

# Legislative Assembly,

Thursday, 11th January, 1923.

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

## QUESTION—NORTH-WEST SHIPPING.

Mr. WILLCOCK (for Mr. McCallum) asked the Minister for Mines: 1, When did the Government consent to the s.s. "Gascoyne" being allowed to trade on the North-West coast and exempted from the provisions of the Navigation Act? 2, Is the s.s. "Gascoyne" to be manned by a coloured crew? 3, If so, is it possible that the s.s. "Bambra," employing a white crew and observing Australian working conditions, will be able to compete with the "Gascoyne" employing a coloured crew? 4, How do the Government propose, after agreeing to such competition, to protect the vested interests of the State?

The MINISTER FOR MINES replied: 1, In February, 1922, the State Government was asked to support an application to the Commonwealth Government for a permit granting exemption from certain provisions of the Navigation Act, for an additional steamer to trade on the North-West coast and to Java ports and Singapore, carrying stock and cargo only. The Government refused the request, but, in view of the necessity for additional facilities for passengers, agreed to support a similar request for a vessel having suitable passenger accommodation. In July, 1922, the request was renewed for a vessel having provision for 120 first class and 50 third class passengers, and the application was supported by the Government. 2, It is understood that the Federal Government have granted a permit to the "Gascoyne" to carry a coloured crew. 3, The "Bambra" is already competing against three vessels employing coloured crews, and the passenger requirements of the coast are not sufficiently catered for. 4, The "Bambra" has been run at a loss in the past, but, in view of the necessity for additional shipping for the North-West, the Government could not refuse to support the application for a permit.

## QUESTION—RAILWAYS, ELECTRIFICATION OF SUBURBAN SYSTEM.

Mr. PICKERING asked the Minister for Railways: In view of his action with regard to the construction of the Como tramway, and the pictorial illustration of the electrification of the Victorian suburban railway, is it his intention to adopt similar tactics for the electrification of the Western Australian suburban system?

The MINISTER FOR RAILWAYS replied: Cabinet's decision to construct the Como tramway extension, and the screening of the electrification of the Victorian suburban railways system, having no analogy, the hon. member's question implies lack of mind concentration and failure to use Parliament for its proper functions. The unequalled success of the Como tramline demonstrates the advantage of displaying courage and resolution in dealing with Government works that do not appeal to the parochially minded. Education on the electrification of railways is a precedent to realisation of the importance of modern methods in solving problems of cheaper transport and increased production. The hon. member's question therefore requires no answer, but gives evidence, if such were necessary, of an incapacity to grasp the relationship between the small extension of a parochial utility and a matter of national importance, embracing the solution of a problem of world-wide significance, namely, economic transport.

## QUESTION—PUBLIC SERVICE APPEAL BOARD.

Mr. WILLCOCK (for Mr. Hughes) asked the Premier: Adverting to the question asked by me on 7th December, 1922, relative to certain paragraphs appearing in the report of the Public Service Commissioner, in reply to paragraph 2 of which the Premier replied that the matter had been referred to the Public Service Inspector, will he inform the House of the reply given by the Public Service Commissioner?

The PREMIER replied: The Public Service Commissioner has replied as follows: "As a result of my investigations I am satisfied that there was no collusion in the instances referred to."

## BILL—LAND TAX AND INCOME TAX ACT, 1922, AMENDMENT.

Introduced by the Premier and read a first time.

## ANNUAL ESTIMATES, 1922-23.

Report of Committee of Supply adopted.

In Committee of Ways and Means.

The House having resolved into Committee of Ways and Means, Mr. Stubbs in the Chair,

The PREMIER (Hon. Sir James Mitchell—Northam): I move—

That towards making good the supply granted to His Majesty, a sum not exceeding £4,794,117 be granted out of the Consolidated Revenue Fund of Western Australia, and a sum not exceeding £111,776 from the sale of Government Property Trust Account.

Question put and passed.

Resolution reported.

## ANNUAL ESTIMATES, STATE TRADING CONCERNS.

In Committee.

Mr. Stubbs in the Chair.

Division—State Brickworks, £19,346:

The MINISTER FOR WORKS (Hon. W. J. George—Murray-Wellington) [2.40]: These Estimates are submitted rather as information than for consideration as Estimates in the ordinary way. During the year the brickworks have shown a profit of £2,351 3s. 9d. This profit has served to wipe out the whole of the accrued loss which, about five years ago, stood at £7,000. Not only has this accrued loss been wiped out, but we have standing to the credit of the profit and loss account the sum of £532 13s. 3d. During the last six years the works have passed through varying vicissitudes. At one period we could not obtain anything like a price for our product. We were exposed to a great deal of opposition and altogether it was a very hard uphill fight. I claim credit for the management that we should have been able to stand up against all the difficulties and make a showing such as I have mentioned. During the year our trade has been well maintained. The brick produced is at least equal to the finest in the State, and need not take second place to any other. To such an extent has its quality been appreciated that we cannot supply the orders showered upon us. The policy of the Government has been not to extend the trading concerns if it could be avoided. Consequently, extensions of the brickworks have not been made. It was not felt that the Government should put up a further kiln, but had a further kiln been erected we could have supplied an additional 40,000 or 50,000 bricks per week, for the machinery at the works is quite equal to the task. During the year the sales reached nearly 7,000,000 bricks. The average number we can manufacture weekly is 136,000, which is an advance of about 10,000 on any previous year. During the year £675 in cash was paid to the Treasury, being the balance of the advance from Consolidated Revenue for trading capital. At present, with the exception of loan funds advanced by the Treasury for fixed capital assets, the brickworks do not owe the Treasury a penny. The interest paid to the Treasury during the year was £1,333

3s. 10d., which, added to the profit, gives a net return of 11.28 per cent. as against 11.25 per cent. for the previous 12 months. During the year we have provided cash for depreciation charges to the extent of £2,109 15s. 6d., and the aggregate depreciation on these works amounted on the 30th June to £8,031 16s. 7d., or about 26 per cent. of the whole capital. Of this amount £1,500 has been invested in the Treasury. When we have any spare cash we let them have it, or they take it, which is the same thing.

Mr. Munsie: The Treasury get your cash and, if you want it back for capital expenditure, they charge you 7 per cent.; and yet you expect the State trading concerns to pay.

The MINISTER FOR WORKS: When the time comes to deal with a situation of that sort, let us hope that Providence will supply the Minister controlling trading concerns with sufficient strength to meet it. In view of the heavy maintenance costs which works of this kind entail and also that values under present conditions are slightly on the heavy side, I decided to write off £1,000 depreciation for the year under review, which is slightly more than ordinarily would be necessary.

Hon. W. C. Angwin: But you have provided sinking fund in addition.

The MINISTER FOR WORKS: I do not wish to say too much about that.

Hon. W. C. Angwin: I have particulars of the amount—£338.

The MINISTER FOR WORKS: That is only a detail. Provision is made for £1,000 contribution to the Treasury, which will represent the balance of profits of last year and a contribution on account of the present year's profits. In face of these items, which are all solid facts supported by the balance sheet, it should not be necessary to say much more. My views on State trading concerns are well known. I do not consider that the Government should establish them or have anything to do with them. But we have them. They are like the old man of the sea.

Hon. W. C. Angwin: They are very handy.

The MINISTER FOR WORKS: They are on the back of the Government. We did not create them, but we have to carry out our duty to the State by endeavouring to make the best of them.

Mr. Teesdale: You are not going to give them away.

The MINISTER FOR WORKS: When a man is in a position of trust, even though his opinion may be opposed to a certain thing, it is possible for him to do his best to make that thing a success. I wish to pay a tribute to the manager of the State Brickworks, Mr. Bradshaw, who is responsible for the successful carrying on of this concern. The State is to be congratulated upon having dropped upon a man of his calibre, honesty and thorough reliability. When I found it necessary to deal with the product rather differently than we had been dealing with it, I called on him and did not call in vain. At present he is also looking after the Boya quarry and

the quarry at Roelands, particulars of which I shall give later on. I repeat that the Government and State are to be congratulated on having found a man capable of handling a very ticklish situation as Mr. Bradshaw has done.

Mr. LUTEY (Brownhill-Ivanhoe) [2.50]: The Minister's statement amounts to an indictment of the Government. He said the brickworks have the machinery and that, with another Hoffman kiln, it would be possible to turn out a far greater number of bricks and thus increase the profit from the works. Although we have been agitating for the erection of this additional kiln, it has not been provided. The Minister professed to be quite honest in his endeavour to make the trading concerns pay. Yet he has been sitting down and has neglected to provide another kiln which would have turned out more bricks, given a greater profit and provided more employment. There have been instances of an insufficiency of bricks to carry on building operations. Had another kiln been provided, the Minister would have been able to announce a far larger profit. The Minister says he is honest in his endeavour to make these concerns pay. Perhaps Cabinet have tied his hands and wish to make these concerns look as bad as possible.

The Minister for Works: I did not say that.

Mr. LUTEY: That is apparent from the Minister's statement. The machinery at the works is capable of turning out a far greater number of bricks without increasing the capital cost. The machinery has not been worked to its full capacity, and yet the Government have neglected to provide the extra kiln.

The Minister for Works: It is a difference of judgment. The present Government do not believe in extending the State trading concerns.

Mr. LUTEY: It is well that the people of the State should know that they have a profitable concern, which might be made still more profitable but for the neglect of the Government. This is no new question. Year after year I have urged the need for this extension. Questions have been asked but have been evaded. At one stage we were told that the machinery required to extend operations at the brickworks was not in the State, and owing to the war, could not be obtained. In the following year we learned that the machinery had been in the State and that an extra kiln was required. There have been evasions right through. This goes to show the business calibre of the Government. They are content to lose profits which would be assured but for their policy. They should have done the right thing by the State and erected the additional kiln in order to obtain the best possible results.

The Minister for Works: If we had not been honest we could have wrecked the whole of the State trading concerns years ago.

Mr. Underwood: Why did not you wreck them?

Mr. LUTEY: I cannot help thinking that the Minister has been hobbled in some way I feel sure that had he had a free hand, he would have done his best to make the works as profitable as possible. The fact remains that owing to the non-extension of these works, their earning capacity has been curtailed. It is time the country knew how the Government are handling these trading concerns.

Mr. Teesdale: The Government could have shown a loss here if they had chosen.

Mr. Underwood: The loss is big enough anyhow.

Mr. Teesdale: There is no loss on the brickworks.

Hon. W. C. ANGWIN (North-East Fremantle) [2.56]: The case put up by the Minister shows clearly that the establishment of the State Brickworks has been warranted. While a small profit has accrued to the State there is no doubt that the works have been beneficial, not only to private builders, but in ensuring supplies at a reasonable rate for Government requirements. The amount saved in consequence can never be ascertained, but it must be considerable. This was one of the objects for which the works were established and no doubt that object has been attained.

Hon. P. Collier: They have been policing the trade.

Hon. W. C. ANGWIN: The estimated loss on the trading concerns as a whole is very small indeed, even with the Wyndham Meat Works thrown in. The estimated deficiency for the current year on the whole of the State trading concerns is £14,383. The items of expenditure set down include interest and sinking fund and depreciation in each case with the exception of the Wyndham works, for which I believe interest and sinking fund only are provided. The State trading concerns as a whole have been beneficial to the State. The Wyndham Meat Works are likely to show a deficiency this year of £70,000 and the State Shipping Service, about which we hear so much, is expected to show a shortage of £9,850. Surely anyone who gives the matter fair consideration must admit that the State Shipping Service has been of greater material benefit to Western Australia than any other trading concern on which the Government have embarked. With shipping at such a low ebb the Government expect to show a loss on the "Kangaroo," "Bambra," and "Eucla" for the present year of only £9,850.

The Minister for Mines: I think it will be better than that.

Hon. W. C. ANGWIN: I think so, too.

Mr. Angelo: They show a profit of £20,600.

Hon. W. C. ANGWIN: The Estimate shows a deficiency on the service as a whole.

Mr. Angelo: That is after providing interest.

Hon. W. C. ANGWIN: Yes. The expenditure column provides for interest, sinking

fund and depreciation. The Government are providing depreciation out of the earnings of the boats, and the expenditure necessary to keep them up to the required standard is not taken from depreciation because that is capitalised. That money has been going into the Treasury. If a man is running a business and selling groceries, drapery, footwear and many other things, he generally takes his business as a whole, admitting that one branch assists in providing customers for the other. Those who have opposed State trading concerns have desired to take them individually instead of collectively. The Estimates prove conclusively that these concerns are not showing a big loss. The Wyndham Meat Works are unfortunately not in a happy position owing to the drop in the meat market.

Hon. P. Collier: That position is peculiar to all meat works.

Hon. W. C. ANGWIN: It applies to all meat works in Australia and more particularly to those at Fremantle and Carnarvon.

The Minister for Mines: There are no meat works at Carnarvon; only the machinery.

Mr. Underwood: Properly speaking, these are no more trading concerns than the Busseton butter factory.

Hon. W. C. ANGWIN: If it had been possible to sell the meat, in all probability the Carnarvon meat works would have been in operation 12 months ago.

The CHAIRMAN: We are not in Committee of Supply. I am sure the hon. member would be within his rights in dealing with the meat works when we come to them.

Hon. W. C. ANGWIN: We have no other opportunity of dealing with trading concerns generally.

The CHAIRMAN: The hon. member will have an opportunity of saying all he is now saying on the Wyndham Meat Works. We are at present dealing with the State brick-works.

Hon. W. C. ANGWIN: If we are obliged to deal with every item separately we cannot show the position of the State trading concerns generally as they affect the State's finances. It has been said by members here, as well as by several members in another place, that the Government are losing enormous sums annually through these concerns. People have been led to believe by those who hold responsible positions in another place that this is the case, although the Premier contradicted it last year. I wish to show from the figures supplied by the Government that these statements are not true.

The Premier: All the statements we made are correct.

Hon. W. C. ANGWIN: I am speaking of outside critics. There are three steamers running in the State service. Because these are showing a loss of less than £10,000 would members take them away when they are assisting in the development of Western Australia?

Mr. Underwood: Dalgety's only require to take one ship away.

Hon. W. C. ANGWIN: Through no fault of the Government or those who started the

Wyndham Meat Works they are showing a loss of £70,000. This is due to the position in the meat market. The footnote shows that the estimated balance for transfer to Consolidated Revenue Fund is £41,950. The expenditure provided under special Acts and estimated to be applicable to this division is £144,097. From this it would appear that the trading concerns show a loss of £100,000, but if we take the actual figures in the Estimates we find that the estimated deficit is £14,383.

The Premier: There is a loss of about £80,000 on the Wyndham works.

Hon. W. C. ANGWIN: I have taken that in. The gross deficiency is shown as £79,350, and the surplus as £65,467, leaving an estimated deficiency of £14,383. The £144,000 is already provided in the estimates of expenditure upon each of the State trading concerns, with the exception of the amount of £14,383.

The Premier: That is for interest and other charges.

Hon. W. C. ANGWIN: That is provided in the expenditure column. The State brick-works, for instance, provide interest on all fixed and working capital, departmental charges and sinking fund. These amounts have to be paid under special Acts and are included in the £144,000. My object is to draw attention to the position of the State trading concerns in the aggregate. Last month there was a surplus of £164,000. The recoup on departmental charges, interest, etc., from the State trading concerns was £33,339 and a further balance was transferred from State trading concerns of £47,055; the total recoup from the State trading concerns being £80,394.

The Premier: Not much more than would pay the interest and sinking fund.

Hon. W. C. ANGWIN: The Estimates do not say that. The interest is included in the £33,000 according to the report published in the Press. I hardly think the Treasury officers would give the Press wrong information on the subject. I hope members will not allow themselves to be biased against these State trading concerns.

Mr. Pickering: Are you biased?

Hon. W. C. ANGWIN: I must take the figures as presented by the Treasury, and I ask members to accept them, too.

Hon. P. Collier: Not the executive figures.

Hon. W. C. ANGWIN: The Treasury figures do not show that the State trading concerns are responsible for the State's deficit, or that they are injuring the State's finances.

Hon. P. Collier: And they never have said so.

Hon. W. C. ANGWIN: The Premier admitted that last year. I hope these trading concerns will be dealt with fairly and justly.

Mr. MONEY (Bunbury) [3.11]: Very little is said upon those matters which affect State trading concerns while not appearing on the Estimates. I have very little doubt that all the assets would have been provided for these State trading concerns if

the people's money had not been invested in them.

Mr. Willcock: You are an optimist.

Mr. MONEY: Private money would have been forthcoming for these concerns but for the intervention of the Government. The people's money could have been better used in the true development of the State in directions where private money would have utterly failed.

Hon. P. Collier: Strictly you are out of order in speaking in this way.

Mr. MONEY: The member for North-East Fremantle has endeavoured to show how beneficial these trading concerns have been to the State.

Hon. W. C. Angwin: I endeavoured to show what the actual position is.

Mr. MONEY: Then he admits they are not beneficial to the people. The State's assets would have been much improved if the people's money had not been invested in this direction. We should have had brickworks, and our own money to boot.

Hon. W. C. Angwin: Now you have neither. You know the Bunbury butter factory was established and carried on for years on State money.

Mr. MONEY: That statement is not correct.

Hon. W. C. Angwin: It is.

Mr. MONEY: The factory borrowed a little money from the State, but the great proportion of the capital used was private money.

Hon. W. C. Angwin: Not at the start.

Mr. MONEY: Yes. It was contributed by the shareholders, of whom I am one. For 10 years I did not receive a farthing of interest on my money, while the Government were paid every farthing due to them. That is the assistance the Bunbury Butter Factory got from the Government. The Government took a primary security over the whole concern, and over all the money invested. There is nothing that is doing so much to prevent the importation of butter into Western Australia from the Eastern States as the Bunbury Butter Factory. The remark has been made in this House, "Look at what we have done for Bunbury!" I reply, "Look what Bunbury has done for the State." The people of Western Australia are taxed up to the hilt in their enterprises. If they make anything at all, a share of it has to go towards the upkeep of hospitals, maintenance of roads, and so forth. But State enterprise is exonerated from the payment of such taxes. How easy it is to make a concern pay when the Government are standing behind it! Is it true or is it untrue that Government contracts even stipulate that State manufactured bricks shall be used? Is that fair to private enterprise, fair to the people who pay the taxes of this country? If the principle is good in one respect or in two respects, perhaps it is good in all respects. Shall we extend it, then? If we do so, we shall reduce the ability of our taxpayers to pay. If we have private brick works in Western Australia

and by extending the State Brickworks absorb two or three of them, we detract from the taxation capacity of the country, because State enterprise pays no taxes.

Hon. W. C. Angwin: If you have to pay 10s. a thousand more to the private brickworks, is not that taxation?

Mr. MONEY: The State charges the same price as the private brickworks.

Mr. Munsie: The private brickworks know that they must keep to the Government price. If the Government enterprise were not there, the price would go up 10s. per thousand right away.

Mr. MONEY: Why do the State Sawmills charge the same prices as the timber companies?

Mr. Munsie: If the State Sawmills were not there, Bunnings would put up their prices for jarrah.

Mr. MONEY: I am satisfied that in this respect America is far in advance of Western Australia. The people of America realise the value of private enterprise every time.

Hon. P. Collier: Yes, America is a glorious country.

Mr. MONEY: I have no doubt that the people of Australia, rather than extend State trading concerns, will in future see the other side of the picture. Instead of detracting from the ability of the taxpayer to pay, by reason of unfair competition, the Australians will return to the principle of private enterprise, on which the British Empire was built.

Mr. DAVIES (Guildford) [3.21]: There seems to be some misconception on both sides of the Chamber as to the real reason why State enterprise was inaugurated. Seeing that I have been connected with the brick making industry for 10 years, I ought to know something about it. State enterprise, I understand, when commenced here was intended to act as a check on private enterprise.

Mr. Munsie: Have the State Brickworks done it?

Mr. DAVIES: If the hon. member waits awhile, I think he will find that they have not done what they were intended to do.

Hon. W. C. Angwin: At the start they did.

Mr. Lutey: And they could have continued to do so if they had had sympathetic treatment.

Mr. DAVIES: It is asserted that State enterprises are established only by people with socialistic tendencies; but Sir Thomas Bent, when Premier of Victoria, threatened, on account of the brick ring then existing in Victoria, to start State brickworks there in order that the Government might obtain bricks at a fair price for the building of Flinders-street railway station.

Mr. Lutey: But Tommy Bent left the general community at the mercy of the combine. He merely made a contract for the State.

Mr. DAVIES: I myself believe that our State brickworks have done an immense deal

of good. But the price at which bricks are sold to-day is quite irrespective of the fact that the State sells bricks. To-day's price was fixed by the Prices Regulation Commission. I myself gave evidence before the Commission when the price was being fixed.

The Minister for Works: But there is no Prices Regulation Commission to-day.

Mr. DAVIES: If the Minister's interjection means anything, it means that the Government should have sold bricks at a price lower than that fixed by the Commission.

Hon. P. Collier: The prices of the private yards would go up but for the existence of the State Brickworks.

Mr. DAVIES: That is a mere assumption on the part of hon. members opposite.

Hon. P. Collier: Does not all history show that the assumption is right? Does not private enterprise always increase prices?

Mr. DAVIES: Prices have fallen all round. Two years ago the price of bricks might have been raised but for the Prices Regulation Commission. To-day, however, it would be suicidal for any enterprise to raise the price of its product.

Hon. P. Collier: Prices are falling generally. Wages are coming down.

