and I do not want to labour the question. Neither do I want to burlesque the agreement as other speakers have done, although it offers ample scope for amusement. If any agreement by way of a Bill is to go through this House, the agreement must be attached to the Bill and the House must have the right to amend the agreement, and the other party must accept or leave it. To do as proposed, give a blank cheque to the Government to associate—

The PRESIDENT: Order! One hon. member is continually muttering to himself, and it is impossible for me to hear the speaker who is addressing the Chair. Mr. Holmes will proceed.

Hon. J. J. HOLMES: Knowing the source from which the muttering emanated, I turned a deaf ear to it. The only pro-

posal which this House should consider would be an agreement attached to a Bill, and the House should approve not only of the Bill but also of the agreement. Failing that, let me ask the Government once more to do as their comrades in Queensland have done—those comrades whom they are so ready to quote at all times. Let them announce to the world that State trading is a fallacy and let them get out of the trading concerns as quickly as they can. If they want evidence of the need for that, let them turn to page 39 of the Auditor General's last report. It speaks more emphatically than I could speak. I oppose the second reading of the Bill.

HON. E. H. GRAY (West) [8.28]: I wish briefly to support the Bill. In fairness to a witness who gave evidence before the Peel Estate Royal Commission—I think the witness was Mr. McLarty—I wish to correct Mr. Holmes. I speak from memory, but I feel confident that the witness did not say the department insisted upon settlers who were going to make a failure of their blocks—

Hon. J. J. Holmes: On a point of order. The hon. member is disputing what I have said. He has told the House that he is speaking from memory. Is he in order in proceeding on those lines? Surely my memory is as good as his.

The PRESIDENT: Mr. Gray will proceed.

Hon. E. H. GRAY: I am mentioning these things in fairness to the witness. It is a serious reflection on a man of Mr. McLarty's character, ability and position to say that before a Royal Commission he gave evidence to the effect that the department insisted on settlers who were going to make a failure of their holdings taking State implements. The bank officials would be recreant to their duty if they gave any assistance at all to a settler who was going to make a failure. Some of the group settlers obtained good machines from the State Implement Works. That was elicited by questions, although Mr. Holmes would not be persuaded of it. The State Implement Works supplied first-class single-furrow ploughs to Peel estate settlers and group settlers. I do not think Mr. Holmes was fair in quoting the Auditor General's report as he did. In that document we have the

record of eight State enterprises, four of which have shown a total profit of £367,715. Thus 50 per cent. of the State enterprises have been successful, have shown handsome profits. The losses on the State Shipping Service and the Wyndham Meat Works are due to other factors than State management.

Hon. J. J. Holmes: And the other 50 per cent. lost a million of money.

The PRESIDENT: Order!

Hon. E. H. GRAY: Hon. members are content to refer to the losses, but they do not mention the profits. The history of the State trading concerns has been a disappointment in some directions, but I think the House should refrain from putting up the old Aunt Sallies and criticising those concerns in the way they have for so many years. We should consider the effect upon the State if the trading concerns were to be closed down. It would be a tragedy if that were done. Our agricultural industry is advancing by leaps and bounds, and yet there is not one firm, apart from the State Implement Works, that is manufacturing agricultural implements in Western Australia. Every effort should be made to keep our secondary industries going. One of the big troubles we are confronted with is to find places for our young men in other than unskilled occupations. Surely we should encourage the growth of what industries we have so that our young men may find openings there instead of being pushed into unskilled occupations.

Hon. G. W. Miles: Private enterprise will do more for the young men of Western Australia than ever State trading will do.

Hon. E. H. GRAY: It has been said that the operations of the State Implement Works have been unfair to other manufacturing firms.

Hon. G. W. Miles: The State is behind the Implement Works and the Government pay the losses, whereas private concerns have to pay taxation and meet their own obligations.

Hon. E. H. GRAY: We should lift this question above party politics and see whether something cannot be done to encourage our industries. The trouble is that the people of Western Australia adhere to the old adage that no good can come out of Nazareth. The people of this State will not buy Albany cloth because it is manufactured in Western Australia. The farmers will not buy State ploughs although our mould-board plough

will bear comparison with ploughs turned out in any other part of the world.

Hon. W. J. Mann: And the harrows are the worst that are turned out.

Hon. E. H. GRAY: When the people of Western Australia wake up to that fact and commence to support, as much as possible, the industries within the borders of their own State, then will come a remarkable development within our borders, and it will be of distinct advantage to the agricultural industry. What is the proposition before us? The history of Westralian Farmers Ltd. demonstrates that the firm would not touch anything in which there was not money to be made.

Hon. H. Stewart: What about the wireless business?

Hon. E. H. GRAY: Those who were concerned in the founding of the business, established it in opposition to the great financial guns of Australia. The farmers of the State stood by the firm and put their money into it. Although the financial concerns of Australia were firing at it from all directions, the Westralian Farmers Ltd. has grown into one of the biggest business ventures in this State. So long as Westralian Farmers Ltd. is in existence it will be a monument to the late Mr. Basil Murray, who was one of those who founded the organisation and carried it to success in the face of the opposition of other financial concerns throughout the Commonwealth. If the farmers were true to their principles as they have been to Westralian Farmers Ltd., we would have them in active co-operation with the Labour Party.

Hon. H. Stewart: Hear, hear!

Hon. G. W. Miles: That is what you are after.

Hon. E. H. GRAY: There may be something in that too.

Hon. W. T. Glasheen: At any rate, Basil Murray did not found Westralian Farmers Ltd.

Hon. E. H. GRAY: He may not have founded the firm, but he took a very prominent part in assuring its success.

Hon. W. T. Glasheen: It was the loyalty of the farmers that led to that result.

Hon. E. H. GRAY: If it resolved itself into whether this business should be carried on by means of co-operation or by the Government, I believe I would favour co-operative enterprise. The scheme represents a partnership between the State Implement Works and the Westralian Farmers Ltd. For

some reason the implement works have failed to justify the expectations of those who established them. We do not deny that fact. Now the proposition has been advanced whereby that prosperous co-operative concern of undoubted business ability has agreed to enter into partnership to make the implement works a success.

Hon. H. Stewart: Did the Westralian Farmers Ltd. advance those proposals?

Hon. E. H. GRAY: I do not know.

Hon. H. Stewart: You said they did.

Hon. E. H. GRAY: At any rate, the Bill before the House is proof that the Westralian Farmers Ltd. are prepared to enter into the business. This will mean that many more men will be employed and it should mean that the State Implement Works will extend the lines manufactured there. It should mean that there will be a large assembling depot at North Fremantle where additional labour will be employed. All that will be to the advantage of the people of this State. I ask members to give the Bill a chance, to give Westralian Farmers Ltd. an opportunity to show whether, in co-operation with the Government, they can establish a prosperous manufacturing concern in Western Australia that will be of advantage to the agriculturists.

HON. W. T. GLASHEEN (South-East) [8.37]: I oppose the second reading of the Bill. Mr. Stephenson also opposed it, but the speech he made nearly convinced me that I should vote in support of it. He told us a long story about opposition to vested interests in the manufacture and sale of machinery, and I would suggest that if there is opposition to the scheme on the part of vested interests engaged in the manufacture and sale of agricultural machinery, they must be frightened at the prospect. If that is so, I can only conclude that the prospective partnership between the State Implement Works and Westralian Farmers Ltd. will result in the cheapening of various machinery and material that the farmers use. If that is the argument against the Bill, then I should be rather inclined to vote for it than against it. I was sorry to hear one member attribute the failure of the State Implement Works to what he described as the go-slow methods employed by the workers there. In common fairness to the management, I think I should mention that some

time ago I had the privilege of being shown over the works. After spending about three hours there, I came away feeling convinced that there was no question of go-slow tactics on the part of the employees.

Hon. G. Fraser: And there never has been.

Hon. J. R. Brown: That is a bogey with some members here.

Hon. W. T. GLASHEEN: I can only say that if I were employing men, I would be quite satisfied with a return such as the employees at the Implement Works were giving to the State. Let us be fair. I believe that the works receive good service from their employees. On the other hand, what did impress me as a result of my visit were the wretched obsolete methods to be seen throughout the whole concern. I believe the failure of the State Implement Works is attributable to that phase. Let any member go down to the State Implement Works and see the position for himself. He will probably notice great heaps of broken castings, broken wheels and scraps of iron all over the place. When we consider what has been achieved by mass production under modern processes, we know that under the latter-day efficient operations there is not a nut or a bolt or a screw to be seen about the place. Each is cleaned up, re-melted, and re-cast for use as new material. The outstanding feature about the Implement Works was the absolute inefficiency of the methods and the obsolete machinery available.

Hon. G. Fraser: To whom do you attribute the blame for that?

Hon. W. T. GLASHEEN: I do not know whose the fault may be, but the fact remains.

Hon. J. R. Brown: You can see that sort of thing at any ironworks.

Hon. W. T. GLASHEEN: Mr. Holme-mentioned McKay. Recently that manufacturer proposed to establish works in Western Australia, but there was one stumbling-block in the way. I believe he has commenced assembling here in a small way.

Hon. G. Fraser: He has been assembling in a fairly large way for some time.

Hon. W. T. GLASHEEN: The kernel of his operations at the Sunshine Works in Victoria was not allowed to be in evidence in his proposed activities here. The unions

would not allow contract work to be availed of.

Hon. H. Stewart: It amounted to payment by results.

Hon. W. T. GLASHEEN: The hon. member can call it what he likes. If we look through the history of the manufacture of agricultural implements, it is wonderful to notice how few have been successful. It would be possible to count those who have succeeded on the fingers of the hand. There has been one outstanding feature regarding those who have founded and carried to success such huge enterprises. McKay started as a village blacksmith and so did Shearer. By steps each progressed and developed his business gradually until to-day we have the vast concerns of which they are the respective heads. Regarding the proposal outlined in the Bill, we are told there is to be a board of management comprising three representatives of either side to the partnership. I venture to assert that it is not possible to find half a dozen people in this State who are competent to carry an enterprise of this description to a successful issue. It seems to me that men who are to undertake that duty must be bred to the job from the start. I cannot recall one person in Western Australia that I could regard as possessing that qualification. In the past we have had some experience of dual control. The Westralian Farmers Ltd. were in association with the State in the shipping and sale of wheat. Every day that they were in that association they became more and more disgusted with it, because of the difficulties that were continually encountered. I am amazed that after that experience of dual control the Westralian Farmers should wish to embark upon it again. In an enterprise like this it is not only a question of manufacturing machinery. Machinery is something like ladies' hats, you never know where you are with it. What is the mode to-day is out of date to-morrow, and the whole process you have installed at the manufacturing works has to be remodelled from time to time. On top of that there is the disposal of the machinery. To a great extent that is dependent upon seasonal and climatic conditions. One cannot sell farming implements for cash. The only way they can be sold is on the credit system, and one might dispose of a whole year's products of the State Implement Works or any other similar

works and scarcely get a bob back, if there be drought and failure of crops. Colossal risks have to be carried and colossal capital is needed. It is indeed a dangerous field of enterprise to enter upon. It has been said that if the State implements have failed—and they have failed—let the Westralian Farmers Ltd. buy the works. It is very easy to say such a thing, but if people had the slightest conception of the responsibility the firm would have to undertake in such an enterprise, they would scarcely make that suggestion. Not only is huge capital required to instal modern processes, but there is all the material that is required to be put into the finished article, and all the credit needed to be given in the disposal of the agricultural machines. To me it appears to be fallacious in the extreme to even suggest that a company struggling for want of capital should want to buy those works. It would mean a capital of not much less than £1,000,000. That being so, I would rule right off the slate the suggestion that the Implement Works should be purchased by the Westralian Farmers Ltd. Mr. Lovekin made a lengthy speech, but I did not notice that he said anything prejudicial to the principle contained in the Bill. All that he objected to was the ridiculous drafting of the agreement, the many anomalies contained in that agreement. No doubt that drafting is ridiculous in the extreme. But I should say that is one of the best possible indications that if this proposed partnership is allowed to proceed, the venture will entirely fail; because at the very inception, in the drawing up of the agreement so many loopholes have been left. This is the first time within my knowledge that the Government, in wishing for this proposal to take shape, have candidly admitted that State enterprise in the shape of the State Implement Works has been a signal failure. That being admitted, if those works are a failure, I agree with Mr. Cornell, who said that having admitted through the Bill that the works are a failure, the Government should cut the painter, sell the wretched concern, and give private enterprise a fair field.

THE HONORARY MINISTER (Hon. W. H. Kitson—West) [8.50]: If I held the same views as the previous speaker I would be a supporter of the Bill. It will be admitted

that at all times there has been very strong opposition to State trading. That opposition has come from vested interests in this State and throughout the Commonwealth. Also at all times there has been very strong opposition by vested interests in the same way to the co-operative movement in Western Australia and throughout the Commonwealth. Believing, as I know Mr. Glasheen does, in the co-operative movement I am surprised that he should have put forward the arguments he has done, and then say that notwithstanding his belief in those arguments he is going to oppose the Bill. If there is in the Commonwealth one State where the co-operative movement has been successful amongst the farming community, it is Western Australia. The Westralian Farmers Limited to-day is as good and successful an institution as any private enterprise with which hon. members care to compare it.

Hon. W. T. Glasheen: I am a shareholder, but I am frightened of a venture like this.

The HONORARY MINISTER: The hon. member probably was frightened of one or two other ventures undertaken years ago which have since proved successful. If he takes his courage in both hands and supports the co-operative principle—

Hon. H. Stewart: This is not the co-operative principle.

