

Bill again reported without further amendment and the report adopted.

The MINISTER FOR EDUCATION: In order to avoid the necessity for meeting at 2.30 p.m. to-morrow, I suggest that you, Mr. President, leave the Chair now, for 20 minutes or so, to enable the third reading to be carried to-night.

Sitting suspended from 11.48 p.m. to 12.9 a.m.

Bill read a third time and returned to the Assembly with amendments.

ADJOURNMENT—SPECIAL.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [12.10]: I move—

That the House at its rising adjourn till 3.30 p.m. to-day.

This will give another place an opportunity to consider our amendments and then we may be able to proceed.

Hon. J. J. HOLMES: I have no objection to the earlier hour, but we might then have an important Bill before us, and I would like an assurance that those members who are not present now shall receive some notification of the earlier sitting.

The PRESIDENT: I suppose it will be mentioned in the Press.

Hon. A. LOVEKIN: It might be well to meet earlier, because I think we shall have some communication with reference to the Licensing Act Amendment Bill.

Hon. H. Stewart: I suggest 2.30 p.m. because I understand the tax Bill is to be brought forward.

The MINISTER FOR EDUCATION: I am prepared to make it 2.30 p.m. and no doubt everything possible will be done to advise members of the earlier hour of meeting, though at this stage of the session members should be prepared for an emergency of this kind.

Hon. J. J. Holmes: Provided they know of it.

The PRESIDENT: The hour of 2.30 is very inconvenient.

Hon. A. Lovekin: Make it 3 p.m.

The PRESIDENT: The question is that the House at its rising adjourn till 3 p.m.

Question put and passed.

House adjourned at 12.12 a.m. (Thursday).

Legislative Assembly.

Wednesday, 20th December, 1922.

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The DEPUTY SPEAKER took the Chair at 2.30 p.m., and read prayers.

QUESTION—JUSTICES OF THE PEACE.

Mr. O'LOGHLEN asked the Premier: 1, Is he aware that recommendations have been made for the appointment of four justices for centres in the Forrest electorate? 2, Is he also aware that these are isolated centres, that reports are favourable, and that the applications were made up to two years ago? 3, Will he favourably consider the claims of this electorate when appointing further Justices?

The PREMIER replied: 1, Yes, seven. 2, No. 3, Certainly.

LEAVE OF ABSENCE.

On motion by Mr. Mullany, leave of absence granted to the member for Mount Margaret (Hon. G. Taylor) on the ground of ill-health.

SELECT COMMITTEE—SOLDIER SETTLEMENT.

Extension of Time.

On motion by Mr. Wilson, the time for bringing up the report was extended until the 10th January.

BILL—BUSSELTON-MARGARET RIVER RAILWAY DEVIATION.

Read a third time and transmitted to the Council.

BILL—INDUSTRIES ASSISTANCE ACT CONTINUANCE.

Second Reading.

Debate resumed from the previous day.

Mr. PICKERING (Sussex) [2.36]: I favour the continuance of the Industries Assistance Board. For some time past the minds of clients of the board have been con-

siderably agitated to learn whether the local committees, the appointment of which has been approved, will come into operation or not. I understand that notifications have been issued by the department to all branches of the Primary Producers' Association to the effect that their nominees have been approved. I have very definite information to the effect, however, that in only one or two cases has such an intimation been received. This is a matter of urgency to the farming interests, and I trust the Minister will see that these committees get to work as quickly as possible.

Hon. W. C. Angwin: The difficulty is to get the members nominated to work.

The Premier: To what do you refer?

Mr. PICKERING: To the advisory committees.

The Premier: The members can get to work as soon as they like.

Mr. PICKERING: They cannot do so unless the Government set them in motion. The two members who have been nominated cannot begin work without the Government representative.

Hon. W. C. Angwin: One district inspector told me he could not get them to work at harvest time.

Mr. PICKERING: Was that given in evidence before the select committee?

Hon. W. C. Angwin: That was since the committee sat.

Mr. PICKERING: That does not count.

The Premier: It is as truthful as your own statement.

Mr. PICKERING: They cannot get to work without the Government member.

Hon. W. C. Angwin: My statement is true.

The Premier: Let the member for Sussex prove his statement.

Mr. PICKERING: I accept the statement of the member for North-East Fremantle (Hon. W. C. Angwin), but to carry weight it should have appeared in the report.

Hon. W. C. Angwin: It was not given in evidence.

Mr. PICKERING: The local committees cannot get to work unless they know in what direction they have to inquire. I understand it has been agreed that, in the case of assisted settlers whose position is regarded by the board as hopeless, valuations are to be made of the land and other assets with a view to these being written down to such an extent as may be deemed advisable. In cases where settlers are in such an invidious position it is desirable, if the Government intend to assist them, that advantage should be taken at the earliest possible date of the existence of these local committees, so that they may obtain relief and unprofitable operations possibly turned into profitable ones. I hope there will be no delay in giving effect to this. It has also been agreed that these committees should assist the district inspector or other departmental officers, and should consist of two qualified farmers resident in each inspectorial district, and that neither of these should be an assisted settler.

The Primary Producers' Association is best fitted to nominate and carry out any elections under this scheme. These nominations have now been received. It only remains for the department to instruct their inspectors to get into touch with the nominees and tell them the lines upon which to conduct their investigations. Other conditions were (a) that the committee should make valuations of the property and assets of the client, (b) advise as to the best method of conducting future operations on the farm, and (c) report on the personal equation of the settler or settlers concerned, and make such recommendations as may be thought advisable. There was a further condition which, I understand, is somewhat in dispute, namely that no further assistance should be given to any settler whose account has been written down by the board. That is a very important question, and in the interests of the farmers concerned it should be decided as quickly as possible. The whole question is bristling with urgency. Direct and definite instructions should at once be given to the local inspectors, as well as to nominees, to enable them to get to work immediately. The question of rendering assistance to new clients was mentioned by the member for York (Mr. Latham). In view of the fact that the operations of the I.A.B. have been so eminently successful under adverse conditions, it is only reasonable to assume that if assistance is rendered to new settlers on the lines indicated by the member for York (Mr. Latham), a further accretion of successful farmers will result. Whatever may be said about the financial position of Western Australia or of the Commonwealth as a whole or of other countries, one outstanding feature of the arguments advanced by the leading financiers of the world is the necessity for developing our primary industries on a sound basis. Under the system of group settlement we are extending the system that now appertains under the Industries Assistance Board. Seeing that the Government are closely identified with primary production in Western Australia, they should extend the operations of the Industries Assistance Board to new settlers. I trust the Minister will give immediate, earnest and favourable consideration to this question. During the debate reference was made to insurance. I have had some experience of this matter. When associated with an insurance company some years ago I suggested that agricultural risks should be undertaken. I regret to say the first year's operations of the company, which were somewhat extensive, were eminently unsatisfactory from the insurance point of view. Insurance of growing crops is one of the most risky phases of the insurance business. Crops are liable to destruction by hail, fire and from other causes which may come at any time with disastrous results. Since the existence of the Industries Assistance Board the seasons have been more or less favourable, and the markets have been eminently satisfactory. Fires in crops have been very rare.

The Minister for Mines: That has been due to the spark arresters.

Mr. PICKERING: It may be so.

The Minister for Mines: But the companies have not reduced their rates.

Mr. PICKERING: If the risk of fire is proved to be nullified, or materially reduced, by the use of spark arresters, the companies will, ipso facto, consider the granting of more favourable rates of premium.

Mr. O'Loughlen: Have you ever known them to do it?

Mr. PICKERING: Yes; in the case of fire risk when a satisfactory water supply had been installed. I would be very pleased if a better test were made of the Cheyne spark arrester in competition with the Government spark arrester. As regards the former, we are dependent entirely upon the reports of the Railway Department, who have under favourable consideration a spark arrester devised by their employees, towards which official opinion would naturally incline. It is desirable that an early public test should be made of competing spark arresters and nullifiers at which members of Parliament should be afforded an opportunity of attending and forming their own opinions. However, it is not sound policy for the Government to undertake fire insurance, more especially fire insurance of crops.

Mr. O'Loughlen: Have you read the results in Queensland?

Mr. PICKERING: Whilst prices are high and considerable profits are to be derived from wheat, oats, and hay, the care exercised by the growers would naturally be greater than if prices were low. When prices are in fact low, growers have not only to take the risk of the market, but also bear the cost of the necessary firebreaks. When prices are high there are fewer fires, because the measure of care exercised by the grower is greater, or in direct ratio to the sale prospects.

Hon. W. C. Angwin: That is dishonest.

Mr. PICKERING: No. The member for North-East Fremantle is too disposed to impute dishonesty.

Hon. W. C. Angwin: I say it is what you are saying.

Mr. PICKERING: I am stating absolute facts. The care taken to secure a high reward is likely to be greater than that taken to obtain a small reward. I have had a good deal of experience in insurance business, and the morality risk is the greatest of all.

Mr. O'Loughlen: What company were you associated with?

Mr. PICKERING: The State Fire Insurance Company. That knocks the hon. member, does it not? The one big factor in insurance is the moral risk. Let the hon. member put that in his pipe and smoke it. The risk applies not only in the case of farmers, but of every class of insurer. I remember when it was a very delicate business to take a fire risk on the goldfields. The same thing might apply to North-East Fremantle.

Mr. Heron: You know nothing about it. You are only repeating hearsay

Mr. PICKERING: I speak as one possessing knowledge of the business.

Mr. O'Loughlen: It is a pity the Government would not utilise your knowledge.

Mr. PICKERING: Never mind about that. I am concerned to see that the State shall not find itself in the position of an insurance company with a huge liability in the form of farming risks. Crops might be swept away by a hailstorm.

Mr. O'Loughlen: The companies take that risk.

Mr. PICKERING: I would rather the companies did so than the Government. In my early experience of insurance, farming risks were a phase I was interested in, and it occasioned heavy losses to the company I was associated with. I do not wish to see the State suffer such losses. Our finances are bad enough without that.

Mr. O'Loughlen: The finances of Queensland are better as the result of State insurance.

Mr. PICKERING: The South-West has lately come into what the member for Bunbury (Mr. Money) would call its own. People are beginning to wake up to the fact that one of Western Australia's biggest assets is the glorious South-West, of which I have the honour to be a representative. On the floor of this Chamber I have during the past five years, in season and out of season, advocated the extension of the privileges of the Industries Assistance Board to that portion of the State. They are tardily being given in the form of group settlement. The Premier says to us, "When you can grow crops that will keep, we will assist you." That is the stigma and odium under which we have laboured for so many years. "When you can fight your way yourselves we will assist you" is the equivalent of what the Premier said. We in the South-West are just as much entitled to the benefits of the Industries Assistance Board as is any other part of the State. There have been times in the history of the South-West when such assistance has been urgently needed, when we have had severe failures, due not to lack of cultivation, or lack of effort or enterprise, but to a glutted market. What assistance have we had?

The Minister for Mines: One could not make advances against soft fruits or potatoes.

Mr. PICKERING: The Government could make advances to the South-West on the same lines as advances are granted in the wheat belt.

The Minister for Agriculture: It is not practicable.

Mr. PICKERING: Anyway, I say it is. The Government do not look for the results obtained by the South-West. The South-West, however, is going to demonstrate that it is the Garden of Eden of Western Australia. I have not very much to say about the Industries Assistance Board. The Board have rendered a signal service to the State, and I give every credit to the member for

North-East Fremantle (Hon. W. C. Angwin) and other members opposite for what they did towards the initiation of the board. I do hope, however, that the member for North-East Fremantle is not now going to use his influence towards doing away with what has proved of such great benefit to Western Australia.

Hon. W. C. Angwin: The Industries Assistance Board ought to be part of the Agricultural Bank.

Mr. PICKERING: I am not disinclined to agree with the hon. member in that respect. However, that question is not now before the House. I have great pleasure in supporting the second reading of the Bill.

Mr. LUTEY (Brownhill-Ivanhoe) [2.53]: I regret that in introducing the measure the Minister did not make some announcement as to the Government's view of the recommendation of the select committee regarding insurance.

The Minister for Agriculture: The Government's consideration of the report is not finished yet.

Mr. LUTEY: The board themselves have in times gone by made practically the same recommendation. Despite the opposition of the member for Sussex (Mr. Pickering) to State insurance, it appears that a profit of about £90,000 has accrued to the insurance companies from the business of the Industries Assistance Board during the last seven years, that amount being subject to reduction of merely the small percentage received by the board for doing practically all the field work. If the board were to carry out the whole of the work of insurance, it would mean merely the appointment of one officer. Our friend from Sussex, with all his knowledge of insurance, reflects on the commercial morality of the farmers and of the rest of the community. The hon. member is greatly concerned lest anything proposed for the benefit of the State should be to the detriment of the insurance companies. The poor old State can bleed financially all the time.

Mr. O'Loughlen: The member for Sussex has shares in insurance companies.

Mr. Pickering: I ask for a withdrawal of that statement. It is not true.

Hon. W. C. Angwin: You are a shareholder in the Westralian Farmers Ltd., are you not?

Mr. Pickering: That is not an insurance company.

The DEPUTY SPEAKER: What is the statement to which the member for Sussex takes exception?

Mr. Pickering: The statement that I am a shareholder in an insurance company. I ask for a withdrawal.

The DEPUTY SPEAKER: The member for Forrest must withdraw.

Mr. O'Loughlen: I withdraw.

Mr. LUTEY: The subject of State fire insurance—

Mr. O'Loughlen: Did not the member for Sussex have shares while he was canvassing for that company?

Mr. Pickering: I was not canvassing; I was managing.

Mr. LUTEY: Both the board and the select committee have been explicit in their recommendations that the State should do its own insurance. I regret that the Government, although they are prepared to tax in every direction, by way of income tax, hospital tax, and what not, refuse to take advantage of this opportunity of making a profit. They have the advice of officers who have gone thoroughly into the matter, and who state that there is a substantial profit to be made by the State at practically no expense to the Government. Yet Ministers refuse to take advantage of so favourable an opportunity. There should be some pronouncement on this question, and I hope the Minister in replying will deal with that particular phase of the question. It has been recommended by the Industries Assistance Board and also by the select committee appointed to consider I.A.B. matters. There is also the question of the supply of superphosphate. The Government should adopt a strong attitude and see if they cannot bring the companies to reason, so that the board can secure benefit from the orders distributed, instead of continuing the existing arrangement.

Mr. HICKMOTT (Pingelly) [3.1]: With other members, I agree that the Industries Assistance Board has rendered great service to the State. I was one of those who supported the Labour Government when they initiated the scheme. The functions of the board were carried out liberally, and great assistance was rendered to the farmers. Some difficulties were experienced in administering the board at the inception, but, notwithstanding that fact, many people who are on the land to-day would not be there had it not been for the assistance rendered by the Industries Assistance Board. It is true that the privileges accorded producers have been much abused. It is necessary that such institutions should be carefully watched, because some sections of the community will always be prepared to abuse the assistance that is rendered to them. The operations of the board have been extended beyond what was intended at the outset. The board was established for the purpose of assisting people who had suffered from the effects of drought, and had lost practically everything. Had it not been that the Government of the day stepped in and tided them over their difficulties, those settlers could not have carried on. Many new farmers have been established and provided with a living, who were not farming at the time the board was established. The board has grown into a big concern, which takes a lot of management. There is no doubt there has been a lot of mismanagement from time to time. Some of the inspectors who are supposed to be

looking after the interests of the farmers, and of the board, know very little concerning the duties they are supposed to carry out. Many of them have been on the land themselves but did not make a success of farming. Despite that fact, they have been pitchforked into positions as inspectors for the Industries Assistance Board. As such, they issue instructions to farmers as to where, how and what land they should cultivate, although they do not know anything about these things. This has led to many mishaps, and the farmers have suffered accordingly. We should see that men appointed to such positions thoroughly understand their business, and that they are practical men. Many cases to illustrate the result of appointments made in the past have been brought before the House. Very often farmers have applied for assistance and at the outset their requests have been refused. Later in the season when it is too late to do anything, their requests for manure or implements have been agreed to and the orders have been sent along. That money has been uselessly expended and many crops put in under those conditions have been too late. In some instances manure forwarded in these circumstances has never been shifted from the sidings, but has remained there all the winter and has been absolutely wasted. The farmers would not take delivery of those supplies. In many cases the farmers have not been given a chance to succeed owing to the withholding of necessary assistance until it has been too late. There are probably some farmers on the board who have been in that position since the Industries Assistance Board was first established.

Hon. W. C. Angwin: There are over 700 of them.

Mr. HICKMOTT: Some of those men would not make good in a lifetime owing to the conditions under which they have laboured. Respecting some, the explanation is that their land is not suited for wheat growing. Those men should be shifted to some more favourable locality, or they should be provided with stock. The latter course is not always practicable because holdings are not fenced and dogs are too prevalent. Along the Great Southern line, however, where the land is not fit for wheat growing, the settlers can make good on oats and fodders.

Hon. W. C. Angwin: And they can get stock from Elder Smith's or Dalgety's.

Mr. HICKMOTT: In many cases the board has taken charge of their clients' horses, stock, implements and everything else.

Hon. W. C. Angwin: But not stock such as I refer to.

Mr. HICKMOTT: In some instances, the firms will not provide the stock. People have gone in for sheep and they have done very well on their light land propositions when they have engaged in mixed farming. Probably it would be better if some of the farmers were taken away from their present holdings and established elsewhere, where they would have a reasonable chance of being successful. If

some of these farmers have been on the board from the inception and still require further assistance, it seems absolutely necessary to follow the course I suggest, rather than to continue carrying them on under existing conditions. These people should be encouraged to go in for mixed farming propositions or else they should be shifted from their present holdings. If a man has not made good after working for eight or ten years, there is not much chance of him making good in the future if he is permitted to remain on his holding. I agree with some of the remarks of the member for Sussex (Mr. Pickering) regarding the delays which have taken place.

Mr. Lutey: You do not agree with his remarks regarding insurances?

Mr. HICKMOTT: No; I thought the member for Brownhill-Ivanhoe (Mr. Lutey) was quite logical in his remarks. If the Industries Assistance Board were permitted to carry its own insurances, it would remove some of the taxation which has to be borne by the producers and which is one cause of dissatisfaction. A little while ago I was talking to a farmer, who has since died, who told me that he had to pay £430 for State and Federal taxes and he had had to borrow part of the money to do so. That man was a farmer in big way and had a number of grown up sons. The boys came to him and said that if they were to slave on the farm and all the profits which resulted from their united efforts had to go, together with additional money that had to be borrowed, in the payment of taxes, it was better for them to go elsewhere. If the board were permitted to carry out their own insurances it would perhaps reduce the burden of taxation and assist in building up revenue badly required to liquidate some of the present liabilities. I trust the recommendations of the select committee will be carried out to a certain extent and thus enable farmers to have a chance to carry on under better conditions.

Mr. ANGELO (Gaseoyne) [3.10]: After the comprehensive speech made by the member for North-East Fremantle (Hon. W. C. Angwin), who was also chairman of the select committee appointed to inquire into the affairs of the board, and in view of the fact that the committee's report has been circulated among members, I do not think it is necessary to speak at any length. There are two points, however, I wish to stress. The first relates to the recommendation of the select committee regarding insurances. That recommendation reads as follows:—

Your committee is of opinion that the Act should be amended to give the board power to effect its own insurances for board clients.

I subscribe to that recommendation but at the same time I want it to be clearly understood that by so doing I am not advocating a State insurance department. Giving power to the board along these lines is quite different from a State insurance scheme which would be in competition with those companies that are—

Mr. Marshall: Fleecing the people and industries. Do not hesitate to say it straight out.

Mr. ANGELO: The member for Murchison (Mr. Marshall) will have an opportunity to express his own views. That is quite a different proposition to permitting the Industries Assistance Board carrying out its own insurances. Many large steamship companies, such as the P. & O. and Orient companies, do not support insurance companies by insuring their ships with them, but they carry their own insurance risks. If a company has a sufficient number of vessels or a person owns a sufficient number of houses, it is always good business for their own risks to be covered by themselves. That is why I agree with the recommendation of the Committee and advocate the board carrying its own insurances. We have 2,000 clients whose concerns are insured. Surely there is wide enough scope there to give security against the loss feared by the member for Sussex. The committee in their report said:—

During the past three years the premiums paid aggregated £71,217; the commission paid the department was £8,425, and the claims paid totalling £27,259, leaving a balance to the companies amounting to £35,533.

That shows that the companies made a clear profit of over 100 per cent. on claims paid. Taking into consideration the number of clients on the board's books, it would be good business for the board to carry its own insurances, without affecting them with various insurance companies. The second point I wish to make concerns the recommendation that the Agricultural Bank and the Industries Assistance Board should be amalgamated as soon as possible. In evidence we were told by various officials that the operations of the board are considerably more elastic than are those of the bank. The Industries Assistance Board was created at a time of severe drought, when numbers of farmers had to be assisted. There can be no doubt the board has done exceedingly good work, but it is questionable whether it should be allowed to continue for all time. Rather would it be wise to amalgamate it with the Agricultural Bank, for it is not good business to have two separate institutions operating on the one property, and so to a large extent overlapping. We learnt from the auditor's report that in two instances men who had received their clearances from the board got away without paying what they owed the Agricultural Bank. It served to suggest that the two sets of books kept do not disclose to both departments the respective indebtedness of clients to the two departments. Mr. Richardson, the chairman of the board, when asked what he thought of the proposed amalgamation, said it had not been fully considered. He thought the suggestion would have to come from the Government; that from a small temporary institution the board had developed into one of considerable magnitude, and the policy

of the Government appeared to be adverse to closing it up. Later Mr. Richardson said there might be a good deal of saving in respect of staff if the two institutions were amalgamated. When asked how it was that the officers of the board, in giving clearances to clients, were not aware of the indebtedness of those clients to the bank, Mr. Richardson said the officers might not know of it from memory, but he thought they would soon learn from the accounts what was owing to the bank. Finally, he said the day would come when some scheme of amalgamation would have to be formulated. Personally I cannot see the necessity for the two institutions. If the affairs of the Industries Assistance Board were handed over to the Agricultural Bank to be wound up, the accounts could be treated as accounts in excess of the limit, and the trustees could be relieved of any risk.

Hon. W. C. Angwin: By a Government guarantee.

Mr. ANGELO: Yes. One objection to the amalgamation is that another crisis might occur, such as gave rise to the board. But an amendment of the Agricultural Bank Act could be made which would provide for that, giving authority to the trustees to assist farmers in times of stress. The trustees would then afford relief under a guarantee from the Government. Even today the Agricultural Bank is making advances in certain districts against a Government guarantee. If it can be done in those circumstances, because it is the policy of the Government to settle people in those particular areas, why could it not be extended to cover a general crisis? In conclusion let me say it has been a very great pleasure to be a member of the select committee. We had all understood that the member for North-East Fremantle (Hon. W. C. Angwin) was very thorough in his work, but until we sat around the same table with him we had no idea of the extent of his thoroughness. He did far more than the lion's share of the work of the committee, and by his own energy greatly reduced the tasks of the remaining members of the committee.