Mr. DAVIES: The price of bricks to-day was fixed two years ago, when wages and the cost of material were at the very highest point. However, the idea of State enterprise is not to make profit, but to show to the general public at what price a good article can be fairly turned out. The State Brickworks have done that. However, there is nothing to be enthusiastic about. A surplus is shown in these accounts, but everything has not been provided for. Sinking fund and depreciation remain to be covered.

Hon. P. Collier: Depreciation, sinking fund, and interest are all provided for.

Mr. DAVIES: Then the State is not justified in maintaining the present price of bricks. It is said that the State could sell bricks a good deal cheaper if it increased its plant.

Mr. Munsie: The manager says so.

Mr. DAVIES: Let me remind hon. members that the machinery installed at the State Brickworks is undoubtedly the most modern in Western Australia. But any hon. member is in error if he says that the machinery installed there will supply another kiln with bricks. It will not.

Mr. Lutey: The Minister says it will.

Mr. DAVIES: Notwithstanding what the Minister says, the only machinery lying idle at the State Brickworks to-day is the machinery that is kept idle in every modern works to meet the contingency of a breakdown. One single machine is lying idle at the State Brickworks. The machinery in use there is one double machine and another single machine. Similarly, Mr. Law at Armadale keeps a single machine in reserve. It could not be said that because of that machine Mr. Law ought to build another kiln. If one of the machines in use breaks down, then the men can be kept employed with the

aid of the spare machine. Without increasing the present plant, the output of the State Brickworks cannot be increased. A good deal of the success of the State Brickworks is due to the fact that the kiln is always working at its maximum, or even beyond its maximum. This is not the case at any other brickworks in the State. By an arrangement between the management and the men, the kiln is worked at more than its capacity in order to meet the demand.

The Minister for Works: There is no trouble with the men. They are decently treated.

Mr. DAVIES: Alongside the State Brickworks there is another brickyard, not quite so modern, which was idle for more than two years. It restarted a few weeks ago, and the result was that a number of the staff of the State Brickworks left to go to work in the private yard.

Hon. P. Collier: There is no reason why they should not.

Mr. Munsie: They went to the other brickyard because their homes and their families were there.

Mr. DAVIES: We ought not to become hysterical over the matter of State enterprise. So far as members of this House are concerned, there ought to be a compromise with the object of doing what is fair to State enterprise and to private enterprise as well.

Hon. W. C. Angwin: That is what I ask for.

Mr. DAVIES: Notwithstanding that the State has been employing these men for a period of two years they have no scruples, immediately the private yard is re-started, about leaving the employ of the State.

Hon. P. Collier: Why should they? They follow a natural law.

Mr. DAVIES: Exactly. But members always say things are so much better in State enterprises.

Hon. P. Collier: Who said that?

Mr. DAVIES: The Minister.

Hon. P. Collier: He said the men were treated well. He did not say they were treated so much better.

The Minister for Works: I said they were treated decently.

Mr. DAVIES: The inference is that the men were better treated at the State Brickworks.

Hon. P. Collier: You are stretching the Minister's interjection. You cannot twist language in that way.

Mr. Munsie: He cannot help doing it. He cannot get up without saying something detrimental to the men working.

Mr. DAVIES: I can be as fair as the hon. member interjecting. That was shown the other day.

Hon. P. Collier: That was a fake.

Mr. DAVIES: I know whether it was a fake or not.

Hon. P. Collier: That is only a joke.

Mr. DAVIES: The member for Hannans can make any interjection he likes but he will not go out on the public platform and repeat those interjections and get off scot free.

Mr. Munsie: I have gone into your electorate, old chap, and answered everything you said and you have not been man enough to reply.

The CHAIRMAN: Order! I cannot allow these interjections to continue.

Mr. Munsie: You stood in the shadow to listen. You were afraid to come out and open your mouth.

The CHAIRMAN: These interjections are out of order, and I must ask hon. members to cease making them.

Mr. DAVIES: I am sorry they are being made but I am not responsible for them. The position should be reviewed fairly and that is all I am trying to do. There are times when the remarks of hon. members have to be discounted. I do not claim that I am less biased than anyone else, but I do declare that an attempt has been made by the member for Brownhill-Ivanhoe (Mr. Lutey) to decry the State Brickworks. His remarks were wrong and should be contradicted.

Mr. Lutey: But the Minister made the assertion; I only repeated it.

Mr. DAVIES: I was not here when the Minister began his speech, but I heard the hon. member's remarks.

Mr. Lutey: I merely repeated what the Minister said.

Mr. DAVIES: It is not the first time similar statements have been made here. Exactly similar remarks were made 12 months ago.

Mr. Willecock: Anyhow, yours is a foolish argument.

Mr. A. Thomson: That settles it. Nothing more need now be said.

Mr. DAVIES: I have no desire to exaggerate, and the matter is not personal. The men at the State brickyards watch things just as carefully as we do in this House.

Mr. Lutey: Is the Minister right in his statement that he is turning out 40,000 bricks?

Mr. DAVIES: It is a question of degree. That number looks big, but reduce it to one-sixth, and we get the daily output.

Mr. Chesson: It makes a difference in the year.

Mr. DAVIES: It is a turnover that can be accounted for by a tenth rate brickyard.

Hon. P. Collier: But it depends on how many men you have.

Mr. DAVIES: That is so.

Hon. P. Collier: I made bricks when you were looking for a job.

Mr. DAVIES: Of course a lot depends on the number of men employed.

Hon. W. C. Angwin: The Minister said he did not want a Hoffman kiln for that.

Mr. DAVIES: The hon. member knows that a Hoffman kiln is most economical. If we revert to a square kiln we shall go back 50 or 60 years. Surely the hon. member would not advocate that in the State brickyards. No attempt has been made in this country, or indeed anywhere else, so far as we know, to nationalise the industry. All

that is attempted is to nationalise part of the industry. If we built three brickyards, we would not be nationalising the industry. As a matter of fact the only industry that is nationalised in this State is that of the railways.

Mr. Munsie: It is not truly nationalised; we do not own the Midland line.

Mr. DAVIES: I am talking of the principle. When a thing is nationalised it is owned entirely by the State.

Hon. W. C. Angwin: If I had known that I would have been permitted to talk as you are talking, I would have spoken for an hour.

The CHAIRMAN: I call the attention of members to the fact that these Estimates are not the same as the general Estimates. Section 16 of the State Trading Concerns Act reads—

Annual Estimates of the revenue and expenditure of every trading concern shall be prepared under such heads and in such manner as the Colonial Treasurer shall direct and submitted to Parliament separately from the Consolidated Revenue Fund Estimates.

Are we dealing with these items, or are we dealing with the principle of State enterprises? These Estimates should not be dealt with in the manner in which hon. members are doing now. Still, hon. members have the matter in their own hands, but if we continue as we are doing we shall not make much progress.

Hon. W. C. Angwin: You prevented me from continuing.

The CHAIRMAN: I am asking the House to decide whether I am right or wrong in preventing this discussion from going any further. The matter is in the hands of hon. members.

Mr. DAVIES: I am not attempting to do what the member for North-East Fremantle did.

Hon. P. Collier: You were dealing with the general principle of nationalisation.

Mr. DAVIES: Only for reference purposes.

Hon. P. Collier: You were just about finished, and of course you are coming back to the point.

Mr. DAVIES: Yes. I do not doubt the sincerity of any member regarding the discussion this afternoon. The member for Brownhill-Ivanhoe was sincere, but he was in error in making the remarks he did regarding the brickworks. Oftentimes there is a lack of candour in dealing with these particular things. I have attempted to put the position not only from the standpoint of advocacy of State enterprises but from the standpoint of those working in the industry, as well as those concerned in the management.

Hon. W. C. Angwin: Do not run away with the idea that all the brickyards in the State are fully employed. There are some which are idle.

Hon. P. Collier: What has been the cause of the shortage of bricks in recent months?

Mr. A. Thomson: Unfair competition on the part of the Government.

Mr. DAVIES: I cannot answer the question asked by the Leader of the Opposition. The yards that are working are working their full capacity. There are more large buildings in course of erection than was the case formerly. When cottages are being built, such as workers' homes and soldiers' homes, no difficulty is experienced in supplying bricks, but when it comes to straight work such as that at the Economic Stores, or the Prince of Wales Theatre, where bricks can be laid by the hundreds, instead of by the score, there may be a shortage. The State yards can be kept going to keep the State in bricks without troubling private employers, but once you exceed the demand, and you have to go on the private market, as is being done to-day, that is when the pinch is felt by the State yards. It would be wise for the State to confine itself to supplying its own requirements.

Mr. MUNSTIE (Hannans) [3.48]: I wish to reply to some of the remarks of the previous speaker. The hon. member, to back up his statements, referred to the attitude adopted by Sir Thomas Bent, when Premier of Victoria. If the hon. member is familiar with what happened, he did not state it correctly. But I do not know whether or not he knows the full facts. Sir Thomas Bent never made any statement nor did he ever attempt to protect the public in regard to the price. All he did was this: The Government of Victoria were going to build the Flinders-street railway station and the private brickyards advanced the price of bricks. Sir Thomas Bent purchased a clayhole and threatened to establish State brickworks for the purpose of the Flinders-street station and that only. The result was that the private yards reverted to the former price. The public outside, however, paid a higher price just the same. When the Labour Government were in office they were decried by the capitalistic Press for underselling the private yards, and eventually the private yards had to come down to the level of the prices of the State yards.

Mr. Mann: Are not the prices the same to-day?

Mr. MUNSTIE: Will the hon. member not admit that there was a possibility of the prices having gone higher but for the State works? Would not the fares have been higher on the North-West boats but for the State steamers?

Mr. Teesdale: I will answer that if he will not.

Mr. MUNSTIE: Yes, the hon. member will, because he is essentially fair, but some hon. members would not admit anything favourable to the State trading concerns. It will be a bad job for the people when the Government no longer attempt to police private

enterprise. The hon. member declared that the profit shown on the Estimates was not correct, that there were interest, sinking fund, and depreciation to be deducted from it. He could not have read the Estimates, for it is all shown there. There is not a private firm in the State which could carry on its business if it had to work under the State Trading Concerns Act. That Act is not fair to anybody, particularly is it not fair to the Minister controlling the trading concerns.

The Minister for Works: How do you think I have been able to get on?

Mr. MUNSTIE: You would have got on a great deal better if you had had a fair Act. The Minister has made a success of most of the trading concerns but, given a fair deal, he would have done very much better.

The Minister for Works: Had I had them as private concerns, I certainly would have done very much better.

Mr. MUNSTIE: The State trading concerns have put £600,000 into Consolidated Revenue and have saved the people £500,000 in interest alone. That is not anywhere credited to them. The sooner the Government realise that they require to give the trading concerns a decent chance, the sooner will they amend the Act.

The Minister for Works: The concerns should be put under a commissioner.

Mr. MUNSTIE: No commissioner could make a success of them while the Act remains in its present shape. Take the year in which the trading concerns put £170,000 clear profit into Consolidated Revenue. In the first month of the succeeding year the trading concerns had to get back £40,000 for working capital, and the Government charged them 7 per cent. interest for the use of their own money. No private business could make good in such circumstances. The sooner the Act is amended to give the State trading concerns a fair deal, the better will it be for the State.

Mr. PICKERING (Sussex) [3.48]: We have had from several members dissertations on the subject of the State brickworks. The member for Brownhill-Ivanhoe (Mr. Lutey) said the Government were not doing justice to the works, while the member for Guildford (Mr. Davies) defended the works on the score that they were instituted with the idea of keeping down the price of bricks. The chief difficulty with which the country is faced to-day is the obtaining of building material at a reasonable price.

The Minister for Works: Our price is not unreasonable, for the quality of bricks which we turn out.

Mr. PICKERING. If it were reduced, you would be more nearly serving the object for which the works were instituted. Not only the brickworks, but the sawmills also, are in a combine to maintain the price at a certain level.

Hon. P. Collier: There are other combines. The architects are in a combine to keep up their fees.



Mr. PICKERING: The architects have just as much right to live as have the members of any other profession.

Hon. P. Collier: Well, why omit them from your calculation?

Mr. PICKERING: The Government have entered into competition with the architects, and have worked for their clients at very much lower fees than are charged by outside architects.

Hon. P. Collier: Oh, that is the milk in the cocoanut!

Mr. PICKERING: I am not going to say whether it is right or wrong to have State trading concerns.

Hon. W. C. Angwin: You were quick enough to declare the righteousness of maintaining the Busselton butter factory.

Mr. PICKERING: That is very different. I object to the Public Works Department insisting upon the use of State produced material in all Government contracts. That is a vicious principle. Nor do I believe in the State sawmills entering into competition with private enterprise in respect of hardware and that sort of thing. If the Government wish to achieve the purpose for which the State brickworks were initiated, they should reduce the price of bricks so that it might be possible to erect homes at a reasonable price.

The MINISTER FOR WORKS (Hon. W. J. George—Murray-Wellington—in reply) [3.54]: I have not entered into the question of the general policy of maintaining State trading concerns; indeed, I have purposely avoided it. All I have said is that the Government consider that the State trading concerns should not be extended.

Hon. P. Collier: And you are doing your best to get rid of them all the time.

The MINISTER FOR WORKS: Probably there is not any member of the Cabinet who, if he had the power, would not sell the trading concerns to-morrow, provided a satisfactory price could be obtained. Notwithstanding what the member for Guildford (Mr. Davies) has said, I repeat that the brickworks could produce 40,000 more bricks weekly than they are doing, but that they could not burn them. We could burn them if we incurred the expense of putting in a couple of Scotch kilns. Mr. Bradshaw, the manager of the works, who has been responsible for bringing them into their present satisfactory position, assures me that he could produce an additional 40,000 bricks weekly, but that he could not burn them. The hon. member is right when he says the kiln is overworked, right to the extent that there are more bricks going through it than I should like to see if it were my own private concern. As stated by the member for Sussex (Mr. Pickering) the reason is that the demand is so heavy that we actually have to load the bricks nearly red hot out of the kiln. Our price is 64s. for firsts, and we have orders sufficient for the next four or five months. If we were to reduce our price by 5s. per thousand, we could

still make a profit, but nobody would envy the position of the Premier, whose soul-case is worried out of him now over these concerns, and for my part I should have to take a single ticket to a place where I would not require any blankets. I have endeavoured to point out that, with the assistance of the loyal officers who have helped me in these concerns, we have been able to put them on a better footing than they were before. We are not seeking any praise. It is idle to expect even recognition of what we have done, but I think it will be admitted that it is better that these concerns should bring in some money than that they should be a drag upon the State revenue, entailing additional taxation.

Hon. P. Collier: You have done splendidly.

The MINISTER FOR WORKS: We pay neither local taxation nor income taxation. Hon. members can make as much capital as they like out of that. All that we ask is recognition of that fact that whereas formerly we were carrying a big loss, we have now turned the corner.

Hon. P. Collier: I move a vote of thanks to you.

Division put and passed.

Division—State ferries, £8,978 :

The COLONIAL SECRETARY (Hon. R. S. Sampson—Swan) [3.59]: The State ferries are proving very useful, and we have received no complaints.

Hon. P. Collier: How are you feeling the competition of the Como trams?

The COLONIAL SECRETARY: Well, the position might be improved if, for instance the tram were extended down to the Mends street jetty.

Hon. P. Collier: That will be done.

The COLONIAL SECRETARY: But whether that would be wise from other stand points, is a question for consideration.

The Premier: Do not make any mistake about that.

Hon. W. C. Angwin: Only 15 months to go and the Country Party will rule this country.

Hon. P. Collier: Ruin it, not rule it.

The COLONIAL SECRETARY: Perhaps the prognostications of the Leader of the Opposition may be justified. At present there is no justification for them. Ferry passengers carried during the year numbered 1,020,098, excursion passengers 10,377, number of single ferry journeys 36,578, mileage of ferry journeys 31,944, and mileage of excursion journeys 1,698; increase of earnings totalled £631 and increase of operating expenditure £331.

Hon. P. Collier: You cannot expect any thing like that number of passengers this year.

The Premier: Yes, a slight increase.

Hon. P. Collier: No, it was Jumbo who brought you that number last year.

The COLONIAL SECRETARY: Jumbo was a great attraction, but I hope some other attraction will take his place. The capital involved in State ferries is £12,983. The gross earnings in 1921-22 amounted to

£10,324; the total expenses including interest and depreciation were £9,066, and the net profit was £1,258.

Mr. Clydesdale: Connect the tram with the ferry and you will show another £1,000 profit.

The COLONIAL SECRETARY: Every effort is being made to maintain the business. The Tourist Bureau is helping by issuing coupons for round trips. These trips are becoming popular and we hope that in time their popularity will greatly increase. No more enjoyable time could be spent than on a trip to South Perth, by the ferry one way, and by tram the other, and two or three hours at the Zoo. Even the member for Sussex would find much to interest him in the Zoo.

Mr. Pickering: You would be an equal attraction.

The COLONIAL SECRETARY: The manager of the State ferries should be congratulated on the effort he has put into his work. Notwithstanding the heavy expense which had to be met for repairs to steamers, a reasonable profit is still shown. The reasonableness of the figures and the efficient working of the service should commend the estimates to the Committee.

Mr. ANGELO (Gascoyne) [4.5]: Why are the State ferries and the State shipping service placed under trading concerns?

Hon. W. C. Angwin: That was done in 1916 by Act of Parliament.

Mr. ANGELO: Yet activities such as railways and tramways are called public utilities. This is a very serious matter. If the Bill dealing with the sale of trading concerns be carried—

Hon. W. C. Angwin: Of course you have your instructions to vote for that Bill.

Mrs. Cowan: You will have to exempt these two.

Mr. ANGELO: It will be awkward for those who do not regard ferries and steamers as trading concerns. The tramways were built to provide travelling facilities by land.

Hon. P. Collier: One is a competing trading concern and the other is not.

Mr. ANGELO: Does the hon. member mean that the ferries are competing against the tramways?

Hon. P. Collier: No, against private firms.

Mr. ANGELO: There are private conveyances such as motor cars.

The Minister for Mines: They are competing against rowing boats too.

Mr. ANGELO: Tramways, constructed to provide travelling facilities on land, are on all fours with ferries, established to provide travelling facilities by water to South Perth.

The Premier: Why not move them out of this division?

Hon. W. C. Angwin: You cannot do that unless you amend the Act.

Mr. ANGELO: Railways and steamers are on all fours. Spur lines are built, not as trading concerns but to develop the outlying parts of the State in the same way as we provide a shipping service to develop the

North-West. If a satisfactory explanation is not forthcoming, these two divisions should be removed from the estimates of trading concerns.

Hon. P. Collier: And then you would be free.

Mr. PICKERING (Sussex) [4.8]: I would have been more pleased had the Minister given some information regarding the condition of the ferry boats.

Hon. P. Collier: The dear old "Duchess" is all right.

Mr. PICKERING: I suppose it is one of the oldest ferry boats on the river.

Mr. Marshall: Many a good tune is played on an old fiddle.

Mr. PICKERING: That is scarcely the subject under discussion and I am not a musician. I have had considerable acquaintance with the "Duchess" and the "Perth," and something should be done to put the service into proper condition. The Minister suggested that there should be some attraction to enhance the revenue of the ferries. Would he include himself in the show at the Zoo? The "Perth" is quite unsuitable for the South Perth service. There is something wrong with her engines.

The Colonial Secretary: She is purely an auxiliary boat.

Mr. PICKERING: Then dispose of her.

The Premier: You can have her. What will you give?

Mr. PICKERING: A "fiver."

The Premier: All right, she is yours.

Mr. PICKERING: The alteration to the entrance to the Zoo must affect the ferry service considerably. At least a compromise should have been made by placing it midway between the ferries and the trams.

The Premier: That is where it was put.

Mr. PICKERING: It is not midway: it is nearly up to the tramway head. That is not fair to the ferry service. I would like an assurance from the Minister that in framing his Estimates for the year he is not contemplating any increase in the ferry rates.

The COLONIAL SECRETARY (Hon. R. S. Sampson—Swan—in reply) [4.12]: No increase in rates is contemplated. The "Duchess" and "Mayflower" run to Mends-street and the "Foam" to Queen-street. The "Perth" is used as an excursion and auxiliary boat. The "Duchess" was extensively overhauled last year at a cost of £900, and as a result many years of useful service are expected. The hon. member asked what attraction was being provided now that the elephant had gone. We are faced with a greater disability than that because, until two or three weeks ago, the hon. member lived at South Perth, and I am given to understand that his presence had a beneficial effect on the traffic to South Perth.

Hon. P. Collier: That is very ambiguous.

The COLONIAL SECRETARY: That is the advantage of it. I am hopeful some new attraction may be found.

Mr. Johnston: Perhaps the Minister will take up his residence there.

The COLONIAL SECRETARY: If I did, I assume the hon. member would leave.

Division put and passed.

Divisions—State Hotels, £54,847; State Implement and Engineering Works, £137,370; State Quarries, £21,940—agreed to.

Division—State Steamship Service, £166,950:

Mr. WILLCOCK (Geraldton) [4.15]: I should like some information as to the policy of the Government respecting this service. We have read the report issued by the Department and have perused the Estimates which show an estimated deficiency of £9,850. The Government are supposed to have a different policy but no information concerning it is forthcoming. There was a secret conclave of Government supporters who met the Minister in charge of the North-West but the result of that conference has not been made public. It is likely to remain secret so far as members generally are concerned.

The Premier: There is no secrecy about it.