The HONORARY MINISTER: But the co-operative principle is involved in it. If the hon. member is prepared to do as I suggest, he will not only support the Bill but will go as far as he can to see that other members also support it.

Hon. Sir Edward Wittenoom: State trading concerns always show a loss.

The HONORARY MINISTER: Not all of them. If a State trading concern shows a decent profit it is criticised by the hon. member because of that. If, on the other hand, it shows a loss, notwithstanding that it may have been instituted for the purpose of assisting one or another section of the community, it is also criticised. If a State trading concern is established for the purpose of assisting the cattle growers in the North, it is criticised because of that. If it is established for the purpose of assisting farmers, it is criticised for that. It does not matter which way the cat jumps. State trading has to stand

the criticism of some members who have no time whatever for it. On the other hand, there are some members totally opposed to State trading who from time to time do approach the Government, and have even mentioned in this Chamber on several occasions that the Government should do this, that or the other thing because those members are interested in those particular things and they know that they cannot make a success of them without the assistance of the State. Mr. Glasheen had certain faint praise for the State Implement Works or those engaged there. But he could not let it rest at that. He must endeavour to point that there is a reason for the losses that have been made, that in his opinion they arise from the inefficiency of somebody or other, he does not know whom, owing to the fact that there are stacks of scrap iron in the yards at the State Implement Works. He also suggested that in up-to-date implements works one would not find a screw or bolt lying about. I have had experience of much larger works than the State Implement Works, and I venture to say one cannot go into any engineering shop without finding a similar state of affairs in point of scrap iron. Here in Western Australia, where it is not possible for the State Implement Works or any other engineering works to have all the up-to-date facilities the hon. members mentioned, it is not possible to re-utilise all the scrap referred to by the hon. member.

Hon. W. T. Glasheen: Do you claim that the works are up to date?

The HONORARY MINISTER: Not in every direction, but in some directions they are just as much up to date as any other works in the Commonwealth. That statement is perfectly true. The State Implement Works have turned out machinery equal to, if not better than similar machinery manufactured elsewhere in the Commonwealth and even in Great Britain. It is a tribute to the State Implement Works to say it is possible for them to turn out that class of work. I have not yet heard from hon. members any criticism of the engineering side of those works. There has been very little loss if any on the engineering section, but there have been losses on the manufacture of certain farming implements. There are one or two reasons accounting for that. The first is that

the type of harvester manufactured at the State Implement Works has not been as satisfactory as other harvesters on the market, and consequently it has been impossible to sell sufficient of those machines to show a profit. There are other implements which compete with similar implements in any part of the Commonwealth, notably the ploughs. Unfortunately those ploughs and other implements successfully manufactured at the State Implement Works have met with strong opposition in various parts of the country by those persons who favour machines manufactured by private enterprise. One reason for that has been that the farmers are so strongly organised in their co-operative societies, that through the Westralian Farmers they have been agents for similar machines manufactured by private enterprise in other States. Under the agreement that state of affairs will to some extent be altered. If members will look at the matter impartially, they will agree that the proposition is a good one for the works, the Westralian Farmers, and therefore for the taxpayers.

Hon. Sir Edward Wittenoom: It is a wicked partnership.

The HONORARY MINISTER: What better partnership could we have than one between the co-operative movement and the State? I know some members do not agree with that movement or with State enterprise, but I agree with both. We are prepared to admit that the State Implement Works have failed in regard to certain agricultural machinery. If by an arrangement of this kind that loss can be obviated, it seems only reasonable and logical that we should ratify it. Mr. Glasheen and Mr. Holmes said the works should be disposed of. Are they prepared to sacrifice the capital which has been invested in them, or to see the engineering section carried on by other local firms? No one local engineering firm could do the work that is done at the State Implement Works. No member can honestly criticise that section. It has successfully competed with all comers in every direction. It has turned out machinery that is at least as good as anything manufactured elsewhere, and has done so at a lower cost.

Hon. Sir Edward Wittenoom: Why have they been carried on at a loss?

The HONORARY MINISTER: I have already informed the hon. member. The agreement provides that the two parties shall enter into a partnership to deal only with

one phase of the operations of the work. It has nothing to do with the manufacturing or the engineering section. It concerns only the assembly and sale of farming implements. The selling side of the works has been a difficult proposition. The Westralian Farmers, however, have a selling organisation that will compare favourably with anything of the kind established elsewhere. Under the agreement all the co-operative societies that are connected with the Co-operative Federation of Western Australia, as represented by the Westralian Farmers, will become selling agents for machines that will be assembled under the agreement.

Hon. A. Lovekin: Not made up here.

The HONORARY MINISTER: No, assembled at the works. Because of that we are getting strong opposition. It is a departure from the original intention of State trading concerns. Mr. Nicholson said no provision had been made for this in the Act. If that had been done we should not now be discussing this Bill. Such an argument is mere piffle and equivalent to other arguments that have been used. It is said that there will be loss of employment at North Fremantle. The agreement will mean increased employment of something like 200 per cent. within a few months, and up to 400 per cent. before long.

Hon. A. Lovekin: What will they be making there?

The HONORARY MINISTER: They will be assembling agricultural machinery which has hitherto been imported by the Westralian Farmers and others. Machinery has been brought here practically complete at considerable cost, all of which will be avoided by the new arrangement.

Hon. Sir Edward Wittenoom: Why cannot we have that without the State taking a hand?

The HONORARY MINISTER: Many of the imported spare parts will be manufactured at the implement works, as provided by the agreement.

Hon. A. Lovekin: Do you think the manufacturers of parts will tolerate that?

The HONORARY MINISTER: If the hon. member will not accept the statement of the Chief Secretary I cannot help it. This is what the agreement provides for. I believe that those who drafted the document will fully protect the interests of the State and the Westralian Farmers.

Hon. A. Lovekin: Of the latter, certainly.

The HONORARY MINISTER: The agreement is perfectly equitable to both parties.

Hon. J. J. Holmes: Please do not call it an agreement.

The HONORARY MINISTER: It is not yet an agreement because it has not been finalised.

Hon. J. J. Holmes: Then why refer to it as such?

The HONORARY MINISTER: What is the reason for the Bill?

Hon. Sir Edward Wittenoom: We cannot see any reason for it.

The HONORARY MINISTER: Mr. Lovekin has quoted from a document that was laid on the Table of the House. He must acknowledge that the Chief Secretary has spoken the truth, and that the capital involved between the parties is £300,000.

Hon. A. Lovekin: We have a verbal statement against a written document.

The HONORARY MINISTER: It is all very well for the hon. member to ridicule the matter. He knows that when the Chief Secretary makes a statement he means what he says, and that this is the intention of the Government. If he denies that I can have nothing more to say. His ridicule will not carry any weight with me.

Hon. Sir Edward Wittenoom: You are not the whole House?

The HONORARY MINISTER: Mr. Glasheen said that if anyone were to engage in the manufacture of agricultural implements a large capital would be involved. That is the necessity for the capital I have mentioned, namely £300,000, to be subscribed in equal proportions by the two parties.

Hon. W. T. Glasheen: Why was that not put into the agreement?

The HONORARY MINISTER: It cannot be finalised until the Bill is passed.

Hon. A. Lovekin: Of course it can.

The HONORARY MINISTER: In negotiating an agreement with another party, people do not always disclose the details of it for the time being.

Hon. A. Lovekin: We could have had the agreement as a schedule to the Bill.

The HONORARY MINISTER: It cannot be argued that before the Bill is passed

the whole text of the agreement should be made public.

Hon. A. Lovekin: Otherwise we are voting blindly.

The HONORARY MINISTER: Mr. Holmes said that the works had been a failure, and that there would be less manufacturing done under the agreement than in the past. All the agricultural implements have not been a failure. Many have been a huge success and will compare favourably with any other implements of the kind.

Hon. J. J. Holmes: And yet you say the sales are nil.

The HONORARY MINISTER: We have never said that.

Hon. J. J. Holmes: It was said in another place.

The HONORARY MINISTER: No supporter of the Bill has said it. In the case of some of the implements it has recently been difficult to effect sales. The works have ceased to manufacture those particular implements now. Those which have proved successful are still being manufactured, and under the agreement will be manufactured in increasing numbers. The co-operative movement will be behind the enterprise and increased orders should immediately flow in. Owing to the selling methods that have been adopted by the works, it has not been possible for them to effect all the sales they would have liked. Mr. Glasheen referred to the colossal risk that was being undertaken. That is in accord with many of the sentiments expressed by members on this and other Bills. Some seem to take a delight in painting a doleful picture of Western Australia's future. They suggest there is a risk, that we are about to suffer some awful calamity, and have harvest failures, and that everyone will be in troublous times.

Hon. W. T. Glasheen: Do you think we are not going to have a drought?

The HONORARY MINISTER: We may have.

Hon. W. T. Glasheen: Half the promissory notes in the State were returned last year.

The HONORARY MINISTER: Even if there is a drought, some districts will not suffer. I base that statement on the statistics the hon. member so often quotes. Whilst we may have reverses, are we going to anticipate that to the extent of say-

ing that although an opportunity is afforded to assist the State, and give the farmers cheaper machinery, we are going to turn it down? Such an argument will not hold water.

Hon. Sir Edward Wittenoom: You have said that two or three times already.

The HONORARY MINISTER: It seems impossible to impress the hon. member.

Hon. H. A. Stephenson: Our imagination does not equal yours.

The HONORARY MINISTER: There is no imagination in anything I have said. I have been stating facts. If members are keenly interested in the establishment of secondary industries, they have the opportunity to provide for the employment of a large number of men, of more men than are employed to-day, in the manufacture of agricultural implements in this State.

Hon. W. T. Glasheen: And prevent McKay from coming here.

The HONORARY MINISTER: Not at all. If McKay or anyone else desires to establish works in Western Australia there is nothing to prevent their doing so. I know the hon. member will say that the workers refused to accept piece work or remuneration by results. I ask the hon. member—

The PRESIDENT: The Minister must not provoke interjections from an hon. member.

The HONORARY MINISTER: I will inform the hon. member through you, Mr. President, that the workers in this industry are just as much entitled to say under what method they shall work as the farmers claim in regard to the facilities that have to be provided for them. If the workers say "We do not care to work under piece work conditions, and that we refuse to be speeded up," those workers are entitled to have their views respected. If private enterprise desires to establish works in Western Australia, they will receive every encouragement from the Government.

Hon. H. A. Stephenson: Are members of this House entitled to their opinions?

The HONORARY MINISTER: Of course they are, and I have never denied them that right. If I cannot convince the hon. member that my side of the question is the right side, I shall be content to let him be against me. I have endeavoured to show that some of the arguments used

against the Bill are fallacious and based on wrong premises. If hon. members are anxious to see secondary industries encouraged in the State, here is the opportunity. I hope that the Bill will receive the approval of this Chamber since it will mean a big thing to the State so far as the Implement Works are concerned. It will mean a bigger thing for the farmers and it will be better for the taxpayers so far as their capital is concerned, the capital already invested in the works. I have much pleasure in supporting the Bill.

HON. H. STEWART (South-East) [9.20]: But for the concluding remarks of the previous speaker, I should not have spoken on the Bill. The Honorary Minister told us that we would get away from State trading under this agreement, and that the workers had the right to say under what conditions they would be employed. Certainly they have that right. But as Mr. Holmes declared earlier in the evening, their policy is short-sighted. They are driving their colleagues to the East to find work and driving many to the East to do work that should be carried out here. One member behind the Government said that the farmers would not use State-made implements and that people would not wear Albany tweeds. I see mighty few members who are supporting the Government wearing Albany tweeds.

Hon. J. R. Brown: You would not know them if you saw them.

The Honorary Minister: You will find some on the other side.

The PRESIDENT: Order! We are not discussing Albany tweeds.

Hon. H. STEWART: There is no reason why the people should not support that industry in this State.

The PRESIDENT: I ask the hon. member to refer to the subject before the House.

Hon. H. STEWART: The Honorary Minister says the amalgamation will do away with State trading in connection with the Implement Works.

The Honorary Minister: Did I say that? I think I said it would be a departure.

Hon. H. STEWART: As I took down the Minister's words they were that we could get away from State trading under this agreement. We cannot get away from it unless the hon. member's understanding of the agreement is different from mine. I understand that the manufacturing that will be

taking place will have to be approved by the committee of six after tenders or prices have been submitted to that committee. It seems to me that there is to be no alteration in the responsibility in connection with the manufacture of implements and spare parts. That is one aspect of the matter. Another is that so long as the Government are running a trading concern they set a standard, and we have seen that they do not always require to refer to what is the established authority in this State, namely, the Arbitration Court. So that, as they set a standard, that standard has to be used in competition with anyone else engaged in the particular industry. We are not likely to have open competition and to get the best prices when a business is carried on by the Government, the conditions of which business are fixed by the Government. That is a reason why I am so much in opposition to State trading concerns. Many people hold that it is the function of the Government to govern and not to trade. On that principle is based most of the opposition to the Bill. There is another point to which I take strong exception. This is cited as an instance of co-operation. Co-operation in the accepted sense of the word means people coming together in a partnership. In this instance it does not seem to me that either of the proposed partners has consulted the shareholders and obtained the authority of the shareholders to enter into this agreement. Have the Westralian Farmers Ltd. sought the approval of their shareholders to enter into this agreement? If they have, the Minister may have some ground for claiming that the co-operative principle is involved. But when two businesses come together with the object of forming a partnership, it is foreign to the accepted interpretation of the word co-operation if the shareholders are not consulted. I have associated myself with the co-operative movement loyally and will continue to do so, but I am not going to be saddled, under the name of co-operation, with what is now proposed by the Government. Throughout the time I have had the privilege of occupying a seat in this House. I have never favoured State trading, and the Bill will not have my support because I am against the principle by which the State enters into a business such as this and perpetuates a set of conditions that are militating against that free competition which would bring about a reduction in the

price of commodities, and further, the indirect result of which is the prevention of the establishment in the State of large assembling works and probably also manufacturing works which would grow and provide abundant employment and also create those openings so much desired by not only Mr. Gray and members in his corner but by everybody, openings to enable young men to follow a skilled trade.