Mr. MARSHALL (Murchison) [3.22]: I support the recommendation of the select committee in respect of insurance. It is deplorable that members representing the primary producers should be hostile to every form of State enterprise and ready to bleed the general taxpayers for the benefit of certain classes of the community. Foreign insurance companies derive an enormous annual profit through the agency of the Industries Assistance Board, which receives 15 per cent. on the premiums for doing the whole of the work of the insurance companies, to whom the profit goes for doing nothing at all. It is deplorable that representatives of the primary producers should flout the proposal that the profits on insurance should be diverted from foreign companies to a Government department. Only

the narrow-minded would be hostile to the recommendation that the Industries Assistance Board should insure its own clients and so save the profits now gathered by foreign insurance companies. The board in its annual report, dated 30th October, 1922, have this to say:—

Insurance.—The board's agreement with the Fire and Underwriters' Association was the same as obtained during the preceding year. The acreage covered by fire insurance was 478,493, and the values for insurance of the crops were—wheat £717,724 (fire), £708,775 (hail), and hay £140,561 (fire). The acreage insured against hail was 213,933. The amount paid in premiums was fire £11,316; hail £9,752; and the amounts recovered were fire £2,553 (42 losses), and hail £5,791 (90 losses). The companies allow the board for its services a commission of 15 per cent. on fire and 5 per cent. on hail premiums. Since its inception the board has paid in premiums the sum of £141,728, plus stamp duty, and recovered in losses £48,442. It is of opinion that legislative authority to carry its own risks is necessary, as affording a source of profit from which to provide a reserve to meet the losses which the liquidation of its bad accounts is now entailing.

In face of such a recommendation we find members representing people who are a burden on the taxpayer taking a hostile stand on the score that for the board to do its own insurance would be to set up a State enterprise. I hope the Minister will report progress, and bring down a Bill embodying the machinery necessary to give effect to the recommendation of the board. The time is long past when we should allow foreign insurance companies to derive huge profits at the expense of our taxpayers.

Mr. HARRISON (Avon) [3.30]: There are one or two matters bearing on the continuance of this measure to which no reference has been made. One is the inception of the old seed wheat board, and the necessity for the adoption of prompt and active measures during the year 1914 in order to keep men on their holdings. Many of our settlers were then in their first stages of pioneering. I remember going out on that campaign in 1914 and seeing some of the holdings. As regards growth it was impossible to see where the drill had been. The marks of the various discs were visible, but not a blade of green or of dried up vegetable matter was to be seen. The position was indeed acute. These pioneers had gone on to holdings and were living under exceedingly hard conditions. To the credit of the Government then in power, assistance was granted them, and the Government by so doing assisted the State also to hold the improvements already effected. The results to-day represent the fruits of many years of labour. The extent of the improvements conserved by this timely assistance is revealed in the report of the select com-

mittee. The results have been so great and good that the annual renewal of the Industries Assistance Act has been deemed warranted. The question now is whether we shall continue the measure for a further year. During the last two or three years the member for Geraldton (Mr. Willecock) has indicated an anxiety to abolish the board. Something should certainly be done to reach finality, especially in relation to those clients who have not made good. I refer to those who have fallen behind through no fault of their own, through no lack of energy, or through no error of judgment, but entirely owing to circumstances against which they have been unable to successfully battle. During the season 1911-12, when there was a partial failure in the harvest, the lighter lands gave a much better return than the heavier lands due to the sub-normal rainfall. To some extent the light lands during the present season have yielded proportionately higher returns than the heavier lands in many districts. In about 1911-12 the present chairman of the board and another member of the Agricultural Bank staff took up some light land. When such men took up light land, it was regarded as a sort of recommendation by new settlers, who followed their example. These gentlemen have since been proved to have been in the wrong. The present administration recommend that a farmer should have so many hundred acres of heavy forest or good quality soil in addition to light land. Many settlers, on the recommendation of responsible officers, took up light land when its productive value was not known. I am referring to the wodgil country. It might be possible to get some return from such country during the first year, but after that it gives scarcely any yield, despite the labour and energy expended upon it. As this land was easy to bring under cultivation it was considered good business to clear a larger area at a lower capital cost. If the land had been of a productive value anything like it was expected to be, the proposition would have been a sound one. Unfortunately, to the surprise of the Administration, the I.A.B. officials and the settlers, such land soon became practically worthless for cereal production. Minister have been approached with regard to the establishment of certain farms to prove to settlers and for the benefit of the State generally, the precise value of such soil. In some centres there are rather wide areas of such land. The failures referred to by the member for Murchison (Mr. Marshall) cannot fairly be regarded as failures from the point of view of the State. It has been a vast experimental field on which have been attained results which doubtless will prove of great advantage to present and future settlers. It is held by some of the farmers, who have been testing these lighter lands during the past season, that good results might be obtained by the production of oats and the adoption of certain methods of cultivation, but more than one season of experiment is necessary to prove this. It has been proved at Yorkarkine—

The Minister for Agriculture: It has been proved all over the place.

Mr. HARRISON: Exactly; and, therefore, it is unfair to regard all this experimental work as being a direct loss to the State. Every farmer has to do a lot of experimental work in order to test the value of various methods of cultivation; therefore, we cannot regard it as a direct loss to the State. When we offset against the financial loss, the good results which have been obtained, I cannot bring myself to believe that the State in the aggregate has suffered any real loss. However, we ought to be guided by the experience and experiments of these men, in order to secure the highest possible results in future. The men who have been so unfortunate as to take up light land are suffering under a load of accumulated charges. At present some of them are working on 8 per cent. money and they cannot be expected to make good under such conditions. It has been represented to the Minister and to Cabinet that local residents conversant with the soil conditions, the climate, and the personal equation of such settlers in their immediate neighbourhood, should be asked to help the officers of the department in an investigation of these cases, to ascertain the value of the assets, stock, etc., and to recommend an adjustment, so that these men may either be relieved of the burden altogether, or given a fair fighting chance if they desire to retain their present holdings. Considerable sentiment attaches to a holding on which the occupant has done the pioneering work, but many of the settlers cannot possibly survive the burden, and it is not fair to ask them to continue when there is no prospect of success. A final adjustment should be made at once. Provided the right men were appointed, a board of this description, working with the departmental officers, should achieve good results.

Mr. Underwood: Why a board?

Mr. HARRISON: I do not care by what name it is called. If the hon. member prefers it, call it an arbitration on the value of the various holdings in respect of which the I.A.B. have refused full or partial assistance, and so arrive at a fair balance. The same principle applies in other walks of life. Why not apply it to the agriculturists?

Mr. Underwood: We must have a board?

Mr. HARRISON: If a man goes through the insolvency court, provided he has exerted every effort to meet his obligations, he is granted a clearance, and is then free to set up in business again.

Hon. W. C. Angwin: But he is not again advanced money by his creditors to set up in business.

Mr. HARRISON: These settlers would be advanced money by the Government only on the improvements they are effecting, which improvements redound to the benefit of the State.

Hon. W. C. Angwin: They have no assets.

Mr. HARRISON: How can the hon. member say that when there are so many hundreds of thousands of acres of cleared land, and so much wheat produced?

The Minister for Mines: The member for North-East Fremantle means assets in excess of liabilities.

Mr. HARRISON: That is a different matter.

Hon. W. C. Angwin: They have not enough to pay their liabilities.

Mr. HARRISON: If their assets were in excess of their liabilities, there would be no need for me to appeal for a valuation and a final adjustment. Such men would be able to pull through. However, the time has come when something should be done to relieve these settlers of their heavy overhead costs when it is obviously impossible for them to make good. In 1917 this question was brought up at the primary producers' conference. We wanted to assist to get an adjustment, and creditors who had supplied machinery and other goods also desired an adjustment. They were willing to accept a composition so that they would know where they stood. But the farmers themselves were the stumbling block to the adoption of this course. Quite a number stood up at the conference and spoke to this effect—"We do not want charity; we want to pay our full 20s. in the pound." That was in the early stages, before they had experienced the grinding which has since befallen them. For four or five years they have found themselves between the upper and nether millstones, and it is high time they were afforded relief. In the interests of the State it would be well to relieve these men and their families and permit them to seek fresh holdings. They should be settled on other land.

Hon. W. C. Angwin: And allowed to start it all over again?

Mr. HARRISON: If these last seven years have not enabled the officials to determine whether the settlers in question are worthy of further assistance, or whether they have been merely cheating the Government in respect of the assistance granted them. I shall be very much surprised. Surely the officials, with the knowledge they have acquired, should be able to weed out the unworthy settlers and to indicate those who are deserving of further assistance. As to those unworthy of further assistance, it would be much better for the State if we determined to cut the loss here and now.

Hon. M. F. TROY (Mt. Magnet) [3.45]: I could wish this Bill had been introduced later in order that advantage might be taken of the recommendations of the select committee. Unless the Government or Parliament take some notice of these recommendations, the time spent by members of the select committee will to a certain extent have been wasted. Many of the points raised in the report are of considerable importance. I have no objection to the operations of the board being continued. Without the board many of the settlers now being carried on would have to abandon their properties, and this would mean a great set back to the State. I notice the committee are pessimistic as to

the future of settlers on light lands. They are of opinion that many of these people have little chance of making good. It is regrettable that such a decision should have been arrived at.

Hon. W. C. Angwin: That is as to light lands only.

Hon. M. F. TROY: It is deplorable that such members as the member for North-East Fremantle (Hon. W. C. Angwin), the member for Brownhill-Ivanhoe (Mr. Lutey), the member for Gascoyne (Mr. Angelo), the member for Fremantle (Mr. Gibson), and the member for York (Mr. Latham) should have been forced to this conclusion. It shows that some definite policy is needed to deal with the situation. The committee have decided on the evidence of people who should know that many of these settlers cannot make good. The officers who have had experience of the Act and the operations of the board are also pessimistic. Parliament should know what the intentions of the Government are. I know several settlers who are clients of the board in my district. Most of them are hard working and honest men. This year they are experiencing great difficulty for they have little or no harvest to reap. Happily for me I have a fair crop. I have asked myself why I should have a fair harvest and they should have a bad one. I do not farm any better than they do, and have land that is little better than theirs. But they are handicapped in the matter of fertilisers. The board limits its clients to a certain amount of fertiliser. Lack of superphosphates is partly responsible for their having an unsatisfactory harvest this year.

Mr. Teesdale: Is there some flat rate?

Hon. M. F. TROY: I think the board allows from 60lbs. to 70lbs. of superphosphate to the acre. This is no good on country of this type.

Mr. Harrison: It is good enough in certain places.

Hon. M. F. TROY: When I was in the Wimmera district in Victoria during the year I inquired from the farmers how much fertiliser they used. It is heavy, rich clay land, but I ascertained they never used less than 100lbs. to the acre.

Mr. Harrison: What is the rainfall?

The Minister for Agriculture: If the land is not in good order the fertiliser will never do any good.

Hon. M. F. TROY: The rainfall in the wheat belt is no worse than it is in the Wimmera district, where some years it is only 5in. or 6in. and in other years goes up to 13in. Profiting by that knowledge, I put on 100lbs. of superphosphates to the acre this year. I believe the harvest I am reaping off fallowed land is due to that fact.

The Minister for Agriculture: Are you sure? Some people may use properly graded wheat and the right kind of wheat, and others not do so.

Hon. M. F. TROY: I first thought the dressing of superphosphates was too heavy, but I am getting good results from it. My

neighbours, unfortunately, are not getting a similar result. The board makes no provision for the inter-change of seed. Farmers grow the same kind of seed from year to year.

The Minister for Agriculture: We did last year.

Hon. M. F. TROY: I am doubtful if the settlers I speak of had an opportunity of changing their seed.

The Minister for Agriculture: They could all do so.

Hon. M. F. TROY: I am glad to hear that. When a man grows the same class of seed from year to year on the same kind of country the seed deteriorates, and leads to failure. The board should insist upon the seed being changed every few years. The settler should receive a dozen bags of seed so that he may furnish himself with his requirements for the following year.

Mr. Harrison: That is the policy of the Agricultural Department to-day.

The Minister for Agriculture: We have been getting some astonishing results.

Hon. M. F. TROY: I have made a practice of changing my seed in alternate years, with good results.

Mr. Teesdale: What do you expect to average to the acre?

Hon. M. F. TROY: About 12 to 15 bushels. I tried a dressing of from 70 to 75lbs. of fertiliser, but that was no good. This year I put on 100lbs. for the first time. In one case I am getting nearly 16 bushels, but the average is about 12 bushels of wheat to the acre. It is all fallowed land. Another disadvantage is that the settlers are trying to make a living out of wheat alone. They do not carry any stock. The Industries Assistance Board is advancing money and urging men who are already discouraged by their outlook to carry on. Having no hope for the future, they cannot be satisfied with their lot. The board makes no provision for sheep. Had the settlers I speak of carried 300 or 400 sheep this year these would have been worth at least 10s. per head for the wool, and the money derived from them would have been very useful.

Mr. Harrison: They must have water and good fencing in order to carry sheep.

Hon. M. F. TROY: The board should see that these settlers are provided with water, fencing and stock.

Hon. W. C. Angwin: That is not its province.

Hon. M. F. TROY: The officers administering the board also administer the Agricultural Bank. They must either drop these men because they state in evidence that their position is hopeless or must place the settlers in a position to get out of their difficulties.

Hon. W. C. Angwin: Many farmers are being assisted in the matter of sheep.

Hon. M. F. TROY: If the settlers were assisted to carry sheep, they might lose on their wheat, but would save themselves on their stock. Very few farmers can make a success of wheat alone. Natural conditions will arise to cause a failure in the crop. The policy of the Government should be to provide

these men with means whereby they can earn a livelihood and pay their debts.

Hon. W. C. Angwin: That should apply all over the State.

Hon. M. F. TROY: Yes. Where the country is suitable for the carrying of stock and it is a profitable undertaking for the farmer, he should be encouraged to launch out in this way. Unless such encouragement is given to some of our settlers, they are likely to be always in debt to the board. It is essential, if the operations of the board are to be really successful, that this should be done. People on light land cannot get results from wheat alone. The member for Avon (Mr. Harrison) referred to wodgil land. I cleared some wodgil country though I was advised not to do so, but I am able to produce some very fine crops of oats from it.

Hon. W. C. Angwin: One witness said he had a 15 bushel crop of wheat off wodgil country.

Hon. M. F. TROY: I have always grown a good crop of oats on it.

Mr. Harrison: You often get a good crop in the first year.

Hon. M. F. TROY: The oats give me feed for my stock and are invaluable from that point of view. The Minister ought to take the advice of the committee and let the State insure the crops. Why should we place in the way of private companies all the advantages that are set out in the report of the select committee? Why should we hand over thousands of pounds of profits to the insurance companies annually? The Public Works Department initiated a scheme of insurance among their employees, and the Industries Assistance Board could do the same for their clients. It is unfair to charge struggling farmers a premium which yields the companies such profits. It means merely burdening the farmers with costs they should not be called upon to bear. Personally I favour State insurance, which system in Queensland has resulted in the reduction of premiums by 33 per cent., a profit of £60,000, and the carrying of £1,000,000 to reserve. I am sorry that the Government, who are largely members of the Country Party, cannot see their way to bring in a measure which would be so beneficial to the farmers. At present the farmers are being exploited by the insurance companies. There is no getting away from it that this little community of some 300,000 people cannot except with difficulty carry in all their magnificence 60 or 70 insurance companies. I hope that the Minister in replying will state what objections there may be to the amalgamation of the Industries Assistance Board and the Agricultural Bank. I suppose one objection will be that the Agricultural Bank is a business proposition and that the Industries Assistance Board is not.

The Minister for Agriculture: The one advances upon security—

Hon. M. F. TROY: And the other is a gamble. I trust the Government will see their way to amalgamate the two institu-

tions. The experience of the officers will show how it is to be done. If a Bill for that purpose were submitted to Parliament, I am sure it would pass without amendments. In the report there is a reference to outstanding rates due to road boards. The Industries Assistance Board, we are told, have paid the current rates. Since when, though? Since the last two years. Is there any means by which the board can be compelled to pay overdue rates? The fact that such large amounts of rates are outstanding represents a heavy handicap on settlement. Roads are required, and settlers, notwithstanding that they pay their rates, cannot have the roads built. The road boards state, "We have too much money outstanding." Thus the man who pays his rates gets no advantage whatever. The Industries Assistance Board should pay outstanding rates, because the building of a road in this country, or anywhere, is a national work. After all, road construction should not be the work of road boards at all, but of the State. In New South Wales for many years the State has undertaken all road construction, Government engineers supervising the work. A road represents a permanent and reproductive work. I hope that the amendment of our land legislation will enable men on sand plain country to get larger areas, and I trust the Government will help them to fence, and provide water supply, and buy sheep. Thus encouraged, those men, I have no doubt whatever, will make greater progress in the next five years than is possible to them in 20 years under present conditions. They should be given every inducement to launch out and produce as much as possible in the way of crops and cattle and pigs and poultry—indeed, in every direction. Advantage should be taken of the amending land legislation to enable these men to make good. In view of the experience with men on such lands who have mixed wheat growing with grazing, the Government should have no hesitation in extending these facilities as I suggest.

Mr. Lutey: I draw attention to the state of the House. There are only about six members in the Chamber.

Bells rung and a quorum formed.

Mr. WILLCOCK (Geraldton [4.9]): I have to make once again the old, annual complaint about this measure. The Act was introduced as a piece of temporary legislation, under stress of circumstances and exceptional seasons. Upon embarking on a comprehensive scheme of assistance to farmers, we should not have retained such a measure as this, which places too much responsibility on the Minister. Parliament should have laid down definitely a policy of assistance to the primary industries. If the matter were gone into comprehensively, we could evolve a scheme on the lines of a rural bank, which would render assistance on business-like lines to the agricultural and pastoral

industries, and in fact to all industries connected with primary production. We have now three distinct institutions for that purpose, institutions controlled in the main by one man as their official head, but having distinct executive heads. The work of each of these institutions to a certain extent overlaps that of the other two. I refer to the soldier settlement scheme, the Industries Assistance Board, and the Agricultural Bank. The establishment of a rural bank would do all that is required for the whole of the primary industries and do it on business lines. In such conditions we could get somewhere, instead of being handicapped by the necessity for consulting two or three institutions with regard to various schemes. We have heard a lot about business acumen in the past, and it should not be beyond the collective business acumen of members of this Chamber to devise a system of rural credit which would cover the activities of the three institutions I have mentioned. No banking institution would think of dividing up its activities into three water-tight compartments, as we are doing with regard to assistance to agriculture. When the measure was introduced, in 1915, the expectation was that it would last three or four years, and that then the system of assistance to farmers would automatically close down, or at all events close down as soon as the accounts of clients had been squared. Instead of that, the board, like Tennyson's "Brook," seems to be going on forever. I do not think Parliament would have been justified in passing the original Act if members had thought that the measure was to be practically permanent. As the belief was that the measure would prove merely temporary, many things were left to the discretion of the Minister controlling the Act which would not have been left to him in ordinary circumstances. We have had an instance of a Minister leaving the Cabinet because another Minister said that sustenance to farmers should be at a certain rate, while he had fixed another rate. I refer to Mr. R. T. Robinson. That gentleman thought the sustenance allowance should be kept down to 7s. per day. The present Premier said he would grant 9s. As a protest against the present Premier's action, Mr. Robinson left the Ministry. There was no public announcement to that effect, but it is believed that that was the reason, or one of the reasons, which induced Mr. Robinson to get out of the Government. Parliament should definitely determine the policy of granting assistance, and not leave the matter to the whim of individual Ministers. The present position reminds me of the bargaining which occurred just prior to the last Federal election but one. The Hughes Government said they would give war gratuity bonds. Other people, trying to outbid the Hughes party, said they would grant war gratuities in cash. The present Government could go to the country saying, "We will grant up to 9s. per day sustenance to farmers." Another party might go to the

country with the cry, "We will give the farmers at least 12s. a day sustenance."

Hon. W. C. Angwin: Wouldn't they bite on that?

Mr. WILLCOCK: Such proceedings would constitute a grossly immoral menace to politics. The possibility of that sort of thing should not be allowed. As a temporary measure that was all right, because no one knew what would be required. Prices were fluctuating and Parliament could not fix the limit in the Act stipulating the rate that should not be exceeded. It was believed then that it was a temporary measure to meet temporary requirements. The Government should go into the question of rural credit throughout the State, and adopt some sound policy. We know that the future of the State will be bound up in primary production for many years to come.

Mr. Pickering: Not only this State.

Mr. WILLCOCK: I am referring to Western Australia only, because the Bill deals with this State. The Government should consider primary production of sufficient importance to justify them going thoroughly into the whole question and advancing a comprehensive policy dealing with the assistance given to people engaged in the agricultural industry. The old question regarding storekeepers' accounts again crops up. I have inflicted this upon the House year after year, hoping that something will be done. I have declared it to be a crying and gross injustice that the people who stood by, and practically made the agricultural industry of the State, should be debarred from receiving money rightly due to them. We know of cases where the accounts of clients stand in credit on the board's books, and yet those people are owing money to outside creditors. While they remain on the board's books, the money of these clients cannot be obtained by the outside creditors. Such a policy was never intended by those who were responsible for the initiation of the Industries Assistance Board. The purpose of the board was to retain people on the land until they were in credit on the board's books. Even now people who are owed money by various agriculturists cannot obtain their just payments, because sufficient money is retained by the board to enable the clients to put in the next season's crop, quite apart from any advance made by the Agricultural Bank. In justice to the storekeepers and merchants who in the past stood by the industry which they built up with the assistance of their own finances—I admit too, that the Government did a lot to assist in that direction—we should remember that these individuals made it possible for the farmers to remain on their holdings under the system of private credit that obtained prior to the establishment of the Industries Assistance Board. As a matter of fact, hundreds or thousands of people who are on the land today, would not be there had they not received from the merchants and storekeepers the necessary assistance to keep them there.

Mr. Piesse: That is quite true.

Mr. WILLCOCK: Yes; everything I say is always quite true. In justice to those people who stood by the agricultural industry for years, the Government should take over the outstanding liabilities to merchants and storekeepers.

Mr. Pickering: At what value?

Mr. WILLCOCK: That could be determined. I have heard storekeepers say that they would accept 10s. in the pound, without any interest at all.

Hon. W. C. Angwin: Some of them have said they would accept 5s. in the pound.

Mr. WILLCOCK: I have heard that too, but it does not say that we should be content to give them 5s., if we can get more. People who have been rendered such assistance in the past should have sufficient gratitude to be willing to pay their debts in full, if they have made good in the meantime. They should be willing to pay whatever they can towards the gross amount necessary to make up the payments of 10s. in the pound, which the Government could reasonably give the storekeepers and merchants and not lose any money by doing so. I know the amount of indebtedness to outside creditors has been reduced gradually.

Hon. W. C. Angwin: It is a little over £300,000 now.

Mr. WILLCOCK: And it has to be remembered that that very fact makes the position a bit worse, because the good payers are those who will pay and if the indebtedness were reduced to £200,000 or less, the clients concerned would probably be those whose liabilities represent really bad debts, respecting which nothing will be obtained. If we were to take over the liabilities now, we might get 10s. in the pound all round. Storekeepers and merchants would be assisted, and the farmers should be satisfied with having had the use of the money during all these years without the payment of interest.

Hon. W. C. Angwin: A good lot of the money owing carries interest at 8 per cent.