Mr. WILLCOCK: It is a question of great public importance.

Mr. Teesdale: The last thing the Government said was that they were not going to take a steamer off the coast.

Mr. WILLCOCK: We want up-to-date steamers on the coast. According to the report of the State Steamship Service two steamers, which would replace the antiquated and dilapidated boats now trading along the coast, could be purchased for £132,000. The boat that is now running is entirely unsatisfactory and was not purchased for the trade.

Mr. Teesdale: She has shown a slight profit during the last 12 months.

Mr. WILLCOCK: I am talking about her condition.

Mr. Underwood. The boat is quite good.

Mr. WILLCOCK: If we had a better boat we could have a better service.

Mr. Underwood: The people are satisfied with her.

Mr. WILLCOCK: They would be more satisfied with a better vessel. She was given to the Government under exceptional conditions, and is comparatively unsatisfactory. It may be said that a stale crust is better than no bread. The fact remains that the trade is not as satisfactorily conducted as it ought to be. If these two steamers were purchased facilities along the coast could be increased with advantage to the State. We have heard that the "Bambra" is to be withdrawn from the coast. There is seldom smoke without fire, and it is authoritatively stated that this is the intention of the Government.

Hon. P. Collier: This is the time for the Government to make a statement.

Mr. Teesdale: Your colleague was told that there was no intention of taking the boat off.

Mr. WILLCOCK: We have been informed that a new boat is to be put on the coast. The service should be run in the interests of the State as a whole. The Press have stated

that a change is contemplated and we want to know what that change is. A new boat is coming here to run on the coast under conditions different from those appertaining to the "Bambra." The new boat we understand may be run by black labour in order to evade the provisions of the Navigation Act. If two or three more boats of that kind are placed on the coast the State Steamship Service will be worked out of existence. During the war the State Steamship Service was instrumental in production along the coast being maintained. But for that service other steamers would have been trading there to the detriment of production. Before this vote is passed the Government should make an announcement as to their policy. People in my electorate are deeply interested in the matter. The Government must have reached some conclusion. In order to allay the feelings of unrest and uncertainty that pervade the minds of people from Fremantle northward on this matter, the Government should make a definite statement as to the position and their policy.

[Mr. Munsie took the Chair.]

Mr. ANGELO (Gascoyne) [4.25]: The member for Roebourne interjected that the Premier had answered the question regarding the withdrawal of the "Bambra" put by the member for Geraldton some little while ago. Against that we know from the "West Australian" that the owners of the new boat "Gascoyne" are credited with the statement that she will replace the "Bambra." Now is the time to clear up this matter. I have already protested against the State steamship service being classified as a trading concern. It is no more that than are the railways. I hope the service will be retained. It is 35 years since first I went to the North-West, and during practically the whole of that time I have lived in that part of the State and been in business actively connected with shipping. I have, therefore, a certain right to speak as to the necessities of the people living along the coast. Before the State steamship service was inaugurated the Adelaide Steamship Co. were running two cattle boats and a mail boat, and the Singapore line were running four boats. Before the war the State steamship service had two boats running, and at times three, namely, the "Western Australia," replaced later by the "Bambra," the "Kwinana," and the "Moir," the two last named chartered as cattle boats. There were also four Singapore boats operating. Even if the "Gascoyne" goes on the coast we shall need five boats. There is ample room, not only for the "Gascoyne" but the "Bambra" and other vessels as well.

The Minister for Mines: More cattle will not be carried with the addition of the "Gascoyne" than were carried last year, because the boats will not run a sufficient number of cattle trips.

Mr. ANGELO: During the war the cattle growers and sheep breeders of the North

suffered greatly through insufficient space on the coastal vessels, with the result that the people went short of meat in the metropolitan area and had to pay high prices. Not only will it be necessary to have the four boats which Dalgety's want to run, but to retain the "Bambra" and possibly as business increases have still more ships. Before the war the wool from the North-West was sent for transhipment to Singapore, while the stock came South. The advent of wool sales in Perth and Fremantle means that the wool will come South, and more space will be required on the ships. As development occurs in the North-West so will the demand for freight space increase. Regarding the operations of the State steamship service, we hear it said that the Government cannot run ships successfully and that the service will never pay or give satisfaction. My experience has been that the crews and officers who are connected with the State service have never had a fair deal, simply because they have never been given suitable ships with which to carry on the trade. We first had the "Western Australia," a very fast boat, but a boat that could carry very little cargo and but few passengers. That vessel's coal consumption was huge. I was on board once when she steamed 17 knots, but that speed was never required, and she had to carry too much coal. The "Kwinana" was the most successful boat we had. Even that vessel was not built for the exacting conditions of the coast.

Mr. Underwood: She showed a profit.

Mr. ANGELO: Yes, and showed what a boat built for the coast's exacting conditions could do even when handled by a State department. I am saying that because it is alleged the State cannot handle anything.

Mr. O'Loughlin: Do you agree with that?

Mr. ANGELO: I do not. Take the "Bambra," a much better boat than the "Western Australia." At the same time, she too has a huge coal consumption, and for that reason she is not paying as she should. The "Bambra" had been run pretty well to a standstill when we acquired her. She was taken over as a German boat soon after the war broke out, but latterly the whole of her machinery has had to be renewed. The vessel is now in excellent order and is doing splendid work. The "Kangaroo" also is doing useful service. Unfortunately she cannot make a profit owing to the enormous capitalisation debited against her at the present time. Regarding the crews and officers of the vessels, we have, it is considered, the best set of men engaged in Australian waters. These men have made their homes at Fremantle and are satisfied with their lot, while they are doing their utmost to make the vessels as payable as it is possible to do. The "Bambra" is a popular boat, a fact which can be proved by commercial travellers almost invariably endeavouring to secure berths on her. We know that commercial travellers always try to get the best that is going. Passengers are well catered for and the table is as good as anything that

can be had anywhere, while the boat runs well up to time. In addition to that, it is possible to secure return tickets by this vessel and these are available not only to excursionists, but to business people. This is a feature which the opposition vessels do not carry out. The opposition make passengers pay full fare both ways. The reduction by the "Bambra" amounts to 15 per cent. or 20 per cent.

Hon. P. Collier: I am delighted to hear your testimony to the virtues of State enterprise.

Mr. ANGELO: I am giving credit where credit is due. The member for West Perth (Mrs. Cowan) will agree with me that the "Bambra" is doing good work in granting women and children a 25 per cent. reduction in fares. The other day it was suggested by one of the advocates of the Dalgety's line of boats that they too could grant these concessions to women and children, provided the Government made up the difference.

Hon. P. Collier: That is private enterprise all over.

Capt. Carter: They are trying to make both ends meet.

Mr. ANGELO: Even if the "Bambra" is making a loss, that loss can be taken as a subsidy not to herself only, but to the other four vessels engaged in the trade, because I feel certain that if the "Bambra" is taken off our coast, we shall lose the other four boats as well within a few months.

Mr. Johnston: Why?

Mr. ANGELO: The hon. member should know as other people know. If any loss is made by the "Bambra" during the present year, it will simply mean a subsidy to the other vessels on the coast. I do not think the Government can withdraw the "Bambra"; I do not know how they can possibly do so if we keep in mind the White Australia policy. It has been said to me "Why not get out of this business altogether and invite some other company to come in." No other company will come in and operate against the Singapore line, remembering the conditions under which that line works. Therefore, it means that either we must get rid of the lot, with their coloured labour, or keep our little service acting as policemen against excessive fares and freights.

Hon. P. Collier: Hear, hear! Our argument every time.

Mr. ANGELO: It has also been said that some other lines may come in immediately the State service is withdrawn. I have heard the name of the Adelaide Steamship Company mentioned. Mr. Moxon, who was manager of that line in Western Australia some years back, paid a visit to Perth about 18 months ago, and I asked him then whether his company were prepared to operate on our coast. He said, "No, we will not do so whilst the State Shipping Service is engaged on it." I said, "Suppose the Government give you a definite promise that the State Service will be taken away, will you then return?" He said, "As

a matter of fact, we cannot; we are doing too well elsewhere, and we cannot operate against the cheap labour of the other boats." Before the war the Adelaide Company had three boats engaged on our coast. A passenger boat was subsidised by the Government. The other two were chartered by a firm of cattle dealers who had a monopoly year after year. Even before the State service came into existence, no private person had a chance of securing space for a single sheep or a single bullock on either of those vessels unless he was in the ring or was connected with Forrest, Emanuel & Co.

Mr. Underwood: Or Connor, Doherty and Durack.

The Minister for Mines: That is absolutely correct.

Mr. ANGELO: I hope the Committee do not think I am putting up any jokes on them; I was agent for Forrest, Emanuel & Co. for many years, and I know what I am talking about.

Mr. Johnston: We are getting inside information now.

Mr. ANGELO: They have gone from the State, having given up business here. I would like also to remind the Committee what the advent of State steamers meant to the North-West coast during the war. The Singapore people withdrew one of Holt's boats and one of the W.A. Steamship's Company's boats was sold because the opportunity presented itself of accepting a good price for it. We were left with two steamers. Therefore it cannot be said that we got much consideration from those private shipping companies. As a matter of fact, they left us in the lurch. In other parts of the world freights were raised from 100 per cent. to 300 per cent.; ours went up only 20 per cent. I have been told by Mr. Stevens, who was manager of the State Shipping Service, that time after time the agents of the company urged him to put up the freights and fares, and that he replied, "No, we are going to give our people the best and cheapest service we can." The agents for the Singapore boats are Dalgety & Co. They are not only agents for those vessels, but, as members know, they finance a great number of pastoralists. In addition to that—and perhaps some hon. members do not know it—they conduct retail as well as wholesale stores at many of the North-West ports. At Carnarvon you can get a pennyworth of lollies from Dalgety's store.

Mr. Underwood: And they make you pay 1½d. for them.

Mr. ANGELO: I will give Dalgety's credit for having done a lot to assist in the development of the pastoral industry, but I cannot help thinking that they are like an octopus whose feelers go out in every direction. Take my little town of Carnarvon. For some years the pastoralists were dissatisfied with the prices charged by Dalgety's and they induced a gentleman to start business in opposition. This gentle-

man built up a good business by sticking closely to his work and charging reasonable prices. Two or three years ago Dalgety's found that he was becoming such a menace that they bought him out. On his retirement J. & W. Bateman, of Fremantle, set up in business, but evidently something has happened, as J. & W. Bateman are now closing up their business in Carnarvon and Dalgety's will have almost complete monopoly, wholesale as well as retail. Some of the methods adopted by Dalgety's are unfair. At one time they leased the Carnarvon jetty and to my knowledge, time after time, whilst holding the lease of the jetty, their goods were sent up from the jetty to Carnarvon and sold by Dalgety's before the other storekeepers could get their produce anywhere near their stores. I am told by a firm of skin merchants in Perth that they have had consignments of skins and in the course of transit the address tabs have come off. Those skins went to Dalgety's. Although shipping documents were produced, delivery of the skins was refused on account of the condition in which they had arrived and Dalgety's sold them in their auction room and retained the commission.

Hon. M. F. Troy: And that is a private firm.

Mr. ANGELO: At times it is difficult to get space unless one deals with Dalgety's. Many other instances could be quoted, but I will mention only one which came under my notice recently. It affects the firm in which I am interested, and I am sure it will convince members that it would be a most deplorable and unprofitable thing for Western Australia if the whole of the business of the North-West got into the hands of this one firm.

Mr. Johnston: Could not anyone start a store up there?

Mr. ANGELO: Dalgety's have such a huge influence. Some two or three months ago, my brother was offered cattle by a pastoralist some distance from Carnarvon for his Carnarvon business. He could not take them because the season was not too promising, and he had all the cattle he wanted. The pastoralist said, "Take them and arrange for your agents to sell them in Perth. I will leave the matter in your hands; you arrange the freight." The lot consisted of about 50 head of bullocks. Later on he received a message that a neighbour had 40 or 50 head and wanted to join in the mob, but it was to be distinctly understood that the neighbour's cattle must go to Dalgety's, as his property was mortgaged to them. My brother wired the State Shipping Service and ascertained that they had no space available. He then asked the Graziers' Co-operative Ltd. to secure freight by the "Minderoo" at the end of October. They approached Dalgety's and were asked to whom the cattle belonged. They admitted the cattle came from Carnarvon, and were informed that in two or three days they would be notified whether space was available. Later on my brother received intimation from the owner that he had been notified

by Dalgety's that space was available provided the cattle were sold through them. I have evidence to prove that this is correct. Is it fair?

Mr. Marshall: It is nothing new for Dalgety's.

Mr. ANGELO: What is going to happen to the pastoralists and business people of the North-West if the firm get complete control of the trade?

Hon. M. F. Troy: What about the policy of the Government?

Mr. Underwood: They have no policy.

Mr. ANGELO: We are told that the estimated expenditure for the whole of the ships is £136,500, not including interest or the special sinking fund, and that the estimated receipts are £157,000, giving an estimated profit of £20,600, provided interest and sinking fund are not taken into consideration. I take it that the interest and sinking fund are charged on the "Kangaroo." The "Kangaroo" cost £142,000. She made a profit of over £200,000, but instead of the purchase price being wiped out by her profits, they were paid into Consolidated Revenue, and the original purchase price plus the cost of all improvements and additions is taken as her capitalisation, making the total something over £300,000. It is impossible for a boat to pay interest and heavy sinking fund on that huge capital. If she were sold, the Government would get only about £70,000 for her, and would still have to find interest and sinking fund. We should keep her and make use of her to open up trade with the near East as she is doing at present. Another case came under my notice in connection with the shipment of shell. A little while ago the pearlers of Broome were paying £11 odd per ton freight by the Singapore boats to London. Fortunately, the State ships were able to get a connecting service at Singapore and to reduce the freight by no less than £4 15s. per ton. Is it any wonder that the people who found themselves being treated so unfairly by the Singapore line sent along to their member the petition which was received the other day.

Mr. O'Loughlen: What is he doing about it?

Mr. ANGELO: I suppose he will tell us.

Mr. Underwood: Opposing the State ships.

Mr. O'Loughlen: That is what we would expect of him.

Mr. ANGELO: We are told that the Singapore boats will give every facility given to us by the State ships on the coast.

Mr. Underwood: As a matter of fact we are on a promise.

Mr. ANGELO: Yes. They say the Singapore boats are going to call at Shark Bay. I utter this prophecy that if the "Bambra" goes off the coast, three months after the Singapore boats will not be calling at Shark Bay. The shippers of stock will be put up to complain of the delay occasioned by calling at Shark Bay, and this will give the boats an excuse for not going in there. If they find that Wyndham is not payable, that port also will be cut out. People forget that on

every second trip the "Bambra" is diverted to Darwin, a most unprofitable extension of her itinerary. I cannot understand why that was ever arranged.

The Minister for Mines: For the mails.

Mr. ANGELO: Yes, but any revision of her running should exclude the extension to Darwin. It means not only the money loss she is making, but an addition of three days to every second trip, and this prevents her from making 12 trips a year. If the three days extension to Darwin were cut out she could do the trip from Perth to Wyndham and back in less than four weeks and the following trip to Derby and back in three weeks. She could thus make 12 trips a year instead of nine or 10 as she does at present for the same expenditure of wages, and I consider she would then show a good profit. That boat is called upon to do all sorts of things which would not be asked of a subsidised boat. She has to call at Shark Bay, Balla Balla and Wyndham. On the last trip but one on which I travelled from Carnarvon, the people of Shark Bay had run out of food stuffs, and the skipper was asked to take the "Bambra" in on a pitch dark night and feel his way with the lead up to Cape Peron where the lighter was anchored, a risk no other skipper would be asked to take. The people of Shark Bay were practically starving and this is one of the good things the "Bambra" is able to do. This boat carries on deck in cases all the petrol required in the North and one can imagine what that means to the pastoralists. The Singapore boats decline to carry it, except in drums, which would mean very much heavier expense for the pastoralists.

Hon. M. F. Troy: What do the pastoralists say of State steamers?

Mr. ANGELO: I have lately spoken to some dozens of them and they are strongly opposed to the "Bambra" being removed from the coast. I wish to read a telegram I received yesterday. It states—

Great indignation being expressed here at the suggestion of Government taking the "Bambra" off the coast. Petition to Premier in circulation being unanimously signed. Will be forwarded early mail. Residents here look to you to do utmost in conjunction with other North-West members to avert what will undoubtedly be a calamity to this coast.

This is signed by the mayor and is countersigned by the chairman of the Gascoyne Road Board, himself a pastoralist.

Mr. Underwood: They did not send anything from Pilbara. They do not know where their member is.

The Minister for Mines: They do not know whether it will ever reach him.

Mr. ANGELO: My constituents realise that a telegram sent opportunely is of great assistance to their member.

Hon. M. F. Troy: When they are not too sure which way he is facing.

Mr. ANGELO: Even if the North-West trade does cost the State something, it must

be remembered that we in the North-West have to pay for railways which in the North-West are unprofitable. We are not grumbling. We know that the South-West has to be opened up, that the Eastern wheat belt must have spur lines, and that these spur lines will not pay for some time to come. But the South should be fair to us. We want additional shipping facilities and above all, we want ships which can control the freight and passenger charges of a company whose profits go to London. The State Shipping Service obtains all its requirements in Western Australia and the wages of the crews are spent here.

Mrs. Cowan: Do they use Western Australian goods?

Mr. ANGELO: Nearly all. Thus the State Shipping Service helps every industry. Something like a couple of hundred cases of fruit are carried every trip. Judging by the excellent butter they use, I think it must come from Busselton.

Mr. Johnston: No, Narrogin.

Mr. ANGELO: The crews of the Singapore boats, except the captains who, I am pleased to say live here, spend their wages in foreign lands. The Minister, in reply to the member for South Fremantle to-day, indicated that he is of opinion that we could do with more steamers. If that is so, why take the "Bambra" off the coast? I ask the Government to let sleeping dogs lie. Let the present arrangement continue.

Mr. Wilson: You mean all the State steamers?

Mr. ANGELO: Yes, and it will be found that we shall get on very much better. I think the service should be developed, but the other day I urged my friends not to stress that point at present, but to concentrate on retaining the "Bambra." It could be made known that the Government will be glad to accept suggestions from other lines. Then we would know whether they are prepared to make an offer to again come on the coast. The day I entered this House I urged that the Government should place on the coast two additional vessels on the lines of the "Minderoo," except that they should be oil-driven, because it is not fair to ask a white man to go down into a stokehole in the tropics. We could not leave the shipping of the north coast in the hands of a private monopoly. The company now operating is not an Australian company. If an Australian company were willing to do it, I should say, "Very well, come along and have a shot at it." But the company in question are a British company interested all over the world, and practically able to control things as they like. I trust that before the debate closes the Government will give an assurance that for the present things with regard to North-West shipping will remain as they have been for some time past.

Mr. UNDERWOOD (Pilbara) [5.2]: I desire to debate this question as it is a con-

siderable time since we have discussed the matter of State ships and the subject of State enterprises generally. I with others have been somewhat disappointed in State enterprises, which have not turned out as well as we expected. If we could get private enterprise, by which I mean individual enterprise, that would be better. But can we get individual enterprise?

Hon. M. F. Troy: It does not exist in these days.

Mr. UNDERWOOD: As a fact, State enterprises were forced upon the people by the combinations of private enterprise. It is the monopolies that have forced the people to find some guard against the few individuals who build up those monopolies. What better guard have we than State enterprise? If those Liberals who oppose State enterprise know of some more effective guard against monopolies, I am prepared to go with them. But I am not prepared to throw away State enterprise until I am shown some other means of defence. I do not think it necessary to go into the question of monopolies at length, but I may point out to the Colonial Secretary that one of the difficulties we have in this State is that an individual has not established, and cannot establish a jam factory or a fruit packing factory, because the Jones combine of Tasmania and Victoria—

The Colonial Secretary: And South Australia.

Mr. UNDERWOOD: Yes. Because the Jones' combine are against us all the time.

Mr. A. Thomson: Jam is 13s. 6d. a doz. here, and 15s. 6d. in the East.

Mr. UNDERWOOD: Quite so. I wish to say to the Liberals, and to the people who contend we should have no State enterprises, that unless we can check monopolies in a reasonable and sensible way, undoubtedly, when the breaking point has been reached, they will be checked with a rude shock, one that any thinking man should try to avoid. Now to come to the question of State ships. There are now in this House only about 10 members who were here when this question was originally discussed. I now wish to speak to the new members about the real reason for the establishment of the State Shipping Service on the North-West coast. The enterprise is supposed to have emanated from the Labour Party. The first man I know of who in this House spoke of the necessity for State ships on the North-West coast was Mr. Butcher, then member for Gascoyne.

Hon. M. F. Troy: A pastoralist.

Mr. UNDERWOOD: Mr. Butcher showed that the Western Australian Shipping Company had sold out to, or had been taken in by, Alfred Holt & Company. He showed that Alfred Holt & Company were running their ships absolutely so as to force all trade through Singapore. That is to say, the further they carried cargo, the less the freight they charged. They would take merchandise to Singapore at a certain freight, and charge a higher freight for merchandise to Derby or Broome than to Geraldton. On the back trip

they would carry Geraldton wool cheaper than wool from Port Hedland or Derby. That was the system existing. There were two parties to it. Mr. Butcher mentioned one and I will mention the other, the firm of Connor, Doherty and Durack. That firm had the whole of the freight for the carriage of stock. They had contracted for the whole of the space. Anyone having stock to ship was obliged to go to Connor, Doherty and Durack, or to Forrest, Emanuel and Coy., and to sell for what those firms liked to give. That was the position existing when the Government put ships on the coast. Whatever can be said against the State ships, one must say, at any rate, that they broke down that combination. The anxiety shown by Dalgety and Coy., and the opposition shown to the State Shipping Service by the member for Kimberley (Mr. Durack), can only lead us to believe that they want to get back again to that monopoly which they possessed before the Government steamers were on the coast.