HON. SIR EDWARD WITTENOOM (North) [9.30]: In what I hope will be the concluding remarks of this debate, I wish to ask if this evil combination does come off, if the Bill is assented to, and if the efforts and workings of the co-operation are a failure, who is going to be responsible for the losses?

Hon. E. H. Gray: Co-operations never lose money.

Hon. Sir EDWARD WITTENOOM: As I do not suppose the Westralian Farmers Ltd. are so opulent that they will be able to stand too many losses, I presume the Government will be responsible. Therefore if this evil combination comes off I am certain the Government will be the losers. In the circumstances, I propose to vote against the Bill.

HON. H. SEDDON (North-East) [9.31]: I consider the Government would have had a far better chance of getting the Bill through if they had given us an agreement properly defined, as they have done when they have brought other matters before Parliament. When we concluded the Federal aid roads agreement, the terms were clearly defined and we knew exactly on what we were voting. In this instance the agreement is only tentative, and I think there is a great weakness in the Government's case in that they have not placed before us a properly concluded agreement. I have listened with considerable interest to the debate. As a result of two inspections of the State Implement Works, I am quite convinced there are big possibilities in an arrangement such as is proposed between the works and the Westralian Farmers Limited. Anyone who has studied the science of management and mass production will realise that one of the greatest weaknesses of the State Implement Works organisation is that they have lacked a sufficiently large market to enable them to

enter upon those methods of production that result in extensive reduction of costs.

Hon. Sir Edward Wittenoom. These will be two hostile elements.

Hon. H. SEDDON: I do not think they will. On the other hand, I think the Western Farmers Limited will supply the sales organisation that the implement works lack, and enable the manufacturing side of the enterprise to function far more effectively than is possible at present. During my visits, I had the pleasure of looking through the stock room. One side of the office was filled with a number of templates, and Mr. Shaw told me they had been sent in by various farmers. The reason was that whereas the agricultural machinery has been made to a standard, owing to the fact that they had been tampered with by village blacksmiths and other tradesmen, parts of the machines had been altered to such an extent that it was necessary to make special parts for them, instead of being able to retain the standard part, which is the best method for cheap production. Mr. Shaw had to do that in order to keep his customers. He said if he got an order for 10 drills, he had to arrange a campaign of manufacture. A big manufacturing firm with a large sales organisation and not restricted to Western Australian business could arrange a six-months campaign, make plans, order stock and organise the equipment in such a way that they could manufacture at a price with which a small plant like the State Implement Works would be unable to compete. If we can establish in connection with the works a sales organisation which can push the sale of machines and establish a more permanent market, it will help considerably in reducing the cost of manufacture and assist the works to function more satisfactorily than has been possible in the past. From that standpoint the Government might be well advised to withdraw the Bill and place before us in the session that I understand is contemplated early next year an agreement showing exactly what is proposed, and indicating exactly what facilities exist for carrying out assembling on modern lines and mass production methods to manufacture the machines for the works have an established market at present.

Hon. H. A. Stephenson: For what machines have they an established market?

Hon. H. SEDDON: Ploughs. I consider the Bill is premature, but there are big possibilities in the arrangement, and the Government might well hold their hand and place a more mature proposal before us in the session early next year.

Question put and a division taken with the following result.

Ayes	..	..	..	..	8
Noes	..	..	..	..	20
					—
Majority against	..	..	..	..	12
					—

AYES.

Hon. C. F. Baxter	Hon. W. H. Kitson
Hon. J. R. Brown	Hon. H. Seddon
Hon. J. M. Drew	Hon. C. B. Williams
Hon. G. Fraser	Hon. E. H. Gray
	(Teller.)

NOES.

Hon. J. Cornell	Hon. W. J. Mann
Hon. J. Ewing	Hon. J. Nicholson
Hon. J. T. Franklin	Hon. E. Rose
Hon. W. T. Glasheen	Hon. A. J. H. Saw
Hon. V. Hamersley	Hon. H. A. Stephenson
Hon. E. H. Harris	Hon. H. Stewart
Hon. J. J. Holmes	Hon. Sir E. Wittenoom
Hon. G. A. Kempton	Hon. C. H. Wittenoom
Hon. Sir W. Lathlain	Hon. H. J. Yelland
Hon. A. Lovekin	Hon. G. W. Miles
	(Teller.)

Question thus negatived; Bill defeated.

BILLS (3)—FIRST READING.

- 1, Hospital Fund (Contributions).
 - 2, Land Agents.
 - 3, Road Closure (No. 3).
- Received from the Assembly.

BILL—HARBOURS AND JETTIES.

Returned from the Assembly without amendment.

BILL—TOWN PLANNING AND DEVELOPMENT.

Assembly's Message.

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

MOTION—FREMANTLE HARBOUR TRUST.

To disallow regulation.

Debate resumed from an earlier stage of the sitting.

THE HONORARY MINISTER (Hon. W. H. Kitson—West) [9.46]: I oppose the motion moved by Mr. Baxter. If hon. members think they have a serious grievance against a body such as the Fremantle Harbour Trust, it is no reason, in my opinion, why they should attempt to belittle one or two members of that body with respect to the avocations they find it necessary to follow. Mention has been made of the watchman and the official wheat weighman, who are members of the Fremantle Harbour Trust. It has been suggested that on account of the positions they occupy they have no time for the interests of the farmer. I believe the hon. member knows at least one of those gentlemen. I would like to say on their behalf that they are just as sincere in the desire to do the best possible for the farmers of this State as is the hon. member who criticises them. There would be just as much logic in my arguing that the representative of the Primary Producers on the Fremantle Harbour Trust has no time for the interests of the taxpayers of Western Australia when the interests of the farmers are concerned. I venture to say that in both cases those men, by virtue of their experience, are of great value to the Harbour Trust in more directions than one. In submitting the motion Mr. Baxter took exception to the fact that the regulation was laid on the Table only to-day. I believe I am right when I say that he referred to the regulation as having been gazetted two or three weeks back.

Hon. C. F. Baxter: No; I said in the last "Gazette."

THE HONORARY MINISTER: The regulation was gazetted on the 14th December, Friday last; and the earliest time at which it would have been possible to lay it on the Table in accordance with the Act would have been yesterday.

Hon. C. F. Baxter: Why is it left so late in the session?

THE HONORARY MINISTER: The same question is asked with regard to Bills. Naturally, the Fremantle Har-

bour Trust deal with matters as they arise. On this particular occasion the matter, it seems, was not dealt with until quite recently. I suggest that there has been very little delay on the part of the Fremantle Harbour Trust or of anybody else since the question was dealt with. What would the hon. member have said if the regulation had not been laid on the Table? Under the Act it is not essential that the regulation be laid on the Table either to-day or yesterday. The Act provides that it should be laid on the Table within 14 days. If, as suggested by the hon. member, there had been any desire to escape publicity in regard to the matter, it would have been quite possible to keep the regulation off the Table until after this week. If the House rises this week, as I hope it will, then there would have been no opportunity for discussion. The Harbour Trust have nothing to hide, and I think I have adequate replies to at least some of the rash statements which have been made here. Briefly the reason for the increased charges is that there has been a loss on the handling of wheat. It is considered only fair that the wheat should pay the actual cost of its handling. I think that is a reasonable attitude for the Harbour Trust to take up. Notwithstanding the remark of the mover of the motion that during this session we have had measures such as the Water Boards Act Amendment Bill which mean additional taxation on the poor farmer, I can now only use the same argument as I used on those Bills, namely, that if the farmer desires facilities of this kind it is only right and just that he should at least be prepared to pay the cost of providing them.

Hon. J. Nicholson: Notwithstanding that the price of wheat has fallen?

THE HONORARY MINISTER: Notwithstanding that the price of wheat has fallen. The price neither of wheat nor of any other commodity should have any effect on that. Hon. members must bear in mind that the charges we are considering are handling charges; that is to say, charges for services which are rendered and which in this case have to be paid for by the Fremantle Harbour Trust.

Hon. J. Nicholson: Yet the trust had a magnificent surplus last year.

THE HONORARY MINISTER: I shall deal with that magnificent surplus, and I think I shall be able to put a different con-

plexion on the situation from the complexion which Mr. Nicholson suggested. It has always been the policy of the present Government, and of other Governments too, to assist the primary producers in various directions. As regards the wheat growers, we can at least claim, along with previous Governments, that we have assisted them, so far as the Fremantle Harbour Trust is concerned, to a much greater extent than farmers are assisted in any other State of the Commonwealth. I defy contradiction of that statement. No State in the Australian Commonwealth assists the farmer in the directions that we assist him here as to the export of wheat. I shall quote facts and figures to prove my statement. It is absolutely necessary that we dissociate the handling charges referred to in this regulation from the general revenue of the Fremantle Harbour Trust, from which general revenue a surplus is annually paid into the Consolidated Revenue. Mr. Nicholson mentioned various amounts as representing surpluses paid into Consolidated Revenue by the Fremantle Harbour Trust.

Hon. J. Nicholson: Those amounts were taken from the reports.

The HONORARY MINISTER: I am not doubting the figures at all. For the purpose of my argument it does not matter whether the figures are correct or not. I want to put this forward, that it does not matter what amount has been passed over to general Consolidated Revenue from the Fremantle Harbour Trust, practically the whole of that money has been required or will be required for maintaining, improving and extending harbour facilities at Fremantle. Consequently, while it may be correct to say that the Fremantle Harbour Trust have handed over to Consolidated Revenue a sum of money amounting to £130,000 in a single year, that does not mean that the amount is profit so far as the State is concerned, because in some years it has taken considerably more than that amount to keep the Fremantle harbour up to the standard it has attained. As regards the surplus, primary producers have not contributed one penny towards it in so far as export of their wheat and other products is concerned. That is an argument which cannot be refuted. I do not care how much it may be examined or twisted, it is absolutely correct.

Hon. H. Stewart: What difference would it make to the shipping if there were no wheat export?

The HONORARY MINISTER: May I point out that the policy of the present Government and of previous Governments to assist the primary producers has resulted in wheat and all other primary products being shipped free of all wharfage charges and tolls of any kind.

Hon. H. Stewart: From pure benevolence, or to develop the State?

The HONORARY MINISTER: The hon. member may call it what he likes. It is the policy of this Government, and has been the policy of previous Governments, that there shall be no outward charge on primary products. Is it not reasonable, then, that those products should at least pay actual handling costs?

Hon. C. F. Baxter: Even though those costs be excessive?

The HONORARY MINISTER: I shall deal with that contention in a moment. Statements damaging to the Fremantle Harbour Trust have been made here, but I think I can deal adequately with practically every point that has been raised. Let me draw one or two comparisons. I have said that in this State there is no charge on wheat except the actual cost of handling. But, as a matter of fact, for years past the actual cost of handling has not been paid. The Harbour Trust have been showing a loss on the business. Let me compare that position with the position in the Eastern States. In Sydney, besides the handling charges, which are practically equivalent to ours, the farmer has to pay ¾d. per bag toll.

Hon. H. A. Stephenson: I thought they had bulk handling in Sydney.

The HONORARY MINISTER: The hon. member thinks a lot of things. I do not know whether they have bulk handling or not.

Hon. H. A. Stephenson: You should know before you make a statement like that.

The HONORARY MINISTER: I defy the hon. member to contradict my statement. It is borne out by facts which the hon. member cannot successfully attack. In addition to ordinary handling charges, there is at Sydney a toll of ¾d. per bag. In South Australia there is a wharfage toll of 1d. per bag in addition to the handling charges. On the amount of wheat shipped last season

at Fremantle alone, 6,559,000 bags, the Adelaide toll would have amounted to £27,000 over and above handling charges. If the same number of bags had been shipped from Sydney, they would have had to pay a toll of some £20,300 in addition to handling charges. The policy of the Government is to assist the agricultural industry to that extent and when I say that experience has shown that the services at Fremantle have not been paid for by the farmers, they cannot say that the Harbour Trust should be debarred from increasing the charges to meet the cost of handling. These are the facts. In respect of wheat and other primary products the farmers have not contributed a penny towards the Consolidated Revenue, in connection with which so much stress has been laid.

Hon. H. Stewart: What constitutes the cost of handling?

The HONORARY MINISTER: The actual cost of handling on the wharf. I will deal with all that in a few minutes. No one will say it is not the duty of the Fremantle Harbour Trust to keep the port and its facilities up-to-date and that it is not the duty of the Government to provide money for that purpose. The Act does not give the Harbour Trust Commissioners the right to create a reserve fund or to deal with the money received in any shape or form. The money has to be handed over to the Treasury and is utilised for the purpose of re-building wharves and so on. The capital charge represents the value of the port when first built and all new work which has been put in to replace old work or to carry out re-building. Therefore, it is a mistake, as Mr. Baxter suggested, to say that the primary producers have contributed anything at all.

Hon. J. Nicholson: But surely you get interest on the money.

The HONORARY MINISTER: I hope we do; we should get some return. I would also point out that it is the passage of other cargoes through the Fremantle harbour that actually carries the cost and maintenance of all facilities provided for wheat that goes over the wharf.