Mr. WILLCOCK: Some of it does so, of course, but a lot of it does not carry interest. This position, however, will make it more difficult to liquidate the debts. If the bad debts represent £100,000 and 8 per cent. interest has to be added in three years' time, the total indebtedness will be increased to £120,000, and thus make the position worse still. I do not think there would be a great howl of indignation about it, because people have been assisted for many years past, who were taken from an absolutely hopeless position and through the operations of the board have rehabilitated themselves financially. In addition they have an asset that is growing in value all the time. A man may owe £300 on his land, and as the land rents have been taken over by the board, his asset which on a £500 farm might be £200, leaving the balance of £300 owing in respect of the land, would, under these conditions, have been increased in value to £250, thus placing him

in a much better financial position. Everyone knows that had it not been for the operations of the board, many of these people would have been insolvent. All the hard pioneering work extending over 10 or 12 years, would have gone for nothing. No one would have benefited, and the agricultural industry would have been practically closed down. It is not like an ordinary proposition such as building houses, for although such buildings may be empty, the asset remains the same although the return may not be so great. If a man's land is not utilised, it means that property that has been cleared is grown over in the course of time. Buildings tumble down, and machinery gets into a state of disrepair and is rusted until it becomes useless. If a man were again put on his holding after the lapse of time, even with a considerable sum of money at his disposal, he would not be in the same position as he occupies now, because of the operations of the board which have kept him going. These people who have been rendered such great assistance should be willing, even if the Government took over their debts at the rate of 10s. in the pound, to pay up the balance if they were in a position to do so. If only on account of gratitude for the assistance rendered them in the past, which has enabled them to succeed, they should be honest and pay their just debts. If the Government can get out of it by paying 10s. in the pound so much the better, because they have lost a good deal of money through the advances made by the board. Something along these lines could be done and delay will only mean getting in a worse position regarding these debts. If the outstanding liabilities are reduced as is shown now, it will mean that we will pay off £60,000 or £70,000 of good debts and thus make the position more difficult, because the remaining indebtedness will largely represent bad debts.

Mr. Angelo: Mr. Bickford, in evidence, stated that his firm would be prepared to accept 5s. in the pound, which makes the position so much the better.

Mr. Teesdale: Who said that?

Mr. WILLCOCK: Mr. Bickford, who was chairman of the Chamber of Commerce, a man who had a lot to do with this question. He is a representative man, and on the books of his firm there are debts representing from £20,000 to £25,000. If those at the head of a firm such as that with which Mr. Bickford is associated, are prepared to accept that compromise. I think other firms will accept it also. In any case, there is a hopeless feeling manifested by the storekeepers at the present time. They did not mind standing out of their money for two or three years, but this has been going on for nine years now, and they are without hope or any prospect of getting their money. The majority of them have become resigned to their fate. As a Parliament we should do justice to these people and not permit the existing state of affairs to continue. At the outset we told these people when the Industries Assistance

Board was formed, that the merchants could not touch the clients, and explained that it was in the interests of the State that the agricultural industry should be kept going. Those people agreed to stand out of the money, but they feel that their position is hopeless at the present time.

Mr. Teesdale: It has to be remembered, too, that the price of wheat at that stage was such they they will not receive again.

Mr. WILLCOCK: Yes. Had it not been for that, the liabilities to the board would have been much greater. The percentage of failures on the board's books would have been immensely greater, had it not been for the fact that two or three years after assistance was rendered to the people, phenomenal prices were received for phenomenal wheat yields.

The Minister for Agriculture: It was not till the 1918-19 season that they got good prices.

Mr. WILLCOCK: That is so, and the board was established in 1915.

Hon. W. C. Angwin: The creditors got more money before that time than since.

Mr. WILLCOCK: That was, because we thought the people wanted temporary assistance only, and we considered that that was all the assistance that would be necessary. People who were in a hopeless position did not give the Government a return for the assistance they received. They merely hung on for the sake of the sustenance allowances they received; they were unscrupulous enough to do that. Inspectors saw that they had a certain amount of work to justify the payment of the sustenance allowances. When the time came and phenomenal prices were received, these people realised that if they maintained their position for another couple of years, they would be out of debt. They bemoaned their lack of foresight which had not resulted in greater efforts being put forward so that their returns would be greater. I am not worrying about those people, some of whom thought they were bankrupt. In the end, however, some found themselves in a sound financial position after two years, with credit balances. When they saw what the position was, they went to work with a will in order to reap the benefit. Parliament, having denied the people who stood by the agricultural industry for many years the right to recover just and honourable debts, should now recognise their claims and the Government should seriously consider the position. I should think we would get eventually £150,000 out of the £321,000, and if this is so, it should not be difficult for the Government to take over those debts at £150,000 and pay the storekeepers off, so that they would have something. The Government should take an instruction from the House in this matter. Representations have been made by the Chamber of Commerce, by storekeepers, members of Parliament and almost everyone interested in the welfare of the State, but year after year the continuance measure has been brought down, and a promise given

that the system of rural credit would be placed on a sound basis. I hope it is not beyond the capacity of the Government to establish some sound system instead of having three or four different institutions dealing with the same work. In many cases it is difficult to know where to make inquiries. An advance may be made under the soldier settlement scheme, more money may be advanced from the Agricultural Bank and some from the Industries Assistance Board. What an absurd position it is to have three institutions dealing with the same individual and the same land, all keeping separate accounts, debiting up different rates of interest, making up their books at different periods of the year and rendering it impossible for anyone to obtain reliable up-to-date information regarding his position! There are men who do not know whether they are £1,000 or £600 in debt. They have no means of ascertaining. We should at least get down to a business system and introduce a proper scheme. The board is to be continued for another 12 months, and we do not know for how much longer thereafter, and the same state of affairs will continue. I again stress the necessity for the Government to get down to a proper system of rural credit and put the industry on a sound financial footing.

The MINISTER FOR AGRICULTURE (Hon. H. K. Maley—Greenough—in reply) [4.33]: Members should recognise that this is the ordinary continuance Bill.

Mr. Willcock: Yes, continue, continue, continue!

The MINISTER FOR AGRICULTURE: It has been stated that the board should effect its own insurance and that some of the recommendations so ably put forward by the select committee should be adopted. So far the report has not been before the House for consideration, but members have taken advantage of this occasion to discuss matters which properly belong to a motion for the adoption of the report.

Hon. W. C. Angwin: There is no chance of that coming on for consideration.

The MINISTER FOR AGRICULTURE: The report has been considered by the management of the board, but naturally it is impossible to make any proposals before thorough and exhaustive consideration has been given to the recommendations. Following on the interesting and informative speeches delivered regarding the operations of the board, the exhaustive inquiry made by the select committee and the proposed valuations to be made of the assets of many of the clients of the board, it is probable that an amending Bill embodying the recommendations will be brought down next session. To the member for Geraldton (Mr. Willcock) I would point out that the principal factor bearing on the rate of sustenance at the time the present Premier took over from the ex-Minister for Industries, Mr. Robinson, was the price of wheat, which was the highest in the history

of the State. That price covered the years 1918-21. I do not care what academic proposals are advanced with regard to conducting clients' affairs, whether they be in the direction of supplying stock or a higher rate of sustenance, the whole question hinges on the personal equation of the client being assisted.

Hon. W. C. Angwin: And the quality of the land he is working.

THE MINISTER FOR AGRICULTURE: That must always be one of the fundamental factors of success in farming. It would be injudicious to give a man on a security which is a bit slippery stock for a holding which is not protected with fences. The personal equation again comes in as to whether the individual has the capacity to handle stock. To give a man a few hundred sheep will not ensure his making a profit, because he may not know how to manage them. When the board were reviewing the ratio of assistance to be furnished to clients during the last season, the personal equation of the settlers was considered, especially many of those who are in a bad position, in order to ascertain whether it was worth while carrying them on, or whether it would be better to stop their sustenance and supply them with fertiliser and let them get on as best they could. The constantly increasing load of interest charges booked up against many clients constitutes a handicap which they can never overcome. In the course of the present year, the valuations ascertained should permit of the board determining the position of these clients and recommending an amendment of the Act. The report of the select committee will receive the earnest consideration of the Minister and of the board, and a definite policy will be submitted next session.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Angelo in the Chair; the Minister for Agriculture in charge of the Bill.

Clause 1—agreed to.

Clause 2—Continuance of principal Act:

Hon. W. C. ANGWIN: I would like to make a personal explanation regarding a matter mentioned in the report, because I feel sure there will not be an opportunity this session to discuss the report.

The Minister for Agriculture: We have all next year.

Hon. W. C. ANGWIN: The select committee dealing with clients of the board included the following paragraph in their report:—

In addition there are 992 clients who are returned soldiers. According to the evidence of the manager (Mr. McLarty) those men who obtained land under the Soldier Settlement Scheme had drawn the full amount allowed under the scheme—£2,000—before becoming board clients.

That was based on the evidence of Mr. McLarty, which evidence he had an opportunity to peruse before it was printed. Questions 358-360 and the replies read as follows:—

There is a list here of soldiers' balances, £470, £407, £497, £527, and others. Does this mean that the soldiers have had their £625 from the Soldier Settlement Scheme, and that the amounts I have read are additional?—The I.A.B. advances are quite distinct from the soldier settlement and bank advances.

How much can you advance from the soldiers' settlement bank advances account?—£2,000.

The man who has drawn £550 has a total advance of £2,550?—Yes. The advance made by the board would be over and above his soldier settlement advance. I have read those questions and answers to show on what ground that paragraph was inserted in the select committee's report. I have received a letter from Mr. McLarty in which he states there was a misunderstanding. The letter reads—

I desire to correct a misunderstanding which has arisen in connection with my evidence before the select committee regarding the amount advanced to soldiers in the wheat belt, under the Discharged Soldiers' Settlement Act. The report conveys the impression that the maximum advance of £2,000 has been made to all soldier settlers who are being assisted by the Industries Assistance Board. My reply to question 360 was not intended to have a general application. I construed the question to apply to a settler who had drawn his limit from the soldier settlement scheme, the object of the committee being to ascertain whether the Industries Assistance Board advances were in excess of the limit imposed by the Discharged Soldiers' Settlement Act. On the 30th September last the average advance approved to soldier settlers was £1,053. The average to settlers in the wheat belt would probably be about £1,400. (Signed) E. A. McLarty, general manager.

There has been a misunderstanding. From the answers given by Mr. McLarty no other conclusion could be drawn than that the board advances would be over and above the £2,000 advance to soldiers under the settlement scheme.

Clause put and passed.

New clause:

Hon. W. C. ANGWIN: Before moving a new clause, let me say that there is no occasion for the Minister to shelter himself in the matter of insurance behind the fact that one special board is reporting on the matter. Those boards were never required, and they are not likely to turn out as the Government expect. If the new clause which I am about to move is ruled out, I hope the Government will in the course of this session introduce a Bill embodying the amendment. I quote from Mr. McLarty's evidence again—

1049. Do the board think they should carry out their own insurance scheme?—I think they do. Taking the figures over a number of years, they would be a good many thousand pounds in pocket if they had carried the risks and collected the premiums. They would have had a nice fund to meet their liabilities. The proposal, of course, is open to the allegation that we would be competing with established institutions.

1050. You would be working under entirely different conditions, because the board was brought into existence to assist farmers who were in difficulties?—That was the original idea. Whether the board has developed other objectives, it is hard to say. It would be difficult to do away with the board now. Some of those clients who have been reasonably successful do not want to go off the board, though the trustees often prefer that they should.

1051. The premiums you have paid and the claims met show such a big difference that you could have profitably carried your own risks?—Yes, it would have left quite a decent margin of profit. Our operations and risks are spread over a large area and a big clientele, and therefore we come under the law of averages. It is a well known fact that insurance is all right when based on the law of averages. If we had taken all the risks and become our own underwriters, as some of the shipping companies do, we would have made a good profit.

Mr. Davies: Have the board put up a recommendation to that effect?

Hon. W. C. ANGWIN: The board have for some considerable time been of opinion that they ought to insure the crops of their clients, and have for some considerable time been desirous of doing so. But under their Act they have no power to do so. Let me point out for the benefit of the Country Party that according to the auditors there is a grave doubt whether the Government can "collar" the commissions which the board have secured. In all probability, if the Government did the insurance, the profit would go to the individual clients of the board. The auditors take the stand that the Government have no right to charge a client more than they actually pay. I may add that the Government have received these commissions to the extent of thousands of pounds. The select committee have recommended that the opinion of the Crown Law Department should be obtained on the matter. So far as the select committee could gather, there has been no ruling by the Crown Law Department. I urge upon the Minister that he should endeavour to carry out the wishes of the board in this matter. I know the difficulties Mr. Baxter had to contend with when trying to do something that was in opposition to the interests of certain institutions. If my new clause is ruled out, I will, if I can, give notice to

introduce the necessary amending Bill myself. I move—

That the following be added, to stand as Clause 3: "(1) It shall be lawful for the board, in lieu of insuring the crops of persons indebted to the board under the provisions of Part II. of the principal Act by policies of insurance, to establish a fund for the insurance of such crops from loss or damage by fire or hail. (2) On such fund being established, the board shall charge to the account of each person indebted to the board, as a contribution to such fund, a percentage at the prescribed rate of the insurable value of the crop of such person as fixed by the board: Provided that such prescribed rate shall not exceed the average rate of premium paid by the board for insurance during the three years preceding the commencement of this Act. (3) On the crops of any such person indebted to the Board as aforesaid being lost or damaged by fire or hail, a sum equal to such loss or damage, to be fixed by the board, shall be charged to the fund and credited to the account in the books of the board of the person sustaining the loss."

This clause, if carried, will not give the board power to embark upon a system of State insurance, but merely to do the insurance business of the clients in the same way as many large companies do their own insurance today.

The CHAIRMAN: I regret that I must rule the new clause moved by the member for North-East Fremantle out of order under Standing Order 391, which reads—

It is an instruction to all Committees of the whole House to whom Bills may be committed, that they have power to make such amendments therein as they shall think fit, provided they be relevant to the subject matter of the Bill; but if any such amendments shall not be within the title of the Bill, they shall amend the title accordingly, and report the same specially to the House.

This Bill is a continuation Bill. It certainly went through its second reading as a continuation Bill. It is here before us now as a continuation Bill. The fact that this Standing Order insists upon amendments being relevant to the subject matter of the Bill brings the new clause within the provisions of the Standing Order. In "May" the following opinion is given with regard to Bills in Committee:—

In like manner it is not within the scope of a Committee on any expiring laws continuation Bill to amend the provisions of the Act proposed to be continued.

This is an expiring laws continuation Bill. Therefore the amendment is certainly not relevant to the subject matter of the Bill, inasmuch as it absolutely and entirely alters the scope and provisions of the Bill. It makes the Bill a different measure altogether. I therefore must rule that the new clause pro-

posed by the member for North-East Fremantle is not in order.

Hon. W. C. Angwin: I expected that.

Title—agreed to.

Bill reported without amendment, and the report adopted.

BILL—AGRICULTURAL LANDS PURCHASE AMENDMENT.

Second Reading.

Debate resumed from the previous day.

Hon. P. COLLIER (Boulder) [5.0]: I have no objection to this Bill, as I recognise it is necessary that the Government should have additional funds to enable them to purchase estates that may be offered for sale during the year. I notice from the latest reports of the Under Secretary for Lands that 12 different holdings were purchased during the past financial year, having an area of 56,994 acres, the purchase price being £82,326. These estates have been subdivided into 33 different holdings, so that the price per holding would work out at approximately £2,500. If we assume that each of these holdings originally carried one farmer, and that the subdivisions are in the future to be occupied by 33, we get as a result an additional 22 settlers. It does seem a fairly large amount of money to pay for that increased number of settlers.

Mr. Money: The man who sells, often continues farming; he rarely remains idle.

Hon. P. COLLIER: That is so, but we cannot get away from the fact that the net result of the expenditure of £82,000 is an addition of only 22 settlers. It will cost us an enormous sum of money if we are to effectively settle our lands at that rate of expenditure. However, the average price for each holding does not appear to be high; in round figures the price works out at 30s. per acre, and I presume that each of these holdings has been more or less improved. Some, indeed, may be improved to a considerable extent. The average price, therefore, does not appear to be very high. I notice that one of the estates purchased was that of Mr. Gooch and that the average price was £2 10s. per acre. The extent of this property is 10,115 acres and the cost £32,875.

The Minister for Agriculture: Some of these properties are well improved.

Hon. P. COLLIER: I suppose Gooch's property is one of those the Minister has in mind.

The Minister for Agriculture: There is another one at Mullewa with 1,200 acres cleared.

Hon. P. COLLIER: The figures do not seem to indicate that excessive prices have been paid for these estates. I notice also amongst them the estate of the late Mr. Glowrey. If I remember rightly, that land was taken up 15 or 16 years ago, and I know that Mr. Glowrey must have spent a considerable sum of money on it. Yet I find that the

property, which consists of 15,998 acres, was secured for only £13,598.

Hon. M. F. TROY: It is not greatly improved, but it was a cheap property all the same.

Hon. P. COLLIER: Even with the fair proportion of first class land which it must contain, it must have been worth, in its virgin state, what was paid for it.

Hon. M. F. TROY: Yes, it was a remarkably cheap property.

Hon. P. COLLIER: Even though the Closer Settlement Bill may not become law during the session, I have no doubt that the Government will continue to purchase estates of this kind whenever the opportunity offers. There can be no objection to giving the Government the additional capital required, and it is necessary that we should continue the policy of closer settlement wherever possible. If we can place two or three or more settlers on holdings which previously carried one, the State must benefit.

Hon. M. F. TROY (Mt. Magnet) [5.7]: I support the measure, because I have personal knowledge of some of the estates which have been acquired by the Government in the wheat belt. My opinion is that the Government have made some good bargains inasmuch as they have secured the properties at a value which few people in the State would be prepared to accept for their land. Regarding Glowrey's estate, I saw the plan. Some returned soldiers consulted me about taking up this area, which is about a mile from a railway siding. It is a very cheap proposition. Of course, the improvements have not been as great as one would expect. Even so, the State could not have acquired the holding but for Mr. Glowrey's death and the fact that the estate was somewhat involved, and the property had to be sold. If returned soldiers cannot make a living on property acquired at such a price, the prospects of successful settlement in this country are hopeless. The estate to which the Minister for Agriculture referred contains an abundant supply of water, which must prove of great advantage to the settlers who take up land there. I have urged in this House from time to time that the Government would be well advised to buy estates like these rather than sink money in schemes in the South-West where the return is doubtful.

Hon. P. COLLIER: And where the price per acre is much higher.

Mr. Money: The South-West doubtful?

Hon. M. F. TROY: In the immediate future.

Mr. Money: It is absurd for you to say anything like that.

The Minister for Works: Where ignorance is bliss! He does not know the South-West.

Hon. M. F. TROY: It is not a case of where ignorance is bliss; it is a case of where experience is wisdom. I am perfectly satisfied that settlement in the South-West will not furnish a return for some years.

Mr. Money: Do not proclaim such a thing. You might have said that 20 years ago.

Hon. P. Collier: Ask the Minister for Works about his experience down there.

The Minister for Works: I do not know anything about it.

Hon. M. F. TROY: I am not opposed to the South-West by any means; I only hope the development will be rapid and successful.

Hon. P. Collier: You are just damning with faint praise.

Hon. M. F. TROY: I know the South-West and the heavy timber there. The Government would be better advised to buy properties in that part of the State where the return is likely to be quicker, where the land is sweeter, where the growth is better, and where the production is greater and is brought about at an earlier stage than in the South-West. Between the Midland railway and the Wongan Hills line there is a large tract of country capable of carrying a good deal of settlement. There is a good rainfall there, better in fact than the rainfall along the Wongan Hills line. The land is fertile.

The Minister for Works: But dry.

Hon. M. F. TROY: The Minister should see the production there. If property were acquired there, the State would secure a very good return. If I had my way I would buy land that it was possible to secure cheaply at the present time in those parts of the State where it could be made rapidly productive. I commend that suggestion to the Government, and support the measure because it is in the best interests of the State.

Mr. PICKERING (Sussex) [5.15]: I will support the second reading. As a representative of the South-West, I have never yet decried any other part of the State to the advancement of my own. I regret that other hon. members should see fit to do this.

Hon. P. Collier: You are entering a protest.

Mr. PICKERING: Yes, against the remarks of the last speaker.

Mr. Wilson interjected.

Mr. PICKERING: I am not in accord with the hon. member's views.

Hon. P. Collier: Your experience is confined to the timber areas.

Mr. PICKERING: If my experience is on the lines indicated by the Leader of the Opposition, which I deny, I have at least travelled extensively through the South-West, and so acquired a fairly good knowledge of it. Most of those who have made good in the South-West have made good without that assistance vouchsafed in other parts of the State. I am unaware of either wodge or sandplain in the South-West. At all events, it should not be the business of members to decry an invaluable portion of the State which is being so lavishly exploited to-day. Every possible encouragement should be given to those undertaking the work. We should do all we can to instil confidence in the new settlers. Instead of that, some members are prepared to come here and decry the whole of the South-West. I have heard this done, not only to-day, but on past

occasions, by men who happen to be in a position which would enable them to lend encouragement to the development of the South-West. It is not my desire to obstruct the Government in the resumption of unutilised land and the rendering of it productive, but I hope that in future hon. members will not try to advance their own parts of the State by decrying others.

Mr. MONEY (Bunbury) [5.18]: I am surprised that any hon. member should find it necessary to question the fertility and productivity of the South-West or the profits to be derived from the cultivation of land down there. To look at an old map and repeat the ideas which might have been expressed there 20 years ago, is simply absurd in the light of the present development of the South-West. Land that even a few years ago was regarded as useless is to-day found to be capable of producing wonderful herbage through this invaluable subterranean clover which seems to find its natural home in the South-West. I was gratified to hear the remarks of the Leader of the Opposition; because if the Closer Settlement Bill does not go through, there is under this Bill ample power to enable the Government to continue a scheme of closer settlement by private purchase. Reference to the cost of clearing in the South-West has no application to the Bill, for the Bill enables that drawback to be ameliorated by the taking advantage of the work of the early settlers, who have made considerable improvements. Those improvements are worth more to-day than the unimproved land would be at a gift, especially when we appreciate the necessity for quick returns, as against going on to new land and combating gigantic timber which takes years to clear. If the Bill be properly applied, it will serve to secure thousands of acres of land sweetened by occupation, ring-barking and other methods, land on which, in addition, the stock have been spreading the clover seeds. Frequently it is cheaper to pay £2 and £3 per acre for partially improved land occupied for years than it is to take unimproved land at a gift and attempt to improve it. I will support the second reading.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

ANNUAL ESTIMATES 1922-23.

In Committee of Supply.

Resumed from the previous day; Mr. Munsie in the Chair.

Department of the Minister for Water Supply, Sewerage and Drainage (Hon. W. J. George, Minister).