Mr. Wilson: There is no doubt about it.

Mr. UNDERWOOD: May I just go off the subject for a moment? Various members of Parliament are under the impression that it is against the principles—I think they are called the glorious principles—of Liberalism to have State enterprises. Quite a number of our members believe that that is so. They consider that it is betraying Liberal principles to have State enterprises. State enterprises, those members think, emanate solely from the Labour Party. If hon. members will take the trouble to go into the history of the question, they will find that the State of Victoria—which never has had a Labour Government except for 10 minutes—if it is not first in the matter of State enterprises, is certainly second. Victoria, the great home of Liberalism, has the greatest State enterprises in Australia. Victoria has a State coal mine, something that we have never touched, and the greatest scheme of electrical generation south of the equator.

The Minister for Mines: What about Tasmania?

Mr. UNDERWOOD: The Tasmanian scheme is not so great, possibly because Tasmania has had a Labour Government. Complaints have been made by our Liberal members against the continuance of the State enterprises, and the Minister for Works to-day suggested that as the State trading concerns were established, the Government must run them; but he said that the Government would not extend them. We remember quite well that the Wilson Government came into office through a condemnation of the Scaddan Government's State trading concerns. Then the Wilson Government proceeded to run those State trading concerns—perhaps not quite as well as they might have been run, but still running them.

Hon. P. Collier: And the Wilson Government extended them.

Mr. UNDERWOOD: There is nothing new in that.

Hon. P. Collier: It is history repeating itself.

Mr. UNDERWOOD: It is British practice, I shall give one or two instances. Quite recently in Britain Lloyd George was deposed owing to his action with regard to German reparations. Bonar Law comes in. I will not say that Bonar Law took Lloyd George's policy up to the hilt, but I will say that he swallowed it hilt and all. I can remember how the Labour Party in 1911 were the non-borrowing party. That was the charge which was made against us then. Our policy was restriction of borrowing except for necessary public works which would pay interest and sinking fund. On that we went through the country. I sat behind the Labour Government when the then Premier put through a loan authorisation of five million pounds in five minutes. I ask hon. members to put aside party ideas and lofty principles and consider on its merits the running of ships on the North-West coast. It has been said that the Government cannot possibly run an enterprise at a profit. We have had only one really suitable ship on the North-West coast, namely the "Kwinana." That ship showed a profit every year she ran until she was burnt. The "Western Australia" was totally unsuitable. Although the "Bambra" is less unsuitable, still she is not suitable. Yet with the "Bambra" we have put up this record: Since 1913 the freights and fares on the North-West coast have risen less than on any other coast in the world. The ship calls at almost every port to carry any quantity of stuff, not because we want the freight, but because we desire to develop the country. The Dalgety ships run past Geraldton. In view of the flour mill at Geraldton, it was laid down in the instructions to the "Bambra" that flour and chaff were to be carried north from Geraldton instead of being carried to Fremantle and reloaded at Fremantle for the North. The "Bambra" has to keep space for at least 100 tons at Geraldton if the space be booked. Will Dalgety's do that?

The Minister for Mines: They cannot. Be fair to them. They are not allowed to trade between ports.

Mr. Wilcock: They could take flour from Geraldton to Singapore.

Mr. UNDERWOOD: The explanation is that it is much easier to load a ship at Fremantle than to bother about going into Geraldton to pick up small parcels.

The Minister for Mines: No, under the terms of their permit they are not allowed to do it.

Mr. UNDERWOOD: Dalgety's ships are exempt from the Navigation Act.

The Minister for Mines: Not in that respect.

Mr. UNDERWOOD: Also the "Bambra" has kept down freights and fares and has given a special concession of 25 per cent. on return fares for women and children, thus enabling them to get down to cooler latitudes.



Hon. P. Collier: Imagine Dalgety's doing that!

Mr. UNDERWOOD: I have not a sufficiently vivid imagination for that. We have fulfilled the conditions of the Australian Navigation Act, not only in respect of the crew but in regard to accommodation, both for passengers and crew. Yet having done that, we are still showing a profit. A man trying to float a loan is always in trouble, has to be on his best behaviour and maintain a particular civility to all. When the Premier was in London trying to float a loan they put the acid on him to take the "Bambra" off the coast. Ever since June there have been reports that the "Bambra" is to go off the coast.

Mr. Teesdale: You cannot blame the Government for that.

Mr. UNDERWOOD: But I do blame them for not making a straightforward statement as to their intentions.

Mr. Teesdale: So long as they continue to run the boat, why ask them to make a statement?

Mr. UNDERWOOD: I have asked the Premier his intentions, and he does not know yet. Even now the Minister will not make a statement as to whether the steamer is to run. I have shown what the "Bambra" has accomplished. She is an unsuitable ship. Give us a suitable ship or, better still, two suitable ships and we will not only make this a highly profitable trade, but we will decrease the fares and freights to the settlers on that coast. When we talk largely and think along Empire lines, the problem of Australia to-day is the development of the North. Even if we were to lose £5,000 or £10,000 in developing the North, it would be money well spent. As for Dalgety's, they are not likely to lose sixpence. I have told the House their system, how they forced the trade away to Singapore. For their boats Fremantle is a foreign port. They have posts for only about four officers and four engineers, and to get any of those posts one has to go to Singapore. All that the Dalgety ships can do while on the coast is to act as feeders for the Alfred Holt line at Singapore. What does the Liberal who represents Fremantle in this House think of that system? It is the duty of the Government to make a declaration and to act upon it. They can take the ship off or leave it on. It may inconvenience the people of the North for a year or two, but as sure as the sun rises in the east, the Dalgety monopoly is not going to continue on the North-West coast. If this Government like to let in Dalgety's, there will come a Government that will put Dalgety's out. I trust the Government will endeavour to make a service of it. I have said the "Bambra" is unsuitable. She requires about a thousand tons of coal on the return trip to Darwin. She is too deep, and so is not infrequently stranded. Much of the loss incurred was incurred while that ship was on one or another sandbank. She is also a little too slow. We want an oil-driven ship which,

instead of taking 1,000 tons of coal, will take a couple of hundred tons of oil. We want a ship of 14 knots, a ship that will carry 2,000 tons of cargo and about 500 bullocks or their equivalent in sheep, and draw when loaded about 19 feet. Given a couple of ships like that, the North-West trade would be the most prosperous in the State.

Hon. M. F. TROY (Mt. Magnet) [5.26]: As a member of the party responsible for the inauguration of the State Shipping Service, I am pleased with the speeches made by the members for Gascoyne (Mr. Angelo) and Pilbara (Mr. Underwood). I do not know whether I am to regard those speeches as innovations, or as recantations of principles which in the past those members professed to hold. However that may be, the party on this side can rest assured that although so much has been said in condemnation of the State Trading Concerns and so many threats of their abolition uttered, whilst the present Government and their following remain there is no fear that those concerns will be abolished. If the State steamers are threatened, the North-West members will come to their rescue. If the State Implement Works are threatened, the farmers will come to their rescue. If the State Brickworks are threatened, the member for Guildford and others will come to their rescue. If the Wyndham freezers are threatened, the Pastoralists Association will come to their rescue. Therefore I am convinced that the principles of this party have more supporters to-day than were previously dreamt of. The chief plank of past Governments, particularly of the Lefroy Government, was the selling of the State Trading Concerns. I have heard no less a person than the Speaker of this House, when delivering a speech at Laverton, tell his constituents that the Government proposed to sell the State Trading Concerns. I have heard the member for Pilbara advocate that sale. Even to-day we are told that the policy of the Country Party is that the trading concerns shall be got rid of. Only a few days ago the Leader of that party assured members that the policy of the party was to sell the trading concerns. It may be so, but if the speech of the member for Gascoyne denotes anything, the policy of that party is antagonistic to the sale of the trading concerns.

Hon. P. Collier: It is the rankest piece of political hypocrisy ever known in the State.

Hon. M. F. TROY: The member for Pilbara told us that pastoralists in his electorate who are members of the Pastoralists' Association are opposed to the selling of the State steamships. A few days ago, however, at a meeting of that association the chairman said it was time the State Trading Concerns were sold lock, stock and barrel.

Hon. P. Collier: If they only brought 2s. 6d.

Hon. M. F. TROY: Yes. That brings me to the rock on which I split from the Country Party. I have always maintained that members of the Country Party who know the value of these concerns have no desire to see them

disposed of. Unfortunately, however, they are associated with men who are interested in other enterprises and are merely using them for party purposes to get rid of State competition which so greatly interferes with the profits they are making.

Hon. P. Collier: That is hitting the nail right on the head.

Hon. M. F. TROY: Yes.

Mr. Pickering: I deny that.

Hon. M. F. TROY: The hon. member can do so if he likes, but no amount of denial will alter the position. One of the executive officers of the Primary Producers' Association, standing for the co-operative principle as against the principle of monopolies, is himself engaged in one of the largest private enterprises in the State. Do members of the Country Party stand for that which they profess on the hustings or for those corporations which are exploiting the people?

Hon. P. Collier: They stand for fooling the farmer.

Hon. M. F. TROY: They cannot fool him too long. This cannot go on indefinitely. The speeches made by members on the cross benches this afternoon show that whilst they profess allegiance to certain principles, unfortunately when they come into conflict with the interests of their own constituents, they have no scruples about abandoning them. No one has put up a stronger fight for the State Trading concerns than the member for Gascoyne. I doubt whether the member for Kimberley would oppose the State Steamship Service. If he did he would be acting in direct conflict with the 266 signatories from Broome who insisted upon the service being continued and built up.

Mr. Teesdale: He stood to his guns. He opposed that petition.

Hon. M. F. TROY: I withdraw what I said.

Hon. P. Collier: It was all done in secret, so we do not know what happened.

Mr. Teesdale: You can take my word for that.

Hon. P. Collier: These secret deputations on public matters ought to cease. Let members come out into the open, and let the public know what is happening.

Mr. Teesdale: It was only a deputation.

Hon. P. Collier: It ought to have been open to the Press.

Hon. M. F. TROY: A few days ago I read in the paper the summary of a deputation of members who waited upon one of the Ministers on a question of public policy.

Hon. P. Collier: Why was it a secret deputation?

Hon. M. F. TROY: The deputation was held in camera.

Mr. Teesdale: It was all printed in the "West Australian."

Hon. P. Collier: No, it was not.

Hon. M. F. TROY: It is headed "The North-West," "Transport facilities," "More passenger boats wanted."

Mr. Teesdale: That was all.

Hon. M. F. TROY: The report says—

The Minister for the North-West (Mr. H. P. Colebatch) was waited on yesterday by all the members of the North and North-West in both Houses. They presented to him a petition signed by 266 residents of Broome, asking for additional steamer facilities for North-West passengers. Mr. Colebatch had an hour's conference in private with these members.

Hon. P. Collier: What took place during that hour?

Hon. M. F. TROY: The report says—

And at the close stated that the question of steamer facilities for the North had been discussed informally. The petition together with suggestions and opinions advanced during the discussion would be submitted to Cabinet.

Mr. Teesdale: That is all that happened.

Hon. P. COLLIER: It was a deputation on public matters which should have been held in public. We do not want statements made by a Minister put into a dozen lines afterwards. We heard a lot about secret conferences and deputations when we were in office. There is too much of it going on. It is taking place every day. Take up the "Primary Producer" and you will read about secret conferences every day.

Mr. Teesdale: That is all that happened there.

Hon. M. F. TROY: For a Minister of the Crown to have a private and secret confab with members of his own party on a question of public policy is not in the best interests of the State. The public ought to know what occurred, and we ought to know what the Government policy is in the matter. How could the Government have a policy regarding State trading concerns when one section of their supporters is in favour of the extension of the shipping service, while another section is opposed to it?

Mr. Teesdale: Did you read in the paper that Mr. Millington said he had nothing to contribute to the Press?

Hon. P. Collier: That had nothing to do with the deputation to the Minister, but concerned his own organisation.

Hon. M. F. TROY: He is not a Minister of the Crown.

Hon. P. Collier: He is not supposed to let the public know what takes place within his organisation.

Hon. M. F. TROY: Mr. Colebatch is the Minister controlling the North West. The majority of members supporting the Government are pledged to abolish the State trading concerns. Every day statements are made in the Press regarding the position. For two or three years there has been a propaganda to get rid of them. The influential supporters of the Government outside are demanding the abolition of the State trading concerns because they interfere with their own private business. I do not think the Premier is in favour of disposing of them.

The Premier: We would sell the whole lot.

Mr. Johnston: When?

Mrs. Cowan: When you get permission to do so.

The Premier: We could not find a buyer for one in six years.

Hon. M. F. TROY: As the member for Pilbara pointed out, there is only one alternative to State trading concerns, and that is to hand the interests of the people over to private monopolies. To-day there is no such thing as private enterprise. Commercial organisations have so advanced that everything is now conducted by combines and trusts. Boards are appointed to fix the price of various articles and commodities and the public have to pay those prices. There is no longer any competition. The State, because of this position, had no other alternative than to embark upon this enterprise. It was necessary to relieve the people of the oppression consequent upon the monopolies that existed in regard to the transport of goods to the North-West. In the interests of the State the Government should have a definite policy concerning this matter. The present position is unfair to the people of the North who have received such important advantages from the State Shipping Service. The absence of any policy has created a feeling of unrest and led to a lack of enterprise on the part of the people affected. They have a sense of insecurity for they do not know whether at some time or other they may be deprived of the facilities they have enjoyed, and be handed over to the tender mercies of those corporations which have operated against them in the past. Members representing the North say that State steamers are of vital necessity to the North-West and the people are also unanimous. Members have read urgent telegrams from their constituents in the North which show how greatly concerned they are about the matter. If the Government would outline their policy for the future conduct of the State Shipping Service they could count upon support from this side of the House, and a good deal of support on their own side. The Government should take their courage in both hands, and bring up to date a service that has proved so beneficial both to the North-West and the State in general. I believe the State can be fully developed only by the establishment of an efficient State Shipping Service.

Mr. TEESDALE (Roebourne) [5.46]: There has been a good deal of excitement during the last ten days about the prospect of the "Bambra" being taken off the coast. Statements to that effect have appeared in the Press, but I do not think there has been any official intimation. Doubtless a good deal of the excitement emanated from the union, who were faced with the prospect of 200 or 300 direct and indirect employees, and their wives and families, being placed in a serious position at very short notice. Before the union there was the possibility of a large number of its members being thrown on the unem-

ployed market at a time when things are very quiet in shipping. I refuse to attach any great importance to those statements. I am depending upon the statement made by the Premier some time ago, in reply to the member for North-East Fremantle (Hon. W. C. Angwin). The Premier said that he had no present intention of taking the "Bambra" off. The reply appears in "Hansard." The Government would be very unwise to do anything of the kind. I feel sure Ministers appreciate the difficulty which would arise in connection with the seamen's union if this were made a Federal matter. Equally I feel sure that the Premier recognises the splendid case which could be made out in behalf of 200 or 300 white men, and their families, who would be practically wanting bread. With a little artificial stimulus, I myself could make out an excellent case, such as would work the public up to a state of excitement over the black versus white question. In such circumstances the Government would have the public against them, and that is a serious matter for any Government. While refusing to attach any importance to the Press statements, I say it would be a very unjust thing to take the "Bambra" off, especially if that action were based on the loss made by the steamer. The North has a right to contribute its share to the deficit. The State steamers represent the railways of the North. Why should we in the North be deprived of communication because there is a little loss attached to it? There are in the North men and women who have never seen Perth in their lives. The men are of those who fell by the way, men who failed to take up a huge area of country and so acquire affluence, men who have had to toil all their lives. In the North there is not that sufficient consideration for labour to always enable a labouring man to take a trip south with his wife and family. I can picture to myself some of the grey and weary faces of the women of the North, women who can never have a holiday, can never bring their children to the South, can see nothing but the monotonous coastline every morning when they rise. I cannot believe that the Premier would give the North that knock-out blow which the Press statements foreshadow. I feel sure that the honourable gentleman will not take away that small communicating steamer which has done so much for the development of the North of which we hear so much.

Mr. PICKERING (Sussex) [5.54]: I would not have spoken on this question, for the reason that the State Shipping Service does not run to the portion of the State which I represent; but I recognise that a service is a vital and burning question. So far as State trading concerns generally affect the Country Party, I have to say that I would not stand up in my place and support the retention of one State industry to the exclusion of others.

Mr. O'Loghlin: All or none.

Mr. PICKERING: Yes. I have never been a supporter of State enterprises.

Hon. W. C. Angwin: You were at Bussellton the other night.

Mr. PICKERING: No. I said I was strongly in favour of the State butter factory being taken over by a co-operative movement at the earliest possible opportunity.

Hon. W. C. Angwin: As soon as ever the Bunbury company wanted to buy the Bussellton factory, you asked the Government not to sell it. I took a note of your remarks.

Mr. PICKERING: The hon. member took a wrong note.

[Mr. Stubbs resumed the Chair.]

Mr. DURACK (Kimberley) [5.56]: I think my position as to State trading concerns has been made pretty clear on every occasion when I ventured to speak on the State Shipping Service. I have always opposed State enterprise. Some reference has been made to a petition which came down from Broome the other day. I received a petition, bearing more than 260 signatures, requesting that an additional boat be put on the coast.

Mr. Angelo: And the "Bambra" retained.

Mr. DURACK: No; that was not embodied in the petition. I received the petition from the local road board, and the chairman of the road board, in a covering letter, stated that an additional steamer was wanted on the coast, as the "Gascoyne" and the "Bambra" were not equal to the demands of the trade at present. That statement was endorsed by the Pearling Association, who added that they would prefer another State steamship. There was no question of the withdrawal or retention of the "Bambra" in connection with this petition. I wish to make that quite clear to hon. members. I regarded the petition as a matter affecting the whole of the North coast. I looked upon it as a matter of interest to the other northern members as well as myself. Accordingly, I requested the members for Gascoyne (Mr. Angelo), Pilbara (Mr. Underwood) and Roebourne (Mr. Teesdale), and also the three Legislative Councillors representing the North Province to meet and put the request before the Minister for the North-West.

Mr. Marshall: Do you not know that the Murchison is in the North-West?

Mr. DURACK: I was not aware that the Murchison constituency was on the coast.

Mr. Marshall: Some of the Murchison growers are interested.

Mr. DURACK: All the members whom I have mentioned were good enough to attend a meeting with the Minister for the North-West. The question of additional service on the coast was one which had to be discussed. I regarded it as a matter to be decided entirely by the Government, being a question of policy. So far as I am aware, there was no question of the retention of the "Bam-

bra." I repeat, that matter was not embodied in the petition. I have not the petition here this afternoon, as I did not know that this question would be discussed; otherwise I would have been only too pleased to show the document to hon. members to let them see for themselves our attitude at the deputation. I leave other Northern members to speak for themselves. At that deputation I advocated the principle I have always stood for, namely opposition to State trading concerns in any shape or form. I do not consider that it is the function of the Government to enter into trading. I have no wish to depart from the principles I have voiced ever since I entered this House. As regards the putting on of another boat, that was a matter for Cabinet to decide. I agree with the member for Pilbara (Mr. Underwood) and the member for Geraldton (Mr. Willcock) that the Government should declare their policy with respect to steamers on this coast. If it is their intention to run steamers, then for heaven's sake let them go into it properly and give the North an adequate service. I am entirely with the member for Pilbara as to the service at present not being satisfactory to the people of the North. The member for Gascoyne (Mr. Angelo) held up his hands in horror and asked what would be the position if the "Bambra" were taken off. I know there is a good deal of unnecessary anxiety as to what might be the attitude of private companies coming into the trade. I have had much to do with private enterprise. The stability of the British Empire has been built up by private enterprise, so we are not likely to suffer victimisation at the hands of any private company. The member for Pilbara (Mr. Underwood) said the State ships came on to the coast when Connor, Doherty and Durack had a monopoly of the trade. I emphatically deny that we ever had a monopoly of the trade. We were charterers from the Adelaide Steamship Company and from an English company for a number of years. But the "Bullara" and the "Koombana" were also running on the coast.

Mr. Wilson: Had you an honourable understanding?

Mr. DURACK: None whatever. The member for Pilbara spoke of the great advantages that had accrued to the pastoralists of the North in consequence of the State coming into the shipping business. The answer to that is that the position of the pastoralist to-day is infinitely worse than it was before. Mr. J. B. Dillon, one of the small pastoralists, had a disastrous experience of his first shipment by the State steamship, when, after the sale of his bullocks on the local market he had to meet a liability of approximately £1 per head.

The Minister for Mines: The less you say about that the better. We know something about it.

Mr. DURACK: The Minister may know something of it.

The Minister for Mines: He was made a chopping-block by those in the ring.

Mr. DURACK: It is significant that when the so-called monopoly existed meat was selling wholesale at Fremantle at 1¼d. to 4d. per lb.

Mr. O'Loughlen: That is ridiculous.

Mr. DURACK: And the wholesale prices were £6, £12, £14, or £15 per head. When the State ships came into the business prices rose considerably. The pastoralists are infinitely worse off to-day than they were before we got the State steamers. Moreover, there are fewer pastoralists in the North.