Hon. H. Stewart: You mean the elevators and so on.

The HONORARY MINISTER: And not only in respect of wheat, but other primary products as well.

The PRESIDENT: Order! I think hon. members should allow the Honorary Minister to make his statement without interruptions. They will have an opportunity to reply later.

The HONORARY MINISTER: I desire that my statement shall be as clear as I can make it. It is a very important matter, and serious charges have been made, which I desire to refute. I think the facts I have in my possession will enable me to do that successfully. At the same time, I do not object to relevant interjections. I have already said that the steps taken have been rendered necessary owing to the fact that the work of handling these goods at the port has resulted in serious losses to the Harbour Trust. When supporting the motion, Mr. Nicholson said that it was estimated by his advisers that the increased revenue to the Trust, as the result of the regulations, would be something like £10,000. That estimate is totally absurd.

Hon. J. J. Holmes: What is the position?

The HONORARY MINISTER: Last year the loss on the handling of wheat was £7,000, and it is calculated that as a result of the regulations, if agreed to, there will be additional revenue to the Trust of something like £6,000. There will still be a slight loss on the actual cost of handling the wheat.

Hon. J. J. Holmes: Was the loss last year the first recorded?

The HONORARY MINISTER: No, it has gone on for two or three years. I think it would be fair to say as the result of what has happened during the last few years, it has been equivalent to giving the farmers an actual cash bonus in addition to the free wharfage that I have already referred to.

Hon. J. Ewing: Why does it cost so much?

The HONORARY MINISTER: I will deal with that point. Hon. members have made statements that are damaging to the Fremantle harbour, and which are not in accordance with the facts.

Hon. J. Ewing: But it costs more there than at any other port.

The HONORARY MINISTER: If the hon. member were acquainted with the facts, he would withdraw that statement. There are many other considerations that must be taken into account, and I am desirous of enlightening members regarding some of those aspects

to-night. I have already said that what we are asking for is merely to cover the actual cost of handling. I will deal with the regulations. For instance take Subclause 3 of Clause 7 of Regulation 112 under discussion. The Fremantle Harbour Trust desire to impose a charge of $4\frac{1}{2}$ d. per ton for the use of the slings. That is a charge to be made against the ship, and not against the primary producers.

Hon. J. Nicholson: But that charge will be added to the freight.

The HONORARY MINISTER: Some members suggested that this represented a charge that the farmer would have to pay. The facts were stated by Mr. Baxter up to a certain point. As a result of a conference between the parties concerned, a new charter party has been arranged, and at the conference it was agreed that the $4\frac{1}{2}$ d. should be a charge against the ship.

Hon. J. J. Holmes: For the time being.

Hon. J. Nicholson: And the freight raised.

The HONORARY MINISTER: In view of that decision, the farmer will not pay any part of that $4\frac{1}{2}$ d. per ton. I will give the House a few facts to show how this will work out. If the charge of $4\frac{1}{2}$ d. per ton is agreed to, it will make a gross charge to the shipper and the ship-owner of 1s. $1\frac{1}{2}$ d. per ton. To disallow these regulations will mean that the Trust will be asked to pay 12s. 8d. for wages in return for 11s. 3d. in revenue on an established average handling of wheat by means of ship's gear during the whole of the season. Here is the position as it is at present. The charge is 9d. per ton where ship's gear is used. It is necessary, according to the Arbitration Court award, that four men shall be engaged in handling the slings. The rate paid to them is 3s. 2d. per hour, which makes up a charge of 12s. 8d. The average handled is 15 tons per hour for the whole of the season. Consequently, if there is no increase in this particular rate, the Harbour Trust must make a net loss on every ton of wheat that is shipped. That means not only a loss of revenue, but an actual loss of money that has to be paid out. Is that a fair proposition? Is it fair, particularly in view of the fact that wheat is relieved of all charges except so far as the handling part is concerned. I do not think one hon.

member would attempt to justify that position for a single moment. Hon. members should remember that I have been dealing with wheat handled by ship's gear and not by the gear supplied by the Fremantle Harbour Trust. Although Mr. Nicholson mentioned that on the output of wheat last year, this would mean a certain revenue to the Harbour Trust, this does not apply to the whole of the wheat that is shipped to Fremantle, but only to that shipped by means of ship's gear and not by the use of a gantry. That is a most important point. I have pointed out what the Trust has to pay in wages per hour and what is received in return per ton. I will go further with the comparison.

Hon. G. W. Miles: Have you a comparison between the cost at Bunbury and at Fremantle?

The HONORARY MINISTER: I think I have sufficient to convince the hon. member that the Fremantle Harbour Trust is trying to do a fair thing. If the wheat shippers, instead of using ship's gear, used the facilities provided by the Fremantle Harbour Trust, the tonnage handled would be increased immediately from 15 tons per hour by means of ship's gear, to 30 tons per gang by means of the gantries, as provided by the Fremantle Harbour Trust. It is that fact that has a bearing on another section of the regulations to which I shall refer shortly. I may here remark that it is interesting to draw another comparison regarding the charges. I have already pointed out what it costs to use ship's gear. I will deal with what it costs the shippers to stow wheat in ships after it has left the wharf. It is a most interesting comparison, and I ask the representatives of the primary producers to consider seriously the position because this represents a phase of the question that they should think about in their own interests. I throw out this suggestion, notwithstanding the severe criticism that has been levelled at the Fremantle Harbour Trust. If the farmers, through their own co-operative agencies, were to handle this section of the work by themselves or ask the Fremantle Harbour Trust to do it for them, they would make a much bigger saving per ton even with the increased charges that are proposed. I refer to the work of stowing of wheat on the ship.

Hon. C. F. Baxter: The amendment to the regulations will not alter that charge.

The HONORARY MINISTER: No, but I am drawing attention to a phase of the question that is of interest to the farming community.

Hon. J. J. Holmes: Who stows the wheat now?

The HONORARY MINISTER: Private stevedores. I will outline the position. The Trust provides the following services: They take the bags out of the trucks; they convey the bags into the sheds, stack them and give receipts for taking over the bags; they accept the responsibility for those bags and for the safe custody of them. They also see to the subsequent conveying of the bags alongside the ship. The total charge for that work is 2s. 4d. per ton. That impost covers all the operations from the time the wheat arrives on the wharf until it is put on to the ship. For those services the Trust now ask for an increased charge of 2s. 10d. per ton. Contrast the work done by the Trust with that carried out by the ship's stevedores, who simply take the wheat and stow it in the hold. For doing that they charge 2s. 10d. per ton, the same rate that we now ask shall be paid for carrying out all the operations I have mentioned.

Hon. G. W. Miles: Does not that include putting it aboard from the ship's side?

The HONORARY MINISTER: No. The receiving of the wheat, putting it into the shed, stacking it in the shed, the giving of a receipt, the safe custody of the wheat while there, and the taking of it again to the ship's side—all of that is done by the Harbour Trust.

Hon. G. W. Miles: But the putting of it aboard the ship?

The HONORARY MINISTER: That is putting it into the ship's slings. For 2s. 10d. per ton the Trust is doing the whole of the work. Yet the private stevedore secures 2s. 10d. per ton for taking charge of the wheat as it arrives into the boat and stowing it. When they are working by ship's gear they work much slower than when the gantry is in use—the difference is as 15 tons to 30 tons. When working by gantry the Trust gives the same service but conveys the bags on board the ship and right to the bottom of the hold. And all that the stevedore has to do is to take the wheat as it arrives at the bottom of the hold and stack it. The Trust charges just the same rate, and the stevedore

then charges 1s. 11d. for his part of the business, which is to take the wheat as it reaches the bottom of the ship's hold and see that it is stacked. It is the Trust's machinery, which has been provided by the Trust, that enables the stevedore to double the rate of loading. The farmers pay nothing whatever towards the purchase or the maintenance of those machines. If the farmers really desire to reduce handling costs it is quite possible for them to find means whereby they can achieve that result. As to the comparison between Fremantle and other ports, there may be something to be said for the contention that it is strange that in a place like Bunbury or Geraldton the cost per ton of loading a particular cargo varies to such an extent as was indicated by Mr. Nicholson. I want to give a few reasons showing that while there may be a difference it is fully accounted for, and that in point of wheat handling Fremantle compares favourably not only with any other port in Western Australia, but with any other port in the Commonwealth. In making a comparison of the cost at Fremantle as against Bunbury or Geraldton, it has been sought to show that wheat can be handled at those out-ports at a lesser cost than at Fremantle. That is not so. It may be possible to quote one particular shipment that has worked out at a very low rate per ton, but it is not a fair comparison to submit those charges as against the charges at Fremantle. For this reason: In Fremantle the greater part of the wheat harvest is handled, whereas in Bunbury only a very minor portion of the harvest is handled and so it may be possible to show a very low rate for one ship at Bunbury. But if there were at Bunbury at the one time two ships desirous of loading wheat, those costs would go sky-high as compared with the costs in Fremantle. The reason is that Bunbury has not the facilities that are provided at Fremantle.

Hon. J. Nicholson: Exactly what we said. Still they are doing the work more cheaply.

The HONORARY MINISTER: On occasion. You may be able to quote one boat at Bunbury as against a number of boats at Fremantle. But if the shipping freight were to be based on the position at Bunbury and not on the position at Fremantle, the wheat people of this State would pay a higher rate of freight than they are paying to-day.

Hon. C. F. Baxter: The freight they pay does not affect the cost of handling on the wharf.

The HONORARY MINISTER: If the hon. member will wait awhile, probably he will find occasion to agree that it does. Here is the position: Bunbury has not the up-to-date facilities that we have at Fremantle, and while one boat is loading wheat at Bunbury another boat could not attempt to load wheat there in an economical manner. If both boats desired to load wheat at the same time at Bunbury, the cost of loading would go sky-high as compared with Fremantle, where they have four times as many boats at one time.

Hon. J. Ewing: That is because there is not a decent harbour at Bunbury.

Hon. G. W. Miles: Are the harbour freights at Bunbury any different from those at Fremantle?

The HONORARY MINISTER: No, the freight from Bunbury and from Fremantle is just the same. That is on account of the fact that at Bunbury very often they are taking parcels of wheat, and the distance from Fremantle is not very great. Freight for wheat from Western Australia are based on the Fremantle rates, where up-to-date facilities are provided. That is the reason why the freight is the same from Bunbury; although a ship would have to stay there much longer to load its wheat than would be necessary at Fremantle, and that, of course, is increasing the ship's costs. While the representatives of the farmers are trying their utmost to save a penny or two in the direct charges in the handling of their wheat, at the same time they are doing that at the expense of a considerably larger amount represented in indirect charges. It is those indirect charges, freight, etc., to which I think Mr. Baxter should give a little attention. I do not wish to labour that phase of it, but there is quite a lot in it.

Hon. V. Hamersley: You mean railway charges, for instance?

The HONORARY MINISTER: No. I am dealing with freights from Fremantle to other parts of the world. As for the "rail wags," there again is another thing that affects the farmer. If he sends his wheat to Fremantle it arrives much more quickly and in very much larger quantities, and therefore can be shipped much earlier. It is not possible to take the same quantity to Bunbury as is taken to Fremantle. That is

another phase of the general question of handling charges. Also in regard to that matter, I am going to quote some figures which will show conclusively the differences I have referred to. Mr. Nicholson quoted from a return which he was good enough to submit to me. It is on this statement that I desire to submit the figures. I have already pointed out that 30 tons per hour per gang can be loaded at Fremantle. The out-ports cannot approach that. Therefore there is a much larger charge for the ship while in port than there would be in Fremantle, and that is for the shipowners to consider when compiling their freights. Take some of the cases in the return quoted by Mr. Nicholson. There was the "Prunus," which loaded at Fremantle no less than 98,933 bags of wheat. It took five days 17½ hours to load that quantity. Compared with that the "Fernlane," one of the boats loaded at Bunbury, loaded 87,591 bags of wheat, which is 11,500 bags less than the quantity loaded by the "Prunus," and it took 13 days 9 hours to load. Now which is the more economical of the two results? It requires only a very short calculation to realise that in point of the whole of the charges in those cases the advantage was with Fremantle, notwithstanding that this return shows that the "Fernlane" cost per ton of cargo only something over 9d.

Hon. J. Nicholson: Does it matter about those extra days, so long as the ship is not in demurrage?

The HONORARY MINISTER: The shipowner must necessarily recover the cost of staying there.

Hon. J. Nicholson: But the shipper has nothing to do with that.

The HONORARY MINISTER: That 4½d. is a charge against the shipper.

Hon. J. Nicholson: But we are dealing with the loading charge.

The HONORARY MINISTER: The same thing applies. While you get the return that is shown here, the hon. member does not say anything in regard to the other items enumerated here, for instance the items dealing with delays, overtime rates, and that kind of thing.

Hon. J. Nicholson: These things are all carried in.

The HONORARY MINISTER: They do not apply in the one case, but they do apply in the other. That is why I say the hon. member should have quoted the lot.

Hon. J. Nicholson: I gave the headings of all the charges.

The HONORARY MINISTER: Yes, but the hon. member simply quoted the cost per ton. When we examine the whole of the factors, it will be found that the comparison afforded by the hon. member was hardly fair.

Hon. J. Nicholson: If you can show how the owner of the wheat is benefited, I will understand it, but I do not now.

The HONORARY MINISTER: I think when I have finished the hon. member will see it.

Hon. J. J. Holmes: When are you going to finish?