Vote—Other hydraulic undertakings, £31,456, chargeable to revenue:

Mr. HARRISON (Avon) [5.25]: As I said yesterday, it would be much better if the sewerage and water supply of the metropolitan area were placed under a trust or board, thereby relieving the Government of the administration. Half the population of the State is now within the metropolitan-suburban area, in which we have professional men such as engineers, surveyors and accountants of high attainments. The principle would be more democratic, and the conditions are now such that they could carry their own administration and objectives of supply, including finances. The time of the Minister and his chief officers is all too limited to allow of them to carry on this as well as other great works in other parts of the State. We need a broader vision in respect to immediate future development. We must think in millions. Our total area is 999,000 or a million square miles, being nearly 640,000,000 acres. We have a deficit of over £6,000,000, a loan indebtedness of nearly £50,000,000; and require a population of millions to carry the obligations of State finances and development. There is evident an earnest desire to increase our population. I understand the mark at which the Government are aiming is a million souls. It is time some serious attempt were made to improve our acquaintance with the facts and conditions, not only in the South-West and in the wheat belt, but also in the North-West, where an enormous population could be absorbed. It should be a function of the Commonwealth Government to inquire into and map out the physical conditions of the State, on land as well as on the coast, and particularly with regard to river basins and other water supplies. New South Wales, Victoria and South Australia are being materially helped by the Commonwealth Government in respect of water supply and irrigation from the Murray River. It should be for the Commonwealth Government to assist us in respect of the conservation of water. We should be taking advantage of modern appliances and of scientific research. During the war, the Intelligence Department of the British Army was kept informed through photographs taken by the aerial service. Should we not adopt this system as a highly satisfactory means of charting all our water resources and so relieve ourselves of a lot of detail work necessitated by surveying on old-fashioned methods? Many thousands of people could be established on one river basin in the north-western area if proper irrigation services were provided. The member for Roebourne has taken up the irrigation question for his electorate, and this should be seriously considered and taken in hand simultaneously with the work set out under this vote.

Hon. P. Collier: We have an immense area of country and 300,000 people, and now they talk of irrigating in the North-West.

Mr. HARRISON: We certainly want more population, but we require a broader vision to enable us to handle the big undertaking that faces us. There has already been a big capital outlay in that part of the State and unless we spend more money and encourage a larger population to go there, we shall not get the results we should or obtain relief from our present indebtedness. The soil is good and the climate excellent, and all we want is energy and water supplies to obtain the results.

Mr. Marshall: You have to get the land first.

Mr. HARRISON: We have the land as well as the climate. We should without delay take steps to see exactly where we stand to-day. We know what the actual value of our wool is. We have to ascertain now the value of our land for cotton production, and we can do that if the cotton industry is taken properly in hand. I do not know of any other part of the State that could give results under irrigation equal to the north-western area. An officer of the department who knows the conditions of the North-West speaks of the rivers and water supplies, and shows that the natural conditions are such that an enormous quantity of water can be conserved at comparatively little cost. It should be the policy of the Government to take advantage of this position, and prove whether these statements are correct in regard to capital outlay upon irrigation on a large scale. If this work is taken in hand an enormous amount of wealth should accrue to the State generally, supplementing both our wool and wheat industries as well as stimulating interest in the mineral resources of the North-West. The establishment of a comprehensive irrigation scheme will mean improvement in the sea transport services, and lead to an improvement in the land transport arrangements. Under this vote we find "Preliminary investigations into water supply, sewerage and irrigation schemes: collecting data, stream gaugings, etc.; maintenance and upkeep of main drains and flood gates." I hope Cabinet will take this matter into consideration. Such data should be obtained at once in order that we may derive advantage from the markets that are staring us in the face. Our wool prices are high at present chiefly owing to the short supplies of cotton. I desire to stimulate the efforts of the member for Roebourne and assist him in keeping the matter before Cabinet. It is an opportune time to develop this part of the State in the manner in which it should be developed, with a view to meeting the financial obligations we have. That is the reason why I have reserved my remarks on water supply and sewerage to this particular Vote. My desire is to stimulate effort throughout the State. Water supplies must be conserved in the North for the production of cotton, and in the southern parts of the State water supplies and fencing must be provided in our agricultural areas to enable the settlers to carry stock instead of

relying solely upon cereal growing. Many of our settlers cannot make good on wheat alone. We cannot satisfactorily carry on cereal production without permanent water. In the South-West there are thousands of acres of land which with proper drainage would be producing their value to the full.

The Minister for Works: There are hundreds of thousands of acres of the finest land on God's earth that only require to be drained to become productive.

Mr. HARRISON: It probably runs into a million acres. We require a broad outlook and a big vision in order to face the position as it should be faced. Something should be done to obtain the data that is necessary and find out where we are with regard to the water supply position.

Mr. PICKERING (Sussex) [5.37]: Since the Government have realised the value of draining the South-West much of the land around Busselton, which has hitherto been regarded as more or less valueless, should now be brought into a state of productivity. The member for Bunbury and I have repeatedly drawn attention to the necessity for a scheme of drainage throughout the South-West. The efficacy and necessity for this has been so well borne out by the operations on the Peel estate that the results there can be taken as typical of what would follow in the train of similar methods in other areas in the South-West. I hope the development that will follow the operations on the Peel estate will embolden the Government to pursue the policy further. The secret of the success of a very large area of this State lies in the direction of proper drainage. The only way it can be undertaken is by means of national drains. The scheme must be properly arranged. There must be some definite policy laid down in respect to each water table, and there must be contributory drainage schemes connecting with the national drains. Only by these means can a proper system of drainage be brought into being. I have had personal experience on my own property of the benefits which accrue from drainage. If the system could be extended to a wider scope instead of being confined to small operations we could hope for big developments in the future. I must congratulate the Government upon the steps they have already taken in the Sussex electorate.

Mr. MONEY (Bunbury) [5.40]: I should like to hear from the Minister whether we are following the same methods of drainage that were adopted 20 years ago, or whether we have the plant and machinery for the construction of drains on improved and economical lines.

Mr. Latham: We have them now.

Mr. MONEY: If there is to be development, we must follow a definite system of drainage, for this would do away with half the troubles that exist to-day. Every man on the land in the South-West should have

the right to drain into a national drain, but the construction of the main drain should be a matter entirely for the Government. It is quite as much as the settler can accomplish if he constructs his own drain leading into that built by the Government. I should like the Minister to acknowledge the necessity for such a scheme, for without it we cannot meet with the success we all hope to attain. It is impossible to develop the South-West as it should be developed without such a system.

The MINISTER FOR WORKS (Hon. W. J. George—Murray-Wellington—in reply) [5.42]: The vote we are discussing has rather a wide range. It deals, for instance, with the "upkeep, maintenance, and improvement of minor town water supplies." The annual report of the Public Works Department will show the number of town supplies we have, and the results of their working. Many of the minor town supplies do not pay and are not likely to return a profit on the outlay. But they do pay by rendering life possible in places which would otherwise be unfit for people to live in. We also have "sinking wells and boring, maintenance on boring plants, pumping plants, windmills, tanks, and dams; grants to boards for maintenance, tanks, wells, etc., in agricultural areas." We do not make grants now for the maintenance of tanks. It is the duty of the local authority to look after these and for some years they have had to do so. The member for Avon dealt with "Preliminary investigations into water supply, sewerage and irrigation schemes; collecting data, stream gaugings, etc., maintenance and upkeep of main drains and flood gates." That is a big programme. The sum of £31,000 is equivalent to a drop in a bucket of water in dealing with all these questions.

Mr. Harrison: You are spending too much in the metropolitan area and not enough in the country.

The MINISTER FOR WORKS: I do not admit we are spending too much in the metropolitan area, but I say we are not spending as much as we should like in outside areas, which must be attended to by this branch of the department or we shall not get the benefits that we most desire.

Mr. Harrison: I accept that.

Hon. W. C. Angwin: The Government should not spend anything in the metropolitan area.

The MINISTER FOR WORKS: The demand for water has given me great concern during the last few weeks. Owing to the scarcity of money we have not been able to make the necessary inquiries before giving an estimate for many of the works asked for. Members ask for this, that and the other water supply. Our department is supposed to be able to say at once what is the best site for a dam in any particular place, what it would cost to sink it, and give all the information that is required. Members will appreciate the fact that work has sometimes to be under-

taken without an inquiry first being made concerning it. In an exuberance of hope we may all have done things into which the experience of years tells us we should first make necessary investigations. It has been a matter of great regret to me that the Treasurer has not been able to give me the money which I know should be used for the purposes I have related. I shall draw the attention of the Treasurer to the practical remarks made by hon. members, and perhaps he may see these matters in a different light. Wherever there are calls for water at the present time, the Railway Department is conveying supplies to the districts where it is needed, and we are doing the best we can in the interests of all concerned.

Mr. Harrison: I have no complaints to make in that direction.

The MINISTER FOR WORKS: Regarding the wells, we will look into that question. As to dams, it is not the intention of the Government to put down any more. What we are prepared to do is this: If the road boards find the site which in their opinion will provide a good catchment area and they give us a price for 2,000 or 3,000 or 4,000 yard dams, the matter will be considered by the Government and, if possible, funds will be provided for the work. The clearing of the site, the contour drains and fencing will all have to be undertaken by the people in the districts concerned.

Mr. Hickmott: They should be under the control of the road boards.

The MINISTER FOR WORKS: It is only right that these people should keep the dams in order. Unfortunately there has been implanted in the minds of people for many years past, starting from the days of responsible Government if not before that, a desire to lean too much on the Government, and forget what people should do for themselves. The result has been that members of Parliament are besieged with requests from their constituents which must be inquired into. Ministers in turn are worried because they recognise the necessity for some of the works, and fully appreciate the trouble members of Parliament are occasioned because of these duties. That is one reason why I always reply as far as possible direct to the applicants, sending copies to members, so that the vials of wrath may be poured on my devoted head, rather than on the heads of members for the respective districts. Regarding drainage matters, I was glad to hear the remarks made by one or two hon. members regarding the South-West, because I am afforded an opportunity to say a few words on this big subject. I may claim to know the country from Fremantle to Bunbury equally as well as any other hon. member. Probably I can go further think that. I have known this South-West country for 32 years and I know it not merely from looking on the map and going on picnics, but because I have been all over it in connection with the business from which I earned my living. I know this country well and I appreciate its value. I know its worth

from men who have started with practically nothing and have reared families and have prospered. These results afford ample indication to me of the value of the land. I realise that when such things can be done there must be something, not only in the land but in the men who are working it.

Mr. Hickmott: You find that everywhere.

The MINISTER FOR WORKS: That is so. There are swamps from Fremantle to Bunbury where there are very large areas of first-class land. I do not think I would be exaggerating if I said that there are between 200,000 and 300,000 acres of absolutely first-class swamp land between those two centres. It merely awaits a comprehensive scheme of drainage. I have not been to the Peel Estate since the work there was started, but I know that estate well as I went all over it in the days when I managed the Jarrahdale Timber Company, and I have it all mapped out in my mind's eye. While I understand what has been done with the different swamps, I know that the same thing can be done with dozens of other swamps on the way to Bunbury. There has been a little difference of opinion regarding the drainage business as between the Public Works Department and its various branches on one side, and the work that is controlled by the manager of the Agricultural Bank and the Repatriation Department on the other hand. There has not been any troublesome conflict, but it was realised that there might be a clash in carrying out the various duties. The Premier has sent me during the last few days, a note in which he defines the position and sets out the scope of the work which various departments have to undertake. I am hopeful that in the new year I will be able to get out a plan showing what has been done between Fremantle and Bunbury and showing where the different spheres of work and influences are centred. That will be done with the object, not of having trouble with any of the departments, but to avoid loss and difficulties which can easily confront the State. The object of the scheme is to have the drains carried out in the South-West so that they will work to one point. There are cases I know of where one section of a drainage scheme has been carried out under one engineer and another section under a different man, with the result that when they tried to link up the two portions, it has been impossible to deal with the position effectively. That is not only to be deprecated, but must be prevented in this instance. With that object in view, I have called upon the engineer for drainage attached to the Public Works Department to give me his views. I propose to ask the Premier, under whose control the Repatriation Department operates, to have the views of those connected with that branch of the public service and between the two, we should be able to ascertain where we are, and define the sphere of influence for the separate departments. Naturally I would prefer it to be done under the control of one department, not necessarily of my own department. It does not matter

to me whether it is controlled by my department or any other department, so long as the best advantage accrues to the State. If another department can do the work better, let them do it. They must convince us that they can do so, but in the meantime there must be no trouble between officers of one department and of another. We will not have that if it can be avoided. Although I have not seen the work that is being carried out on the Peel Estate, I have received reports from the Engineer-in-Chief and others. These have disclosed a lot of things which were not thought of by those interested in the scheme at the outset. An immense amount of water must be got rid of and the quantity is an eye-opener. Machinery for expediting the work including a big Bucyrus mechanical shovel and other appliances were procured by the Public Works Department and they have proved effective. I understand other machinery is coming along as well. If this drainage question is to be attended to properly, we must have the most up to date plant we can get hold of. It cannot be done unless funds are provided. We know exactly what we want, and we know the most recent improvements made in connection with these machines. Some of these shovels are fitted to deal with sand, others with loam and others for work where rock may be encountered. It is only a question of deciding on a big scheme—anything else, in my opinion, will be a mere waste of money—and then we shall know how to do it. Provided we can get the money enabling us to procure the best plant the world can provide, I can assure hon. members that so far as lies within my power, these results can be achieved. I do not know that there is anything else to which I can reply. I know the South-West from what people have done there and I have realised the prosperity or absence of prosperity which has been experienced by settlers there. I know the worth of that country because I have dealt with a large area myself in the South-West. I know many of the statements made about money being required to be successful at all there, are perfectly correct. At the same time, I will not subscribe to the doctrine that a poor man has no show in the South-West. From my experience a poor man may have to work hard, but he may do very well. Close to my own property in the South-West there are two men who hired eight acres of land from one of my neighbours. They put in potatoes and have been carting 80 tons to the siding. They grew the largest crop in the district. Whether it was that the season favoured them or they put in the work required to produce such a crop I do not know, but I know that "the spuds" are there and that they have been sold at a good price. I think there is a good show for poor men in those parts and they should succeed there. With these few remarks, I commend my Estimates to the Committee.

Mr. MARSHALL: I desire to say a few words regarding the preliminary inquiries made in connection with the water supplies.

The CHAIRMAN: The hon. member must speak to some item. The Minister has replied and concluded the general debate.

Mr. MARSHALL: I did not know that there was any reply to a debate when we were in Committee. I wish to deal with the water supply question and to support the remarks by the member for Avon (Mr. Harrison) inasmuch as the North-West is concerned.

The Minister for Works: We do not do anything in the North-West.

Mr. MARSHALL: From my experience, what with the Meekatharra Road Board, the North-West Department and the Public Works Department, not one of them seems to know where it is.

The Minister for Works: We know where we are.

Mr. MARSHALL: It is almost impossible for the local authorities in the North-West to know where they stand. There are 27 intermediate ports to interfere with correspondence and the activities of the local authorities in the North-West are held up by reason of these delays.

Mr. Latham: Meekatharra has been adopted by the North-West.

Mr. MARSHALL: We were not adopted; we were conscripted! As these Estimates do not refer to the North-West, however, I presume I am out of order and I will reserve my remarks until a later opportunity arises.

Mr. LUTEY: Regarding the water supply in the agricultural districts, I would like some information regarding the dam at St. Ives. A dam was constructed some time ago and I want to know who among the engineers was responsible. The dam was finished so far as the Department was concerned. There was a heavy thunderstorm which would have filled the dam if the drainage for the dam had been constructed in the proper manner.

The Minister for Works: How long is it since that dam was sunk?

Mr. LUTEY: I am not sure. It is not long since the big storm occurred.

The Minister for Works: We called for tenders for a big dam.

Mr. LUTEY: No, I am referring to the other dam. It was the heaviest storm known in the district, and yet none of the water went into the dam. It is remarkable that a dam should be left in such a state. Water in that district is precious, and the loss was serious. Will the Minister rectify the mistake? The residents suggested forming a busy bee in order to remedy the defects.

Hon. T. WALKER: I can bear out the remarks made by the member for Brownhill-Ivanhoe. This dam was constructed to supply water chiefly for mining purposes on the Ives field, and it has been an utter failure, not as regards its construction, but as regards the facilities for catchment.

The Minister for Works: How long since it was put in?

Hon. T. WALKER: A good many months ago, and we have had fairly dry weather since. On the first chance of the dam being filled, the water was conveyed around it, but

not a drop, save that which fell directly from the Heavens, went into the dam.

The Minister for Mines: I was advised that it had a very fine catch.

Mr. Lutey: There is another dam.

Hon. T. WALKER: Yes, another dam in close proximity to this one.

Mr. Lutey: This is the one near the Victory end.

Hon. T. WALKER: That is so.

The Minister for Works: They may have made a mistake; I do not know.

Hon. T. WALKER: I am merely directing attention to the facts so that the defects might be remedied.

The Minister for Mines: That is, if they are permanent defects, but it is necessary to keep the drains clear.

Hon. T. WALKER: I am aware of that, but it does not apply in this case.

The Minister for Mines: It does apply in some parts.

Hon. T. WALKER: There was an opportunity to get the dam filled, and we do not know when the district will get another such bountiful rain. I hope that proper courses will be cut, so that the next fall may be run into the dam instead of all round it.

The MINISTER FOR WORKS: Reference was made yesterday to this dam, and this morning I tried to get information regarding it. The engineer, Mr. O'Brien, was away on holiday leave. I sent for him but, by the time I left the office, he had not arrived. The second in command was away at Herdsman's Lake, and I could not get him. The hon. members were quite justified in bringing the matter forward. I shall make inquiries and see what can be done. If a mistake has been made, and apparently it has been, it must be remedied. It is of no use having a dam unless there are means of directing the water into it. We have just let a tender for a rather big dam there, about two million gallons I think, and from the start of Ive's field the department have done everything possible to meet requirements. I am puzzled about this dam, because it is not like Mr. O'Brien and his officers to make a mistake of that sort. There is a dam at Southern Cross, built 25 years ago, which has not had a drop of water in it, except what came out of a broken soda water bottle.

Mr. Corboy: Is that Gregory's white elephant?

The MINISTER FOR WORKS: I do not know the name of it. Some years ago, when I was a free lance, a party of us had a corroboree and we smashed a bottle of soda water over the dam so that it could not be said there had been no water in it.

Vote put and passed.

Vote—Perth City Markets, £1,143:

Mr. PICKERING: It is well known that the condition of the city markets is unsatisfactory, and it would be interesting if the Minister made a statement as to the Gov-

ernment's intentions to remedy the position. It is evident that any measure of the nature of that introduced by the member for Perth (Mr. Mann) recently will have anything but a welcome reception. Perth must have up-to-date markets. It should be possible for the Minister to convene a conference of all interested and evolve a scheme which would be satisfactory to Parliament. I think it could be done co-operatively, provided the Government were prepared to assist the venture with funds.

The Minister for Mines: The Government to find the money and take the risk, and the other fellows to take all the profit!

Mr. PICKERING: Any risk should be capable of being calculated. The probability of loss would not be great. It is a matter of urgency that steps be taken to provide adequate facilities. The best site should be selected. There is a hot dispute as to which is a most suitable site. I am at one with the Commissioner of Railways in the site he has chosen. I trust the Minister during the recess will evolve a scheme which will be of benefit, not only to the people of Perth, but to the State generally.

The MINISTER FOR AGRICULTURE: A thorough inquiry will be made and all the parties interested will be considered. If the Perth City Council desired to establish markets and the ratepayers would give them the necessary borrowing powers—about £250,000 would be required—there would be nothing to stop them from building the markets.

The Minister for Mines: They could not compel everything to go through their markets.

The MINISTER FOR AGRICULTURE: All phases of the question would have been inquired into by a select committee which we had hoped would be appointed if the Bill had passed its second reading. The council, the producers and the Government should have representation.

Mr. Mann: And the City Council to foot the bill?

The MINISTER FOR AGRICULTURE: That comes rather well from the hon. member, when the Perth City Council wanted to take toll of all the produce going through the markets and wanted this House to give authority for the council to borrow £250,000 without appealing to the ratepayers.

Mr. Mann: Do you suggest that the City Council should find the money and have the markets controlled by other parties?

The MINISTER FOR AGRICULTURE: If the hon. member maintains that the producers have no right to representation—

Hon. W. C. Angwin: They have no right to representation on the management of municipal markets.

The Minister for Mines: They have.

The MINISTER FOR AGRICULTURE: The whole matter is still under consideration.

Hon. W. C. Angwin: The Executive Council have the right to fix the charges.

The MINISTER FOR AGRICULTURE: If the hon. member maintains that attitude—

Hon. W. C. Angwin: It is the right attitude. You want one set of people to be responsible for the money and another set of people to manage the markets.

The Minister for Mines: What about the Fremantle harbour? We found the money and handed the harbour over to the Fremantle merchants.

Hon. W. C. Angwin: No, you did not.

The MINISTER FOR AGRICULTURE The question of the markets will be kept alive. In my opinion the producers and consumers are entitled to representation.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. P. Collier: Before we start we should have a quorum, I think.

[Bells rung and a quorum formed.]

Item, Acting Manager, £54:

Mr. MANN: But for the statement of the Minister for Agriculture, this vote would have passed without comment from me. The Minister, however, said that if the Perth City Council floated a loan with the consent of the ratepayers for the purpose of building markets, and built markets, those markets ought to be controlled by nominees of the producers and nominees of the Government.

Hon. W. C. Angwin: The most ridiculous statement ever made in this Chamber.

Mr. MANN: I do not know what prompted the Minister to make that statement.

The Minister for Agriculture: I did not make it. I said nothing whatever about control.

Mr. MANN: That was what the Minister conveyed to my mind.

Hon. W. C. Angwin: To mine, too.

Mr. MANN: When some time ago I introduced the Perth Markets Bill, the measure was strongly opposed on behalf of the producers. To-night the cat has been let out of the bag by the member for Sussex, who said the desire was that co-operative markets should be constructed by the Government.

Hon. W. C. Angwin: That was carried at the last conference.

Mr. MANN: Probably that accounts for the opposition from that quarter to the Bill which I introduced. We shall never have a successful method of disposing of products in the metropolitan area until we have properly constructed and properly controlled markets.

Hon. W. C. Angwin: Not until you help to put this Government out.

Mr. MANN: I hope that is not required. From a producer's point of view markets are an essential.

Mr. Latham: But do not be too voracious in your charges.

Mr. MANN: Evidently the Government do not intend to build markets, and only the

Perth Municipal Council, or the various municipal bodies in the metropolitan area, could undertake the work. Local authority would be in a better position to control the markets in the interests alike of producer and consumer than would any other body. I had intended to move for a select committee to inquire into marketing in the metropolitan area, but there has been so much business before the Chamber that the better course seems to be to leave the matter for the time being. If the Perth City Council are to construct markets, they should have the control of them, always subject to Government regulations. If Perth is to spend a quarter of a million in the establishment of markets, obviously their control should be in the hands of the city. I would be wanting in my duty as member for Perth did not I rise to protest against the Minister's suggestion.

Mr. Latham: It is all right so long as you do not want a monopoly.

Mr. MANN: The Perth City Council would be very unwise to construct markets at a cost of £250,000 or £300,000 unless they were given a monopoly. Subject to certain restrictions, a monopoly is all right.

The Minister for Agriculture: What was my suggestion?

Mr. MANN: That the City Council should find the money, and that the producers and the Government should jointly control the management.