Mr. O'Loughlen: They have retired on the money which the State steamers helped them to earn.

Mr. DURACK: They have gone out of the industry, and the position is worse to-day than it was 20 years ago. I say that emphatically.

Mr. Lutey: Where are they?

Mr. DURACK: The smaller ones have been absorbed by the larger pastoralists.

Mr. Marshall: By the combines and trusts!

Mr. DURACK: The member for Gascoyne pointed to the advantages derived from the State steamers. He declared that they run to a time and that the "Bambra" keeps a particularly good table. I am not going into that aspect of the question, except to say that these improvements must have been effected quite recently. In my experience we never know either when she is likely to arrive or likely to leave. The trade and the development of the coast would be infinitely better if left to private enterprise. I have no axe to grind in this, for the firm with which I am associated have just as much to lose as have any other firm. I have no fear whatever of the treatment we shall get from private enterprise for, as I have said, the British Empire has been built up on private enterprise.

Mr. Wilson: What bunkum!

Mr. DURACK: At all events, that is my view.

Hon. W. C. Angwin: But you declared it was a fact.

Mr. DURACK: In Broome, during the election campaign, I expressed my views on State enterprises. At Wyndham three weeks later I got a telegram declaring that unless I changed my views I would lose the election. I sent the telegram and my views to the Broome paper for publication. It did not seem to affect my election. Let nobody misunderstand my views on this question of State Trading Concerns.

Hon. P. Collier: I am glad you have cleared up the point, because we had a suspicion that you were strongly in favour of them.

Mr. DURACK: I regret that there should be any anxiety amongst members as to the possibility of victimisation by private enterprise on the coast. The member for Gascoyne may have some personal animosity against the private companies. No doubt the companies whom the hon. member has attacked have very good replies, if only they could be heard here. The hon. member's

statements do not prove anything. I should like to hear the reply of the firm against whom he made his charges. I agree with the members for Pilbara and for Geraldton that we should have from the Premier something definite about the running of the steamers. If we had the Commonwealth Steamship Service to fall back upon there might be some justification for running ships on the coast, for then we should always be sure of a substitute if anything happened one of the boats. As it is, what could be done if the "Bambra" were to meet with a mishap? Where should we turn for a boat with which to replace her? My firm were chartering from the Adelaide Steamship Company when the "Mildura" was wrecked on this coast. Although we had contracts ahead, we were not thrown out one hour in our operations, because the company immediately substituted another boat. But suppose anything were to happen to the "Bambra."

Mr. Lambert: We would get another within a week.

Mr. DURACK: The member for Gascoyne seems to fear that nobody would come in to take up the service if the Government were to drop out. I agree that the Government ought to declare their intentions.

*Sitting suspended from 6.15 to 7.30 p.m.*

Mr. DURACK: I do not suggest that we should burn our bridges behind us until we know where we are. We admit that the State has done a certain amount of service for the North, but that does not dispose of the fact that many of us disapprove of an enterprise of this kind. There has been a good deal of misrepresentation, and I wish to refer again to the point raised by the member for Pilbara. It might be said that the company with which I am associated had monopolised this business to the detriment of the development of the North. It was a somewhat remarkable coincidence that, despite the charges made by the company and the monopoly they were said to hold, all the growers came back voluntarily and sold to us and continued so to do up to the time operations on the coast ceased. The Opposition have consistently advocated State enterprise and I commend them for the persistency with which they have urged the cause in which they believe. They consider it to be the right policy, and I commend them for sticking to their principles. If we have any principles at all, we should stick to them. Members on this side of the House have always announced that they are more or less associated with private enterprise and opposed to State enterprise. If this is our policy, why not stand up openly and declare our principles, just as the Opposition declare theirs? Ours is a kind of hybrid policy, and it is time we declared ourselves definitely on this question. Possibly at some future date the pendulum may swing over again in favour of State enterprise, but I have not the slightest doubt that after a little further

experimental work in this direction, we shall revert to the principle of private enterprise. We have only to look at the world and see facts as they are there presented. At the beginning of the war America entered largely into the shipping business, but eventually decided to get out of it, lock, stock and barrel. During recent years the French Government associated themselves largely with State shipping. Last year a motion was tabled in the Chamber of Deputies and it was definitely decided that the State should get out of the shipping business on the 31st July, 1923. France's experience of State shipping resulted in a loss of 20 odd millions during its operations, and out of the total shipping trade of France, representing some four million tons, the Government had in the business 800,000 tons. France experienced similar difficulties to those encountered here in the way of excessive charges and the lack of continuous policy. In Italy it has been shown that the Government were shirking their responsibilities and invoking the aid of commissions and boards, much as we have been doing during the last year or two, but now Italy has decided to get out of the shipping and other State trading concerns, and also get rid of its boards and commissions. This is the policy we should adopt. If we believe in private enterprise, we should stand firm by that policy and get out of State enterprise. I hope the Government will do either one thing or the other. They should abandon State enterprise or enter into it whole heartedly and give the North a better service. If they intend to adhere to State enterprise, let them put one or two more ships on the coast; we are strong enough to carry a liability of another £200,000 or £500,000. Above all it is necessary for the Government to declare themselves, and to do one thing or the other.

Division put and passed.

Vote—State Sawmills, £594,552:

The MINISTER FOR WORKS (Hon. W. J. George—Murray-Wellington) [7.39]: I must express my keen appreciation of the consideration shown by members in having passed the votes for State quarries and State Implement Works without my having to make any remarks about them. However, I should not be doing full justice to the State Sawmills if I did not indicate the value of this trading concern to Western Australia. Last year the net profits of the State Sawmills amounted to £17,744, and the balance on hand of the accumulated profits amounts to £17,986. Up to the beginning of July of last year we had paid out of the accumulated profits of the sawmills in cash to the Treasury a sum of £68,000. In addition to that, the Treasury received £24,000 two years ago, and there is the further sum of £17,000 which they have either commandeered or will commandeer shortly. These items in the aggregate represent over £100,000 and this in itself should be a sufficient reply to the criticism which was so unfairly in-

dulged in during last year, especially as for the current years trading, we expect to make at least £20,000 profit.

Mr. Johnston: Has depreciation been allowed for?

The MINISTER FOR WORKS: We have paid every penny of interest due to the State and have established a depreciation fund which exists, not upon paper, but in reality, and we have kept our plant up to date. At one stage, during the time these concerns have been under my care, it was stated that the accounts were not properly kept, that they were faked, and that all manner of things were done to show a position which did not exist. That was very ungenerous and it was untrue. Now we have proved by the best proof which could be adduced—the report of the Auditor General—that those statements were incorrect, that line of criticism has been dropped, because it is a cock that can no longer fight, and opponents of the sawmills are driven now to the argument that the State should not compete with private employers. I do not intend to deal with that phase of the question, because my views regarding State trading concerns are well known, but in justice to the manager and the staff, and in a measure to myself, it should be recognised that having turned over £100,000 in solid cash to the Treasury, established a depreciation fund which amounts to rather more than one-third of the capital, kept the plant in good order and given employment to something like 1,300 men, we have made a success of a very difficult problem.

Mr. Mann: Why did you allow your superintendent to leave and go to a private firm?

The MINISTER FOR WORKS: I will tell the hon. member why Mr. Properjohn left. He left because of the silly nonsense in attempting to run trading concerns under civil service conditions, in respect to properly rewarding a man who was performing specially good services. It is due to the idiocy of a system which will not allow those who understand the business to be rewarded according to the value of the work they do. This has forced men into outside employment because we are not permitted to pay them the salaries they can get outside. Mr. Properjohn was receiving about £750 a year. He was offered £1,000 a year by a small outside concern and accepted the offer. He was also given an opportunity to invest capital in that concern, and when it is wound up two or three months hence his capital will probably have increased threefold. We cannot do that sort of thing in the Government service. If we did, Parliament would want to know why. Notwithstanding this, we are asked why we did not keep our superintendent.

Mr. O'Loughlin: Your Government is strong enough to amend the Public Service Act. You have the numbers and would get some help here.

The MINISTER FOR WORKS: This may be the last time—though I hope not—I shall

speaking upon this matter, for I am nearly 70 years of age and one cannot build on too many years to follow. I will, therefore, give the Committee some further information on the subject. We had in the sawmills a good accountant who did his work well. I am a chartered accountant of Great Britain, and I know that a sawmill accountant ranks higher in the scale of accountants in knowledge, experience and value than does the general accountant who draws up a trial balance, checks the accounts and makes up the balance sheet. A sawmill accountant has to be a mathematician as well as a bookkeeper. Our accountant was offered an increase of £50 a year by outside people. We were not permitted to make up his salary to that amount and he left us. If we had done so we should have been interfering with some officer or other in one of the other departments. No matter how good a man may be his value cannot be recognised under the silly conditions of the Civil Service.

Mr. O'Loughlen: When is Parliament going to alter those silly conditions?

The MINISTER FOR WORKS: I was then asked to take an accountant from another department where he was not needed, but because he had not been trained and so become fit for our work I refused to take him. We then had to move up our second accountant who has been able to fill the bill fairly well, but not as well as the accountant we lost would have done. He is doing well and we are helping him all we can. The small company which took Mr. Properjohn—

Mr. O'Loughlen: And whose interests you should have acquired.

The MINISTER FOR WORKS: I had the option. This small company wanted an accountant and offered the one we had lost an increase of £100 a year on what his new employers were paying. Of what use is it attempting to trade under such silly civil service conditions? During last year there was a slight slump in the timber trade and our trade output shrank from 73,000 loads of timber to 64,000 loads. We produced at the mill 50,380 loads of sawn timber out of 114,000 loads in the round. The production costs were carefully looked after. I am pleased to say that although we lost Mr. Properjohn, and although he is one of the finest timber men in the State, the arrangements made by the acting manager and myself resulted in a considerable reduction in production costs. I am not reflecting upon Mr. Properjohn, because had he remained doubtless the same result would have been achieved.

Hon. W. C. Angwin: It is a pity you could not get another man. If the present manager died, there would be no one to take his place.

The MINISTER FOR WORKS: Some years ago I made certain comments upon the powellising process which I thought were fully justified. I have found since that there are merits in the process which

I did not know existed. One of the faults in connection with the process was that a contract was made with Messrs. Bethell & Co. to pay royalty for some years after the patent had expired. With the obstinacy that still attaches to the Minister for Works I thought that was wrong and fought the case and won it, and so saved the State many thousands of pounds. Last year we produced 18,462 loads of powellised timber. During the session members and the Press have made comments concerning alleged extortionate prices charged by the sawmills for stores. The prices we charged for stores during last year scarcely showed any profit to the State. We have not yet been able to discover why with the trade we have done the returns for our labour should have been so disappointing. I should be very pleased if we had no stores whatever in connection with our sawmills.

Mr. Mann: One complaint was that you were keeping imported goods instead of local articles.

Hon. P. Collier: They are not the only people doing that.

The Minister for Mines: It is necessary to start at home.

The MINISTER FOR WORKS: Complaints were made about the arbitrary conduct of the sawmill managers in declining to pick up sleepers for the various people at the sidings, and it was stated that the object was to force people to sell the product of their labour to the mills at any price they could get for it. The sidings from Jarnadup to Pemberton were created for the purpose of assisting the sawmills to do their work. If we expect them to make a profit, we have no right to expect that they shall give at their sidings the same attention that people on Government railway stations receive. We were quite willing to pick up the sleepers at certain sidings and carry them at a decent rate, but were not prepared to stop our trains here, there and everywhere along the full length of the line to pick up half a truck of sleepers at periodical intervals. We are sawmillers, not railway runners. It is unfair to expect our sawmills to do what no other private sawmill in the State will do.

Mr. O'Loughlen: You have never refused to lift the stuff?

The MINISTER FOR WORKS: No. In Mr. Properjohn's time, as in Mr. Dean's time to-day, there has always been a desire to study the interests of the State, and at the same time as far as possible assist the settlers living along the line. I will tell the Committee some of the difficulties that we are up against. Jarrah flooring is perhaps the best material for flooring in the world. I know of no other timber so good. Its rivals will not stand the wear nor assume the appearance that our jarrah will. Baltic flooring (white wood) is now being shifted from the Baltic to ports in Australia at 3s. 6d. per hundred feet super. The mills are on the sea coast and the steamers load at the mills. It cost the State Sawmills in transit

charges to place their stuff free on board at Bunbury 6s. per hundred feet super, or 2s. 6d. per hundred feet super more than it costs to get the Baltic flooring.

Mr. Pickering: Is that dressed timber?

The MINISTER FOR WORKS: Yes. This makes our total transit cost, adding the sea freight from Bunbury to interstate ports, 13s. per hundred feet super as against the Baltic timber, 3s. 6d. Those who have a knowledge of the trade and recognise these difficulties should assist the management against their enemies instead of trying to chip at them whenever a chance occurs.

Mr. Mann: The Royal Commission endeavoured to assist them.

The MINISTER FOR WORKS: From the American mills on the Pacific coast to the Eastern States capitals it costs for transport about 4s. 6d. per hundred feet super to procure oregon as against our 13s. In America the log mills are working nine hours a day against our eight hours a day, and the sawmills are working 10 hours a day against our eight. The minimum wage in America to-day is 10s., as against ours at 14s. 4d. In view of the position I have set forth, surely members will admit that some little appreciation should be shown towards the management of the State Sawmills which have done their duty in the way the balance sheets show.

Mr. Mann: It affects all the others, does it not?

The MINISTER FOR WORKS: Of course it does. Nothing can affect a sawmill in Western Australia without affecting the State sawmills. At the State sawmills we pay our royalties and our railway freights, exactly as other mills do. The only thing we do not pay is the road board rates, and we do not use the roads. Last year we paid the Commissioner for Railways for freight no less a sum than £90,000. As regards other charges, to which reference has been made, one cannot put pig on bacon. Hon. members would not ask the State to swell its revenue by imposing taxes on itself. The trade of the State sawmills for the last 12 months was £750,000, giving employment to between 1,250 and 1,500 men.

Capt. Carter: How much of that trade would be for Public Works contracts?

The MINISTER FOR WORKS: Not so very much. We do not insist that all the trade of the Public Works Department shall be given to the State Sawmills.

Capt. Carter: I did not say that.

Hon. W. C. Angwin: It was said here this afternoon.

The MINISTER FOR WORKS: I have taken steps myself to avoid any absolute application of a certain principle which was not introduced by the Governments with which I have been associated, but which was in force before the first of those Governments took office. But would it be unreasonable, all things being equal, that the State should endeavour to keep its mills going and its brick-works in full swing rather than see them

stand idle and the work done by other enterprises? About 18 months ago the Commissioner of Railways wanted sleepers, and wanted them badly. Mr. Lane-Poole, then Conservator of Forests, was commissioned to deal with the various timber companies, and to ask them to supply the sleepers which were essential for the carrying on of the Government railways. The price offered by the Government at that time was £6 10s. per load. The replies Mr. Lane-Poole received were to this effect, "How can you ask us to supply sleepers for the Government railways at £6 10s. per load when we are getting from £8 10s. to £11 per load for sleepers for export?" Consequently the timber companies refused to supply the Government. The question then came before me, and I said, "The State sawmills will have to supply. The State sawmills cannot see another State department prevented from carrying on its work through the State sawmills sticking out for a profit which they can get from private trade just as well as the timber companies." The consequence was that the Railway Department got the necessary sleepers. When the slump in the export trade came, some of these gentlemen—I will not mention names: one of them is dead now, I am sorry to say, and a very fine man he was—came to me and said "We want a share of this Government sleeper contract." My answer was "No; you had the opportunity, and you refused to supply."

Mr. Mann: Did not they give as a reason that it was necessary in order to keep their men employed?

Hon. W. C. Angwin: And sack the other men!

The MINISTER FOR WORKS: I said, "I have got the order, and I am going to keep it for my own men." And I think I did right.

Mr. O'Loughlen: They had got all the cream, and then they wanted half the skim milk.

The MINISTER FOR WORKS: They could not have their cake and eat it. That was what I told them. I do not wish to appear antagonistic to the other timber people. I am fully aware that essentially they are of as much value to Western Australia as the State sawmills are. But if a man goes in for a game and wants to get all the sure things and take none of the risks, we say he is not a sport. If a man comes into a business and will not take an order because he can do better, he is not very much of a sport if, after all the cake is gone, he comes squealing for the dry bread which he previously refused. We had a serious difficulty a little while ago, during the absence of Mr. Humphries. At the beginning of November last there was scarcely an order on our books for the karri mills. I had something like 700 men down there, with a prospect of having to shut the mills up. Now, I am not going to tell the House exactly what I did; but I am very pleased to say that we were able to keep the men going until Christmas; and just before the Christmas holidays, Mr.



Humphries, who was then in India, secured an order there which will keep us going at any rate for the next two months. No one can look upon the prospect of unemployment of any body of men in Western Australia without taking the most serious thought as to the necessity for straining every nerve to keep them going. At one time there was a fair amount of criticism over the purchase of the business of the South-Western Timber Hewers, which was effected some three or four years ago. When the Government made that purchase, they made a good purchase for the State, a purchase out of which any man who understood the trade would have made a profit of £20,000. Through that purchase we got a timber yard at Carlisle, which was doing £2,000 per month. We are now doing from £10,000 to £12,000 per month there. Thus we are probably making a difference to the timber companies in Perth and in the metropolitan area generally.

Mr. Johnston: Are you selling cheaper?

The MINISTER FOR WORKS: No.

Mr. Money: I take it that is not an increase of trade, but a diversion of trade to the State itself?

The MINISTER FOR WORKS: I am not in a position to say. We have on our books at Carlisle men who come to us for their timber and their joinery, but who voice in the public Press opinions detrimental to the State trading concerns. Owing to their private sense of justice, they help the State Sawmills. What they say outside is probably in connection with matters affecting popularity, and other things of that ephemeral type, and of no value whatever. I am talking pretty plainly on this matter, because I want hon. members to get some idea of the magnitude of the State Sawmills enterprise. I want them to understand that it is rather too big to be dealt with merely by way of persiflage, or rumour from the man in the street. Hon. members should visit the State Sawmills and see the size of them. They should visit the Carlisle yard and see the size of that. If they like to go down to the State Sawmill offices, they may see those too. Members may have their opinions as to whether the enterprise should continue or not, but justice demands that while those State trading concerns exist, members should have a fair appreciation of them. On the principle as to whether the State trading concerns should be there or not, I do not propose to say anything to-night. My opinions are pretty well known. If the general question comes up during this session, I shall go further than I can go to-day. What I want to impress upon hon. members to-night is that this particular concern has grown very much larger than it was five or six years ago. If it is to continue, it must still grow. If it is to go on growing, we must put down further plant and exploit fresh markets, and so interfere still further and more largely with the timber concerns established by private people.

Hon. W. C. Angwin: That might not be absolutely necessary.

Capt. Carter: It is inevitable.

The MINISTER FOR WORKS: In business there is no neutral stage. One must go on, or else one must totter on the brink and go down. The State Sawmills are a huge concern operating some eight or ten mills, and unless the State Sawmills can keep their order book full, they will begin to totter, and once they begin to totter they will soon drop, and drop very heavily. We cannot stand still. Hon. members will pardon me for pressing this aspect a little strongly. I have the two sides of the question before me. The one is the trader's side, with regard to which I have had a life's training. But I am also interested in my men. The other side of the question is the broad political issue whether the State trading concerns should be or should not be. Before hon. members can judge how the question should be decided, I must tell them the plain and simple facts, without any camouflage whatever, regarding the State timber mills. If the State Sawmills go on much further, we shall require some new machinery. I hope to see the Carlisle yard laid out as planned, whether I see it as Minister or not. The State has at Carlisle the finest site in Australia for a timber trade. There is any amount of room.

Mr. Mann: You pinched the street.

The MINISTER FOR WORKS: I am aware that the Mayor of Perth says I stole the street from the City. I admit it. I got the ground, and it is needed for the requirements of the State's timber yard. We have erected a shed there for our machinery. We employ a large number of men there. We have had delivered there within the last couple of months what is, I believe, the finest planing machine that has ever come to Australia. With that machine we shall be able to turn out 160 feet of dressed flooring per minute—planed, tongued, and grooved flooring. Other machinery will be necessary if the trade is to continue. As I said before, we cannot stand still; and it is no use attempting to carry on a business with obsolete machinery. If the trade is to go ahead, we must add to the machinery. If the works are to go to someone else, they will have to provide it. My concern is that whether carried on by the State or by private individuals there exists the basis for a big business which will give employment to hundreds and probably thousands of men in Western Australia. I shall be glad to answer any questions that may be put forward, but perhaps I might be permitted to give the House a few figures in a plain way which may help hon. members in forming their judgments. Since the State Sawmills started the value of the trade done has been three and a-quarter millions sterling. The wages paid have amounted to £1,080,000. The interest paid to the Treasury has totalled £123,274. The special sinking fund paid to the Treasury has amounted to £24,199 and the statutory sinking fund to £3,400. The depreciation has been put down at £141,898.

When I tell hon. members that our fixed capital is £378,000, and that we have put by for depreciation £141,000, it will be admitted that the conditions obtaining at the mills have been carried out with business caution. The profit made totals £85,000. That is the history as briefly as I can give it of the State Sawmills. I take this opportunity of expressing my appreciation of the efforts of the general manager, Mr. Humphries, the assistant manager, Mr. Flanagan, and the mill managers, while, had it not been for the loyalty of everyone concerned and the fact that the men played the game with me—and I am proud of it—we could not have had the present position to submit to the House. Taking everything into consideration hon. members will be able to say, when the time arrives, whether these concerns shall be carried on by the State or by private people.