The HONORARY MINISTER: If the hon. member wants me to finish before I have dealt with the whole of the facts, I do not mind. Surely Mr. Nicholson is not contending that there is no saving in value to the ship as against all those days spent at Bunbury. It is not fair to take one cargo at, say, Bunbury and compare it with another cargo in Fremantle, where other circumstances have to be taken into consideration, but where, nevertheless, the boat is loaded with a larger quantity of wheat in a shorter time. It is foolish to say that shipowners do not like Fremantle. They have been rather high in their praises of the port as one dealing with the export of wheat. Take the case of the "Bosworth," which loaded 114,771 bags of wheat in five days 18 hours at Fremantle, and compare that with the "Pareora" at Albany which took 17 days and 7 hours to load 134,393 bags.

Hon. C. F. Baxter: What was the cost per ton?

The HONORARY MINISTER: In the case of Albany it was 1s. 4¼d. as against varying rates at Fremantle of 2s., 2s. 4d. and 2s. 5d.

Hon. J. Nicholson: As against 2s. 9½d.

The HONORARY MINISTER: Very well.

Hon. J. Cornell: If boats took that long to load at Fremantle, the charges would be greater.

The HONORARY MINISTER: Naturally. Because of the speed with which they are loaded the costs are correspondingly smaller. There are other charges at Fremantle that are taken into consideration

when arriving at these amounts. Take the question of berthing, which charges the ships have to pay. In Fremantle a higher rate is paid than in Bunbury, Albany or Geraldton. When all the charges are taken into consideration a lower rate is arrived at. Then there is the case of the "Dunlail Head" at Bunbury which took 14 days to load 92,700 bags, against the "Bosworth's" loading at Fremantle of 114,771 bags in five days 18 hours. If a detailed examination is made of the whole costs, it will be found that the charges made at Albany, Bunbury and Geraldton cannot compare with those made at Fremantle. Instead of £10,000 being the increase in cost under this regulation, it is estimated to be somewhere about £6,000. The charge for gantry loaders was 5s. per hour, and this has been increased to 15s. There was a definite object in this. It was to compel ships to use the gantries when loading wheat. In the loading of wheat there is a different charge when ship's gear or cranes are used. When the gantries are used, it does not take so long to load a ship. These gantries are placed there to provide facilities for the expeditious handling of wheat. It is not fair that shippers should say, "Although you have provided these things and we did not contribute a penny towards the purchase or maintenance of this machinery, or towards the surplus revenue of the Trust, we do not intend to make use of them." The effect of this is to delay ships two or three days, and to detain others that are waiting to come in, simply to suit the ends of the people concerned. The increase in the rate is a penalty imposed not only in the interests of the Trust, but also of ships generally.

Hon. G. W. Miles: How will you force the use of gantries?

The HONORARY MINISTER: If they are not used, the rate will be 15s. per hour. The advantage of using a gantry is shown by the fact that it will load 30 tons of wheat in an hour against 15 tons by the ship's gear. More gangs can also be worked with a gantry than by means of the ship's gear. The inordinate delay caused by the non-use of gantries interferes, not only with the loading of wheat, but the other activities of the harbour. The Trust installed this machinery at a cost of over £100,000. The wheat people have not con-

tributed a penny towards the interest and sinking fund or the cost of this machinery. The ships must be compelled to use it so that the Trust may get full value for it and render proper services to other ships. This is not a charge against the wheat, but against the ship. I cannot see that the farmer has any cause for complaint. There are times during the season when the harbour is congested and we have to expedite the export of wheat and other cargoes to the greatest possible extent. Because of the methods employed, certain ships take twice as long as they should to load, which means that they are getting a concession at the expense of other ship owners. I think I have shown that the action of the Trust does not warrant the strong condemnation of Mr. Baxter and Mr. Nicholson. The Trust are only asking that farmers shall at least pay for services rendered by the Trust. Where the present charge of 9d. is made and four men are engaged at 3s. 2d. an hour, making a total of 12s. 8d., the Trust receive only 11s. 3d. for services given. This does not include the cost of supervision or maintenance or any other cost. Unless the Trust are allowed to make this increase in handling charges they must make a big loss on every ton of wheat handled. As no other charge is imposed on wheat exported from Fremantle except the actual handling charges, and what we are asking for will hardly meet those charges, there is no ground for disallowing the regulation, and in fairness to the Trust and the State, this House should raise no objection to the regulation becoming law.

HON. J. J. HOLMES (North) [10.40]: Before dealing with the regulation I wish to clear up the first point raised by the Honorary Minister, touching on Mr. Baxter's contention as to two of the commissioners occupying dual positions. I think the object in raising the point was solely political, because the party in power have advocated, advocate, and will advocate one man one job. Now as to the regulation being gazetted on the 14th of this month and being laid on the Table this afternoon: the Honorary Minister said that the earliest date on which it could be tabled was to-day.

The Honorary Minister: I did not say that.

Hon. J. J. HOLMES: I was listening to every word the Honorary Minister said.

The Honorary Minister: I said, yesterday.

Hon. J. J. HOLMES: It was not tabled yesterday, but there was a motion to adjourn the House to-day in order that the regulation might be dealt with. Evidently the Honorary Minister knew what was going on, and got in ahead by laying the regulation on the Table. He told us that the regulation had to be dealt with as the matter arose. In reply to an interjection as to how long the loss had been going on, he said that losses had been made on the handling of wheat for two or three years. Thus, while the necessity for the regulation arose two or three years ago, the matter is left to the eleventh hour, presumably so that if the regulation were not disallowed, the Fremantle Harbour Trust could continue the higher charges for the next six months.

The Honorary Minister: Why will the hon. member try to twist my statements?

Hon. J. J. HOLMES: Why was not the matter dealt with two or three years ago? The Honorary Minister quoted figures and drew comparisons. I shall not juggle with figures, but shall confine myself to facts. It is common knowledge that Bunbury is one of the cheapest ports not only for shipping wheat but for shipping timber and other bulk exports. It is acknowledged that half the number of men in Bunbury will do twice the quantity of work that is done in Fremantle.

The Honorary Minister: The hon. member cannot prove that allegation.

Hon. J. J. HOLMES: The fact remains that ships go to Bunbury to load. If the Honorary Minister knows anything about Biblical quotations, it may occur to him that "where the carcass is, there the eagles are gathered together." The ships gather at Bunbury because there they can get men to work. I think the dispute of some time back at Fremantle between two unions in regard to the handling of wheat has something to do with the increased charges. One union said it was their job, and the other union said it was their job, and ultimately one section had to clear out and leave the other to go slow or work quickly as they thought fit. It is an indisputable fact that the cost of handling at Fremantle is excessive handling so far as labour is concerned.

I know the Fremantle Harbour Trust and the good work they do. I cannot put this down to incompetence on the part of the Harbour Trust. The only conclusion I can come to is that the charges are put up because the minimum quantity of cargo is handled instead of the maximum quantity. Therefore the cause is not incompetency on the part of the Fremantle Harbour Trust, or on the part of the nominees referred to by another member to-day. The men at Fremantle do not do the quantity of work that the men at Bunbury and Albany do.

The Honorary Minister: Even if the hon. member is right, his argument is that the Fremantle Harbour Trust should not be recouped their actual expenditure.

Hon. H. Stewart: Do the work by contract.

Hon. J. J. HOLMES: Should the primary producer of this country be made to pay extra because somebody at Fremantle goes slow? If the primary producer now shipping at Fremantle were from a geographical standpoint nearer to Bunbury or Albany or Geraldton, he could get his wheat shipped at a lesser cost. The Honorary Minister dealt with actual handling charges at Fremantle, but he never attempted to show how the surplus of £130,000 was created. If there were no wheat shipped at Fremantle and the export there were reduced by half, the surplus would disappear. Charges are made not only on the handling of wheat but on every ship that comes into Fremantle—compulsory pilotage, light dues, and harbour dues. Even if no profit is made out of handling wheat, the wheat helps to create the surplus. Cut out the wheat shipped at Fremantle, and cut down the exports by half, and the surplus of £130,000 transferred to revenue is cut down. The Honorary Minister said that the surplus went into Consolidated Revenue and that the greater portion of it was spent in improvements to the Fremantle harbour. As I understand the position, the £130,000 really means additional taxation, and its production renders the Fremantle harbour a second customs house. The surplus goes into revenue, but the charges on additions and improvements to Fremantle harbour come out of loan. The Honorary Minister did not make that clear, probably because he is new at the game. No doubt he will learn that nothing is to be gained by

putting up a picture from which the pain vanishes as soon as the picture is touched.

The Honorary Minister: Do you suggest that I was not sincere in what I put forward?

Hon. J. J. HOLMES: I do not know whether the Honorary Minister was sincere or not. He may have been acting to the best of his ability, but he did not make it clear that the Fremantle harbour is a second customs house, and that the £130,000 surplus goes into revenue while the corresponding amount, which he said was expended in improvements and additions to the harbour, is paid out of loan, on which the Fremantle Harbour Trust pays interest. The Honorary Minister drew comparisons with the Eastern States, but in doing so he dealt with charges on wheat only. I think he said that in Sydney the handling charge was a penny per bag.

The Honorary Minister: I did not say that at all.

Hon. J. J. HOLMES: I think he said the charge was $\frac{3}{4}$ d. per bag in Sydney and 1d. per bag in Adelaide.

The Honorary Minister: I must ask the hon. member to quote me correctly. I said that in Adelaide the charge was $\frac{3}{4}$ d. per bag in addition to handling charges, while in Sydney it was 1d. per bag in addition to handling charges.

Hon. J. J. HOLMES: When the Minister came to detail the charges and make a comparison between those operating at Fremantle and those levied in Adelaide and Sydney, he made no complete comparison that would enable us to arrive at a definite conclusion. The only inference that I can draw is that it did not suit the Honorary Minister to give us the total charges levied in Adelaide and Sydney, as compared with those operating at Fremantle.

Hon. G. Fraser: Then you give us the details.

Hon. J. J. HOLMES: The Minister harked upon the one point and reiterated that the charges were such that they went back to the ship. Presumably all those charges do go back to the ship, but they come back to the primary producers in due course. The primary producer has to shoulder the added cost by means of increased freight. The Honorary Minister told us all about the handling of cargo in the ships' holds by the stevedores. I suggest to the

primary producers that they should look into that point.

The Honorary Minister: It will take a lot of explaining away.

Hon. J. J. HOLMES: I understand that the shipowners themselves are now the stevedores. I may be wrong, but that is how it appeals to me.

Hon. E. H. Gray: I think you are wrong.

The Honorary Minister: Entirely wrong, as the hon. member was in other statements he made.

Hon. J. J. HOLMES: I am given to understand that one of the biggest stevedores at Fremantle has sold out to a combination of shipowners. If that is so, the shipowners, in addition to making something on the freight, will make it on the stevedoring as well. If that is the position, I think the farmers' representatives might look into the whole position.

Hon. E. H. Gray: It would be a good idea if the lumpers were allowed to do the stevedoring themselves.

Hon. H. Stewart: Yes, on a sort of co-operative basis!

Hon. J. J. HOLMES: Half the wheat from this State is handled at Fremantle, and it should be enough that the charges are higher than at other ports. We have to remember, however, that the price of wheat has dropped in the world's market. It has decreased to the extent of 2s. per bag this year as compared with last year, and last year there was a drop on the prices of the preceding year. We must realise that wheat production in this State has reached what I might describe as the bread line. The farmer who received last year a profit of 3s. on each bag of wheat he produced, is able to make a profit of 1s. only per bag this year. As against that, there has been no diminution in the cost of production. The farmer still has to pay full rates for his labour, for his agricultural machinery and bags, for cartage and for railway freight. Although world's prices have dropped, the charges he has to pay remain the same. Should there be a drop of another 4d. per bushel for wheat next year, it will not pay to produce wheat at all. Should that happen, where shall we get to with regard to the services at Fremantle? With all trading concerns, such as the Fremantle Harbour Trust, it has to be recollected that there are certain industries and exports that can carry profitable charges. There are others that have to be

encouraged by the imposition of smaller charges. From what I know of the business, the cost of production and the possibilities of the State, I suggest that we require to do everything we can to encourage the export of wheat. If that is not done, we shall reach a stage with our wheat production at which it will not be profitable to continue operations. I put this suggestion before the Honorary Minister and, with all due respect, before the Harbour Trust Commissioners themselves: A merchant sells sugar very often without making any profit at all so that he may make his profit on tea. I suggest to the Harbour Trust and to the Minister that the wheat, which is playing such an important part in the development of this State, might be handled even at a small loss in order to encourage that industry and that they should make other exports, which may be regarded as being on a more profitable basis, pay increased charges that may be levied. By that means the surplus of the Harbour Trust could be increased from £120,000 a year to a much greater amount. I oppose the new regulation on the ground that it has been kept back until the eleventh hour and was not placed before us until certain action was to be taken here.

HON. J. CORNELL (South) [10.56]: As a budding primary producer, I oppose the motion. There have been too many attempts at sidetracking and subterfuge in the talk about assisting the primary producers, and I am convinced that that section of the community is not in accord with much of what has been suggested. I am sorry to say that, in my opinion, much of what has been said about the primary producers has been in the nature of so much political birdlime. I am prepared to accept the statement of the Honorary Minister that the handling charges for wheat represent a loss and not a profit. I do not think there are any primary producers who desire to secure any undue advantage over other sections of the community. They are prepared to pay the charges imposed upon them, if a reasonable case can be made out in support of them. There is no gainsaying the fact that the primary producers have received encouragement and support from various Governments in this State, far in excess of that extended to agriculturists in any other part of the Commonwealth. The Minister has pointed out that the handling of wheat into ships' slings has resulted in a loss and an endeavour has been

made to increase the cost of handling so that there shall be no loss. Is that not a reasonable request? I think it is. It is one that every decent primary producer will agree to. Mr. Nicholson drew a comparison between what it cost to load wheat at Bunbury on a certain ship, and what it cost to load it on another ship at Fremantle. Characteristically the hon. member used only so much as suited him of a return from which he quoted. The Honorary Minister in reply pointed out that the boat at Fremantle referred to by Mr. Nicholson had taken only a little over five days to load, whereas 14 days for loading were required by the boat at Bunbury.