The Minister for Agriculture: No.

Mr. MANN: That is certainly what I understood the Minister to mean, and the member for North-East Fremantle interjected that it was an outrageous proposal. To judge of the need for markets in the city, one has only to visit the kerbstone market on a Saturday morning and see the great volume of business done there and observe the advantage which that market represents to consumer and grower alike. If the Minister for Agriculture did as I suggest, he would throw his influence behind a Bill for the establishment of city markets.

The Minister for Agriculture: I have enough trouble watching the interests of consumers in the Government's own markets.

Mr. MANN: The market controlled by the Minister is not the size of an ordinary livery stable, nor is it constructed on lines which would fit it for any higher purpose.

Mr. Underwood: It is an absolute disgrace to Western Australia.

Mr. MANN: Recently the firm of Foggit, Jones, & Co. built premises in Wellington-street, opposite the Government market, and in those premises they stored such foodstuffs as bacon. The Health Department refused to register the premises because of the absence of wire doors. I suggest that the officers of that department should cross the street to the Government market and see the fish, and the carcasses of meat, with hundreds of thousands of flies on them, and absolutely unprotected. For the protection of our food supplies, especially meat and fish, proper markets are

essential. Next session I shall move for a select committee to inquire into the marketing question, and I hope that the result will be to put the House in a better frame of mind to consider a Bill in that connection.

Hon. W. C. ANGWIN: Like the member for Perth I was astonished at the Minister's statement with regard to city markets. Parliament has given to certain local bodies certain powers, one of which is the control of all moneys borrowed on behalf of the local authorities. That being the case, it is a matter of impossibility to allow any outsider a voice in the control of a market or other municipal institution established under the Municipal Corporations Act.

The Minister for Agriculture: Yet the Perth City Council came here for authority.

Hon. W. C. ANGWIN: The City Council bit off too much. The objection was not to the establishment of city markets, but to the methods which the City Council proposed to adopt. If the properties of the city ratepayers are mortgaged for the construction of markets, then the representatives of those ratepayers, and they alone, must control the markets.

Mr. Underwood: There is no argument about it.

Hon. W. C. ANGWIN: Any person elsewhere who says he should have a voice in the management of such a market is talking through his neck. The Government should build markets and the people will thus be responsible for the money which has been expended on them. Thus the producers outside the metropolitan area will be able to come in and take part in the control of the markets. The member for Sussex (Mr. Pickering) is anxious to have co-operative markets because not long ago I saw in the "Primary Producer" the report of a conference at which a resolution was passed declaring that co-operative markets in the metropolitan area were essential, and that the Government should be asked to find money for the erection of those markets and hand them over to the co-operative companies. In other words the Government should hand over the markets to Basil Murray & Co. to control. The hon. member cannot deny that.

Mr. Pickering: That would not be Basil Murray and Company.

Mr. Underwood: What a mess they made of the Fremantle freezers!

Hon. W. C. ANGWIN: I regret that the Government are not building markets on the land which was specially bought for that purpose. Regarding the existing markets, the building could well do with a coat of paint or even a little whitewash to make it more pleasing to the eye. At the present time the structure is a positive disgrace and quite unsuitable for the sale of foodstuffs.

Vote put and passed.

Department of Railways, Hon. J. Scaddan, Minister.

Vote—Railways, tramways and electricity supply, £2,532,000:

The MINISTER FOR MINES AND RAILWAYS (Hon. J. Scaddan—Albany) [7.52]: In introducing the Railways, tramways and electricity supply estimates of expenditure it will be as well if I point out to members that the total revenue estimated to be received within the State is £7,260,000 and of that amount railways, tramways and electricity supply are estimated to provide £3,340,000, or approximately about 47 per cent. of our total revenue. Of the expenditure estimated in connection with all the departments, totalling £7,649,000, railways, tramways and electricity supply will embrace £2,532,000. On these particular departments, therefore, our financial position at the end of the year depends in no small degree. Side by side with that we have to realise the number of Government employees for whom salaries and wages must be found, and also that a fair percentage of the total employed in the State are engaged within the four corners of the departments I have mentioned. No fewer than 7,505 were employed in the railways alone at the end of the last financial year. The number has been reduced since then, but the total is still a little over 7,000. That figure covers all our working railways, workshops, timber mills and other operations associated with the railway system. I merely mention this to show the magnitude of the operations of this department, and I wish to admit at once that realising the percentage of expenditure for which this department is responsible, as well as the percentage of revenue that is anticipated from its working, it is quite natural that it should require from hon. members careful scrutiny, and I hope helpful criticism. I desire to make comparisons between our railway system and others because I am afraid, like most people, we are able to see faults in our own home because we do not visit the homes of others. We are therefore liable to magnify faults more than is necessary or proper. All railway systems, not alone those in Australia, but the systems throughout the civilised world, have been passing through a period which has affected them from the point of view of earning capacity, as well as from their increased spending capacity. We therefore are not alone in our difficulties, and I suppose it is fair to make comparisons with some of the other systems which are operated on somewhat similar lines to ours, in order to judge whether our system is receiving that close attention it deserves. I venture to say that when we make such a comparison we will find that we have not so much to complain about as is sometimes asserted by interested persons. The nearest approach in Australia to our railway system is that of Queensland where they have a fairly extensive mileage, not to the same extent as we have with our population running well into the interior, but they have long hauls for comparatively speaking small tonnage, thus making the system costly to operate, though not to the same extent as is the case in Western Australia. In Queensland during last year the deficit

on the year's operations after providing working expenses and interest on the capital cost of the system was no less a sum than £1,743,270. I know there are reasons for that, but it is not my business to explain why the Queensland system should find itself in such a position. I merely wish to make comparisons. The New South Wales system cannot very well be compared with ours for the reason that it is on a gauge which is recognised as the standard of the world, and is the most economical from the point of view of construction and of working. That State, too, is also, comparatively speaking, closely settled, whilst it has big centres of population. Sydney alone, for instance, has a population nearly four times greater than that of the whole of Western Australia, while the country districts of that State are very much more intensely developed than are our country districts, and there are few or practically no long distance railways to sparsely populated gold-fields. Yet last year the railways in New South Wales finished up with a deficit of £1,428,000. I am aware that Victoria finished up better than anticipated for the reason that the electrification of the metropolitan railway system showed a huge surplus, much in excess of what was thought possible. I have not the actual figures of New Zealand, but I understand the deficit exceeded last year one million sterling, and after paying working expenses they had little or no surplus. Western Australia had a deficit last year of £257,000 and when making comparisons and indulging in criticism of the management, it is but fair to say that that total represented the shortage after paying interest, and that the total was the lowest of any year since 1916-17. It was less by £160,646 than the loss for the year 1920-21. The net earnings showed an excess of £499,013 over working expenses after meeting interest—the best since 1915-16. That is evidence first of all that the railway operations in Western Australia in comparison with those of the rest of Australia and beyond have been successful. Again it is evidence of the fact that by steadily reducing the loss on the system, there is careful control as well as delicate application by those responsible for the reduction of expenditure without unduly increasing the burden on the community. I know that some hon. members will say that we are increasing the burden of those who are producing and who must find markets for their products. While that may be true, the increase in fares and freights has not been so great in proportion as in any of the other States, with the single exception of Queensland which still carries a heavy deficit on its year's operations; and on fares alone, about which we frequently hear criticism, on a mileage basis our fares are lower than those of Queensland for distances between 100 and 200 miles, and even more so in respect of greater distances.

Hon. P. Collier: What about the suburban fares?

The MINISTER FOR MINES: Our suburban fares compare favourably with those of all the other capitals except Melbourne.

Mr. Davies: And the outer suburban fares?

The MINISTER FOR MINES: The comparison is against us, but only in slight degree. In comparing fares and freights with those operating in different States of Australia, it will be found that there are no two States with exactly the same basis for adjusting fares in suburban, outer suburban and country travelling. Consequently, in some respects we exceed some of the other States, whereas in other respects we are below them. However, in the gross our fares and freights to-day are less than those in other States, except Queensland. I want to explain that our management is at a disadvantage also inasmuch as we start off financially to the bad because of our small population in proportion to our mileage. I have here a table showing the population of the various States and the interest charges against the capital cost of the several railway systems. Our interest charge per head of the population for railways at the end of 1921, the latest available figures, was £2 3s. 4d. The average for the rest of Australia, including Western Australia, was £1 17s. 7d. Queensland was the highest, with £2 12s. We were next, with £2 3s. 4d., then South Australia with £1 15s. 7d., New South Wales with £1 16s. 4d. and Victoria with £1 11s. 6d. But, taking it in the aggregate, we start off 6s. 2d. per head of population to the bad, which is a handicap of about £101,000 on our railway system as compared with the Australian average. This has to be made good before the system begins to pay interest and working expenses. In Queensland there are certain railways not in touch with the main system, railways known as district railways. We are similarly placed, in that we have the Ravensthorpe line, the Esperance line and the Marble Bar line. Each of those is costly, because rolling stock has to be available at all times, although there is little or no traffic, and so the overhead charges remain constant. Again, we charge against our system the cost of operating those of our jetties connected with the railway system. For instance, there is the Hopetoun jetty and the Port Hedland jetty. The cost of maintenance plus interest charges on construction and, at times, heavy expenditure for repairs, have to be borne by the Railway Department. I do not think it should be the responsibility of the Railway Department to maintain and operate jetties at outer ports. From the State point of view it really does not matter, except that it was considered that the Railway Department had at each of those ports a staff which might not be fully occupied in railway operations and which could be utilised in maintaining and operating the jetty, thus avoiding duplication of staffs. The point is that it is not quite fair to charge this against the Railway Department.

Mr. Pickering: Are any of the jetties paying?

The MINISTER FOR MINES: I think they pay, taking into account the time put in on them by railway officers who otherwise might not be fully occupied in railway operations. A portion of their time can be fairly charged against jetty operations. In any case, the principle pays the State. But the Railways are carrying a responsibility which should not be theirs, and therefore they may have to answer unfair criticism.

Hon. W. C. Angwin: You get revenue from the jetties?

The MINISTER FOR MINES: But it is not great in comparison with the cost of operating them. Since I am making a comparison with other railway systems, I might be permitted to read one or two paragraphs from the report of the general manager of New Zealand railways, extracts which apply very closely to our own system. Dealing with the question of operating during the war period, the New Zealand manager says—

It became necessary to increase rates, and opportunity was taken to reclassify some of the high-priced products which had for a long period been carried at rates disproportionate to the value of the service rendered.

We have not done that in Western Australia. We have one or two classes of freight considered highly payable, particularly timber for export. There are other classes of freight which are not payable from the point of view of cost of operating. But, taking the stand that it is good State policy not to increase the charges against those commodities, we have allowed them to be carried at the established rate of freight. The trouble is that the payable freights have to some extent decreased, while the non-payable freights are increasing every year, and thus we are increasing our loss by permitting those freights to be carried under the old rates. I do not suggest the time is opportune to reconsider the matter, but certainly it will arrive, because it means that we are developing the particular industry providing those classes of freight, and gradually denuding our forests of the most payable class of freight, namely, timber for export. This report continues—

Since the depression set in demands for reductions of rates are being strongly pressed on the department, and it seems to be regarded an accepted fact that low rates granted in respect of any commodity when operating costs are low should remain unaltered, even although the circumstances which induced the rate to be given have undergone a radical change and the costs of services have increased by 217 per cent. A reduced railway rate appears to be looked upon as a panacea for stagnation in trade from whatever cause the same may arise. But the effect the reduction may have on the finances is invariably lost sight of. Reference has already been made to the enormous increase in cost of wages since 1919.

We have had the same here. Our annual cost for wages has increased by over half a million of money since 1919. The report continues—

When to these is added increased price of stores and materials used, the causes of the deficit are made apparent.

It has been exactly the same here. The cost of coal has increased materially. I do not suggest it has not been warranted, taking into account the cost of commodities required by the men producing the coal. Coal can only be valued from the standard of cost of labour applied to its extraction. If that value has increased, then the value of the commodity also has increased.

Hon. P. Collier: Sometimes the profits increase as well.

The MINISTER FOR MINES: In coal mining? That is rather unkind on the part of the hon. member, because his colleague the member for Collie (Mr. Wilson), would be hard put to it to explain why the coal miners and the mine owners are always to be found in combination when the cost of the commodity is under review. In no other industry in Australia can the workers and the owners be found so closely in touch on the question of fixing prices for the product of the industry as in respect of coal.

Mr. Wilson: But that was the result of Mr. Hughes's policy.

Hon. P. Collier: It is going to continue only during the life of the Hughes Government.

The MINISTER FOR MINES: I do not know what is going to happen now. The hon. member and his constituents are somewhat concerned about the Federal issue.

Mr. Wilson: No fear!

The MINISTER FOR MINES: Whether that will affect the price of coal, I do not know. However, I merely want to explain that not only the cost of wages, but the cost of coal, also has increased. This report continues—

Notwithstanding the fact the statements published from time to time clearly indicated the urgent need for economy, the curtailment of train services, which was decided upon solely for the purpose of reducing expenditure, was strongly opposed by the public. At the same time, the financial results of operating were the subject of criticism.

We are up against that every day. Members come here and criticise the financial operations of the system, suggesting economy; and then, either by interview or deputation, suggest to the Minister that the reduction of train service, practically the only means available to the Commissioner to reduce his operating costs, should not be made, that the most elaborate passenger and goods services should be available and that every possible facility should be granted to traders and producers to enable them to carry on. Members forget that the services rendered must be paid for, either by those who secure a benefit from those services, or by the general taxpayer. This report continues—

This is inconsistent with the pronouncements that the railways should be run on business lines, and is illustrative of some of the difficulties met with by the department whenever a proposal is made to bring the train services within legitimate business requirements and so effect economies in the interests of the country.

I am reading this largely as a preface to what I propose to say later in regard to what is now the policy given by the Government to the Commissioner of Railways and his staff for their future guidance. The report continues—

It is the duty of the department to faithfully carry out the policy set for it, and its aim in so doing must be to afford the public the best services that the circumstances will allow, having regard, in particular, to the responsibility resting on it to conduct its operations economically, and as far as possible in accordance with sound business principles. Its efforts in this direction, however, are seriously hindered by the many local and individual interests encountered, and by the apparent failure on the part of some of those concerned to adequately realise the position of the department. It ought not to be forgotten that the management is in the position of trustee for the general public, and in the consideration of every request must make the general interest paramount. It is almost inevitable that conflict of interests, local, personal and general, will arise from time to time. But the reconciliation of those interests is not at all assisted by the adoption on the part of those concerned of an attitude which permits of the consideration of no other interest than their own. Genuinely constructive criticism cannot be objected to, and is, indeed, welcomed as being both stimulating and corrective; but to secure its maximum value it must be associated with the sincere endeavour to appreciate the true nature and scope of the duty of the management, and should recognise the obvious truth that the management is likely, by reason of its expert knowledge, to be in a position to see further into the ramifications of any proposed change than others who have had little or no experience in the work of transport by rail.

Mr. Mann: Does our Commissioner suggest that the same conditions prevail here?

The MINISTER FOR MINES: They do. The report continues:—

It is not to be overlooked also, that increased services entail increased expenditure, and that there is a limit beyond which charges cannot go. The department is, of course, bound both by interest and duty to give the fullest services that the users of the railways are able and willing to pay for, but when the limit in charging is reached and increased services can be given only at the expense of the general taxpayers of the State many and indeed

most of whom will generally derive no direct benefit from the services—it is equally the duty of the department to subject requests for such services to the most careful scrutiny, and to be amply satisfied that they are warranted by the general—as distinguished from the purely local—public interest.

Mr. Mann: Do these conditions prevail in our State railways?

The MINISTER FOR MINES: Yes, not only in the railway operations in this State but in all parts of Australasia. I desired to read that because I have not yet seen anything that so nearly sets out the true position as affecting ourselves.

Mr. Mann: And the other States?

The MINISTER FOR MINES: Yes. I would urge upon members and the public that if the Commissioner for Railways and his staff are to run the railways on sound business lines, and if it is humanly possible for them to balance, the less interference they get from political organisations or members of Parliament the better it will be for the early arrival of such balancing. Unless the staff of the Commissioner is loyal and will assist him in every way he must fail. Furthermore, there must be sufficient funds from our railway earnings to pay working expenses plus interest on the capital outlay.

Mr. Mann: Do you mean that members should not come forward with any complaints?

The MINISTER FOR MINES: I do not suggest that. Criticism of a helpful nature should be available at any time, not only from members, but from the general community. People are inclined to criticise the general lines of working, but if their advice were followed, it would in many cases lead to an increase in cost without any increase in revenue.

Hon. P. Collier: And the worst offenders are the executive of the Primary Producers' Association.

The MINISTER FOR MINES: I will come to that later. These Estimates involve the expenditure of a fair percentage of the total of our expenditure on governmental operations, and embrace a large proportion of our revenue expenditure. While I occupy the position of Minister for Railways I care not whence the criticism arises. If it is not warranted from the point of view of the good of the community I will state what I believe to be the facts of the position.

Mr. Pickering: That is your duty.

The MINISTER FOR MINES: I care not how my remarks are received by those who are levelling the criticism. Knowing well that my remarks may be open to criticism, I say there is a section of the community that never criticises except to pull down, never to build up. These people are not always imbued with the desire to assist the common weal, but are frequently influenced by a desire to do a personal injury to someone else. They give more attention to methods by which they can give a personal thrust than to breaking

down an evil that may exist in our midst. It may, of course, be difficult to remove an evil without hurting someone in the process. When criticism is made personal it is evidence that there is nothing behind it from the point of view of the good of the community.

Hon. P. Collier: That is a very ambiguous statement. What have you in mind?

The MINISTER FOR MINES: I have in mind the circular that is said to have been issued recently by the Primary Producers' Association. I think it was issued by an official rather than by the Association, although they must accept the responsibility.

Hon. P. Collier: By an official?

The MINISTER FOR MINES: I think it was drafted and for the most part circulated without the Association being properly regardful of its responsibility as a commercial and political organisation. It ought to take care what it distributes in the way of criticism of public affairs.

Mr. O'Loughlen: If you were a good member you would occasionally attend meetings and see what was going on.

Hon. W. C. Angwin: Do you think it fair to blame an official when he was probably acting under instructions?

The MINISTER FOR MINES: I do not know that he was.

Mr. Pickering: That is your opinion.

Mr. Davies: The Primary Producers' Association did not repudiate it.

Hon. P. Collier: It endorsed it.

The MINISTER FOR MINES: It must take the responsibility for the circular. What was stated therein was in many instances untrue. It was based for the most part on wrong premises. In my opinion it was drafted chiefly from a personal point of view rather than from a desire to benefit the general community. It cannot be said to have been helpful in any way. I can prove and will prove later that during the term of office of the present Commissioner, and mine as Minister, no section of the community has had greater attention paid to it for the purpose of removing little anomalies that existed and little difficulties it had to contend with than this particular section. It was provided with additional facilities to enable it to better handle its products on the railway system, and those difficulties that were brought under notice were adjusted.

Mr. O'Loughlen: If any fault is to be found with the department it is that it was not amenable to the Primary Producers' Association.

The MINISTER FOR MINES: I do not admit that. What we did was in the best interests of the railway system and of producers as a whole. These people must have had a full knowledge of the position, and yet when they issued the circular they had not the courtesy to send a copy of it to the Commissioner whom they were criticising, and he only saw it in the by-ways, as it were.

Mr. Pickering: Was it not published?

The MINISTER FOR MINES: If the hon. member is going to criticise a public official and first publish it in the Press—

Mr. Pickering: It was not my circular.

The MINISTER FOR MINES: His method of carrying on correspondence would be to write a letter to an individual, publish it in a newspaper, and say to the man who had not received it, "Why, this was published in the Press."

Mr. Marshall: Like J. J. Simons: put it in the Press first.

The MINISTER FOR MINES: That is not the way to get what we want. Those who represent the Primary Producers' Association politically and desire that our railway system should pay working expenses and meet the interest charges on the capital outlay, ought to be ready with criticism of a nature that will be constructive and not obstructive, criticism of a nature that will always be welcomed. The circular was prompted, not by a desire to help, but rather by a desire to do personal injury to the Commissioner of Railways.

Mr. Pickering: How do you dissociate the Commissioner from control of the railways?

The MINISTER FOR MINES: I do not. I have already shown by the financial figures that the Commissioner has made tremendous progress in the direction of balancing the ledger. In comparison with the other systems in Australia and outside he has done as well as they have done, and with a pretty contented and loyal staff, notwithstanding criticism to the contrary.

Mr. Pickering: Was not the criticism based on the report of the Commissioner and the report of the Royal Commissioner?

The MINISTER FOR MINES: To a certain extent that is so.

Hon. P. Collier: It was a little garbage that was planted.

The MINISTER FOR MINES: I do not know that it was necessary for that Association to get out a special circular to add something to that which had been already well published in the newspapers.

Mr. O'Loughlen: Did they get out one on the Agricultural Department?

The MINISTER FOR MINES: There must have been some motive for doing this. What object could any Association have in merely taking the report of the Railway Commissioner and the Royal Commissioner and putting them into another form and distributing them as a circular unless from a desire the reverse of helpful.

Mr. O'Loughlen: Could you not find any new ideas in it?

The MINISTER FOR MINES: Yes. I found the idea in it that if we want mischief done we must follow that example; if we want to help we must go in the opposite direction. Hon. members will find if they look at the Estimates that the total estimated expenditure for the year on our Railways, Tramways, and Electricity Supply is £2,552,000. Of that amount £2,248,000

is the estimated expenditure for the financial year on the railways. I intend to limit my remarks to the railways for the present. Of the £2,248,000, no less than £1,725,000 is due for wages and salaries, leaving £523,000 for stores, material and other expenses. In our system the adjustment of wages and salaries is largely taken out of the control of the Commissioner. Salaries are adjusted by the Classification Board and wages are paid according to arbitration awards, and in some cases according to agreements based on awards, and subject to the work being available for the staff under the control of the Commissioner. He cannot fairly be held responsible for the cost of wages and salaries in the operation of our system.

Hon. P. Collier: Except so far as the economical handling of the staff is concerned.

The MINISTER FOR MINES: Subject to the staff being necessary for the operation of the system. Parliament has provided methods by which the Commissioner shall accept the dictation of others. I do not suggest that is wrong. Expenditure to the tune of one and three-quarter millions is out of the control of the Commissioner except from the point of view of whether he is over-staffed or not. I venture to say even on the question of over-staffing there are frequently misunderstandings. Our railway system extends over a huge territory. There are continual changes in operations. For one or two months the railways are shipping timber for export; then there is a huge bunkering traffic in coal; again, they are shipping great quantities of wheat from the interior; and generally are conducting a spasmodic traffic—

Mr. Pickering: Wool and fruit as well.