[Mr. Angelo took the Chair.]

Mr. J. H. SMITH (Nelson) [8.20]: The figures read by the Minister are very encouraging and show that this concern at least must be the very last to go. I claim that this trading concern was largely responsible for the group settlements in that part of the State. The State Sawmills south of Manjimup were instrumental in opening up the country in that direction. As a matter of fact it was never heard of before the then existing Government decided to establish the mills.

Mr. O'Loughlen: The much despised Labour Government did it.

Mr. J. H. SMITH: They did. When it was mooted that the French syndicate intended to buy the State Sawmills 80 per cent. of the people in my electorate and 80 per cent. of the people in the South-West generally, held indignation meetings. The feeling there is decidedly against the disposal of the State Sawmills. There is one matter with which I do not agree, and it is the monopoly which the sawmills hold at the present time. The Minister, in the course of conversation, informed me that he intended to go down there to investigate the whole matter and that one of his objects would be to proclaim a town-site. It will be remembered that I presented a petition to this House signed by 98 per cent. of the residents in that locality in favour of the proclamation of a townsite. The trouble is that the State Sawmills control every little branch of industry.

The Minister for Works: We let them.

Mr. J. H. SMITH: The trouble is that there is no competition, and that is what I am complaining about. The store is run by the State Sawmills purely and simply, and there are hundreds of selectors down there who to-day are compelled to make their purchases at the State store, or get their goods from Perth. If the latter course is followed, on the arrival of the stores at Jarnadup there is difficulty then in getting them to their destination.

Mr. O'Loughlen: Have you a comparative price list?

Mr. J. H. SMITH: No. The Minister's statement was very encouraging and will make members think twice before they decide to dispose of this proposition.

Mr. PICKERING (Sussex) [8.23]: I want it understood that I am not in favour of State enterprises. I have had considerable experience during the past few months of the State Sawmills, having in an official capacity inspected the mills at the several localities. The members of the Forests Commission, of which I was chairman, were entirely satisfied with the way in which those mills were conducted. We also had an opportunity of inspecting the powellising works and I am glad to be able to confirm the statement made by the Minister that the powellising process has proved a greater benefit than was anticipated at the outset. One must be struck by the statement of the Minister concerning the ramifications of the sawmills. The undertaking has become so large that there is only one alternative to closing down and that is to extend the operations of the enterprise. It has been clearly shown by the figures quoted by the Minister that the trade has advanced by leaps and bounds. While the members of the Commission were in that part of the State there was an opportunity of inspecting the work at Carlisle. The Commission felt that it should see every phase of the timber industry, and the members were much struck at that time by the conditions under which the Carlisle mill was operating.

The Minister for Works. If the men had not been loyal they would never have worked under those conditions.

Mr. PICKERING: We also saw in process of erection a substantial building which I understood was to be the main workshop in connection with that undertaking. I congratulate the officer in charge at Carlisle on the shed he was putting up in connection with these works. I do not pretend to be an advocate of State undertakings, but if we are to continue to carry them on it is necessary that they should be placed on such a footing that they can compete with others of a similar nature.

Mr. O'Loughlen: Why not take a vote of Parliament and decide it?

Mr. PICKERING: I am convinced that the State Sawmills and the branch at Carlisle must be conducted on lines similar to those adopted by Millars. For instance, it is in my opinion essential that they should go in for the drying kiln process. The Minister told us clearly what we are committed to if we are to continue to carry on the trading concerns. Millars, for example, take in every phase of hardware. It was never contemplated by this House that the State should enter into the hardware business. Yet at Carlisle we found most of the articles of hardware required in building operations.

Mr. O'Loghlen: It is sometimes necessary to extend the trade.

Hon. W. C. Angwin: It is compulsory to go in for general hardware.

The Minister for Works: We must do it.

Mr. PICKERING: At Carlisle we saw corrugated iron, nails, hinges, bolts, locks, glass, and everything that is used in connection with building operations. When we were inspecting Millars works we saw an excellent nail manufacturing plant. I understand that the State Sawmills are importing nails.

Mr. Money: They are not doing that.

The Minister for Works: I thought we were good customers of Millars.

Mr. PICKERING: Well, that is what we saw at Millars. I have no doubt as to the sale of imported nails by the Carlisle works in competition with the local article. The Minister said he was able to place on board ship dressed jarrah flooring at 6s. per 100 super feet.

The Minister for Works: No, 13s.; the freight is 6s.

Mr. PICKERING: I understood the Minister to say that was the price of the timber.

The Minister for Works: I am afraid there must be some mistake in my notes. I will look into it.

Mr. PICKERING: The Minister asked, why should the State Sawmills be different from Millars? I say they should be different from Millars because they are business operations conducted for the benefit of the State, not for the benefit of shareholders. That principle ought to be observed in all our State trading concerns. Again, the Minister, admitting that Millars paid road board rates, and that the State Sawmills did not, declared that the State mills did not use the roads. The Minister ought to remember that Millars do not use the roads any more than do the State Sawmills. It is very evident that if the State is to continue its trading concerns, it inevitably means a big expansion in every direction.

Mr. Money: And if they expand, others must contract.

Mr. O'Loghlen: Why? Is there not room for all?

Mr. PICKERING: Obviously, the advantages pertaining to State enterprises are so great as to render competition by private firms almost impossible. This Committee and the community generally must realise that the trend of present State trading is in the direction of the socialisation of industries. An immediate indication should be given to the Government as to the wishes of Parliament.

The MINISTER FOR WORKS (Hon. W. J. George—Murray-Wellington) [8.32]: One hon. member referred to stores. Our price for butter at Pemberton was 2s. 5d. when it was 2s. 4d. in Perth. Our pearl barley was 4d. when the price in Perth was 3½d. The price of our cocoa was 1s. 2d. when in Perth it was 1s. 4d. For 50 lbs. of flour our price was 8s. 9d. when the Perth price was 8s. For fruits in tins our price was 16s. a dozen when

the Perth price was 15s. 6d. I have a note of what the hon. member said about the town site at Pemberton. I will look into it. Galvanised iron was mentioned. We cannot do our trade at Carlisle unless we supply many other things besides timber, for our customers demand those other things. Consequently, we have to buy from merchants in Perth a whole mass of hardware. We could import the stuff equally as well as can the merchants. As it chanced, we could buy galvanised iron from only Millars, McLean Bros. and Rigg, and one or two other firms, all of whom were getting a cut of £6 per ton, and were not willing to allow us more than £1 per ton. Consequently we would be selling to our customers retail at £60 per ton with a margin of only £1 to cover handling charges and risks. I took up the matter with Lysaghts. Their representative told me that he did not approve of Government trading. I reminded him that that was not the question, that in fact we were trading and had to have iron. I claimed that if we paid cash for it, we had as much right to the £6 rebate as had Millars and the other firms. He said he would not give it to us. I said to him, "Suppose I issue instructions that Lysaght's iron is not to be used on Government works: I suppose you will then get your friends in the Chamber of Commerce and in Parliament to pitch into that old blackguard, the Minister for Works." There are other people in galvanised iron besides Lysaghts, amongst others a firm in the old country the members of which were school-fellows of mine. They make some of the best iron in the world. So it turns out that we have to-day the agency of that firm and are selling as much iron as anybody else in Western Australia.

Mr. O'Loghlen: More State trading concerns. Hear, hear!

The MINISTER FOR WORKS: If a manufacturer comes to a Minister of the Crown and lectures him as to what the Government should do, he is seeking trouble and is bound to find it. As to importing nails, I will find out about that. I do not know whether we are importing or not. If we can buy locally manufactured nails at a price which will allow us to get our money back and a small margin of profit, I should prefer the local article; but if we are up against a monopoly, Millars are not the only people who can manufacture nails. If they put up the backs of those who have to deal with them, as did the galvanised iron people, I tell them plainly the State Sawmills will have no difficulty whatever, either in manufacturing nails or in selling them.

Hon. W. C. ANGWIN (North-East Fremantle) [8.38]: The Minister is to be congratulated on the position of the State Sawmills. The mills have shown a profit every year since their inception. Although there is a fixed capital of £378,650, there has been paid in depreciation, interest and sinking fund £254,637 towards it. So it has not been costing the State much. Nor has it kept back

much money from the development of other parts of the State, only a sum of about £124,000, which has yielded a handsome profit to assist in carrying on the affairs of the State. The Minister for Works has had long practical experience of sawmills, and I make bold to say that if he were a little younger he would be very ready to take over the State Sawmills at a fair price. I disagree with the Minister when he says that if those works were enlarged they would take away the trade of other firms.

The Minister for Works: Some of it.

Hon. W. C. ANGWIN: That might or might not be. Until the State mills were started, there were several countries to which we were not supplying timber. No sleepers were sent to England before the first shipment sent by the State Sawmills.

Mr. Money: But we sent plenty of paving blocks.

Hon. W. C. ANGWIN: I advise the hon. member to say very little about the exportation of paving blocks. If the State Sawmills were to send abroad the paving blocks which private mills sent, substituting one timber for another, the State mills would deserve to be wiped out of existence. The karri blocks which other mills sent instead of jarrah blocks, did this State a great deal of harm in London. There is another benefit which the State mills have conferred upon Western Australia, and for which they get no credit at all. When the war broke out, other mills were closed down and hundreds of men thrown out of employment, with no prospect of further employment. The State mills stepped in and provided employment for them. It cost approximately £100,000, but good assets were provided to meet the liability, and all those men were kept employed. The member for Sussex (Mr. Pickering) referred to the condition of the shop at Carlisle. He said it was in such a condition that the work could not be carried on successfully. The hon. member overlooked the fact, until the Minister by way of interjection reminded him, that the shop was the one just purchased. Then he admitted that he saw the framework of a substantial building intended for the new workshop. This shows that the State is providing proper conditions for its employees. In the past a very large sum of money has been sent to the Eastern States for joinery work, and under normal conditions there is plenty of room in Western Australia for additional workshops.

Mr. Money: We have sent many thousands of pounds' worth of scantlings to the Eastern States.

Hon. W. C. ANGWIN: Quite so, but I know many buildings where the joinery has been manufactured in the Eastern States and merely fixed here. There is no necessity for that. When other firms cannot supply joinery work at a reasonable figure, these shops will assist to provide employment in Western Australia. Although the member for Sussex is an architect, he does not know any more

about the purchase of material than people engaged in the building trade. Perhaps he does not know so much. It is not necessary for sawmills to stock hardware. In other parts of the world people never think of going to a joinery shop or a timber yard to purchase hardware. They go to a hardware firm. It may be necessary to stock iron, because there are occasions when the iron could be forwarded with the timber without incurring additional cartage. I compliment the Minister on the action he has taken with regard to iron. He had no desire to do so. He merely desired to be placed in the same position as the merchants from whom he purchased the workshops. He did the right thing, if he made it a condition that in all subsequent public works Lysaght iron should not be used. After all, Lysaght is only a name.

The Minister for Works: It is a good iron.

Hon. W. C. ANGWIN: It is no better than other iron; there are different qualities. If I were in the Minister's place I would see that Lysaght iron was not used until those people came to their senses. The Minister and his officers deserve congratulation, and the country has reason to be pleased with the splendid position of the sawmills. These works have cost £378,000, and to-day they stand in the books at £124,000. They have been kept up to standard and the cost of this has been charged to working expenses year by year, while depreciation and sinking fund have been provided out of the profits.

Capt. CARTER (Leederville) [8.50]: The Minister in introducing his Estimates made two points which call for remark. It is a blessed relief to hear of one of our several State trading concerns which is paying its way.

Hon. W. C. Angwin: It is not the only one.

Capt. CARTER: I did not say it was the only one. How quick are the disciples of State enterprise on the Opposition side to take up a remark!

Hon. W. C. Angwin: You are just as much a disciple of State enterprise.

Capt. CARTER: I was not elected to espouse a policy of State enterprise; on the contrary, I attacked that policy, and I say to-day to members of the Government that I consider it a shame they have not tackled the question long ere this. That is where I stand, and where I always have stood.

Mr. Hughes: Tackle the question? In what direction?

Capt. CARTER: The question as to the sale of State enterprises should have been thrashed out. The Bill on the Notice Paper should have been brought forward in the first session of this Parliament.

Mr. Hughes: Are you in favour of it?

Capt. CARTER: Wait until I vote, and you will see where I stand.

Mr. Hughes: Are you in favour of it?

Capt. CARTER: Mind your own business.

The CHAIRMAN: Order!

Capt. CARTER: Unfortunately the vote will not be taken as early as I should like it to be taken. The one great feature of the Minister's speech was the most important admission that he has ever made publicly on the question of State trading, namely, that as this business is enlarged, so must the works expand and private enterprise suffer and business be taken from private enterprise.

The Minister for Works: I said that last year and the year before.

Capt. CARTER: I have not heard it before.

The Minister for Works: It is in "Hansard."

Capt. CARTER: It is a very pregnant statement, and one which should convey to the people a truer sense of the position than they have ever before had from a Minister of the Crown. When we consider that this is a young, growing and struggling State and that our industries are struggling for existence, it seems to be the height of folly for any Government aiming at the successful development of the country to come out in open competition—and not always in open competition—with private enterprise. I say, "Not always in open competition" because, although the Minister has said this trading concern has made its way in open competition with other privately owned concerns of a similar nature, I venture to say that he cannot point to an unchequered career in that respect. This concern has taken to itself unfair advantage in competition with private traders.

Mr. Wilson: How?

Capt. CARTER: By the preferential clauses inserted in public works contracts.

The Minister for Works: They have been there for eight or nine years.

Capt. CARTER: That makes the crime more heinous.

The Minister for Works: We do not always obey them.

Capt. CARTER: But the fact remains that this is crippling and preventing the open competition of other traders.

The Minister for Works: It is not.

Capt. CARTER: It is.

Mr. Hughes: It has not crippled Millars' Timber and Trading Company.

Capt. CARTER: Possibly not. After all, Millars' Timber and Trading Company were here years before the State started trading. They blazed the trail, and spent many hundreds of thousands of pounds in the industry.

Mr. Hughes: And made many hundreds of thousands of pounds profits.

Capt. CARTER: Possibly.

Mr. Hughes: They did: there is no doubt about it.

Mr. Money: They went 10 years without paying a dividend.

Capt. CARTER: If the hon. member took an icecream cart around the streets of Perth, he would expect to make a profit. The same principle applies in a large degree with any company starting operations. Are

we to demand that a company must make no profits, but must lend us their capital and be here for our benefit only?

Mr. O'Loughlen: On the other hand, are we to curtail the profits of the State?

Capt. CARTER: Are we to have all the benefit and the company to have none of it? The argument is absurd. Seeing that the Minister has made such an open admission, I hope the Government will have the courage to bring on the Bill, which aims at the elimination of the provision compelling Cabinet to consult the House before they can part with any of the State trading concerns. The elimination of that provision would enable the Cabinet to deal with any prospective buyer who came along. I do not say that the State trading concerns should be scrapped, or sold at a sacrifice, or thrown away. The Government should be able to make a business deal when there is an opportunity to do so, and if the Bill ever does come up for discussion—

Mr. Clydesdale: If!

Capt. CARTER: The Government will be doing only what they have promised to do if they bring that Bill before the House, and force members to make their position plain by going to a division. To-night we have had the spectacle of the member for Sussex standing up and practically declaring himself a new disciple of State enterprise.

The Minister for Works: He is not a spectacle.

Capt. CARTER: The member for Nelson (Mr. J. H. Smith) stood up to defend this one particular State enterprise. "Some of the others may go, but not the one in my electorate, not the one that affects my people."

Mr. O'Loughlen: There is none in the Sussex electorate.

Mr. Pickering: I deny your statement.

Capt. CARTER: I am sorry if I misunderstood the hon. member or the member for Nelson, but I listened carefully to their speeches. They said they would stand for the retention of this industry.

Mr. O'Loughlen: Quite right.

Capt. CARTER: The member for Nelson is jealous, and rightly so, of the present excellent position in which this enterprise stands. But what is his attitude and the attitude of the member who preceded him with regard to the general principle of State enterprise?

The Minister for Works: This is a business question. You can discuss that when the Bill is debated.

Capt. CARTER: The Minister himself introduced the broader principle of State enterprise.

The Minister for Works: I did not.

Capt. CARTER: The Minister did, and it is on his statement that I am basing my remarks. If I may be so bold I would say that the member for Gascoyne made a speech which, if I were the tactical Leader of the Opposition, the disciples of State enterprise,

I would have printed and emblazoned on the four walls of the State.

Mr. Wilson: He may do that yet.

Capt. CARTER: It was the finest speech that could possibly be made in support of the cause of State enterprise.

Mr. Munzie: It would be pretty widely quoted, too.

Capt. CARTER: I know. I am anxious to learn just where the member for Gascoyne is going to stand when we come to the division.

The CHAIRMAN: I think the hon. member is wandering from the subject.

Capt. CARTER: Possibly so, but I think I may be forgiven in view of the statement made by the Minister. I was going to suggest that, seeing the three members I have named all belong to the one party, there is possibly some alliance behind the scenes—a C.P.O. and O.L.P. alliance. I am glad to find at least one of our State enterprises showing a profit, and holding up its head even if it is in unfair competition with private enterprise.

The Minister for Works: What about the brickworks?

Capt. CARTER: I do not say this is the only State trading concern, but it is one of the bright specks in a very dark horizon. If the policy of the Government upon which I was elected is worth putting into operation, it is up to the Government to bring down a one-clause Bill, an innocent measure, which may be fought to the death in this House, but will give members an opportunity of expressing their views and enable the people to know where their representatives stand on a question that is of such vital importance to the State. I hope such a Bill will be brought down quickly, and that we shall have an opportunity of settling once and for all so vexed a subject.

Mr. O'LOGHLEN (Forrest) [9.1]: The reason why it is unnecessary to say much upon these Estimates is that there has been no attack worth calling an attack against either the administration or the methods employed by it. I have listened for an hour or two to a shower of eulogy upon the administration of this great and growing department. It is pleasing after the violent criticism of some years ago, when this policy was launched, to hear such vindication of the actions of the Labour Government. The Minister has pointed to various difficulties. He said he could have achieved more but for the hampering provisions of the Public Service Act. In that he made an admission of weakness. I realised when it was first proposed to bring the employees under the Public Service Act that initiative, genius, enterprise and push would not be adequately rewarded. It is obvious to the merest tyro in business matters that the man who can bring new ideas to operate, who has initiative and can forge ahead of his competitors, should be encouraged by adequate remuneration. That is impossible in the department to-day. The Minister could liberate himself from the Public Service Act. He has

a majority behind him in Parliament. Why has he not the courage to bring down an amendment to the Act.

The Minister for Works: The opportunity of doing so has not yet arrived.

Mr. O'LOGHLEN: I admit the Minister's hands are tied. I hope that later on he will ask Parliament to give him full and free scope to reward officers in a way now prevented by the Public Service Act.

Mr. Money: And you would support that?

Mr. O'LOGHLEN: Yes. The Minister should not be so tied that he cannot adequately reward men engaged in competitive State concerns. There is no connection between such concerns and the general Public Service. If we get a good man we should be able to retain him, if it is only a question of salary. I could speak of the ability displayed by the general manager, by the sub-manager and the employees generally, but there is no necessity to waste words on a subject which has received sufficient commendation to-night. If the Minister is likely to lose any more good officers—one recently secured an increased salary by going to Tasmania—his only alternative is to seek the necessary authority from Parliament to adequately reward them.

The Minister for Works: I tried to keep that officer in the State, but he wanted to go to Tasmania to gain experience.

Mr. O'LOGHLEN: A similar set of conditions exists under the Forests Act and the regulations. One regulation in particular has the effect of keeping forever down in the dredge hole the timber inspectors. It does not matter how capable a field officer is, unless he has had professional training he cannot rise above £6 10s. a week. There is in Timburi one of the finest timber men in Western Australia. He has a thorough knowledge of every phase of the industry, and is in charge of a fairly big staff, as well as being the general head of the inspection branch. He receives about £6 5s. a week. That is wrong. Next session when an amendment to the Forests Act is contemplated, whilst keeping a margin between the professional man and the field officer, I want to see justice done to the man who has served his life in the bush and is thoroughly practical in every way.

The Minister for Works: One sits between the four walls of his office all day and learns from books, and the other learns from practical experience amongst the timber.

Mr. O'LOGHLEN: One member said the State Sawmills did not pay road board rates. I suggest that next year the Minister should do this, without admitting his liability to pay. He could it by way of a donation equivalent to the amount of the rates. This question has been brought up before. Members are ignorant of the extent to which the State Sawmills have meant the opening up of a new province. They have justified the recent passing of a Bill to authorise the construction of a railway costing £800,000. More benefit has been conferred upon the State by these sawmills than most people imagine. The paltry

amount involved in the road board rates is not worth considering.

Mr. Money: And the same benefits have accrued from private sources.

Mr. O'LOGHLEN: This huge province to which I refer, in which one hears nothing but the screech of the parrot and the purr of the 'possum, extends for hundreds of miles. No private people had ever taken it up.

Mr. Money: It was opened up privately first of all.

Mr. O'LOGHLEN: It was lying vacant for any company to take up.

Mr. Money: The Davies's opened it up.

Mr. O'LOGHLEN: They took up no more new country, with the result that for 150 miles in length this country was lying idle.