Hon. C. F. Baxter: Still, the cost per ton at Bunbury was less than it was at Fremantle.

Hon. J. CORNELL: But if the one boat took 14 days to load, and the other took only five days to load, would the hon. member say the cost was the same in both instances?

The Honorary Minister: It is very hard to make a fair comparison.

Hon. J. CORNELL: Of course it is. Would any hon. member say that if it had taken 14 days to load the boat at Fremantle, the shipper would have got the same freight rates that he did get?

Hon. J. Nicholson: Would you be surprised to know that the freight would be just the same as it is now?

Hon. J. CORNELL: I would be surprised indeed. Charges have been made about the primary producers and the great burden they will have to carry under these increased charges. In the aggregate it amounts to about £6,000 spread over the whole of the season. I have in the South Province a section of primary producers, in an isolated part of the State. Their handling charges on wheat from the siding, 38 miles to the port and on to the ship, amount to 11½d. per bushel. That is in the Phillips River district. It is almost double the railway freight charged in any other part of the State. Yet there is no plea put up in this House for that section of the primary producers. The Chief Secretary made a suggestion, the only logical suggestion that could have been made. Yet it was turned down by the Government. The Harbour Trust, running as a business concern, has every right to ask full pay-

ment for services rendered, short of making a profit. If the Trust does not function for that, it should not function at all. If those charges are not too great a burden on the primary producers, there is only one logical way in which to meet the position, and that is for the general taxpayer to share the loss.

Hon. V. Hamersley: At present the taxpayer shares the profits of the primary producer.

Hon. J. CORNELL: I am sick and tired of hearing all these pleas put up for the primary producer. I am positive he does not want them. I represent a few struggling farmers, and I know that they are fairer and more broad minded than are certain others who are in a position to retire from active work.

Hon. C. F. Baxter: There would not be a shipload of wheat in the whole of your province.

Hon. J. CORNELL: There is more than a shipload of wheat in my province and more than a shipload of primary producers. Those men are practically on the bread line. Yet they are quite prepared to pay for services rendered. There are hundreds of primary producers in this State who would refuse to cry out against this £6,000 per year. One other point I want to make is this: There has been no underhand work in putting this regulation on the Table. It is not the work of the Government. It is the decision of the Fremantle Harbour Trust. The regulation was gazetted on the 14th December and need not have been laid on the Table of the House until 14 sitting days after that gazettal. If there were any desire to go around the back door to get an advantage, the Government certainly would not have had the regulation laid on the Table to-day.

Hon. C. F. Baxter: Would not that have been bordering on dishonesty?

Hon. J. CORNELL: Certainly not. The Government have been accused of bringing down this regulation in the dying hours of the session. I am pointing out that if the Government had desired to be snide in carrying out the decision of the Harbour Trust, there was no need for the Government to lay this regulation on the Table for another month, if the House were sitting. Now we are quibbling, and because the Harbour Trust has made a regulation which the Gov-

ernment believe to be fair, the earliest opportunity has been taken to lay that regulation on the Table. In spite of that, grave accusations have been brought against the Government and the opportunity immediately taken to move to disallow the regulation. The Honorary Minister has referred to the stevedores' charges. If the stevedores were to put up their charges, what could this House do about it? It could do nothing whatever, but would have to accept the inevitable.

The Honorary Minister: And they are making a profit.

Hon. J. CORNELL: That does not matter. If they were to put up their prices this House could not intervene.

Hon. H. Stewart: But they are subject to competition.

Hon. J. CORNELL: Now that the proper course has been adopted and the regulation laid on the Table, advantage has been taken of it to move to disallow that regulation. The charge is a perfectly fair one. If the case were properly stated to the primary producer and it was made clear to him that the total amount of the increase does not exceed £6,000 over the whole of the season, 95 per cent. of the primary producers would say it was a fair thing and would be prepared to pay it.

HON. H. STEWART (South-East) [11.9]: I desire to dissociate myself from those who believe that the Government should be blamed for laying this regulation on the Table so late in the session. It seems to me they have laid it there as early as possible. The view the Honorary Minister takes in reference to the wheat growers and the primary producers and the industry is a view which, I am astonished to find, is quite unsympathetic with what I have heard expounded by members of the Government to which he belongs. I am disappointed to find that the Honorary Minister, not only in his speech on this motion, but in dealing with other matters affecting the development of the State, has expounded views like those of Mr. Justice Higgins in the Arbitration Court years ago, when he laid down, in accordance with the views of the people with whom the Honorary Minister is associated, that if an industry could not pay all the charges entailed in its conduct, it

should cease to exist. A reasonable deduction from the Honorary Minister's remarks is that he holds similar views, and they were not expressed in a statesmanlike manner or in a way that would inspire confidence in his administration. His colleagues in moving about the country have stated that the primary producers should receive even greater consideration than they are getting to-day, but the Honorary Minister's attitude is at variance with that of his colleagues, because he takes the view that if the primary producers cannot pay all the charges for services rendered, the industry should go out of existence. The wheat industry must not be allowed to go out of existence. Other speakers have pointed out that if this impost is placed on the industry while the price of wheat is falling, and if many farmers have to go out of the business of wheat growing, the Fremantle Harbour Trust's surplus of £130,000 will soon disappear. But for the wheat, ships would not be calling at Fremantle and the Harbour Trust would not be able to obtain the revenue that is being received. Even assuming the statement of the Honorary Minister to be correct that for some years there has been a loss on the handling of wheat, it is most injudicious to propose an increase when the price of wheat is falling. Mr. Cornell has spoken of the wheat growers in his province and has indicated that they do not want to be considered in the matter. I am afraid that, although Mr. Cornell represents the Ravensthorpe agriculturists, he was not specially concerned about them because the charges they pay at present from siding to ship amount to 11½d. per bushel. When the charges were much higher—in the region of 1s. 6d. or 1s. 8d.—it was due to the representations made by the farmers' organisation that the Government agreed to a reduction to 11½d. Still, the Ravensthorpe wheat growers are by no means satisfied with the present charges.

Hon. J. Cornell: Who said they were.

Hon. H. STEWART: Ravensthorpe is in the hon. member's province and he said the producers in his province were prepared to pay for services rendered. The Government, by reducing the charges to 11½d., indicated that it was not wholly a question of payment for services rendered. The wheat farmers of Ravensthorpe are not satisfied with the present charges, and it is not reasonable that they should be expected to pay 11½d.

per bushel to get their wheat from Ravens-thorpe to Fremantle. I do not think the wheat growers in the hon. member's province will thank him for saying they are in a position to bear an additional impost for services rendered, especially in view of the falling price of wheat.

Hon. J. Cornell: That is my funeral, not yours.

Hon. H. STEWART: The corollary of acquiescence in this regulation would be the levying of other imposts. The Railway Department officials year in and year out have stated that the wheat traffic does not pay and that they actually lose on the transport of wheat from the country to the coast. When the cost of services rendered by the railways is investigated, however, the position is found to be entirely different. It may surprise many people to learn that when the Railway Department talk about the transport of wheat being unprofitable, they base the statement, not on the actual cost of transporting the grain, but on the average cost per train mile for transporting the whole of the goods carried over the Government railways. Although wheat is conveyed 80 or 100 miles in train loads, with nothing to stop the trains save the conditions of traffic, the department take the average cost figure for all classes of goods, embracing the rates for classes A, B, C, 1, 2, 3, etc., and apply it to wheat. I am not prepared to accept, without a detailed statement, the Minister's assertion that wheat does not pay, because for these occasions Ministers are served up with average cost figures as applied to wheat. I doubt whether the Minister would be able to get a definite statement that his remark applies to wheat and nothing else.

The Honorary Minister: It is a definite statement that you cannot contradict.

Hon. H. STEWART: I am not in a position to contradict any statement made to-night by the Honorary Minister, but we have had many instances of the average cost of transporting goods of various classes being applied to a particular class, and conclusions drawn that no business concern would dream of countenancing. If the Government are sympathetic to this regulation, we can quite expect early action to secure an increase in the railway freights on wheat and super.

The Honorary Minister: What has rail-age to do with the Fremantle Harbour Trust charges.

Hon. H. STEWART: The railways run the wheat down to the port, and the Minister said the primary producers should pay the cost of services rendered. In view of that statement I am directing attention to the fact, that if his argument is accepted on this occasion, quite a number of new imposts may be expected in the near future. The matter seems a simple one. Governments over a long period of years have adopted a certain policy in order that producers may carry on the work under the most favourable conditions. It is very unstatesmanlike to suggest that the wheat-growing industry, which is of great importance and should be encouraged and assisted in every way, should, as indicated by at all events one member of Cabinet, pay for all services rendered. It is a new policy for any Government to adopt. Had that been put into effect, the development of the country would never have gone on as it has gone. The view taken in the past is that it has been necessary to make the conditions such that the industry can expand, and the State indirectly benefit in other ways. To annihilate that principle at present would be to do so at a most inopportune time.

HON. C. F. BAXTER (East—in reply) [11.23]: The Honorary Minister spent a great deal of time in discussing my attitude towards some of the Harbour Trust Commissioners. He read into my remarks something that was not uttered nor even intended. I stated that two members of the Trust were employed in connection with harbour works, and that they had to leave their work when they took their seats as commissioners.

The Honorary Minister: You said they were not in sympathy with the farmers.

Hon. C. F. BAXTER: How could they be when they were working as employees on the wharf. It is only human nature to expect that they would not be in sympathy with the farmers.

The Honorary Minister: That is rot.

Hon. E. H. Gray: It is a narrow view to take.

Hon. C. F. BAXTER: It is the result of experience. The Honorary Minister as well as Mr. Cornell tried to justify the framing of the regulation, and its being brought down at the eleventh hour. The Honorary Minister said there was no need for the Government either to gazette it or to lay it on the Table of the House.

The Honorary Minister: Nothing of the kind.

Hon. C. F. BAXTER: I ask members who heard his remarks whether I am not correct.

The Honorary Minister: I asked you what you would have thought of the Government if they had not laid this regulation on the Table of the House while the House was sitting.

Hon. C. F. BAXTER: What was in the mind of the Honorary Minister? Did he think that any Government would mislead the people in that way? I held him blameless, because he did not know the position, but I do not hold the Trust commissioners blameless. The Honorary Minister said that for the past two years there had been a heavy loss on wheat handling at Fremantle. Only in the dying hours of the session did the Trust find it necessary to frame a regulation to increase the charges. It was not right, and cannot be justified. There is not a great deal in the Honorary Minister's speech, for he travelled all round the subject. He dealt with freights and harbour dues, and really left nothing unsaid in this direction.

The Honorary Minister: You cannot disprove anything I said.

Hon. C. F. BAXTER: I do not know that any definite statement was made that we are at the moment called upon to disprove. It must be known that we have not time in which to examine the statements. I do not take for granted all the information that is supplied by a Government department. When the Honorary Minister has had more experience, I think he will learn more about departments.

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

Hon. C. F. BAXTER: I was doing so.

The PRESIDENT: He can only address another member through the Chair.

Hon. C. F. BAXTER: No matter how we examine the situation he cannot justify the fact that the Fremantle Harbour Trust, with their up-to-date machinery that is so much in advance of other ports, is charging higher rates than those ports. In Bunbury the charge is $\frac{1}{2}$ d. cheaper per bag than it is at Fremantle, and $5\frac{3}{4}$ d. cheaper per ton. The time that vessels take to load does not justify the higher charges at Fremantle.

The Honorary Minister: Take the berthing charges.

Hon. C. F. BAXTER: They do not affect the position. The handling charges at Fremantle are higher than they are at Bunbury or Albany.

The Honorary Minister: That does not affect the facts as I have stated them.

Hon. C. F. BAXTER: The wharfage charges do not affect the situation.

The Honorary Minister: But the berthing fees do.

Hon. C. F. BAXTER: They do not affect the cost of handling.

The Honorary Minister: They affect the figures quoted by Mr. Nicholson.

Hon. C. F. BAXTER: I am trying to make the Honorary Minister understand that in Fremantle, where there is so much up-to-date machinery, it costs very much more per ton to handle wheat than it does at the other ports I have referred to where there is no up-to-date machinery. Quite apart from the time that may be occupied in loading a ship, the charges elsewhere are lower than they are at Fremantle.

The Honorary Minister: Be fair and state the whole facts, or is the hon. member ignorant of the facts?

Hon. C. F. BAXTER: I do not know what the Honorary Minister is driving at.

The Honorary Minister: The hon. member does not understand the case.

The PRESIDENT: I must ask the Honorary Minister to allow the hon. member to reply without interruption.