The MINISTER FOR MINES: Yes, they are all spasmodic. It is not possible, therefore, to operate a system of this magnitude and give satisfaction to all the users of the system. The result is that we cannot take the position as it stands to-day as an indication of what shall be done and what will be required some months hence, unless, of course, we have reliable information as to the condition of the various industries affected and what their requirements will be. For these reasons, naturally, we must have a fairly well trained staff of officials, as well as of men on the wages staffs who operate the system. We cannot take risks. We cannot put off 100 men this week and risk taking on 100 men new to the work next week. We cannot do this merely because we have slack periods unless, of course, we can get information as to the condition of the industries affected. Therefore, we cannot dispense with the services of officers and men at a moment's notice. We have to continue on and face serious criticism from time to time because there may be a shortage of trucks in some parts, or of sheets in some other place and so on. We have to accept that criticism or, on the other hand, take a risk and put off a number of men. If we do not do so, we find we have a lot of men on hand for whom sufficient work is not available. Should we dispense

with their services, almost immediately we would be confronted with difficulties and the necessity for replacing them would arise immediately. The member for Geraldton (Mr. Willcock) who has had experience in these matters knows the position. Take the case of locomotive engine-drivers. Because we have not sufficient work to keep half a dozen engines fully working—it must be remembered that even weather conditions upset our calculations as to what will happen—is it to be argued that we should put off the drivers and firemen for a week and imagine for one moment that they will be available for employment a week hence, after having been stood down in that way? We must of necessity always have the staff ready to meet sudden demands or else we suffer criticism, while, on the other hand, we face criticism because we have men in our employment who have to be paid the arbitration court award rate for the full 48 hours, although we may not have sufficient work to keep them going for the full period.

Mr. Willcock: You have already cut out too many men

The MINISTER FOR MINES: Now we hear the member for Geraldton, who knows the position, contending that we have put off too many men.

Mr. Willcock: And you will find it out soon, too.

The MINISTER FOR MINES: Probably we will. I hope the member for Geraldton will be correct and that we will find that we have reduced the number of men to a greater extent than the operations of the system warrant. If that should prove to be the case, it will be an indication that we are making some progress.

Mr. Willcock: You are chasing round for engine-drivers now.

The MINISTER FOR MINES: I do not know that that is so regarding engine-drivers, but I know we are replacing some cleaners we put off some time ago. That is not economical. While it is true we cannot continue losing on railway operations all the time, it may be bad business simply because we suffer a loss in one year, to dispense with the services of highly trained young men who are at the stage when they can best be taught the requirements of a railway system. We have taken some steps lately to endeavour to balance the railway ledgers where possible. It may be said that we have too many employees in connection with our railways. We know it is a simple matter to take a short journey along our railway system and see some who appear to be idle men. From that, people immediately jump to the conclusion that things are slack, not from the point of view of business but from the standpoint of the proper control of our staffs. As a matter of fact, it is not possible to continually shift men for distances of 100 miles or so along our railway system because there is slackness at one point while there is a rush on another section. I have already explained that we had 7,500 employees in connection

with our railway system as at the 30th June last. It would be as well to consider the number of employees on the basis of railway mileage in comparison with the experience in other States. Queensland has 2.71 employees for each mile of railway open; New South Wales has 7.23 employees per mile; Victoria has 6.25 employees per mile; South Australia has 4.06 per mile and Western Australia has 2.20. An even better comparison than this is the number of train miles worked per employee. The member for Geraldton will probably agree with me that this is the better comparison. Queensland has 613 train miles worked per employee; New South Wales has 591; Victoria has 600; South Australia has 588, and Western Australia has 608. Taking into consideration the extent of our railway system with our small population and the very long train mileages that have to be run, it cannot be said that we are over-staffed because in Queensland, which has the highest number of employees per train mile worked, the conditions are practically similar to those prevailing here. Yet they have a higher number per mile than we have. It is the boast of the Queensland authorities that they have introduced a system of divisional control, known as the American system, which is supposed to effect economies in connection with the operations. They are not apparent, however, from the number of employees per train mile worked. Notwithstanding that fact, I think we do compare favourably regarding the employees on the basis per mile of the system and from the point of view of the railway mileage worked per employee. Hon. members will agree that the bulk of the expenditure is largely out of the control of the Commissioner. I have urged, as the result of continued pressure from the Treasurer, that the Commissioner should make every effort possible to adopt such practical methods as suggest themselves to him, without seriously interfering with the State business generally, to balance the ledger as it affects the railway system. It is true the Commissioner could say, "Give me an opportunity of doing what is given to those in other parts of the world where privately owned railway systems are in operation, and I can do it. In those places the manager is told to meet the position so that he can pay working expenses and interest on the capital invested. When I have that power, I will do it at once." If the Commissioner adopted that attitude what would he do? He would at once bring the non-paying services on to a paying basis. That would be his obvious answer.

Mr. Mann: But would not that reduce the volume of traffic?

The MINISTER FOR MINES: That is exactly the statement made by everyone.

Mr. Heron: He has done that already.

Hon. P. Collier: But that would apply to paying freights as well as those which do not pay.

The MINISTER FOR MINES: Exactly. That is the position which should have

suggested itself to the hon. member. Take the case of timber, the freight on which is highly payable. Would the member for Perth (Mr. Mann) suggest that we should encourage the export of timbers by reducing the railway freights on that article? Exactly the same thing applies to the argument if we reduce fares and freights. It is said that we would increase the traffic and could get out of our difficulties. I can assure members of the Committee that, together with the Commissioner and officers of the department, I have looked at this from every point of view and we have arrived at only one possible conclusion. That conclusion is that at the moment we can neither suffer reduction in the payment for services rendered by the railway system nor can we increase the charges against the producer, although we are still showing a small loss.

Mr. Mann: Don't you think there is a lot of competition by road with motor traffic?

The MINISTER FOR MINES: Yes. That is not only the case between Perth and Fremantle.

Hon. W. C. Angwin: They are running from York too.

The MINISTER FOR MINES: So long as it is demanded that the general community shall bear the cost of the upkeep of roads and thoroughfares, so long will the motor lorries continue that opposition, irrespective of the damage done to the roads, while it is expected that the users of the railways must pay the full cost of running the system. While these conditions operate, the railways will never compete with the road traffic.

Mr. McCallum: Over 300 tons of traffic come by road from Fremantle from time to time.

The MINISTER FOR MINES: What does the hon. member suggest to overcome the difficulty?

Mr. McCallum: That is for the Commissioner of Railways to decide, not for me.

The MINISTER FOR MINES: So long as the general community are called upon to pay for the upkeep of the roads, while the motor lorries do £50 worth of damage and pay only £10 as a license fee, necessitating the general community paying the additional £40, and so long as we call upon the users of the railway system to pay all interest charges and capital costs, so long will these conditions continue.

Mr. MacCallum Smith: Why do you not reduce fares?

The MINISTER FOR MINES: The member for North Perth (Mr. MacCallum Smith) has just come in and, of course, he must have a brain wave. He suggests that if we reduced the fares we could get out of our difficulties. If that argument be correct, why does he not reduce the price of the "Sunday Times" and increase its circulation, although it is "the biggest paper in the world?"

Mr. MacCallum Smith: We would do that if we had competition.

The MINISTER FOR MINES: There is opposition, for "The Call" is running the "Sunday Times" pretty close.

Hon. P. Collier: And there is the "Periscope."

The MINISTER FOR MINES: And now there is the "Mascot." As a matter of fact, that question is asked in connection with all our operations. Everywhere we are asked why we do not reduce freights. If we reduced the freights to-morrow, we would not decrease by 10 per cent. the amount of road traffic between Fremantle and Perth for the obvious reason that the motor lorries can take the goods direct from the ship's side to the warehouse or store in Perth with one handling.

Mr. McCallum: You competed with the road traffic until recently.

The MINISTER FOR MINES: It is only recently that motor lorries have been perfected to the extent that enables them to compete with us.

Mr. McCallum: They did it before.

The MINISTER FOR MINES: Surely the member for South Fremantle (Mr. McCallum) will appreciate the fact that the road traffic has only been a serious competitor with the railways since the introduction of the petrol engine.

Mr. McCallum: That traffic has been there for nearly 25 years.

The MINISTER FOR MINES: I believe the hon. member is not prepared to stake his salary that if we put into operation what has been suggested, we would make good by doing so.

Mr. McCallum: You pay a Commissioner £2,000 a year for looking into these things.

The MINISTER FOR MINES: The Commissioner who is paid such a salary, and who has a staff of railway officials who should know something about the workings of a railway concern, all declare—and I agree with them—that so long as merchants can take their goods direct from the ship's side, and by means of motor lorries convey those goods direct to the stores, so long will the road traffic always compete with the railway system irrespective of what freights may be charged.

Hon. W. C. Angwin: In any case, the Perth-Fremantle-road is maintained out of the traffic fees now.

The MINISTER FOR MINES: It is not. Nothing like it.

Hon. W. C. Angwin: There is nothing on the Estimates this year for it.

The MINISTER FOR MINES: I do not care; it cannot possibly be maintained out of the traffic fees.

Mr. Willecock: Perhaps you intend to let the road go this year.

Mr. MacCallum Smith: Why do you not introduce motor lorries and compete with the motor traffic yourselves?

The MINISTER FOR MINES: Most of these people own their own lorries.

Mr. Mann: There are a lot of carriers as well.

Hon. W. C. Angwin: These people should pay a higher license.

The MINISTER FOR MINES: I have enough to look after already without accepting the suggestion that we should compete with the road traffic.

Mr. Mann: Does the rate per motor mile per road compare with the rate per railway mile?

Hon. W. C. Angwin: They are taking passengers per road for 4d. cheaper than is the case with the railways.

The MINISTER FOR MINES: I still hold the view that if to-morrow we reduced the charges for traffic between Fremantle and Perth even back to pre-war rates, we would not divert to the railway system 10 per cent. of the traffic on the Fremantle road. The freight that pays us best is the freight which has to be hauled over long distances. I am not going to reduce the freight charges for those who handle products over short distances while those who have to carry stuff over 600 miles or more must continue to pay the present freights. If any assistance is to be given, it must be given to those who have to carry their commodities over great distances.

Mr. McCallum: All the stuff that comes from Fremantle goes out back.

The MINISTER FOR MINES: It does not.

Mr. McCallum: The great bulk of it does.

The MINISTER FOR MINES: No, it does not.

Mr. McCallum: Is it not commonsense to believe that the stuff is landed here, put into warehouses and later sent out back?

The MINISTER FOR MINES: The bulk of the population resides within 20 miles of Fremantle. The point must be considered on the basis of where the bulk of the population is situated. Do not Bunbury, Albany and the North-West ports import commodities? The trade which can be legitimately handled by the Railway Department is being handed to-day. We could not hope to gain 10 per cent. of the road traffic, because the road vehicles can take goods from the point of delivery direct into the stores with the one handling, which of course represents a material saving. The railways are carrying a heavy capital cost. The users have to provide the interest charges on cost and maintenance, and to transfer to those users a proportion of the cost of making and maintaining public roads and then expect the railways to satisfactorily compete, is impossible.

Mr. Money: What is the value of the road traffic?

The MINISTER FOR MINES: The department hold that they have not lost a great percentage of traffic. It is not practicable to endeavour to attain the end suggested. It is not a move which we should make at this stage. Anything in the way of reducing charges should be made to benefit the outback people first of all.

Mr. Mann: You have already reduced charges to the men outback.

Mr. Heron: Not too much.

Mr. Mann: I refer to super and wheat charges.

Mr. Willecock: You do not see bricks or any cheap freight being carted on the railways. They carry only high priced freights.

[Mr. Munsie took the Chair.]

The MINISTER FOR MINES: I had intended to make reference to freights and fares. If members will take the trouble to compare the fares and freights charged on other railway systems in Australia, they will find that ours are still generally below others. In one or two cases ours are slightly over, but in most instances ours are below those charged in other parts of Australia. Members are aware that since Parliament last met, a Railway Commissioner in the person of Mr. Stead, one time district superintendent and later General Manager of the Midland Railway Company, was appointed to inquire into our railway operations. He was given as free a hand as any Royal Commissioner has ever had. As a matter of fact his appointment was somewhat in the nature of that of a super commissioner. He could go where he liked; obtain evidence in any form he desired, and report daily, weekly or at the end of his investigation. Every facility was given him to inquire into everything. I would not suggest for a moment that all his recommendations should be adopted without question. Because we appoint a Royal Commissioner, it is not to say that his findings cannot be questioned.

Hon. P. Collier: They must stand on their merits.

Mr. Wilson: Not on tittle-tattle.

The MINISTER FOR MINES: It would be impossible for anyone with a knowledge of railway operating to thoroughly investigate our railway system without discovering here and there opportunities to introduce economy or methods which might prove advantageous to the users of the railways and the finances of the department. Therefore, to suggest that it was impossible for any individual to make recommendations which could be advantageously adopted would be absurd.

Mr. Pickering: It would not be worth while appointing him.

The MINISTER FOR MINES: Quite so. It is not fair, as is frequently done, to compare the findings of the Royal Commissioner with the work of the Commissioner of Railways who must carry the responsibility from midnight to midnight. It is an entirely different thing for a man to be able to move out of an office and travel from point to point during the period of his investigation and pass on without any further cares or worries, as compared with having to run the railways day after day. It is quite possible for such a man to find something the Commissioner of Railways is unaware of, but to charge it against the Commissioner as laxity is something which is unwise and unnecessary. Anyone with a knowledge of railway operating knows it is not a fair charge to level against

the Commissioner of Railways. The Royal Commissioner was placed in a position of no responsibility apart from his investigation. He was able to go where he would and when he would and to call upon whom he liked for evidence.

Mr. Harrison: His findings would be largely on the evidence submitted.

The MINISTER FOR MINES: There are recommendations upon which he took not a line of evidence. He recommended handing over the railway sawmill to the Sawmills Department. He did not even visit the railway sawmill, and did not take a bit of evidence on this question from anyone in the department or outside.

Mr. Marshall: The whole inquiry was a biased one.

The MINISTER FOR MINES: I would not say that.

Hon. P. Collier: On the contrary, I think it was a very fair and impartial inquiry.

The MINISTER FOR MINES: In the gross, it was.

Hon. P. Collier: By an impartial man and a very fair man, too.

The MINISTER FOR MINES: I am merely trying to show the difference between one who criticises and one who is subject to criticism. As a Royal Commissioner, Mr. Stead did well.

Capt. Carter: He did his best according to his lights.

The MINISTER FOR MINES: He did well in many respects, though I do not agree with him entirely. So many people are apt to jump at the conclusion that because a Royal Commissioner doing nothing else than foraging, can find something the Commissioner is not aware of, the Commissioner of Railways is necessarily lax and that there is no system, no discipline and no proper knowledge of the operations of the system. Such a conclusion is absurd. Many things happen which it would be impossible for the Commissioner to know of if he sat for the whole 24 hours wearing the headgear of a wireless set. Therefore to suggest that because the Royal Commissioner was able to find something which he considered might be improved pointed to laxity of administration on the part of the Commissioner of Railways, is quite wrong.

Mr. Pickering: When you refer to a foraging commission, are you depreciating the Commissioner's efforts? You appointed the Royal Commissioner.

The MINISTER FOR MINES: I like to be as patient as possible, but how the member for Sussex can draw the conclusion that I am disparaging the findings of the Royal Commissioner when I am merely trying to draw a comparison between his position and that of the Commissioner, passes my comprehension. We consider his report of sufficient value that we are giving effect to the recommendations and in many instances with very good results. The Commissioner of Railways himself would not adopt the attitude of saying that no one could tender advice or suggest means whereby the system might be benefited.

We have established a suggestion board in order to enable members of the wages and salary staff to make suggestions for the better operation of our railways.

Hon. P. Collier: That is one of the silly things of the service.

The MINISTER FOR MINES: I do not think so.

Hon. P. Collier: I do.

The MINISTER FOR MINES: Then all Australia is silly. The system may be all right, although the results may not be all that we anticipate. The fact remains that all Australia has instituted a similar system of economics and suggestions boards, and in New South Wales substantial salaries are paid.

Hon. P. Collier: The board who judge the value of the suggestions are getting more than the men who make the suggestions.

The MINISTER FOR MINES: There may be something in that.

Hon. P. Collier: I think it is merely a benefit for the board.

The MINISTER FOR MINES: The system is all right, although it may have some weaknesses. If it is silly, as the hon. member says, then all Australia is silly.

Mr. Teesdale: The system of correspondence is good enough.

The MINISTER FOR MINES: Some of the Royal Commissioner's recommendations we cannot accept. It is impracticable to apply others. Some recommendations cannot be accepted because they would involve a violent change of policy as affecting not the railway system alone, but industry in many directions, because many of the proposals would mean a heavy capital expenditure without any corresponding benefit to the department. It would be very desirable for instance to have an overhead bridge at Melbourne-road, but the department would not benefit, and yet they would have to carry the interest charges on an expenditure of £50,000. The department might be able to economise to a slight extent on the operations in the yard, but only very slightly. There are directions in which we could better expend £50,000 and earn direct revenue. Therefore we are not prepared to accept that recommendation, but we know that ultimately and probably before many years when money is easier and cheaper, that recommendation will have to be complied with. There are others to which the same remarks apply. There are recommendations which, because of the capital cost required and because of the fact that they would bring in no revenue, cannot be adopted at this stage. The cost of money and the cost of material run parallel. When interest is high, the prices of material run high. At present the cost of both money and material is too high to permit of our carrying out this recommendation. Most of the recommendations with which we do not agree are such as do not immediately affect the operation of the department. However, we are benefiting by the immediate acceptance of certain recommendations of the Royal Commissioner.

Hon. W. C. Angwin: I hope you will get a State coal mine. It would save £100,000 a year.

The MINISTER FOR MINES: That is what the Royal Commissioner said, but I think it would cost more than that in the way of worry for a few years. I do not wish to add to my worries just now. If a State coal mine saves anything, it will save wages. The profits being distributed from the coal mining industry are not very great. Some of the Colliery companies have not yet reached the stage of paying royalties.

Hon. P. Collier: That is no criterion. Some of the bosses have to live in hessian tents in King's Park-road, and they always walk because they are unable to afford motor cars.

The MINISTER FOR MINES: In my opinion, the time is not opportune for the State to establish a coal mine of its own at Collie. In any case, though I have not investigated the matter very closely, it cannot be suggested that the operations of the companies are costly as regards administrative staff. I do not think the State could administer a coal mine more cheaply, if as cheaply. Suppose we had a State coal mine to-morrow; then we would have to pay the manager at least sufficient to enable him to live in a bark hut alongside Collie Pool.

Hon. P. Collier: We know something about the affluence of one or two of the coal owners.

The MINISTER FOR MINES: I have already explained that we have accepted some of the recommendations of the Royal Commissioner and have not yet accepted others. Such recommendations as have already been accepted are being applied loyally. The staff to-day are doing their utmost to get the full advantage of those recommendations. In connection with maintenance of our railway system the Royal Commissioner recommended that we should have motors for the purpose of carrying men to and from their work. He said a great saving would result. In fact, the amount of the saving was rather astonishing to me. His recommendations read as follows:—

Your Commissioner is of the opinion that by the introduction of motor trolleys there is room for considerable saving, and recommends that the lengths be readjusted as shown in schedule attached hereto, marked "A." On the sections affected by this readjustment there are at present employed 184 gangers and 871 men, but under my proposal only 135 gangers and 692 men are required, thus admitting of the withdrawal of 49 gangers and 179 men, representing a gross saving of £52,469 15s. 2d. per annum. After providing for interest, depreciation, upkeep, petrol, and lubricants, as per statement hereunder, the net saving is £45,177 1s. 2d. per annum, and this is secured from an outlay of £8,970 for motor trolleys.

From the report of the South Australian Railways Commissioner I have the following extract:—

With a view to reducing working costs the use of motor trolleys for maintenance gangs with long lengths of line to traverse has been extended, and the results obtained proved so satisfactory that a contract was let for the supply of a large number of additional trolleys, and at the present time there are fifty-two maintenance gangs so equipped. The net annual saving through the introduction of these trolleys may be set down at not less than £3,774, and on the outlying lines, where the lengths are long, they are an undoubted boon to the staff.

In South Australia a saving of £3,774 annually results from equipping 50 maintenance gangs with motors, and yet it is estimated here that we shall effect a saving of £45,000 annually by equipping about 100 gangs.

Mr. O'Loughlen: There is the indirect benefit of the trolleys.

THE MINISTER FOR MINES: I recognise that, but hon. members must not be too sanguine of attaining the savings suggested. I cannot for a moment believe that anything approaching the results suggested by the Royal Commissioner will be attained. However, we have accepted that recommendation, and are to-day having the motors made in our workshops. We have already had trial runs of the first machine turned out. They were highly satisfactory. We are now only awaiting the arrival of the magnetos to put the motors in operation. The saving, however, will not be so great as estimated.

Hon. P. Collier: But there will be a saving.

THE MINISTER FOR MINES: Yes. On this recommendation the joint executive of the railway unions have something to say. I do not know that their opinions on the Royal Commissioner's report have been perused by hon. members. In some respects those opinions are very valuable. While criticising, the executive have been extremely careful to stand aside from any feeling of a personal nature which might exist. They have given what they believe to be opinions formed on a practical basis. On this particular question they say—

Present South-West staff 48 gangers and 188 other, totalling 229. Coastal districts employ 35 gangers and 181 others, totalling 216—a difference of 13 men between the two districts. Royal Commissioner proposes to dispense with 64 men in both cases, which he states will mean a saving of £45,000. He ignores evidence taken that motors already supplied are unsatisfactory and system not likely to effect saving claimed and at the same time give reasonable attention to maintenance of lines. Recent increases of lengths have resulted in permanent way being in far less satisfactory condition than hitherto, and mileage proposed by Mr. Stead will make it impossible to keep track in safe repair. Victoria is paying for experiments in this direction. The joint executive of the railway unions seem to disparage that recommendation of the

Royal Commissioner altogether. I think there is a midway opinion, namely that we shall achieve a saving, though not so great as was suggested by the Royal Commissioner. The recommendation as to regrading and deviating is not yet accepted by this department. Some of these regradings and deviations proposed have been recommended not only by the Royal Commissioner, but ever since there has been a Commissioner controlling the Railway Department.

Hon. P. Collier: It is a question of finding the money.

THE MINISTER FOR MINES: I am coming to that. The Commissioner of Railways placed on his draft estimates a sum of £100,000 in order that regrading might commence this year. He knows, and we know, that a saving will result from regrading operations. But the Treasurer said, and rightly said, that money and material were too dear at present to permit of the work being undertaken immediately. The recommendation is, however, concurred in by the department; and when money and material are available at reasonable cost, the work will be undertaken.

Mr. Money: Do not you, as Minister, think it absolutely essential to regrade even at considerable cost?

Mr. McCallum: But not at the cost of over-capitalisation?

THE MINISTER FOR MINES: I do not want to commit myself. Some day the member for Bunbury may be Treasurer and I Minister for Railways. I undertake that the hon. member will not have been in the Treasury 24 hours before I come to him with a request for funds for regrading. But the hon. member will sing a different tune then. To a free-lance suggestion for the expenditure of one million pounds on regrading and deviating, my reply is that I can spend the money advantageously if the Treasurer can find it. But the Treasurer cannot. Therefore, if any fault is to be found, it must be found with the Treasurer, because he, unfortunately, cannot find money cheaply enough. The Royal Commissioner also recommended that gardening at Perth central station should be done away with. I do not entirely agree with that recommendation. If we utilise just a few members of the staff to do a little clearing up here and there, it is money well spent.

Mr. Piekering: In Victoria it is done extensively.