Mr. Money: They could not get any more land.

Mr. O'LOGHLEN: The timber corporation at Greenbushes took it up and abandoned it, and this was also the case with Millars. The State then stepped in and said, "We will have a gamble on this proposition." To-day there are thriving settlements in the district and fairly big townships. There are group settlements by the dozen. These are in their initial stages and cannot yet be pronounced as successful, though I hope that will be the case.

Mr. Wilson: Some of the best propositions are about Holyoake.

Mr. O'LOGHLEN: That is jarrah country. I am speaking of karri, which no one would touch. It is only by the expenditure of State funds that there has now been created an asset of such tangible proportions.

Mr. Money: It was the powellising process that enabled it to be used.

Mr. O'LOGHLEN: Could not private companies have acquired those rights?

The Minister for Works: Anyone can powellise timber in Western Australia to-day.

Mr. O'LOGHLEN: The country was there for any company to operate on. The Labour Government showed their faith in the province by opening it up. The development that has occurred is now the stepping off ground for a huge territory which it is hoped will be developed during the next decade. I will admit that the proposition of timber being operated by the State is open to argument. I do not know that the State Sawmills pay better wages or give better conditions of employment than do private companies. They are much of a muchness. When a crisis occurs in the industry, as it did during the war, when several companies became panic stricken and closed down about 14 mills and threw some 2,000 men on to the labour market at three days' notice, the State stepped in with the backing of the community's cash and gambled on the future. They put on men to produce timber at a cost of £100,000. Later on they had no difficulty in realising on this production at a profit. The Government had the satisfaction of knowing that they had carried deserving people, who had their homes established, over a very critical period. This action was in striking contrast to the callous

indifference sometimes shown by the private employer. I do not object to the private employer. Human nature prompts him to get the maximum results out of the minimum of expense. If I were a private employer I would get all I could out of the industry. We on this side of the House do not object to the individual getting as much as he can, or to his profiteering on his fellows. We do, however, object to the system that allows this. Our policy is to alter that system, because we cannot alter human nature. During those dark days the State Sawmills came to the rescue. I believe they are more prone to help the man with a weak back or a lame leg, for his family's sake, than are some private concerns. The member for North-East Fremantle said it was not necessary for the State Sawmills to go in for hardware. I gather from inquiries I have made that it is necessary. People order supplies of timber from the State Sawmills, but when they approach other firms interested in timber for their other requirements they are not able to secure them. They are referred back to the people from whom they are getting their timber.

Mr. Money: Have you any instances of that?

Mr. O'LOGHLEN: I will give the hon. member instances at another time. I have had information from some of the officials to this effect.

Mr. Pickering: Were we not told about this in evidence?

Mr. O'LOGHLEN: Yes. Several instances were given where people ordered hardwood from the State Sawmills, but when they wanted softwood from other sources they could not get it.

The Minister for Works: That is so.

Mr. O'LOGHLEN: The other people said, "Unless we supply all your requirements you cannot get it." In a trade of this sort it is necessary to be in a position to turn out the full equipment.

Mr. Money: That is what Millers did with flour and bran.

Mr. O'LOGHLEN: A man may require flour but not bran. If he is building, he will require timber of all classes other than hardwood.

The Minister for Works: And he must have nails.

Mr. O'LOGHLEN: The Minister must be pleased at the reception accorded to his Estimates. He could not expect any other reception from the results placed before us. They speak volumes for the foresight and business skill of the people connected with the enterprise. Even if the State sawmills have a regulation to the effect that private builders must buy their supplies from them when tendering for Government contracts, I do not know that it is worth talking about. It does not represent a big volume of the business of the concern. If there is anything to be said about it, it is in favour of the action taken. It is better to support a State concern when the profits go to the taxpayer than it is to put business into the hands of half a dozen

traders. I do not think there is much objection to it; but, if there were much objection, I would let it go, because the State Sawmills are a good enough proposition to stand on their own merits, without any bolstering up. With regard to the State Sawmills and other State enterprises, we have heard conflicting opinions to-night. From the member for Gascoyne (Mr. Angelo) we have had in support of State enterprises one of the finest speeches delivered here for some time, though the hon. member was hypocritical enough—if I may be excused for using that expression—to claim that the steamers on the North-West coast are not a State enterprise, but a public utility. All this talk about selling the State enterprises is mere moonshine.

The Premier: Do not make an offer for them or you may get them.

Mr. O'LOGHLEN: The people would never agree to it. To-night we have had only one squeak from the Chamber of Manufactures, delivered by the member for Leederville (Capt. Carter). Other members have said, in effect, "This is good business; go on with it." At one time I did fear a vote in favour of the sale of State enterprises, seeing that a Government had been returned for that purpose. Shortly afterwards an offer was made by a French syndicate for the State Sawmills, and we had resolutions pouring in from such bodies as farmers' associations and Liberal leagues, desiring members to oppose to the last ditch the sale of that particular State enterprise. There has been on the Notice Paper for some time a Bill authorising the sale of the State trading concerns. I am reminded of a little mouse that took two or three nibbles of bran saturated with rum, and then stood up on its hind legs and said, "Now bring out your cats!" I feel on this subject just like that little mouse. If that Bill is brought forward, it will not be passed. Members on the cross benches will defeat it, because their supporters want it defeated. No indictment that can be lodged against State enterprises will lead to success in the direction of the abolition. When the report of this debate reaches the electors of the member for Gascoyne, he will get a few wires from his constituents. We have some friends up there. There are on the other side of the Chamber, members who have always been in favour of State enterprise. When that sentiment develops into a religion with them, they will fight for State enterprise both inside and outside this House.

The Premier: You are an optimist.

Mr. O'LOGHLEN: The Premier himself is supposed to be an optimist. I say to him, let him bring out his cat.

Division put and passed.

Division -- Wyndham Freezing, Canning, and Meat Export Works, £273,000.

THE MINISTER FOR AGRICULTURE (Hon. H. K. Maley—Greenough) [9.21]: It will be remembered that in 1921, when

there was a remarkable slump in the London meat market, there was for some time a doubt as to whether the Wyndham Meat Works would be reopened. Towards the end of 1921, however, the outlook became more promising. It was argued that the Government had no right to continue operations at Wyndham, and thus increase the colossal loss on the works. On the other hand, the pastoralists of the North were willing to put in their cattle at a reasonable price; and after a full review of the realisations likely to be obtained on the meat market the Government decided to reopen the works for the season, on the basis of figures showing that the loss thereby incurred would not be greater than that involved in the works standing idle. The cattle purchase contracts were so conditioned as to ensure the suppliers getting proportionate benefit from any market increase. It was arranged that beef suitable for export frozen would be paid for on the basis of 10s. for 100 lbs., with a reduction to 5s. 6d. per 100 lbs. for all beef not passed by the Commonwealth inspector as suitable for export. In addition, there was a reduction in overseas freight of one farthing per lb. The benefit of this goes to the suppliers, who are also entitled to a share of any price realised for frozen beef exported in excess of 4d. per lb. The basis of the arrangement is that if the price realised exceeds 4d. per lb., the first ½d. shall go to the supplier; and if the price realised exceeds 4½d. per lb., the supplier and the works will each receive one-half of the excess. Under this scheme the average price per head of beef to the suppliers may be estimated at £2 17s. 1d. That meant that the cattle owners would put their cattle into the works at so low a price as £2 17s. 1d. per head. The freight refund of one farthing per lb. means an additional 9s. 2d. per head; and from London realisation an additional 14s. 6d. per head is expected. Probably the net realisation will amount to about £4 0s. 9d. per head. The best mob of the season will probably net about £5 6s. 8d. per head. During the whole season, 24 weeks from the 10th April to the 28th September, 22,646 head of cattle were treated. The shipments of frozen beef to London amounted to 4,000 tons, shipments to Java 125 tons, and to Fremantle, for re-export and for local consumption, 450 tons. The costs accruing at the works were £77,500 interest, £3,000 fire insurance, and £5,000 maintenance of meat works, water supply, etc., a total of £85,500. The results of the working, so far as can be ascertained and estimated, will not add much to these unavoidable items of working costs.

Mr. Underwood: They will add something.

THE MINISTER FOR AGRICULTURE: Very little. Even if something is added, let hon. members consider what has been the gain to the economic position of the State and to the cattle growers of the North-West from the operation of the meat works during the past season.



Mr. Underwood: We cannot afford to carry on these State enterprises and lose on them.

**THE MINISTER FOR AGRICULTURE:** In addition, the Wyndham Meat Works have paid to the State Shipping Service for fares and freights in connection with passages of employees and supplies to the works no less a sum than £11,500 during the past season. The payments to cattle owners will probably total £90,000, which sum is being distributed within the State, as is also a sum of £58,000 for wages and salaries for the conduct of operations. In connection with a question which was asked in another place on Tuesday, having reference to advances which were made to the cattle owners during the previous season, when the works were not operating, I wish to state that the amount was £43,650, from which a total of £32,319, representing advances and interest, has been paid off, leaving a balance outstanding of only £14,089. In view of the fact that the operations of the cattle owners in the North had been absolutely crippled by the stoppage of the works, I think we have reason for congratulation in the circumstance that the stock-owners have come up to their obligations in this connection so far and so soon, and in a degree which must be regarded as exceptionally good. I commend the Estimates to the consideration of the Committee.

Mr. PICKERING (Sussex) [9.30]: If the State Shipping Service is to be regarded as the fly in the ointment of the State Trading Concerns, then the Wyndham Meat Works is the blue-bottle. The facts presented by the Minister show clearly that the works cannot be operated at a profit; indeed, had they been allowed to remain idle, the loss would have been less than it is. A select committee appointed by another place to investigate the question recommended (1) that the operation of the works be indefinitely suspended, (2) that the Perth office be closed and the accounts kept by some other Government department, (3) that the works be placed under the control of the Minister for the North-West with instructions that the Wyndham staff be reduced to a point compatible with recommendation No. 1, (4) that no further capital be expended until some definite decision regarding the future of the works be arrived at, and (5) that the Government endeavour to lease or dispose of the works as soon as possible. The Minister might well have told us what action the Government have taken towards giving effect to those recommendations. Also it would have been interesting if the Minister had told us what additional capital will be required to place this undertaking in a position to adequately deal with its freight. It has been definitely stated, without denial, that the works are not properly equipped. Nevertheless the capital expended on the works is so greatly in excess of possible

returns that the works are considerably over-capitalised. Even if the capital were to be written down to a point which would allow the works to show a profit, the State will still have to foot the bill of costs. We have had illustrations of other State trading concerns which are being run at a profit, but undoubtedly this one is the most hopeless of the lot.

Mr. Teesdale: It has turned out the best beef on the London market this season.

Mr. PICKERING: What relief does that afford to the economic position of the works? Does the Minister think that under the most favourable circumstances conceivable it is possible that this undertaking can be rendered profitable? The information afforded by the select committee of another place is of great interest to us all. I should like to know the Government's intentions in respect of the recommendations made by that select committee.

Mr. DURACK (Kimberley) [9.36]: Whilst the price returned to the Kimberley growers by the sale of their cattle at the Wyndham works is very low, perhaps not capable of meeting costs, it must be admitted that the Government have done very well in operating the freezers this year. The Minister pointed out that the arrangement entered into with the growers fixed the price at 10s. per 100 lbs. for export meat, and 5s. 6d. per 100 lbs. for meat not exported. Under the Commonwealth regulations we are not allowed to export certain portions of the forequarters. Taking the average weight of beasts at 600 lbs., the exportable quantity would be, perhaps, 400 lbs. Thus the average return to the grower works out at about 8s. per 100 lbs. I hope the figures quoted by the Minister will be realised. The draft which the Minister says brought £5 odd per head was a small, picked lot which came in from Hall's Creek. The cold storage capacity of the works represents one of the most serious phases of the whole question. So precarious is the position that if a boat failed to arrive according to arrangement, the cold storage capacity of the works would be over-taxed, and operations would have to cease. Fortunately this season the boats came in regularly, and so there was no hold up. Still, as I say, the danger is there, and sooner or later additional cold storage will have to be provided. I regret that the Government should have been called upon to pay £3,500 compensation to the engineer appointed to carry out this work for the cancellation of a contract to provide extra cold storage, for it means an additional burden on the industry. It is only in keeping with the history of the works, for from the very inception there has been a series of putting up and pulling down, and so the works have been saddled with an enormous liability. In view of their capital cost, the works can never prove satisfactory either to the Gov-

ernment or to the growers. We should have from the Government a declaration as to future policy. I understand that certain negotiations are proceeding, and I know that the growers would like to be acquainted with the exact position of affairs and learn definitely whether or not the Government intend to go on. Growers should not be kept in the dark right up to the last moment, for if the Government decide not to carry on the works the growers will be left stranded. I urge the Government to remove the anxiety of the growers by letting us know what they intend to do.

Mr. UNDERWOOD (Pilbara) [9.43]: This is not a State trading concern at all. Presumably it has been included amongst the State trading concerns to satisfy the Chamber of Commerce and a few business people. It is no more a State trading concern than is the Bussellton butter factory, or the Denmark butter and bacon factory, or the Albany cold storage chamber, or a State battery. However, since it is being treated as a State trading concern, and since the member for the district is so strongly opposed to State trading concerns, such as the shipping service, we have to count them all up. If we are to close down State trading concerns, this must be the first to be closed. Not only can it not pay interest and sinking fund, but every time it is operated it means the loss of an immense amount of money. It is better to allow the works to remain idle than to operate them as a trading concern. I take the other side of the question. If we consider the Wyndham Meat Works as a Government proposition to develop the country, and if these works can be the means of retaining settlement there and producing wealth, I am prepared to support them. But I cannot for the life of me see why we should have the worst possible Government utility and the greatest loser of all in the district represented by a member who is opposed and bitterly opposed to State trading concerns.

Hon. M. F. TROY: He is in favour of these works.

Mr. Durack: I will take my chance if they are sold.

Hon. M. F. TROY: This is his particular one, and I am not too sure of his attitude.

Mr. UNDERWOOD: He is prepared to sell all the rest, especially those the removal of which would enable private firms to make some profits, but where the Government are up against a dead loss and no one except the Government will take on such works, he is a strong supporter of them. The inconsistency of the member for Kimberley would pass the understanding of any ordinary citizen.

Hon. M. F. TROY (Mt. Magnet) [9.48]: I am pleased to find that there is another convert to State enterprise. I wanted to be convinced of the attitude of the member for Kimberley. In his speech he told us he was

opposed out-and-out to State trading concerns, but this is his special exception.

Mr. Durack: I have not supported this concern.

Hon. M. F. TROY: The hon. member is not alone in this exception, because the Pastoralists' Association, at their meeting recently, insisted that the Government should make further concessions in order to give greater value to the cattle purchased by the Wyndham Meat Works.

Mr. Underwood: The chairman of the Pastoralists' Association objects to all State trading concerns.

Hon. M. F. TROY: Except this one. The association commended these works and said the operations had been carried on extremely well. If I mistake not, they insisted that the Government should give greater concessions, and they are a body who took the Country Party to task because they did not stand up to their principles. We can well understand why such a party will make no progress. They are too inconsistent. I agree with the member for Pilbara (Mr. Underwood). Freezing works are an aid to development pure and simple. They are in the same category as State batteries. Private enterprise carries on freezing works in Darwin and most unsuccessfully.

Mr. Underwood: It is afraid to carry them on.

Hon. M. F. TROY: Yes, and the whole Territory shut down in consequence, and the present condition of the people is worse than it was before the works were established. In Western Australia it can be truly said that the works have put up a good product and assisted the pastoralists. Without them how would the cattle grower have got on? He could not have survived. This concern is not out to make profits. The State batteries are not shown as a State trading concern; they are an aid to mining development. They show a loss and always will do so, but they have proved of immense value to the State in that they have been responsible for the recovery of millions of pounds' worth of gold, and have kept the mining industry going in the new districts. The same applies to butter and bacon factories; they are subsidised by the Government to aid those industries. I have not been to Wyndham, but on the authority of men who have been there, despite all that has been said regarding the expenditure on these works, they are far superior to the Darwin works.

The Minister for Agriculture: That is admitted.

Hon. M. F. TROY: I understand Vestey's works were very badly built, and that their cost greatly exceeded the estimate.

Mr. Underwood: And they have not a water supply yet.

Hon. M. F. TROY: The Wyndham works also exceeded the estimate, but people who have been there speak in the highest terms of the works and the provision made by the Government for the accommodation of the employees. Last year no trouble at all was

experienced there. In addition we learn from the Press that the article turned out by the works has been splendid. The London agents have commended the Government, and stated that they could offer no advice for the improvement of the article. This speaks exceedingly well for the works. While I regret the losses that are occurring, the policy of the country must be to aid the cattlemen in the North and develop that country, and we must continue to make a loss until such time as the industry can stand on its own feet. It is a work that cannot be abandoned. I hope that as a result of the splendid advertisement the Government received this year, the works will reach a more comfortable financial basis in the next few years.

Hon. W. C. ANGWIN (North-East Fremantle) [9.54]: My reading of the reports of the meeting of the Pastoralists' Association created an impression that these works were of no benefit to the pastoralists in the North, but the statement of the Minister has shown that they are of great benefit. Dealing with the work of the year, it was not necessary in the first place for the Government to advance the pastoralists of the Kimberley district a sum of £43,000 before they could take their cattle.

The Premier: That is not so.

Hon. W. C. ANGWIN: It is. The money advanced was advanced in the previous year.

The Premier: But we did not take possession.

Hon. W. C. ANGWIN: The Government advanced on them.

The Premier: No, we really had bought them.

Hon. W. C. ANGWIN: Of that amount £32,000 has been paid and £14,000 is outstanding. Owing to the state of the meat market, and the lack of shipping, but for these works, there would have been no market for the cattle in the Kimberley district, and cattle growers there could not have been given assistance to the extent of £90,000 in respect to their cattle. This must have been of great assistance to that district. I agree with the members for Pilbara and Mt. Magnet that one of the objects of these works was to develop the northern portion of this State. In this House, however, our experience has been that if a concern is a losing proposition, it is shown as a trading concern and not as a public utility. A purchase of cattle was shown under public utilities some time ago, but in the following year the Minister made a bad deal and lost £26,000, and it was then shown as a trading concern.

The Premier: The Act governs that.

Hon. W. C. ANGWIN: I know the Act. No doubt the time will come when the Wyndham works will pay. It is ridiculous for the member for Sussex (Mr. Pickering) to say that we should not spend any more money on them. Is not his political boss continually worrying the Minister to spend more money on the Fremantle Freezing Works? Did he ever raise opposition to that?

Hon. M. F. Troy: They never paid any interest.

Hon. W. C. ANGWIN: The interest was paid by the Government.

The Premier: It was taken out of the advance.

Hon. W. C. ANGWIN: Out of the additional advance.

The Premier: No.

Hon. W. C. ANGWIN: It was paid by the Government, not by them. They were bringing pressure on the Minister for a further advance, and they spent a certain amount of money, and the Premier decided to take the interest out of the advance.

The Premier: No, they had paid away this money themselves.

Hon. W. C. ANGWIN: They had paid for the goods they purchased, but they had not then been promised that they would get the advance. The Minister, to get over the difficulty, gave instructions that it be made out in two cheques, and the paymaster was instructed that the cheque for interest should be paid into the Treasury. Therefore, the Government paid the interest.

The Premier: Not at all.

Hon. W. C. ANGWIN: I am only pointing this out in reply to the statement of the member for Sussex. He did not raise his voice against that proposition. This, however, is a different proposition to his way of thinking. According to him the meat market, though affecting other works similarly to Wyndham, must not be taken into consideration at all; the Wyndham works should flourish irrespective of whether there is a market and whether they can dispose of their meat. But it is quite a different matter when other works are concerned. I am tired of hearing such statements from the hon. member. Meat works throughout Australia are suffering because of the position of the world's market. Wyndham is not alone in this. Unfortunately those men who have benefited by the construction of the works by being able to get £90,000 worth of capital this year are crying out in the same way as is the member for Sussex. All these works should be treated alike. If it is impossible for Wyndham to kill a lot of cattle and find a market for them, it should be equally impossible for Fremantle to kill and find a market for the products. Fremantle has failed on account of the state of the markets.

The Minister for Agriculture: No.

The Premier: The works there can kill every available sheep this year.

Hon. W. C. ANGWIN: The Chairman of Directors of the Fremantle company (Mr. Monger) says that unless the foreign markets improve the prospects of the company are such as will not justify the directors in operating upon more stock than is sufficient to introduce their brands and products into the English market. He goes on to say that the question is under grave consideration and will shortly be determined by the board.

Mr. Teesdale: They have killed a lot of sheep since then.

Hon. W. C. ANGWIN: Not in comparison with the requirements of the works. The Wyndham works were built under abnormal conditions when the cost of construction was exceedingly high. This factor must be taken into consideration. As time goes on it will be necessary to effect a reduction in the capitalisation. This will have to occur in the case of all works which, owing to the war, have been constructed at very high cost. Losses will have to be made on works of that description. Furthermore, there have been frequent changes of officers at the Wyndham meat works. A new man will generally recommend alterations to show his superiority over his predecessor. The member for Kimberley said that several alterations had been made already to the works. This all tends to increase the cost, and possibly the alterations will not be of great benefit to the works. At the time they were under construction I had a conversation with the hon. member's brother. He said the men were working well there, and were carrying out their duties properly and efficiently and to the best of their ability. He went on to say, "There is no doubt that when the works are constructed they will knock out the Darwin works." Cattle can be brought to Wyndham cheaper than to Darwin. It was intended to spend approximately £100,000 on the Darwin works, but I have been informed that they will ultimately cost as much as the Wyndham works. At the latter place there is a good water supply, but there was none at Darwin, and arrangements had to be made to provide water by means of condensers. The Engineer-in-Chief had a look at those works and ascertained that this was the position. Since then the management at Darwin have applied to the Commonwealth for an adequate water scheme. Such a scheme would not be a charge upon the works, but in the case of Wyndham the water supply as well as the jetty is a charge upon the works. Compared with the value the Wyndham works are to the State the loss of a few pounds should not matter to the Premier.