Hon. C. F. BAXTER: The time that a ship remains in port has nothing to do with the charges that are imposed. In other ports, the handling is done by the shippers, but at Fremantle it is done by the Trust. It is very evident that the methods at Fremantle are costly, and the Trust have to increase their charges. Why not allow shippers to do their own loading? They have assured me and other members that they are quite prepared to do so under the old charge, and would expect to make money out of it. If the Government desire to keep down costs to the wheatgrower, they should allow the shippers to do the work. It is all very fine for the Honorary Minister and Mr. Cornell to say only a paltry sum is involved. To those engaged in farming, however, it is far from being a paltry sum. It represents a further heaping on of charges that are placing the industry in a position that is not payable. I ask those hon. members who have money invested in farms whether the present price of wheat, about 4s. 2d. per

bushel, shows a margin of profit. I think I work as cheaply as anyone, and my producing cost is 4s. 3d. per bushel. Yet the Honorary Minister and Mr. Cornell—in the latter's constituency there is a farming section which is in its infancy and has a hard battle before it—say “these small amounts” do not matter. But every year there are new increases and fresh taxes. We must safeguard the wheat producers, who make it possible for the port of Fremantle to get on as well as it does.

The Honorary Minister: Is there any reason why Fremantle should charge less than the cost of handling?

Hon. C. F. BAXTER: Why should Fremantle charge more than other ports? I have heard it said to-night that the smallness of the quantity of wheat handled at Bunbury accounts for the reduced costs at that port. In reply I can only say that I have never heard anything more ridiculous in my life. The larger the quantity, the lower the cost of handling.

Hon. H. Stewart: Bunbury has not so many organised workers.

Hon. C. F. BAXTER: The whole secret is that at Bunbury the shippers handle the wheat, while at Fremantle the Harbour Trust handle it. A public department cannot be expected to handle produce as cheaply as shippers do. The Honorary Minister dealt with wharfage and freightage and berthage and so on, but he did not touch the most important aspect of all. He spoke all round the subject. His figures one cannot dispute, because of lack of time. I know that the figures quoted by the Honorary Minister were supplied to him this evening. With some of them I am not at all conversant, but I feel sure that if time permitted, some of them could be disproved, more especially those referring to the Eastern States. The Fremantle Harbour Trust, notwithstanding all their facilities, pay more for the handling of wheat than do the out-ports, which are practically without facilities. All those references to ships being delayed and to harbour dues and so forth do not alter that position.

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

Ayes	..	..	..	18
Noes	..	..	..	7
				—
Majority for	..	..	..	11
				—

AYES.

Hon. C. F. Baxter
Hon. J. Ewing
Hon. J. T. Franklin
Hon. W. T. Glasheen
Hon. V. Hamersley
Hon. E. H. Harris
Hon. J. J. Holmes
Hon. G. A. Kempton
Hon. Sir W. Lathlain

Hon. A. Lovekin
Hon. W. J. Mann
Hon. J. Nicholson
Hon. E. Rose
Hon. A. J. H. Saw
Hon. H. A. Stephenson
Hon. H. Stewart
Hon. H. J. Yelland
Hon. C. H. Wittenoom
(Teller.)

NOES.

Hon. J. R. Brown
Hon. J. Cornell
Hon. J. M. Drew
Hon. G. Fraser

Hon. E. H. Gray
Hon. W. H. Kitson
Hon. C. B. Williams
(Teller.)

Question thus passed.

BILL—POOR PERSONS LEGAL ASSISTANCE.

Assembly's Message.

Message received from the Assembly notifying that it had agreed to Nos. 1 to 10, and had disagreed to No. 11, of the Council's amendments, and giving reasons.

RESOLUTION—STATE FOREST REVOCATION.

Debate resumed from the previous day on the motion by the Chief Secretary that the Council concur in the following resolution passed by the Legislative Assembly:—

That the proposals for the partial revocation of State Forest No. 4, Collie, laid on the Table of the Legislative Assembly, by command of His Excellency the Governor, on the 12th day of December, 1928 be carried out, presents the same to the Legislative Council for its concurrence.

HON. W. J. MANN (South-West) [11.40]: I hope the motion will be carried. It is not my intention to refer to it at any great length, but for the information of hon. members I may say that I have looked into the position and I find that there is nothing to which we can take exception. The resolution can be amply justified. The first revocation refers to a small portion of land on which the Collie Road Board office has been situated for the past 25 years. It was resumed for forest purposes by mistake and it is intended to exclude that particular area from the forest reservation so that the road board may secure a clear title to the land. The second revocation is for the pur-

pose of providing a townsite at Stockton, about five miles from Collie, so that blocks may be made available to miners who desire to build their homes close to the mine. Then, again, it is proposed to deal with a certain area to enable the boundaries of the Collie municipality to be straightened out and also to provide for persons who have built houses on the area and have resided there for 20 years. It will enable them to secure the freehold of their blocks. The other revocation is for the purpose of providing an area for a power house to be erected at Collie. That power house will be for use in connection with the mines in the Collie district and also for the local municipal council, if so desired. Fear was expressed that the area would interfere with the site that would be required for a national power scheme at some future date, but it is clear that that fear is unfounded. The area referred to in the Bill is about two miles away from the Minnup Pool and the water rights of the Collie River will not be affected at all. The proposal of the Amalgamated Collieries is such that there is no suggestion of drawing on the waters of the Collie River in any way. That being so, I feel sure the House can agree to the resolution, knowing that there is not likely to be any interference with river frontages or other public requirements.

Question put and passed, and a message accordingly returned to the Assembly.

BILL—HOSPITAL FUND.

To adopt Select Committee's Report.

HON. A. LOVEKIN (Metropolitan)
[11.45]: I move—

That the report of the select committee be adopted.

The committee were appointed yesterday and as early as possible this morning we got to work and examined six important witnesses. We have been able to agree unanimously upon the report that was presented at an earlier stage of the sitting. The six witnesses examined were Mr. Black, the Commissioner of Taxation; Dr. Anderson, the Chief Resident Medical Officer of the Perth Hospital; Mr. Bennett, the Government Statistician; Dr. McKenzie, a former C.R.M.O. of the Perth Hospital. Mr. Huelin,

the Secretary of the Medical Department; and Dr. Gilbert Barker, also a former C.R.M.O. of the Perth Hospital. I shall not detain the House long in dealing with the report, but I think it incumbent on me to give members some idea of what occurred before the committee. That is the more necessary because at this stage of the session we have not been able to get the report printed and all we have been able to obtain is a few typed copies of the evidence. On the first point dealt with in our report the evidence was overwhelming. In the opinion of the Commissioner of Taxation, there should be one collecting department and another distributing department. The evidence showed that the Commissioner of Taxation should collect the tax and the Medical Department should distribute the funds collected, to the various hospitals. Mr. Black told us that his department had all the machinery and all the officers necessary to do the work, and that he would be able to collect the tax more economically than would be possible if the Medical Department themselves set up another branch of the Taxation Department for the purpose of collecting the money. On the second point referred to in the select committee's report—the recommendation that the Government should recast the Bill and dissociate the two departments, leaving the Commissioner of Taxation to collect the money and the Medical Department to distribute the money to the hospitals—I understand from the secretary of the Medical Department, Mr. Huelin, that no real objection can be taken to that suggestion being carried out. We came to the conclusion that that would be the most economical way to collect the tax. Mr. Black said that if the Bill were passed as it stood, and the Taxation Department were allowed to collect the tax, it could be done at a cost of between £4,000 and £5,000, but if the Taxation Department had to do both the collecting and distributing, the cost would run into between £9,000 and £10,000 a year. In view of the evidence, we decided to recommend to the Government that the Bill should be recast with a view to separating the two functions, leaving the Taxation Department to do their part of the work and the Medical Department to follow up with their share as well. Then, again, the select committee recommended that Sub-

clause 3 of Clause 10, which provides for the payment of 6s. per day per bed occupied to private hospitals be omitted, with a view to the provision of intermediate wards at public hospitals. I will leave Dr. Saw to deal with that phase. The evidence of the medical practitioners who were called was unanimous and overwhelming that this recourse was the best in the interests of the public. That is, that the 6s. per day should be cancelled and the money applied to the establishment of an intermediate ward. The doctors stressed it that the consideration for the payment was of first importance rather than spending it on private hospitals. The select committee leaves to the Government the finding of ways and means for providing the necessary funds as they may think fit. All that the committee did was to express an opinion that some additional moneys are required for hospital purposes. If the report is adopted, the Bill will then be back in the hands of the Minister, and he can move to go into Committee on it. If the Government see fit to recast the Bill, he can bring it forward. I move —

That the report be adopted.

HON. A. J. H. SAW (Metropolitan-Suburban) [11.52]: I desire to deal with paragraphs (b) and (c) of Clause 2, which Mr. Lovekin has left in my hands. I do not want to repeat the views I expressed the other evening, because it would be a waste of time. Hon. members already know my views. The views I then expressed were, so far as I could ascertain, the views of 95 per cent. of the medical practitioners in Perth. I propose to deal with the evidence of Drs. Anderson, McKenzie and Barker, all of whom have occupied the important position of C.R.M.O. at the Perth Hospital, and all of whom have had extensive experience in the metropolitan area. For that reason I suggested their evidence should be taken. I do not know any three men more capable, from their wide experience, of giving evidence on the points we desired to be enlightened upon. Perhaps the best thing I can now do is to put before the House some of their evidence. Here are some of the questions put to Dr. Anderson and his replies—

109. Are there any other aspects of the question that occur to you?—I think the de-

mand on our accommodation is going to be a big factor under the Bill. We simply cannot deal with any further demands than we have at present. We have always a waiting list of from 40 to 50 people waiting their turn to get in. It depends on the season of the year. There will be an additional demand, which will necessitate increased accommodation, which we cannot provide on the present site.

110. Have you any opinion as to the desirability of paying wards to be attached to public hospitals?—Yes. The new hospital, when it comes, I hope will have intermediate wards and graded wards, thus getting back to the community hospital they have in America.

111. That, you think, is a better system than the proposal in the Bill to subsidise private hospitals?—Yes, it is much better from the point of view of the public and the community generally.

Then Dr. McKenzie gave evidence—

151. Do you think the proposals are likely to cause any increased pressure at the Perth Public Hospital?—I think they will cause greatly increased pressure. My reason for making that statement is that many patients who are now more or less debarred from, or rather averse to, going into hospital for financial reasons, will find that financial bar removed, and will clamour to go into hospital.

153. What remedy do you think will have to be adopted to cope with the increased demand?—It is generally recognised by thinking people that the treatment one gets in a public hospital is infinitely superior to what one gets in any private hospital, for the simple reason that equipment can be got together more efficiently.

166. It is considered that under this scheme there will be a surplus of £50,000 which should go towards the maintenance or alteration or erection of new hospitals. If the cost of maintenance increases very considerably, is there likely to be any of this surplus devoted to, say, the provision of intermediate hospitals?—I think there will be very little surplus. Looking ahead, I can see that.

175. Do you think it more desirable that patients in private hospitals should be subsidised to the extent of two guineas a week, rather than that the Government should establish an intermediate hospital and provide accommodation for these patients at practically cost price?—It would be infinitely preferable if the Government provided an intermediate hospital.

176. Do you think that there would be so much extravagance and abuse in connection with an intermediate hospital as is likely to occur under the provisions of the Bill with regard to private hospitals?—I do not think so because the administrator of a hospital will be keen to see that the beds are changed, and that he shall show returns.

181. If the Government made up their mind to-day to provide an intermediate hospital, how long do you think it would be before the institution could be opened up?—Eighteen months or so.

Then Dr. Barker gave evidence—

260. Have you thought of the desirability of the Government building intermediate wards in connection with public hospitals?—Yes. I have always thought it desirable to have a sort of intermediate ward if it could possibly be arranged in a big public institution, because the patients there have the benefit of all the clinical research work that is going on, without increased cost.

263. Do you think patients would get better treatment under those conditions than they would in a private hospital?—I do not think there is any argument about the thing. I myself have, as you know, had a big experience of public institutions, and I always say that the poor man is much better treated than the rich man in the private hospital with all his money.

That is the opinion of those three men. Also I can say it is the opinion of the Council of the British Medical Association. Moreover the provision of intermediate wards in public hospitals has been advocated throughout Australia by the recently formed College of Surgeons of Australasia. The evidence given on those points is overwhelming that the benefit that will accrue to the sick will be infinitely greater under a scheme of intermediate wards than under the provisions of the Bill for the subsidising of patients in private hospitals.

HON. H. J. YELLAND (East) [12.0]: I do not propose to labour the question, but I wish to address myself to paragraph 3 of the select committee's report regarding the necessity for financial aid. As has been shown throughout the discussion, the hospitals are in urgent need of financial assistance, and that has been borne out by the evidence given to the select committee. I shall content myself by referring to three questions. The latter portion of the answer to Question 111 reads—

At present we have one ward empty because we have not sufficient funds to carry it on.

That was the evidence of Dr. T. L. Anderson, Chief Resident Medical Officer of the Perth Hospital. Question 112 reads—

You need more funds and you do not care how you get them, whether from Consolidated Revenue, or from taxation?—No, but we urgently want them. We have one ward closed now because it means £2,000 a year to keep it open.

In Question 118 Dr. Anderson was asked, "Do I understand you to say that, for the sake of £2,000 per annum, you have a vacant

ward and yet have to turn patients away for want of accommodation?" and his answer was an acknowledgment that that was so. I want members to realise the serious position of the Perth Hospital through lack of finances. Dr. Saw, in his speech on the second reading of the Bill, told us it was a difficult matter to secure accommodation in the Perth Hospital for patients in need of attention. Here we have the Chief Resident Medical Officer informing us that one ward was closed up and people were being turned away just for the sake of £2,000 a year to keep the ward open. That information should be made public. I do not think the people realise it, and I am sure it has come to a number of members as a big surprise, just as it did to me when it was brought out in evidence. Mr. Lovekin and Dr. Saw have made clear the reasons for the other recommendations, and I support the adoption of the report.