THE MINISTER FOR MINES: Yes. We have, however, reduced the strength of the gang by two men. To-day that work employs a ganger and three men, costing about £550 a year. I say again that I consider money is well spent in making the surroundings of our central railway station presentable—which they were not a few years ago. The Royal Commissioner recommends that an order, which had not been actually placed, for eight additional Garratt locomotives should not be carried out. We were going to construct them in our workshops, and were ordering the plant. That recommendation has been

adopted. We may get through all right without the eight additional locomotives, and if we do, I suppose everybody will be satisfied. If we do not, those who suggest that the Royal Commissioner is always right may look to him for relief. If we are going to make that rapid progress that we anticipate, we shall have to provide sufficient locomotive power to shift the products of the State. Of course if we do not get a revival we shall be in a bad way. The locomotives will not work forever. We have not put a new locomotive on for the last 12 years.

Hon. P. Collier: We put some on; there had not been any new ones for 10 years prior to our taking office.

The MINISTER FOR MINES: I am somewhat concerned about what will happen in a few years time. We have abandoned the idea of getting eight new locomotives and are super-heating our existing engines. But we cannot withdraw our locomotives and put them into the shops. The super-heating will take a long time because we can only take locomotives as the opportunities present themselves. The present Commissioner says—

Progressive land policy demands not only eight Garrett engines but more as well. In November, 1920, recommended conversion of 20 "Ec" class engines for light work; the purchase of eight Garratt engines and the purchase of 20 heavy locomotives to replace the converted "Ec" engines. Although the increased traffic anticipated at that time had not eventuated, the temporary depression (which also accounted for offer of delivery in 26 weeks) would soon pass away. The policy also involved the building locally instead of importing, the workshops having been enlarged between 1911 and 1914 with that object. It is acknowledged that a margin of engine power exists at present, but many engines are obsolete. In August, 1920, it was reported that at least 27 absolutely unprofitable engines should be scrapped. Allowing for these 27 dead locomotives, the mileage actually works out at 12,419 miles per engine, notwithstanding the strike of January and the slump of May and June, 1921. South Australian figures are questioned (23,703) as they cover 3ft. 6in. gauge only. The Royal Commissioner insists that we should make preparation for the future operation of our system by obtaining these additional locomotives. We have accepted the recommendation for the super-heating of the engines and £10,000 has been provided on the Loan Estimates, being the first instalment for the policy of regenerating locomotive stock. A recommendation was made regarding the time tables and country connections. Where it is practicable we make the connections as nearly as it is possible to do so. These matters have been considered carefully, and where practical and without incurring heavy loss, we make connections with our main line trains to suit the convenience of the travelling public. But we cannot do impossibilities. In 1921 we had a strike largely on the question

of whether we should cut out night work entirely. We are under an agreement now and where we can run day trains we do so.

Mr. Harrison: It is 2 a.m. at Merredin now.

The MINISTER FOR MINES: We have investigated this matter carefully and we find that what is suggested is opposed to the operation of the award of the Arbitration Court. The Royal Commissioner recommended the withdrawal of our dining and buffet cars. We have not adopted that recommendation.

Hon. P. Collier: I think you could.

The MINISTER FOR MINES: We could to an extent.

Mr. Corboy: It would be better to withdraw them rather than let the existing system continue.

Mr. Chesson: The dining cars are carried on very well on the Murchison line.

The MINISTER FOR MINES: There you are. I do not think I will pursue the subject any further when we have two hon. members expressing different opinions on a subject on which the Royal Commissioner makes a recommendation.

Hon. P. Collier: You agree with both.

The MINISTER FOR MINES: I do. What I do say, however, and the Commissioner agrees with me, is that in view of the public convenience, especially on the Murchison service, and the absence of other means of providing public requirements, it is not desirable to withdraw buffet cars from the Murchison service. We had under consideration prior to the appointment of the Royal Commissioner, the question of taking over of the running of the refreshment rooms, properly equipping them and dispensing with the dining cars. But that is not an easy thing to do. The member for Geraldton and the member for Murchison will know that to-day we have a difficulty in getting the mail train through to the Murchison in anything like reasonable time, and if we have a number of refreshment rooms where the trains must wait for 25, 35 or 40 minutes to enable people to get their meals, it will mean a tremendous burden for the service to carry.

Mr. Marshall: You could never do it.

The MINISTER FOR MINES: Hon. members will know that with our changing conditions the speeding up of the railways, the altering of our joining stations, our engine sheds, etc., if we are going to the heavy expense of providing up-to-date refreshment rooms to meet the demands of the public, we will probably find in a few years time that these refreshment rooms will be out of place, or will seriously inconvenience the traffic. There is one thing to be said in favour of dining cars and it is that they obviate delay.

Mr. Willcock: And you get a meal at the right time.

The MINISTER FOR MINES: The Royal Commissioner recommended the construction of a bridge over the Melbourne-road crossing. The department said, "We know the value such a bridge will be, and if the Treasurer

can find £50,000 we will build it." We placed £50,000 on the draft Loan Estimates, but the Treasurer quite rightly said that the work could stand over, as there were others on which such a big sum of money could be better expended. The Royal Commissioner recommended that the present practice in the workshops of paying the men a daily wage be discontinued; he recommended payment being made by results. We would do that, but unlike the Royal Commissioner, it is not a question of making the recommendation; it is a question of applying it. The men would not tolerate it. The men decline to work under that system.

Hon. W. C. Angwin: Have you sacked men and put in girls in the Stores branch?

The MINISTER FOR MINES: We never sack anybody; we merely dispense with their services. Girls are employed in typewriting.

Hon. W. C. Angwin: I am not referring to typists.

Mr. Corboy: That work in the stores is not work that girls should do.

Mrs. Cowan: They must have a means of living.

Mr. Corboy: I am acquainted with the stores job, and it is not a job that girls can do efficiently.

The MINISTER FOR MINES: If girls cannot do it we will displace them. But it is desirable that girls should be engaged in clerical work so as to leave men free for other employment that may be more suitable.

Mr. Corboy: We do not object to the girls being employed as typists.

Hon. W. C. Angwin: You would not employ them as senior clerks.

The MINISTER FOR MINES: Why not? If a girl is good enough to be private secretary to Lloyd George, she surely is good enough to be chief clerk to the Traffic Manager. The Royal Commissioner recommended the coaling of our locomotives at our different stations. Our Commissioner was not against accepting the recommendation because he had it in mind, and we have placed £5,000 on the Loan Estimates for effecting the improvements. It is doubtful, however, whether funds will be available. If they are we shall carry out improvements at Mullewa and Brunswick, and save £1,000 per annum. The Royal Commissioner recommended up to date round house and appliances at the Bunbury loco. depot. We asked for £25,000 to be placed on the Loan Estimates but the Treasurer said that the money could not be made available. A lot of these things could be done if we had the funds. The Royal Commissioner recommended that we should dispense with the use of Premier coal from Collie, as he said it was not suitable for locomotives. We know it is not as suitable as some of the other coal but we have an agreement with the Miners' and Drivers' Union and with the coal miners as well which prevents the entire elimination of Premier coal from our contract.

Mr. Willecock: It is too light.

The MINISTER FOR MINES: It is questionable whether, mixed with other coals, it would not make an equally suitable coal. Not long since I met on more than one occasion in conference representatives of the engine-drivers and firemen, a representative from the Commissioner's office and a representative of the miners from Collie, and discussed this question of the use of Collie coal. The Commissioner of Railways and his staff have repeatedly asked for the right to purchase in the best market, so as to get the best results from the use of Collie coal. Eventually an agreement was arrived at which I think is more suitable than were the conditions prevailing. I have not heard any serious complaints from the engine-drivers since that agreement came into operation.

Mr. McCallum: The mines have undertaken to give a cleaner cut.

The MINISTER FOR MINES: I do not think there is any cause for complaint. Then we have the recommendation for the establishment of a State coal mine. We have not adopted it. We do not know what the cost might be. We consider we are getting a pretty fair deal at present, and I am not sure the question was sufficiently investigated to allow us to say definitely what the cost of securing a mine and operating it would be. Sometimes the opening up of a coal mine entails a heavy loss. Therefore we are not accepting that recommendation. The Royal Commissioner recommended that a fully qualified accountant be engaged temporarily to reorganise the accounts and stores branches. We are anxious to get an accountant fully qualified on railway stores and accounts. We asked the Victorian Railway Department to lend us their chief accountant, who was over here on a holiday, but they refused. When we get such a man we will put that recommendation into effect. The Royal Commissioner recommended that we should amalgamate the railway sawmills with the State sawmills. There are many reasons why this should not be done, and so we are not adopting the recommendation. The Royal Commissioner recommended that the position of outdoor inspector be abolished. We have not adopted that. The Railway Commissioner holds that he is getting good results. The officer is admitted to be very well qualified. In the circumstances I do not think we are entitled to insist that one man's decision shall be given precedence over another's, particularly when that other is responsible for the success of railway operations. The Royal Commissioner recommended that the construction of new lines should be placed under the Railway Commissioner. That was considered by the Government as a matter of policy when we had to fill the position of engineer of existing lines, on the death of Mr. Light. We endeavoured to find means by which this could be done. It was not easy, and so we decided to allow it to remain as at present.

Hon. W. C. Angwin: I am doubtful whether it is the better course.

The MINISTER FOR MINES: There is a great deal to be said on both sides. The Royal Commissioner suggested that the lines should be of more solid construction. That has nothing to do with railway operations. It affects only the department responsible for the construction.

Mr. Harrison: I understood that the Railway Department had to spent a lot of money in bringing lines up to standard.

The MINISTER FOR MINES: That is so, but not so much during recent years as when everybody was talking about light railway construction, with half-round sleepers and no ballast. We had then to spend quite a lot of money in bringing the lines up to standard. The Royal Commissioner suggests that we get better grades and curves and give more attention to water supply. Those are all matters for the department responsible for construction.

Mr. Pickering: Ultimately it affects the Railway Department.

The MINISTER FOR MINES: That is so. The Commissioner of Railways is responsible for only the operation of the railways when handed over to him. All our successive railway commissioners have declared that it would be better, if the money were available, to construct lines on a more solid basis.

Mr. Money: If that were done could they make the lines pay?

The MINISTER FOR MINES: I think so. The problem is to find the money for lines in all the districts which we are opening up. The Royal Commissioner recommended that no rails lighter than 60-lbs. should be put into the railway system. I would agree with that if we could afford it.

Mr. Money: We cannot afford not to do it.

The MINISTER FOR MINES: I think we can. We have 45-lb. rails which have served us exceedingly well for a great number of years, and which apparently will continue to serve us well for a long time to come.

Hon. W. C. Angwin: They stand a long time at Lake Clifton, do they not?

The MINISTER FOR MINES: The point is the initial cost and the question of whether it is desirable. For instance, in the construction of the through line from Jarnadup to Denmark it is considered desirable to put in 60-lb. rails. But when we are running a branch line merely to open up a district, 45-lb. rails are satisfactory. Rails of 60-lbs. would be infinitely more satisfactory, of course, for the reason that if we had them we could run our heavier engines over such rails, whereas now we have to run light engines on the light rails. However, it is a question whether we can build the mileage necessary to open up the country if we are to provide heavier, and therefore most costly, material. The Royal Commissioner recommended that we should relay the line between Bridgetown and Jarnadup. That recommendation was adopted, and the work has been completed. He recommended also that we should replace the North Fremantle railway bridge with a steel structure. Up to date we have neither

rejected nor adopted that recommendation. We have in view the provision of a rail and road bridge across the Swan at a point higher up. At present money is too dear and material too costly, and so the proposition has to stand over. The Royal Commissioner recommended that we should give greater attention to water supplies. The Railway Commissioner agrees with that, and has from time to time requested additional funds for the purpose. However, funds have not been available, and so in many cases we have been up against it. We have catchments where water can be conserved, and in other places we have made provision for water conservation, but the elements have been against us. In the public interest sometimes we have had to combine with the Water Supply Department and take water from town supplies. However, when we do that, they put it over us pretty heavily in the matter of charges. The Royal Commissioner recommended that a tax be enforced on all privately owned unimproved land within five miles of railways. Probably that recommendation is a very wise one. However, it has nothing to do with railway operation. The Royal Commissioner recommended that a stacking yard should be provided at Bunbury for export timber and that we should provide free storage and a reduced freight on our timbers. We have not been able to get at the bottom of this. Prior to the recommendation coming in, we had conferred with those interested in the export of timber, but could reach no finality. When this recommendation came along we made another inquiry, and again conferred with those people. We found that they, like most others, were willing to do anything which it paid them to do. But it can only be done at the cost of a heavy loss for demurrage on the railway system. No mention was made of increased freight as a set off against the provision of stacking yards at Bunbury. In the minds of those who agreed that the stacking sites should be utilised there should be a reduction of 10s. per ton, which means a loss of £77,000 per annum. We cannot afford to provide a free stacking site at Bunbury or anywhere else if it means a loss of £77,000 per annum. However, the question has not been finalised. We are still conferring, for we know the advantages to be gained if it does not mean an actual loss in earnings. The Royal Commissioner recommended that we should send our officers abroad from time to time so as to bring them abreast of up to date methods in other parts of the world. When the present Chief Mechanical Engineer was appointed it was suggested that he should travel abroad before taking over. However, we are not in a position to spend much money in sending our officers away on trips.

Hon. W. C. Angwin: The danger is that they may leave when they return.

The MINISTER FOR MINES: There is always that danger. The Royal Commissioner recommended that we should have automatic signalling on a part of our railway system. That recommendation is acceptable to the

Railway Commissioner and to the Government, but we are not in a position to find the money to instal the automatic system. If the money can be made available at a later stage, the House will be asked to provide it; because we are fully alive to the advantages of the automatic system. The Royal Commissioner recommended that the staff on the Hopetoun-Ravensthorpe line be reduced. That has been done. He recommended also that the Mt. Magnet-Sandstone railway should be removed. The Railway Commissioner is awaiting the decision of the Government on this question, and I suppose hon. members also are awaiting that decision. The decision is that the outlook at Sandstone is so good that we are not thinking of asking Parliament this session to authorise the removal of the line.

Mr. Marshall: Nor in any other session, I hope.

The MINISTER FOR MINES: Well, I cannot answer for what our successors may do. He also recommended that the line from Southern Cross to Bullfinch should be removed. The Commissioner is still awaiting the decision of the Government. Our decision is that the district from the agricultural point of view looks so promising that we have no intention of asking Parliament to remove the line. He also recommended the removal of the Kanowna line. This line is not operating except when traffic offers. I believe no disadvantage would accrue to the people if the 12 miles to Kanowna were taken up. Under existing methods the 12 miles of traffic with the road traction facilities that are available would not seriously inconvenience the public. There are, however, developments in and around the Kanowna district of such a nature that we are going to stay our hands in this direction for the present. If the developments are not as satisfactory as we hope, we may ask Parliament for approval to remove these 12 miles of line. The Royal Commissioner recommended a reduction in suburban fares, season tickets, live stock rates, and excursion fares. The Commissioner of Railways has gone very thoroughly into the matter. He said that if his estimates of revenue are to be realised, there cannot be any reduction at present.

Hon. W. C. Angwin: They are higher than anywhere else in Australia.

Mr. Johnston: The country fares are high.

The MINISTER FOR MINES: Not at all.

Mr. Harrison: They are higher than they were.

The MINISTER FOR MINES: They are higher all over the world. That does not alter the fact that the cost of giving the service is also higher. If the cost of running the service were at least a little lower, we could consider the question of reduction of fares and freights, particularly of passenger fares. If a person really wants to travel we give him opportunities of doing so at reasonable figures and at certain periods. People in the country get opportunities which were not previously accorded to them and which do not exist in other parts of Australia. If

a settler and his family cannot get away during the period of ordinary excursion rates, because of harvesting operations or shearing operations, he can take advantage of the special rates at any time of the year.

Mr. McCallum: But the farm labourer's wife cannot, because the concession extends only to the farmers' wives.

The MINISTER FOR MINES: Has any-one applied for it?

Mr. McCallum: Yes, but the Commissioner turned it down.

The MINISTER FOR MINES: That has never been brought under my notice. A farm labourer's wife and children, if living on the farm where he is working, should be placed in the same position as the farmer's wife.

Mr. Corboy: But she is not.

The MINISTER FOR MINES: This concession was intended for a definite purpose.

Mr. McCallum: I produced letters in the House last session dealing with this matter.

The MINISTER FOR MINES: It was a concession granted to the wife and children of the settler, who could not take advantage of the cheap excursion fares that were made available to the general public at specified periods of the year. There is no difference between the settler's wife and the wife of the settler's labourer from the point of view of these concessions.

Mr. Corboy: I hope the Commissioner will take that as an instruction.

The MINISTER FOR MINES: I will confer with him. The member for Williams-Narrogin referred to country fares. I have here a comparison of the fares in different States and elsewhere over distances of 100 miles and 200 miles. In New South Wales the fares are 22s. for first class and 14s. 7d. for second class for the 100 miles; in Victoria they are 18s. 11d. and 12s. 7d. respectively; in South Australia 19s. 9d. and 13s. 3d. respectively; in Queensland 17s. and 11s. respectively; and in Western Australia 16s. 8d. and 10s. 5d. respectively, the lowest of any State in the Commonwealth. For the 200 miles distance the fares in Queensland are 32s. first and 20s. 6d. second. These are the lowest in Australia. In Western Australia they are 33s. 4d. and 20s. 10d., 4d. more than in Queensland for second class and 1s. 4d. more on the first class fares. The next nearest is Victoria where the fares are 37s. 9d. or 4s. 5d. more than our first class fares, and 25s. 2d. for second class or 4s. 8d. more than ours. In South Australia the fares are 39s. 3d. and 26s. respectively and in New South Wales 43s. 11d. and 27s. 3d. respectively. In South Africa the fares are higher than they are anywhere in Australia, with the exception of New South Wales. In New Zealand they are slightly lower. In Great Britain the fares are higher than they are in Australia. For the first 100 miles they are 24s. 2½d. for first class and 12s. for second, and for the 200 miles the fares are 58s. 6d. and 29s. 1d.

Hon. W. C. Angwin: They have been reduced now.

THE MINISTER FOR MINES: I was speaking of last year. This shows that although our fares are high as compared with what they were in pre-war times, in view of the cost of running the services and of operating generally, they are not higher than is practicable. When the cost of running these services is reduced, we can reduce both freights and fares. The Royal Commission recommended that we should alter our present system of management and introduce the divisional system as it exists in America, and as it was adopted in Queensland. He states that this would effect a saving of 103 officers representing £27,000 a year. The Railway Commissioner has carefully considered the matter and conferred with other Commissioners in Australia who have had experience in both the systems. He is not prepared to accept the responsibility of adopting the recommendation. Queensland's Government requires 1,204 officers to carry out the work which is done in Western Australia with 547 officers. The Royal Commissioner recommends that three Commissioners should be appointed in lieu of one Commissioner. The position is quite outside the province of the Commissioner for Railways. It is a matter for Parliament. Parliament definitely and decidedly turned down the proposal for three Commissioners at the time when the one Commissioner was appointed.

Mr. Pickering: It was part of his duty to make the recommendation.

THE MINISTER FOR MINES: I do not say it was not. I am not quarrelling with the recommendation. The management of our railways cannot in any way be held responsible for the fact that we have one Commissioner instead of three. Parliament decided in favour of the one Commissioner. Taking into account the conditions of past years I do not think the one Commissioner can be said to have entirely failed.

Mr. Pickering: I do not think so either.

THE MINISTER FOR MINES: We might get better results with the other system, but I am not prepared to say so. There are one or two things we have done to bring about results, which members frequently state would be of advantage in the direction of a greater use of our railways by our producers. The freight on stud sheep was previously charged at double the ordinary stock rate, because these animals were of more value and required more careful handling and attention. The rate is now reduced to the ordinary rate. In many instances we have provided conveniences that did not previously exist in the matter of stock loading facilities. I do not think anything has been done for any community during the past five years that stands out more prominently than these stock loading facilities in country districts. No praise, however, has been forthcoming.

Mr. Latham: Oh, yes.

THE MINISTER FOR MINES: No praise has been forthcoming except at election time from those who claim to be representing the producer in the country districts.

Mr. Money: I gave you credit for this on the Estimates last year.

THE MINISTER FOR MINES: The hon. member is not a member of the executive of the Primary Producers' Association.

Mr. Money: I am not speaking of that.

THE MINISTER FOR MINES: That is an organisation which should be giving us some credit, but has given none at all, and has merely adopted an attitude of cursing all and sundry.

Hon. W. C. Angwin: They cannot help it.

Mr. Pickering: What about yourself?

THE MINISTER FOR MINES: Under the old rate book it was the practice to charge demurrage in agricultural districts as well as elsewhere for the time during which trucks were held out of traffic: that means, held in excess of the time permitted for the unloading of the contents. That does not now apply in agricultural districts, particularly at unattended sidings where a man cannot take delivery of the stuff at the moment it arrives. Merchants do not always load their stuff and send it forward on the date mentioned in the advice note. They advise a customer in the country that they are sending stuff forward on, say, the following Wednesday, but it does not arrive on that date and the consignor may not turn up again until the following Wednesday to receive the goods. This means penalising the settler through no fault of his own. We consider that the settler should not be penalised when he is not responsible for what has happened.

Mr. Marshall: It is the fault of the Commissioner of Railways, too, very often.

THE MINISTER FOR MINES: Since the present Commissioner has been in office, and I have been Minister for Railways, the department has made a practice of notifying the settler around unattended sidings and, according to the distance which he has to travel to the siding and the mail service, we have held the stuff at the siding until he has been able to collect it.

Hon. W. C. Angwin: Is that why the steamers were held up last year for want of trucks in which to load wheat?

THE MINISTER FOR MINES: That may be so.

Hon. W. C. Angwin: It makes no difference that the lumpers are thrown out of work, so long as the convenience of the country is considered.

THE MINISTER FOR MINES: Such conditions will prevail on any system, unless we have such a large supply of rolling stock that the overhead charges are so great that the system cannot be made to pay.

Hon. W. C. Angwin: The wheat scheme had to send out an inspector to look for the trucks.

THE MINISTER FOR MINES: That is no the case to-day. On the average not more than half a dozen trucks a week would be affected.

Mr. Money: You are not charging demurrage because the settlers cannot get their stuff.

THE MINISTER FOR MINES: We also provide concessions to farmers with respect to store stock. When this was agreed to, I did not think such great advantage would be taken of the concession. It came into operation on the 1st October, 1921.

Hon. P. Collier: Just after the conference met.

THE MINISTER FOR MINES: No, it has nothing to do with the conference. This is one of the things we did without reference to anyone.

chiefly acting on the suggestion of those who are living in the country districts.

Hon. P. Collier: It was said the conference brought it about.

Hon. W. C. Angwin: We read about it all in the reports of the Primary Producers' Association.

The MINISTER FOR MINES: At all events it was a move in the right direction. It provided for the sending of store stock for fattening purposes by rail. We allowed a rebate of 12½ per cent. off the ordinary stock rate. Where trucks were sent that would otherwise be empty, we took off 35 per cent. I was surprised to find on reference to the figures that no less than 137,000 store sheep were trucked for the purpose of fattening between the 1st October and November of this year, and 130 cattle.