The Premier: It is £80,000 on the year.

Hon. W. C. ANGWIN: The Estimates show a prospective loss of £70,000. The works were established in order to develop the country and provide regular markets for the cattle growers. Taking the other trading concerns into account the total loss is only £14,383.

The Premier: You are making a mistake.

Hon. W. C. ANGWIN: If so the Estimates are wrong. The estimated receipts are £203,000 and the expenditure £273,000, leaving a deficiency of £70,000, but the total estimated deficiency on all the State trading concerns is £14,383. This may be still further reduced by an improvement in the State Shipping Service. Those who are opposing the State trading concerns are not dealing justly by them. For the time being everyone must accept the official figures as correct. I see no reason why they should not be.

Division put and passed.

Resolutions reported and the report adopted.

#### BILL—NORTHAMPTON RESERVES.

Returned from the Council without amendment.

#### BILL—HOSPITALS.

Message.

Message from the Administrator received and read, recommending appropriation in connection with the Bill.

In Committee.

Resumed from 7th December; Mr. Stubbs in the Chair; the Colonial Secretary in charge of the Bill.

Clause 40—Contributions to Trust:

The CHAIRMAN: The Leader of the Opposition has moved an amendment to insert between the words "one" and "penny" the word "half-penny."

Hon. W. C. ANGWIN: When the discussion on this Bill was adjourned, several weeks ago, the Colonial Secretary had given members to understand that he had not been approached by outside bodies with regard to this clause. The Minister implied that everyone was thoroughly satisfied with these taxation proposals.

The Premier: No one is satisfied to pay any taxation at any time or anywhere.

Hon. W. C. ANGWIN: I have information that there has been objection raised to this clause, objection brought to the attention of the Colonial Secretary. On the 8th November, 1922, a letter was addressed to the President of the Friendly Societies' Council, which begins as follows:—

In accordance with a resolution of the legislative committee carried on the 6th November at a meeting, at which Mr. Fordham of the Fremantle Association was present by invitation, we, the undersigned, waited on the Hon. the Colonial Secretary, Mr. R. S. Sampson, on the 7th November, and now report on the matters submitted to him, as under:—

The COLONIAL SECRETARY: That letter has been acknowledged.

Hon. W. C. ANGWIN: But the Minister, when he last spoke, made out that there was no objection to this Bill.

The Colonial Secretary: No serious objection.

Hon. W. C. ANGWIN: The letter continues—

(1) Exemption from hospital tax of medical benefit members of friendly societies. We stressed the fact that such members would be paying a double tax, one a voluntary one by which through their own providence they guarded against the perils of sickness, and thus saved expense to the State and helped to raise the average health standard of the community. We also pointed out that such

members would be less likely to acquire hospital accommodation than the less provident. The Minister explained that there was no hope of relief on this point; that the tax was one shared by the whole of the country, and gave no right to free hospital treatment. (2) Free treatment of medical benefit members of the friendly societies. We put this forward as an alternative, if members had to pay the tax. We also quoted figures as to the number of friendly society members in the State and their annual contribution to medical funds. The Minister gave a similar reply as to No. 1. Then the letter states objections to other provisions. I have received another letter from the Friendly Societies' Medical Association of Fremantle, one paragraph of which reads—

I may say that our fees have been recently raised, and we are now paying about 8½d. per week. This, with the proposed tax, would bring it up to over 1s. per week, and this we consider altogether unreasonable.

The Colonial Secretary: It is proposed to give some consideration to people who are contributing to medical funds, as on the mines and on the timber mills, but not to contributors to ordinary bodies.

Hon. W. C. ANGWIN: A member of a friendly society has to pay 8½d. per week to a medical fund. The Minister does not know what he is talking about.

The Colonial Secretary: I was referring to those funds which provide hospital treatment.

Hon. W. C. ANGWIN: About 20,000 residents of this State are paying 8½d. per week to medical funds.

The Colonial Secretary: But those funds do not provide hospital benefits.

Hon. W. C. ANGWIN: No; we know that. But if it had not been for payments to such funds, the number of hospital patients would have been much larger. When the fees under this Bill are imposed, many persons will withdraw from the medical benefit funds of their lodges. It has already been stated that they do not intend to pay two lots of fees. The friendly societies assist the Government by placing people in a position to provide for themselves in case of sickness. The Bill will have a tendency to draw people away from the friendly societies. In thousands of cases the only personal benefit a member of a friendly society gets is the advantage of the medical benefit fund. Again, thousands of contributors to medical funds do not consult the lodge doctors, preferring to consult their own medical men. I have also a letter from the Lodge of Free Gardeners, Lodge No. 4, Cottesloe. They object to the tax, and they recommend that the Government should adopt the Queensland system in order to raise funds for hospitals. They also say—

Further, we do not see why members of friendly societies should be taxed when they have already provided for themselves;

and if the Government are desirous of helping the hospitals to maintain themselves, they should follow the example set by the Queensland Government, in authorising some responsible person to conduct a sweep instead of allowing thousands of pounds annually to leave the State.

The reference is to the "Golden Casket" system. It is true that the Bill provides that persons who receive medical attendance at public hospitals can be sued for payment of fees, but there are many persons who, while they can pay a small weekly contribution to a medical benefit fund, are not in a position to pay a substantial sum for hospital treatment.

The Colonial Secretary: But the payment to a medical benefit fund does not give the right to hospital treatment.

Hon. W. C. ANGWIN: I know that as well as the Minister knows it. The point I want to make is that no hospital committee will venture to sue a person for payment of fees if he is not in a position to pay. Thus hospital treatment will continue to be largely free, and the demands on the hospitals for free treatment will increase considerably. An hon. member has placed in my hands the results of the Queensland "Golden Casket" system. It appears that during a period of three years the total distributions to Queensland hospitals from that source were £246,188. The hospital tax proposed by this Bill should have been proposed under the Land and Income Tax Assessment Amendment Bill. Had that been done, the same objection would not have been raised. This hospital tax should be portion of the ordinary taxation of the State. If it is imposed under this Bill, it will not be added to the general taxation returns, and will not appear in the Estimates of Revenue, but will be kept entirely separate from them. In these circumstances the Treasurer will not be showing the full amount of taxation paid.

The Colonial Secretary: Is that important?

Hon. W. C. ANGWIN: It is very important, because the money should be put under general taxation and set aside for special purposes, so that people could see what amount they are actually contributing by way of taxation. I hope the amendment will be carried and that, later on, the clause will be rejected.

Mr. CHESSON: I am utterly against this form of taxation.

The Colonial Secretary. You cannot be satisfied with the present arrangement.

Mr. CHESSON: In due the present system is giving satisfaction, but as soon as this tax comes into force the Government subsidy will be cut off, and thereafter the local hospital committee will have to depend entirely on the tax, for there will be no further donations.

The Colonial Secretary: That remains to be seen.

Mr. CHESSON: There is no doubt about it in the minds of the committee of our hospital. There will be no inducement for people to contribute to the maintenance of the hospital. Giving evidence before the Royal Commission, the chairman of the Cue hospital declared that the hospital committee were entirely opposed to the taxation in the Bill on the score that local effort would be destroyed and donations cut out. I am in favour of the amendment, but whether or not the amendment be carried I will vote against the clause. Whatever rate of tax may be fixed now, next year probably the tax will be increased, and we do not know where the end will be. The proposed system of taxation finds no favour with outback people.

Progress reported.

## BILL—AGRICULTURAL SEEDS.

### Council's Amendments.

Schedule of two amendments made by the Council now considered.

#### In Committee.

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

No. 1. Clause 2, Subclause (2).—Add the following words:—"so far as such sales are by regulation exempted from the operation of this Act."

The MINISTER FOR AGRICULTURE: The member for Mt. Magnet will recollect that I promised to get inserted in another place a provision prescribing that those farmers who make a practice of growing wheat for seed should come under the measure. This amendment will give effect to that. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 2. Clause 6, Subclause (1).—Add at the end of paragraph (e) the word "and," and insert a new paragraph to stand as (f), as follows:—(f) subject to the regulations the country of origin.

The MINISTER FOR AGRICULTURE: When the Bill left this House, it was deemed desirable to ensure that packages of seeds should show the country of origin. For instance South African lucerne should be distinguishable from the Australian variety. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

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

## BILL—DOG ACT AMENDMENT.

### Council's Amendments.

Schedule of 13 amendments made by the Council now considered.

#### In Committee.

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

No. 1. Clause 2.—Strike out this clause.

The MINISTER FOR WORKS: The amendments made to the Bill render this clause unnecessary. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 2. Clause 3.—Strike out all the words after "amended," in line one, and insert "by striking out all the words after 'dog,' in line one of the section, down to and inclusive of the word 'days,' in line two."

On motion by the Minister for Works, the foregoing amendment was agreed to.

No. 3. Clause 3.—Add at the end of the clause the following:—"and is further amended by adding the following:—'This section shall not apply to the Royal Society for the Prevention of Cruelty to Animals of Western Australia, as regards dogs in their custody from time to time, and held temporarily by them for the purpose of finding the dogs suitable homes.'"

The MINISTER FOR WORKS: I move—

That the amendment be agreed to.

Where there are stray dogs about and the society gets hold of them, they endeavour to find homes for them but do not wish the clause to apply to them during that period. I agree to that.

Question put and passed; the Council's amendment agreed to.

No. 4. Clause 5.—After the word "amended," in line two, insert "by striking out the word 'January,' in fifth line of the section, and inserting the words 'July, and is further amended.'"

The MINISTER FOR WORKS: The amendments as they reached us were somewhat befogged and several mistakes were made. A conference was held regarding them and I understood they had been put right. The next amendment I have is to insert the words "Town Clerk, secretary or registered officer," in Clause 4.

Hon. W. C. Angwin: You must read the Council's amendments with the Act,—Section 10.

The MINISTER FOR WORKS: The notes given to me are to deal next with Clause 4.

The CHAIRMAN: This is Council's amendment No. 4.

Hon. W. C. Angwin: Evidently the Minister's officer does not understand the rules of Parliament. The Council's amendments only can be dealt with.

The MINISTER FOR WORKS: The amendments printed on the Notice Paper as they came from the Council were unintelligible and inexplicable. We could not make sense of some of them. Eventually the matter was left to one of my officers to straighten out, and I was assured that everything was in order. I will, however, take amendment No. 4. This provides for the termination of the financial year in a uniform way on the 30th June. I move—

That the amendment be agreed to.

Hon. W. C. ANGWIN: Should not the Minister move a modification striking out the proviso in the present Act? In the present Act there is a reference to January, but the Council's amendment brings us to June. The Minister should agree to the Council's amendment subject to the striking out of the proviso contained in Section 10.

The MINISTER FOR WORKS: That is provided for. The amendment does what the hon. member suggests.

Hon. W. C. ANGWIN: It seems to me that the proviso in the Act must be struck out because of the proviso in the Bill, which is exactly similar to that in the Act except that it substitutes "July" for "January." I would suggest that we agree to the Council's amendment No. 4, subject to the proviso in the Act being struck out.

The MINISTER FOR WORKS: I ask leave to withdraw my motion.

Motion by leave withdrawn.

The MINISTER FOR WORKS: I move—

That the amendment be agreed to, subject to the Council agreeing to strike out the proviso to Section 10 of the Act.

Question put and passed.

No. 5—Clause 6, line 5, after the words "head of" insert "great," and in the same line strike out the word "sheep" and insert "small cattle":

The MINISTER FOR WORKS: The amendment is necessary because "small cattle" covers also goats. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 6—Clause 8, add at the end of Sub-clause (2) the following:—"Such list shall be made up on or before the 31st day of July in every year, and a revised list made up every three months thereafter and delivered in like manner to such officer," and add a further subsection, as follows:—(3) The police shall, when it comes to their knowledge, notify the local authority of the name of any person keeping or owning an unregistered dog:

No. 7.—Clause 11, after the word "charge," in line four, insert the words "the collar and disc for which shall be supplied free of charge by the registering authority":

No. 8—Clause 13, after "words," in line two, strike out the rest of clause and insert "and such regulations may impose a penalty not exceeding five pounds for any breach thereof":

No. 9—Clause 14, add the following words:—"and the schedule is further amended by inserting the words 'thirty-first day of December,' in lieu of the words 'thirtieth day of June'".

No. 10—New clause, to stand as No. 11:—Section 20 of the principal Act is amended by striking out the word "registered," in line two, and inserting in lieu thereof the words "usual or last known," and is further amended by striking out the word "registered," in line five, and inserting the word "such."

No. 11—New clause, to stand as No. 12:—Section 22 of the principal Act is amended by inserting after the word "destroy," in line five, the words "without cruelty by some speedy means."

No. 12—Add the following new clause, to stand as No. 16:—The second schedule is amended by substituting the words "thirtieth day of June" for "thirty-first day of December," in forms A and B.

No. 13—Clause 12, consequentially on the striking out of Clause 2, strike out the words "the excision of the word 'three' and."

On motions by the Minister for Works, the foregoing amendments by the Council were agreed to.

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

## BILL—PENSIONERS (RATES EXEMPTION).

Council's Amendment.

Amendment made by the Legislative Council now considered.

In Committee.

Mr. Angelo in the Chair, Capt. Carter in charge of the Bill.

Clause 2—Strike out all the words after the figures "1919" in line four, and insert the following words:—"the water, stormwater, and sewerage rates, meter rent, sanitary and pan rates in respect of land of which he is in occupation as owner. The payment of such rates shall be deferred, and the same shall be payable only on the sale of the property or the death of the pensioner, but in the meantime they shall become a first charge on the property, subject to any rights of a mortgagee existing at the date of the passing of this Act."

Capt. CARTER: I think we can accept this amendment.

Hon. W. C. ANGWIN: The Bill, when it went to the Council, provided for exemption from rates under the Municipal Corporations Act, the Road Districts Act and

water and sewerage rate. The Council has inserted part, not the whole, of the rates struck under the Health Act. The health rate is very small, but this amendment means that the local authority will have to collect it. I suggest to the hon. member that he modify the Council's amendment by inserting the word "health" after "meter rent."

Mr. Mohey: Is that the only one omitted?

Hon. W. C. ANGWIN: I think so; I do not know of any other.

Capt. CARTER: I did not notice that omission. Acting on the hon. member's suggestion I move—

That the amendment be modified by inserting after "rent" the word "health."

Modification put and passed.

Mr. LAMBERT: The Council's amendment seems to be a departure and I am not sure whether it is altogether safe, though the word "existing" does limit it.

Mr. RICHARDSON: Our intention was that these rates should become a first charge on the property. The amendment will cut out municipalities and road boards and give the first rights to mortgagees.

Capt. CARTER: This question was thrashed out on the second reading. As I understand the law it is impossible to interfere with an existing right.

Mr. Lambert: Perhaps the member for Bunbury can throw some light on it.

Mr. MONEY: It would be wrong for legislation to interfere with an existing mortgagee's right. I can understand objection being taken to a future mortgagee.

Mr. Hughes: But the mortgagee does not release property from the payment of rates.

Mr. Lambert: The rights of a mortgagee would be the same if this measure were not passed.

Mr. MONEY: This Bill will not interfere with the existing rights of a mortgagee.

Mr. RICHARDSON: This amendment opens up a very wide discussion. The point was not discussed on the second reading. Rates and taxes are a first charge on any property, and if this amendment be passed, the mortgagee will have the first right and will have priority over any municipal council.

Mr. Money: No.

Mr. RICHARDSON: Then what is the need for the amendment? The existing mortgagee would have the right to step in prior to a municipality or road board.

The Premier: I do not think so.

Mr. RICHARDSON: The intention was that the rates and taxes were to become the first charge on property after the death of the pensioner. This is an insidious amendment which will alter the whole position.

Hon. W. C. ANGWIN: The intention of the Bill was to relieve old age pensioners from the payment of rates in future. There may be a few pensioners whose property is mortgaged. If these words are not inserted, there is a possibility of the mortgagee closing on the mortgage. The pensioner might have to

sacrifice any equity in the property, because it would be put on the market for a forced sale in order to pay the mortgagee. Thus the pensioner would not get the benefit of the Act.

Mr. Money: This protects the pensioner.

Mr. Richardson: No, it protects the mortgagee.

Hon. W. C. ANGWIN: This might apply to only half a dozen pensioners, but those to whom it does apply will not get the benefit of the measure.

The COLONIAL SECRETARY: The effect of the amendment will be to weaken security so that a mortgagee would hesitate to deal with an elderly person because of the protection afforded. Every year such rates remain unpaid, the security is correspondingly weakened. So, instead of doing the pensioner a good turn we shall be doing the reverse, because if he wishes to raise money on his home, there will be no market for him. This will be practically a permanent moratorium to protect a property from sale and maintain an existing mortgage, although the security is being weakened on account of the liability for rates continually being added to it.

Mr. HUGHES: The latter words of the amendment will protect the mortgagee to a greater extent than the pensioner. In the event of a pensioner's property being sold at his death, the rates become a first charge upon it. If the property is mortgaged, the municipality have a prior claim upon it for their rates. If this amendment becomes law and there is £10 owing on the property at the death of the pensioner, instead of the municipality having the prior claim upon the proceeds, because of the rates the whole of the amount realised will go to the mortgagee. I move—

That the Council's amendment be further modified by striking out the words "subject to any rights of the mortgagee existing at the date of the passing of this Act."

The PREMIER: This only protects the right of the man who has advanced money against the property.

Mr. Hughes: At the expense of the municipality.

The PREMIER: No. If the mortgagee has the right under his mortgage to insist upon the payment of the rates, as he undoubtedly has, he can demand a receipt from year to year for the rates, or has the right to call in his mortgage.

Mr. Hughes: This Bill will override the mortgage.

The PREMIER: No; if the mortgagee wishes he can demand from the owner a receipt for the rates.

Mr. Hughes: In the face of this Bill?

The PREMIER: Yes.

Mr. Hughes: It gives him a prior claim over the municipality?

The PREMIER: No, he could not claim ahead of the local authority. All he can do is to demand that the rates shall be paid.



Mr. Chesson: I thought this was intended to protect the pensioner.

The PREMIER: So it does. We are helping the old age pensioner, but have no right to help him at the expense possibly of some other old man or at the expense of the municipality. It would be wrong to strike out these words.

Mr. MONEY: A misconception has arisen. The member for North-East Fremantle put the case clearly. The object of the Bill is to protect the pensioner. There is nothing, and there was nothing, in the Bill to prevent the mortgagee from protecting himself. This amendment represents an advantage to the pensioner in that it gives security to the mortgagee. To strike out the words would be wrong. If the mortgagee's rights were lessened, he would realise on his mortgage. The amendment should be agreed to in toto.

#### Point of Order.

Hon. W. C. Angwin: I rise to a point of order. The Bill as presented to the Legislative Council was not worded as it was worded when it left this Chamber. There was an amendment moved in Clause 2, to strike out "shall," and insert in lieu "may claim to." That amendment was carried. The object was to allow such old age pensioners as preferred to do so, to pay their rates, instead of letting them stand on the property.

The Chairman: It appears to me that an error has been made; but as the reprint of the Bill has gone forward to the other place and passed that Chamber with that mistake in the Bill, I do not see how the error is to be rectified unless in some way the Bill can be recommitted.

Hon. W. C. Angwin: When the Bill went through its third reading here, it did so on the certificate of the Chairman of Committees. There is no blame attaching to members.

The Chairman: Quite so. I shall be glad to hear any suggestions as to what course should be taken. If hon. members desire it, I will refer the question to the Deputy Speaker.

Mr. Lambert: I think that, in the circumstances, to report progress would be the best course.

Progress reported.

*House adjourned at 11.47 p.m.*

## Legislative Council,

*Tuesday, 16th January, 1923.*

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

### ASSENT TO BILLS.

Message from the Governor received and read, notifying assent to the following Bills—

- 1, Dairy Industry.
- 2, Esperance-Northwards Railway Extension.

### PRIVILEGE—RECORD OF MEMBERS' ATTENDANCES.

Hon. J. CORNELL (South) [4.35]: I rise to a point of privilege, and also a personal explanation. I observe that the Minutes of the last meeting of this House do not show my name as that of a member who attended the sitting, which is an obvious error, as other members can certify.

The PRESIDENT: The alteration will be made as a matter of form. I am sorry the error has occurred, and I shall endeavour to take steps to prevent the recurrence of such an error.

The MINISTER FOR EDUCATION: The usual form is to set out the names of members present during a sitting. In this House the opposite course has been adopted, of mentioning the names of members who were not present.

Hon. J. Daffell: I think the method previously adopted was more satisfactory to everybody, and I think we should revert to it.

The PRESIDENT: I have not the Minutes before me, and therefore am not in a position to say.

### BILL—KOJONUP AGRICULTURAL AND HORTICULTURAL SOCIETY'S LAND.

Read a third time and passed.