Question put and passed.

In Committee.

Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

Clause 1—Short title and commencement:

Hon. A. LOVEKIN: I understood the Minister would get the Bill recast in accordance with the recommendations of the select committee, and take charge of it. Clause 1 needs amending so that "hospital authority" may include such an institution as the Home of Peace.

The CHAIRMAN: That comes under Clause 2.

Clause put and passed.

Clause 2—Interpretation:

The HONORARY MINISTER: I have not the amendment to which Mr. Lovekin referred.

Hon. A. LOVEKIN: I move an amendment—

That after "hospital" in line 2 of the definition of "hospital authority" the words "or other kindred institution" be inserted.

That would give the department power to help an institution such as the Home of Peace.

The HONORARY MINISTER: The hon. member suggested that this was a recommendation of the select committee, but I see nothing in the recommendations to that

effect. If the amendment is designed to cover the Home of Peace, a further amendment will be necessary because the cost per patient per day in the Home of Peace is only 4s. 6d. The inclusion of kindred institutions is fraught with great difficulty. It would be hard to know where to draw the line. If the Home of Peace were included it would be necessary also to include the Old Men's Home and some other institutions. That would make a difference to the operations of the Act. No institution could be allowed to make a profit out of the treatment of patients under this measure.

Hon. A. J. H. SAW: Is Mr. Lovekin acting at the request of the board of management of the Home of Peace.

Hon. A. LOVEKIN: I was asked to see whether I could get some measure of protection and assistance for that institution. I was not asked by the Board of Management, but by persons who are interested in the welfare of the home.

Hon. A. J. H. SAW: I asked the question because I have the honour to be one of the founders of the Home of Peace, and I have been a trustee since its inception, and was for many years Honorary Surgeon to the institution. I have not heard that it is the wish of the Committee of Management to be brought under this Bill. I understand that when they approached the Minister they were informed that should the passing of this measure dry up the fountain of charity, their claim for a subsidy from Consolidated Revenue would be recognised. The Home of Peace is in the unique position of having the liberal support of the public. Its financial position has always been sufficient for its needs. It receives an annual subsidy from the Government. I am not aware that those responsible for the welfare of the institution are anxious to be brought under the Bill.

Hon. A. LOVEKIN: I will not press the amendment in view of what Dr. Saw has said. If the Honorary Minister has promised to provide an increased subsidy if it should be necessary, that will be quite sufficient.

Hon. J. J. HOLMES: The Rabbi, who takes a keen interest in the institution rang me up on two occasions, and said it was not desired that the present satisfactory arrangements should be interfered with. The Honorary Minister says that because the Home of Peace has been able to carry on at the rate of 4s. 6d. per day it should be ex-

cluded from the provisions of the Bill. That does not make for the economical conduct of these establishments. If the tax is imposed, donations to charities will be cut out, and this most deserving of institutions may be seriously injured.

The HONORARY MINISTER: I should not like it to be thought that the sole reason for excluding the Home of Peace is that its rate per day is only 4s. 6d. As a matter of fact, the institution is not recognised as a hospital in the general sense. Most of the inmates are there for an extended term. The institution also receives an allowance from the Commonwealth Government of about 2s. a day for the care of pensioners. If the necessity for assistance should arise, I am sure the Minister for Health will be only too pleased to afford it.

Hon. Sir WILLIAM LATHLAIN: I have also been spoken to about the Home of Peace. I think the Bill will seriously affect the financial position of many of these institutions. They should be safeguarded in every way, so that if necessary the Government will come forward with the requisite financial assistance.

Amendment put and negatived

Hon. A. J. H. SAW: I move an amendment—

That in the definition of "hospital authority" the words "or the person in control of a private hospital" be struck out.

I move this amendment so as to raise the point put forward by the select committee with reference to the non-inclusion of private hospitals.

The HONORARY MINISTER: This amendment is associated with a further amendment relating to Clause 10. The select committee's recommendation is that Sub-clause 3 of Clause 10, dealing with payments to private hospitals, be omitted. The Minister for Health does not agree with that recommendation. One of the main objections to the payment of the 6s. subsidy to private hospitals is that it would lead to a mushroom growth of hospitals designed to take advantage of that subsidy. The Minister for Health has requested me to move an amendment in Clause 10 to make the subsidy applicable for a period of two years only. That amendment would remove the possibility of the establishment of mushroom hospitals.

Hon. A. J. H. Saw: Will you guarantee that the subsidy will cease at the expiration of two years?

The HONORARY MINISTER: The subsidy will cease then unless an extension is agreed to by Parliament. The matter vitally affects such institutions as the St. John of God Hospital. It will not be contended that something should not be done for this, the largest private hospital in the metropolitan area. Many of the patients admitted to that hospital cannot pay the fees charged by other private hospitals, and most of those patients will be contributors to the fund.

Hon. A. LOVEKIN: I think the Honorary Minister will defeat the object he has in view. Once begin the payment of 6s. per day to any private hospital, and it can never be stopped. Many such hospitals will spring up and extend, and it will be argued that they were started or enlarged in view of the subsidy of two guineas per week held out by this Bill. According to the Honorary Minister, on existing hospitals the subsidy would amount to £29,300 annually; and the increased admissions forecasted might raise the amount to £40,000. The result would be to take away the means of constructing intermediate wards in public hospitals. Our first consideration must be the sick people. The profits of private hospitals must be a secondary consideration. In the interests of the sick, intermediate wards are absolutely necessary, because in those wards all up-to-date appliances will be available, as well as the effects of continuity of nursing staff and continuity of medical attendance. The latter cannot be obtained in a private hospital. If a patient goes into a private hospital and is attended there by a medical practitioner, and if that medical practitioner goes away into the country for the week end and the patient meantime needs attention, he will have to be attended by a doctor who knows nothing of the case.

Amendment put and passed.

Hon. A. LOVEKIN: I have given the Honorary Minister a copy of the draft Bill I made to separate the collecting from the distribution of the money. I understood the Honorary Minister was obtaining a re-cast of the Bill in accordance with the select committee's recommendations. I have laid all my cards on the table, but I have not at hand what the Minister proposes in the way of a re-cast. If I knew what amendments

he was proposing, I could add some myself. In Clause 2 I consider a definition of salaries and wages should be included. In various parts of the Bill different definitions of salaries and wages are provided. The definition clause should state what salaries and wages mean. My proposal is to delete from the definition of "Income" in this clause all the words after "Income Tax Assessment Act, 1907-1924," and to add the following definition:—

"Salary" means and includes wages in respect to day work, piece work, or work under contract of any kind, and also includes so much of all advances under the Industries Assistance Act, 1915, or the Mining Development Act, 1902, or any other statutory authority, as accrue to the person to whom such advances are made as the result of his personal labour.

The CHAIRMAN: From the marked Bill Mr. Lovekin has supplied to me, I notice that he has an earlier amendment to move in the interpretation clause dealing with "income." Does the hon. member intend to move it? If so, he will have to deal with that amendment before the one he has indicated now.

Hon. A. LOVEKIN: That is quite correct. I made two copies of the proposed amendments I desired to deal with, and I supplied one copy to the Honorary Minister and the other to the Chair. I am rather at a disadvantage without having a copy myself, and the Honorary Minister does not seem inclined to help me.

The HONORARY MINISTER: I am surprised at Mr. Lovekin's remarks. The hon. member approached me regarding this matter and told me distinctly that he was going on with the recommendations of the select committee and that he was not now concerned with the amendments of which he had given notice to me. Consequently, I have not gone on the marked copy of the Bill; I assumed that the hon. member would deal with the recommendations of the select committee only.

Hon. A. Lovekin: I said I was not wedded to my amendments.

The HONORARY MINISTER: The hon. member is quite at liberty to deal with his amendments seriatim, and we can discuss them as they are placed before us. I have a marked copy of the Bill and the hon. member can have it.

Hon. A. LOVEKIN: I move an amendment—

That all the words after "1902" in line six be struck out.

We should not agree to anything in the nature of repudiation. Unless we strike out the references to income derived from Government securities and other investments exempt from taxation under the Land and Income Tax Assessment Act, we will repudiate the contract we have given to those who have made investments in those securities.

The HONORARY MINISTER: A similar amendment was debated in the Legislative Assembly and it was ultimately admitted by the member for West Perth (Mr. Davy) that the provision was perfectly legal. The point is that the Bill aims at the establishment of a national hospital fund and that all contributors are entitled to benefit from it. Should a person have all his money invested in Government securities, such as are referred to in the interpretation clause, and derive no income from other sources, how will he be able to make a contribution towards the hospital fund? I do not think the hon. member will achieve his object by moving such an amendment.

Hon. A. LOVEKIN: We must find some other way of securing contributions from such an individual than by the way of an act of repudiation. From time to time we have advertised that these Government securities are tax free. Now the Bill seeks to impose a tax on them. The Minister may call it a contribution, but the fact remains that it is a tax. For the honour and reputation of the State, the amendment should be agreed to.

Hon. J. NICHOLSON: I agree with Mr. Lovekin that there would be a distinct repudiation on the part of the State if the interpretation clause dealing with income were agreed to as it stands in the Bill.

Hon. E. H. HARRIS: It is extremely difficult to follow what is being done. We should have copies of the amendments proposed before us so that we might be assisted in that direction. I suggest that we report progress in order that the amendments may appear on the Notice Paper for to-morrow. As it is, it is almost impossible to appreciate what is intended.

Hon. A. Lovekin: You are quite right.

Hon. E. H. HARRIS: We should have particulars of these amendments before us so that we should know what was being done

in an effort to re-cast the Bill in conformity with the select committee's recommendations. Regarding the repudiation, I agree with Mr. Lovekin that it is quite wrong to suggest that a person should be taxed after a definite undertaking has been given that he is to be tax-free.

Hon. A. LOVEKIN: It would not take very long if my amendments were put into form and printed on the Notice Paper for to-morrow. Then members could follow them. The Minister has just handed me a copy of what he calls the recast Bill to conform to the recommendations of the select committee. It does not appear to me to be a recast of the Bill as we intended it. In this form it will not make a workable Bill. I feel I ought to give notice of my amendments and have them on the Notice Paper for to-morrow. It is not quite fair that members should be considering them in these circumstances.

The HONORARY MINISTER: Many of the amendments are small and others are consequential, but if one is to deal with the whole of the amendments, it is only right that they should be on the Notice Paper. Members should have the amendments clearly before them. It is only since the select committee's report has been submitted that Mr. Lovekin assured me he did not care whether we went on, so long as the recommendations of the select committee were agreed to. I claim that the recast of the Bill I have submitted to Mr. Lovekin will, at all events, bring the Bill within the scope of the recommendations of the select committee. There seems to be no reason for anything more than that at the present stage. To deal with all these amendments submitted by Mr. Lovekin would be to deal with every clause of the Bill, which it is not fair to expect the Committee to do.

Hon. A. LOVEKIN: This recast of the Bill does not meet the recommendations of the select committee. There are absolutely necessary amendments which do not appear in the recast. The simplest plan will be to put all the amendments on the Notice Paper and let members consider them to-morrow. I ask the Honorary Minister to report progress with that end in view.

The CHAIRMAN: If Mr. Lovekin proposes to move these amendments, then under Standing Order 124 they must be put on the Notice Paper.

Progress reported.

SELECT COMMITTEE—MAIN ROADS ACT ADMINISTRATION.

Consideration of Interim Report.

HON. H. SEDDON (North-East)
[12.48]: I move—

That the consideration of the intermediate report of the committee be adjourned until the final report of the committee is brought up.

Question put and passed.

HON. H. J. YELLAND (East) [12.49]:
I move—

That the recommendation of the select committee that it be converted into an honorary Royal Commission be given effect to.

The PRESIDENT: The consideration of the report of the committee has been adjourned.

Hon. H. STEWART: Would not the hon. member be in order in moving his motion if he first got the leave of the House?

The PRESIDENT: Yes.

Hon. H. J. YELLAND: Then I ask leave to move that motion.

The PRESIDENT: Has the hon. member got the motion in writing?

Hon. H. J. YELLAND: Yes.

The PRESIDENT: Is it the pleasure of the Council that the hon. member have leave to move the motion?

Leave granted.

Hon. H. J. YELLAND: I move the motion.

The CHIEF SECRETARY: I anticipated that this question would be raised, so I consulted the Premier over the telephone this morning, and he said that if such a motion was passed, he would bring the matter before Cabinet and it would receive careful consideration.

Question put and passed.

House adjourned at 12.54 a.m. (Thursday.)

Legislative Assembly,

Wednesday, 19th December, 1928.

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

QUESTION—SINKING FUND CONTRIBUTIONS.

Hon. Sir JAMES MITCHELL (without notice) asked the Premier: As it was expected that we would have an opportunity before the end of the session to discuss the contributions to sinking fund and interest on debentures held and now in suspense, shall we have such an opportunity before the allocation of those funds is finally determined?

The PREMIER replied: Yes; I propose to do this year as has been done in the past two or three years—place the money in suspense and not use it or dispose of it in any way until it has been appropriated by this House.

QUESTIONS (2)—COMMISSIONER OF RAILWAYS.

Mr. THOMSON (without notice) asked the Minister for Railways: Will he make a statement regarding the appointment of a Commissioner of Railways in succession to Colonel Pope?

The MINISTER FOR RAILWAYS replied: Everybody knows that the Commissioner of Railways has retired on account of ill-health. In the circumstances the Government decided to extend his sick leave until the end of the year. Therefore Colonel Pope will be in office until the end of the year. When that period has expired steps will be taken to fill the position.