Hon. W. C. Angwin: Are you sure they were sent for fattening purposes, or did they go to the butcher?

The MINISTER FOR MINES: The store sheep are sent away for fattening purposes, and ultimately go to the butcher.

Hon. W. C. Angwin: That fat stock does not go at the cheap rate.

The MINISTER FOR MINES: We were satisfied that they were being sent for fattening purposes.

Mr. Willcock: That concession may be abused. Fat stock has been sent through from the Murchison to Northam.

The MINISTER FOR MINES: Does the hon. member know of any case where there has been an abuse of this concession?

Mr. Willcock: I say it lends itself to abuse. I was on a deputation to the Midland Railway Company regarding this very matter.

The MINISTER FOR MINES: I know that some of these concessions have been abused.

Mr. Willcock: And this one has been abused.

The MINISTER FOR MINES: We have had to withdraw a number of concessions in connection with the railway system because people have abused them. I am not aware that this particular concession has been abused but we all know it has been taken advantage of with beneficial results to the stock-raisers and the producers.

Mr. Pickering: And to the railways as well.

The MINISTER FOR MINES: We also provide cheap excursion rates for farmers' wives and their families. The member for Murchison (Mr. Marshall) knows that we have provided specially cheap rates for expectant mothers to be conveyed to the nearest maternity hospital to get proper treatment.

Hon. P. Collier: Does that apply only to the agricultural districts?

The MINISTER FOR MINES: No, it applies all over the State. The suggestion was first made at Sandstone and the privilege has been made use of with beneficial results. I think it is a very desirable concession to make.

Mr. Johnston: Have you got any more weighbridges?

The MINISTER FOR MINES: No, the Westralian Farmers' Ltd. are providing them. We have also introduced an innovation under which, when any person is sick or meets with an accident at centres along the spur lines or the more remote railways, a telephone message from a responsible person will cause a motor trolley or special train to proceed to the spot at once

in order to bring the person to the nearest doctor or nurse for treatment, or to take the person to the nearest hospital for medical attention. That is a privilege that operates, so far as I know, in no other part of Australia or anywhere else in the world. It has been availed of where necessary and has proved beneficial to the people in the more remote areas. Having said all that, I may say a word or two regarding the present financial position of the railways as it applies to the present year. Hon. members may have some misgivings as to whether we shall reach the estimated revenue and keep within the expenditure set down in the Estimates for this financial year. For the first five-twelfths of the present financial year—i.e., to the end of November—the earnings were £1,153,034 as against £1,089,704 for the corresponding period of last year. Our working expenses have been £940,873, as against £986,080 for last year, leaving a net revenue over for the five-twelfths of the year of £212,161 as against £103,024 for the corresponding period of last year, or a difference in favour of this year, for the five-twelfths which have elapsed, of £109,137. Interest on the capital for this year amounts to £326,963 as against £306,467 for the corresponding period of last year, or a loss on the five-twelfths of the year of £113,802 as against £203,443.

Hon. W. C. Angwin: You will have to await the freight on wheat for the next month or two, for you will want that as well.

Mr. Latham: The member for North-East Fremantle need not worry too much about the finances of the railways.

Hon. W. C. Angwin: I don't know about that.

The MINISTER FOR MINES: It is not right, of course, for hon. members to judge the financial position for the full financial year from the results at the end of November. If they do that, they will blunder. I want to make a comparison between this year and previous periods. In 1921 the annual revenue was at the rate per annum of £2,413,000 as compared with our revenue for the previous year at the rate per annum of £2,805,000. This year the revenue in November was at the rate per annum of £2,572,000. If we only do as well as we did last year—it seems probable that we will do so and, in fact, we anticipate doing a bit better—we should get £2,940,000. So far as the expenditure for last year is concerned, at November it was at the rate per annum of £2,160,000. When the year finished the actual expenditure was £2,337,000 or £177,000 worse than that indicated in the Estimates. This year the expenditure, if we finish on the same basis as last year, means that we shall be within the estimate of £2,248,000. On the basis of the existing outlook and the results achieved at the present time there is every possibility of balancing the financial year and we should get the revenue expected and keep within the estimated expenditure. We have not merely accepted the position on this basis but last week the Commissioner met the heads of all the branches and discussed the details of expenditure and particularly the possibility of securing the revenue as estimated. The Commissioner reported to me on the result of this conference as follows:—

I have to-day conferred with the heads of branches and gone into details of branch ex-

penditure with them—as to the actual results of the five months ended November, and the seven months balance of the financial year. I am of the opinion that the estimated revenue (£2,940,000) will be realised, and I consider that I am in a position to give the assurance that the estimated expenditure for the year (£2,248,000) will not be exceeded. At all events I have taken all steps possible to make certain that this will be so.

Hon. W. C. Angwin: He is sacking a lot of men to do it.

The MINISTER FOR MINES: No.

Hon. W. C. Angwin: Yes, he is.

The MINISTER FOR MINES: If we do not want men, we must get rid of them.

Hon. W. C. Angwin: That is what I say; you are sacking them.

The MINISTER FOR MINES: It may be necessary, and unfortunately it is frequently necessary, to do that, but while admitting that, the fact remains that while we sack men in one branch we are almost certain to be forced to take on men in other branches to meet the increased traffic. In effect, therefore, we have not changed the position very much from the point of view of the actual number of men employed. We must take on additional men during the next few months. If we are not forced to do so, it will be a bad lookout. We sincerely trust we will have to put on more men. In some directions men previously employed to do certain classes of work are no longer necessary and it is not our duty to maintain men in idleness. We have to face that position.

Hon. W. C. Angwin: The trouble is that you said "No" when I interjected.

The MINISTER FOR MINES: I still say "No" from the point of view of the aggregate number of men employed in the Department. While putting off some, we have to put on others, and the result is that we do not actually lessen the number of men employed. The Commissioner has given evidence of his desire to meet the difficulties confronting the Railway Department. The net revenue, being earnings in excess of working expenses, in 1919, when he took over, was £86,282; in 1920 it was £83,517; in 1921, £103,024, and in 1922, for the first five-twelfths of the year, it was £212,161. The loss, after paying interest on capital to the end of November was: in 1919, £194,011; in 1920, £213,501; in 1921, £203,443, and in 1922, £113,802. These figures show that the improvement is gradual but certain, and show that we are slowly wiping off the deficit on the railways and balancing the railway finances. The result achieved last year was the best recorded since 1916 in connection with railway finances, and, in the circumstances, it can fairly be claimed that the Commissioner and his staff have been working effectively in their endeavour to improve the finances. After having been closely associated with those responsible for the running of the railway system, with the heads and sub-heads of departments, the men with the necessary knowledge for running the service and the traffic, and the loco. men, I claim that it would not be possible to find any other system in Australia where there is a more loyal and, notwithstanding what has been said to the contrary by the Royal Commissioner, a more contented body of men,

particularly taking into consideration the conditions that prevail in these times, or a more efficient staff than those associated with the railway system of Western Australia.

Mr. WILLCOCK (Geraldton) [10-12]: I will not take up the time of the Committee in discussing the railway estimates at length because most members in this Chamber have had so much of it during the last three or four months that, instead of getting benefit from the inquiries and reports, the position has become merely more confused. First we had the report of the Railway Commissioner, then there was the report of the Royal Commissioner, the correspondence with the Primary Producers' Association, and the reply of the Commissioner to that correspondence. Then the Railway Officers' Association added their little quota, and the general executive of the railway unions gave further particulars, until at last it became beyond the average hon. member to grasp the whole of the position. The Government, in addition, had the benefit of a special report from an officer detailed to look into all these things and thus enable them to deal with the evidence presented in the various forms. I endeavoured to make myself familiar with the position but found that I was confronted with documents representing about 1,000 pages. I began to realise the impossibility of getting a proper grasp of the position unless one was prepared to make a special feature of the one subject. It will be seen from the statements that have been put before us that the Government attribute the greater proportion of the deficit to the financial position of the railways which has accounted for half of the deficit. That very fact made it clear to most people that there must be some remedy for the position, and that, if there were any such remedy, it should be ascertained. At that stage it was considered by some people, and I think by the Government, that it would be necessary to have an extensive overhauling of the whole of the railway system, and that those in charge of the administration were not getting the results which ought to be obtained. I think the Royal Commissioner set out with the idea that the Government believed something was wrong and was intent on finding what was wrong. Undoubtedly the first report issued contained a scathing indictment and created considerable consternation among the public. It indicated that almost every one in the department was a dud; there were no good men at all; everything was wrong. There was not a word of commendation for anyone. It suggested that the whole system of management ought to be altered. That was the impression created by the alarmist reports in the daily press at the time. In going into the matter closely, however, we find that nothing very drastic was recommended by the Royal Commissioner, nothing which would make very much difference to the total cost of working the railways. Many of the recommendations had been the policy of the department for many years, and the reason they were not adopted was that the time was not opportune. There are many things which could be adopted with great advantage if we only had the money. I took up that attitude towards the Jamnadup-Denmark Railway Bill. That line will be of benefit to the community in years to come but

the present time is inopportune to construct it. We cannot afford it. The same applies to many matters dealt with by the Royal Commissioner. While the Minister was speaking I took a rough note of the various items which he said had been recommended. After all the condemnation, of the 23 main matters recommended, only about half a dozen have been adopted which were not already the policy of the department. The first recommendation dealt with petrol driven trolleys. This matter was discussed in the House two years ago and it was decided that it would be a good thing to adopt these trolleys. The department were giving effect to that policy as rapidly as could be expected and were introducing petrol driven trolleys. The Royal Commissioner thought it necessary to bring in an interim report dealing with matters which had already been discussed and which were already the policy of the department. Many of the matters had been considered by the department; many of them would be of distinct advantage to the department, but the expenditure to provide them would not be warranted at this stage. Automatic signalling, water supplies, better grades and heavy engines, are among the matters which it would be very desirable to adopt. This sort of thing looks very well on paper, but the fact that these subjects were within the knowledge of the department rather discounted the value of the recommendations. When the Leader of the Opposition was Minister for Railways, he put in hand the work of re-grading, and that policy would have been continued in the suburban area but for the war. The crux of the position is that we are carrying a considerable quantity of freight at less than cost. Members can find it worked out in Appendix H of the report of the Commissioner of Railways and can calculate it to within almost a few pounds. The Railway Department are really subsidising the agricultural industry to the extent of about £400,000 a year.

Mr. Latham: Do you mean to say they are earning £400,000 more than they are actually getting?

Mr. WILLCOCK: I say they are carrying agricultural products and other articles of primary production at a loss of £400,000.

Mr. Latham: I do not believe it.

Mr. Clydesdale: There is no doubt about it.

Mr. WILLCOCK: I can give the exact figures, but the hon. member can work it out on Appendix H.

Mr. Latham: You are working it out at half train loads instead of full train loads.

Mr. WILLCOCK: I am not talking about half train loads or full train loads. I am talking about the experience of the department at present. If a train is loaded to only 60 per cent., we cannot bring any influence to bear to have it loaded to 80 per cent. If it can be loaded to 100 per cent., it is the Commissioner's job to see that it is so loaded.

Mr. Pickering: What do you suggest?

Mr. WILLCOCK: That we face the position honestly and meet this loss out of revenue.

Hon. P. Collier: Pay for the cost of the service rendered.

Mr. WILLCOCK: We ought to tell the people what we pay through the Railway Department alone.

Mr. Latham: Let us have those figures.

Mr. WILLCOCK: We expected that the Royal Commissioner would find some outstanding weakness and would have been able to say to the Government—"Obviate this difficulty and you will get better results." That was not done.

Hon. W. C. Angwin: He referred to a few w.c.'s and to employing a girl instead of a man.

Mr. WILLCOCK: A man with the experience of the Royal Commissioner on railway working dealt with matters in a manner which was absolutely misleading.

Mr. Clydesdale: And as an absolute novice.

Mr. WILLCOCK: The nature of his appointment led him to assume that the Government wanted a condemnatory report.

Hon. P. Collier: There is no question that he dealt with big things as well.

Mr. WILLCOCK: Quite so.

Hon. P. Collier: Therefore it is not fair to suggest he dealt with only two-penny half-penny things.

The Minister for Mines: There must be a difference of opinion regarding his recommendations.

Mr. WILLCOCK: Quite so. Some of them can be partially adopted.

Hon. W. C. Angwin: He did not deal with the question of where the losses occur.

Mr. WILLCOCK: No. He stated that the administration was comparatively good.

The Minister for Mines: The greatest thing to be said against him is that he found no good in anybody.

Mr. WILLCOCK: That is one of the bad features of the report.

Mr. Corboy: Just as well he was not adjudicating on the Minister for Mines.

Mr. WILLCOCK: He set out to excuse the financial position of the railways on the ground that we had one mile of railway to every 92 persons, and far too great a mileage for the needs of the population. That has been stated over and over again; it has become platitudinous. We need information of that kind only when new railways are being introduced. There is a very serious loss somewhere.

Mr. Money: He recognised that the mileage was too great.

Mr. WILLCOCK: He recommended a lot of things. People conversant with our railway system are aware of the difference between present conditions and those prevailing 15 or 16 years ago when the railways were showing a profit. The difference is due partly to increased wages, but 15 years ago we had a lot of high class traffic over long distances. Half a dozen trains were run daily to Kalgoorlie and beyond, and the same applied to the Murchison. I was working at Geraldton at the time and we used to run two three trains a day to the Murchison, whereas now they only run a couple of trains a week. All of that was high class freight and the revenue returns reflected it. In contradistinction to that the traffic has fallen off until it is not more than about one-third of what it was and much of it consists of comparatively short distance freight which is carried at a loss. Our railway position will become worse.

Hon. P. Collier: The carriage of that class of freight, on which they are losing, is increasing every year.

Mr. WILLCOCK : Yes, and it is being hauled a greater distance where the rate per ton per mile decreases with every additional mile. If the freight over 100 miles cost £5, one would assume that the freight over a distance of 125 miles would bear the same ratio of increase. That is not so. Instead of the increase for the additional 25 miles being 25s., it is only about 23s. Thus the greater the distance the goods are hauled, the greater becomes the loss. As the distance increases the freight decreases. I have no quarrel with that policy. Probably it is good business to develop the agricultural industry, but so long as we continue this developmental policy, we cannot fairly saddle the Railway Department with the responsibility for not making the railways pay.

Mr. Money : Is there an actual loss on that policy on a full train load ?

Mr. WILLCOCK : It is impossible to always get full train loads. The hon. member, as a solicitor at Bunbury, would not always be employed though he might always be available for work. If only 60 per cent. of a load is offering, the department cannot wait for a fortnight or three weeks to make up the remaining 40 per cent. People must have facilities. How could there be a regular passenger service if the department decided not to send out a locomotive until there was a full train load ? A large proportion of the goods traffic is worked in the slack season of the year by what are called mixed trains. On the Northampton line it is not necessary to have a special train during nine or ten months of the year, except for stock.

Mr. Money : Then we want more population.

Mr. WILLCOCK : I am explaining why the Railway Department do not always run full train loads. We may assume that the Commissioner of Railways honestly attempts to make the system pay, and that he strains every nerve to obtain full train loads every time. But that cannot be achieved. On wheat traffic the Railway Department lose about £160,000 a year. A quarter of the total tonnage of the railway traffic is wheat, but from wheat the department get only one-eighth of the money they earn. Appendix H of the Railway Commissioner's report is a very valuable document, and it shows that the total revenue from paying traffic averages 1·95d. per ton per mile. As to fertilisers the position is worse, this article paying only ·54d. per ton per mile.

Mr. Pickering : But that is back loading.

Mr. WILLCOCK : That is all nonsense. It costs a certain amount to convey the fertiliser, and that is the return. As to the back loading argument, portion of the fertiliser is not delivered until June, when the wheat traffic has entirely ceased. A good deal of the fertiliser is delivered in May, and a considerable portion in April.

Mr. Mann : But the farmers themselves endeavour to get their super out to suit the Railway Department. It saves the farmer a trip.

Mr. WILLCOCK : On wheat we lose about £160,000 a year.

Mr. Teesdale : Are those rates due to political pressure ?

Hon. P. Collier : Yes, absolutely.

Mr. WILLCOCK : If they were not due to political pressure, they would be altered. Or I may say that they are due partly to political pressure, and partly to the general recognition

by the community that the agricultural industry must be fostered. But the Commissioner of Railways gets it in the neck. The system does not work out equitably.

Mr. Teesdale : It is a rotten state of affairs when you compel the man to charge those rates, and then you complain about it afterwards.

Mr. Mann : " Political pressure " is not the correct term. It is a matter of Government policy.

Mr. WILLCOCK : It is Government policy which is given effect to on account of political pressure. The thing is inequitable because the cheap rates are being charged to people who can well afford to pay. A third or more of the people engaged in agriculture in this State are making a very handsome living. Any number of farmers are getting £1,000 a year. I looked the matter up in the returns of the Commissioner of Taxation, and it appears that the average income of farmers paying income tax was £625 a year. I think there were 1,100 of them.

Mr. Mann : Are you permitted to see the farmers' returns in the Taxation Department ?

Mr. WILLCOCK : Does not the hon. member know that the reports of the Commissioner of Taxation tell us that there are so many taxpayers of such an occupation paying income tax ? The rest of the State is absolutely impoverishing itself to keep those farmers going, men with an average yearly income of £625. On hay and chaff there is a loss of about £24,000 a year. On special trains there is a loss of £1,600, and on firewood a loss of £5,000. " Miscellaneous ores," something which has to do with the outback mining centres, and therefore something with which we do not quarrel much, represents a loss of £28,000. All this is on the basis of 1·95d. being the average cost of paying traffic per ton per mile. But we have in addition the loss of about £400,000 a year made by the railway system, and therefore the actual cost of haulage is appreciably greater. Probably the loss on the items I have quoted should be increased by at least seven or eight per cent. Victoria faces the position in this respect fairly and squarely. In Victoria there are not a lot of discontented farmers going around the country saying, " The Government do nothing for us, and we are the backbone of the country." Victoria recognises the position, and gives its Railway Department a direct subsidy from the Treasury of £100,000 per annum for the agricultural industry. In a recent issue of the " Australian Mining Standard " it is stated that the Victorian Standing Committee on Railways have latterly recommended the construction of a line, but that the cost of the line, instead of being debited wholly to the Railway Department, is reduced by a subsidy of £25,000 granted by the Victorian Treasury. The interest burden on that line will, therefore, be correspondingly reduced so far as the Railway Department are concerned. Against our losses we have a profit on imported coal of about £1,000 a year, and £28,000 on wool, and £50,000 on local timber. On traffic of the A. B. and C. classes, being ordinary merchandise, there is a profit of £300,000 in the aggregate. Most of that profit comes from seven or eight classes in Appendix H, which are all shown to be payable traffic. The third class traffic pays 9d. per ton per mile, as against an average cost of about 2d. That traffic pays four and a-half times its cost. The freight may

be described as comparatively exorbitant. A proportion of that traffic goes to the goldfields, which consequently suffer a heavy handicap.

Mr. Pickering: Agriculture pays its proportion, too.

Mr. WILLCOCK: On the stuff that the agriculturists use. If the rates charged to the agricultural industry for its produce were raised to the average cost of 1-95d. per ton per mile, we would wipe out our railway deficit at one hit. I do not say we should do so, but I do say with regard to the whole business that we should face the position fairly and squarely. There should not be complaint against the management of the railways when the agricultural industry is being subsidised to the extent of £300,000 or £400,000 annually in railway freights.

Mr. Hickmott: The general community reap the benefit from the production of the industry.

Mr. WILLCOCK: The general community reap no benefit as regards the price of wheat, because that price is governed by other conditions. It is often said that the Railway Department cannot afford to pay a decent wage to its employees. Yet the department are carrying at unpayable rates the produce of hundreds of farmers earning up to £1,000 a year.

Mr. Money: Those rates refer chiefly to the export trade?

Mr. WILLCOCK: Yes.

Mr. Money: And therefore they help to introduce new capital into the State.

Mr. WILLCOCK: Yes; but that new capital would be introduced just the same if the rates were higher, because the wheat would still be exported. If we send a million tons of wheat from this country to England, the return for that wheat would be the same whether £10,000 or £100,000 had been paid on it for railway freight. The factor of railway freight makes no difference in that respect.

Mr. Hickmott: But it has been argued here that the farmers pay no income tax.

Mr. WILLCOCK: The report of the Taxation Commissioner shows that they do pay; and good luck to them, I wish there were more of them paying income tax. The Commissioner's report is not so clear with regard to passenger traffic.

Mr. Pickering: The Minister says it is the cheapest in Australia.

Mr. WILLCOCK: I mean with regard to the incidence. The position with regard to freight is clear; we can ascertain what we wish to know in that respect. We know, for instance, that the accumulated surplus which the Railway Department had some years ago was swallowed up by the losses sustained in the early working of the agricultural lines. For several years we experienced profit on our railways and we set out on a policy of building agricultural lines which were unprofitable for a considerable period. Some of these are losing money even today. But we should not quarrel because in the early days some of our railways paid and today are not paying. Regarding passenger traffic a different set of conditions appear to apply and we are not able to get anything in the shape of information. For instance we find that there is practically the same number of first class compartments as there is second. At the same time only 20 per cent. of the revenue comes from those who travel first class and the balance

of 80 per cent. comes from the second class passenger traffic. Practically the same number of carriages is in use.

Mr. Money: That may be so on suburban lines.

Mr. WILLCOCK: The statistical officer of the Railway Department should tell us where we are in connection with first and second class passenger earnings. Then, on the revision of the rates, it would be possible to see whether the first class passengers were paying too little for the services being rendered, and whether the second class passengers, in comparison, were paying more. It is not possible to get the information one would like from the reports. As a matter of fact, in connection with departmental reports one could just as easily condemn as give praise. This applies also to the report of the Royal Commissioner. It would be just as easy to make a condemnatory speech as otherwise on that report. The truth will probably lie between the two statements which we have before us, but it cannot be denied that there has been a general shaking up of the system. There does not appear to have been anything violently out of order in the Railway Department, and at the same time it may be said that everything was not as it should have been regarding the working of the system. I know that there was "retrenchment run mad" for a time. This should not have taken place because money was lost by reason of there not being proper staffs to deal with the traffic. The department retrenched considerably more than should have been done.

Mr. Teesdale: They were nagged at by members.

The Minister for Works: And by the public.

Mr. WILLCOCK: The Commissioner went round at the slackest period of the year and made absurd comparisons regarding what was being done. On perusing reports I find that he always asked everybody whether they could suggest retrenchment in any direction. Bear in mind, too, that these same officers had already been asked to submit reports in a similar direction, and the service had then been cut to the bone.

The Minister for Works: Can you tell me how all the expert information found its way into the Press?

Mr. WILLCOCK: That does not concern me very much.

The Minister for Works: The Press must have known something or they would not have said what they did.

Mr. WILLCOCK: Some people always rush into print and say silly things.

Mr. Teesdale: Even about Ministers.

The Minister for Works: I mentioned this because I was once Commissioner for Railways.

Mr. WILLCOCK: The weak spot in the railway system is that it is carrying a considerable amount of freight at unprofitable rates.

Progress reported.

House adjourned at 11 p.m.