

Legislative Council,

Thursday, 5th January, 1933.

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The PRESIDENT took the Chair at 3.0 p.m., and read prayers.

BILLS (3)—THIRD READING.

- 1, Agricultural Bank Act Amendment.
- 2, Industries Assistance Act Continuance. Passed.
- 3, Permanent Reserves (No. 2).
Returned to the Assembly with an amendment

SELECT COMMITTEE — WYNDHAM MEAT WORKS AND STATE SHIPPING SERVICE.

To adopt Reports.

Debate resumed from the 3rd January on the motion by Hon. J. J. Holmes—

"That the reports of the select committee appointed to inquire into the Wyndham Meat Works and State Shipping Service be adopted."

Hon. G. W. MILES (North) [3.8]: I support the adoption of the reports, and I congratulate the select committee on the time and trouble they have devoted to obtaining evidence for this House. Practically the whole of the facts contained in the evidence and in the committee's reports must have been known to the Government before the appointment of the committee. In my opinion it is a standing disgrace that the Mitchell Government, having been returned for a number of years past as opponents of the policy of State trading concerns, should continue these concerns. Notwithstanding what the Leader of the House has said, I still maintain that the losses on the State trading concerns should be shown as additional to the deficit. Time after time the Premier and the Leader of this House have asserted that the State trading concerns have nothing to do with the deficit. I say the losses on those concerns are in addition to the deficit.

The Minister for Education: That is true.

Hon. G. W. MILES: But the Leader of this House and the Premier have never put that position to the country. I take the strongest objection to the action of the Premier and of the Leader of this House in misleading the people of Western Australia. I do not know whether it is done deliberately.

The PRESIDENT: The hon. gentleman must not accuse any member of misleading other members or the public.

Hon. A. Lovekin: I do not think our leader knew the true facts until they were brought out by the select committee.

Hon. G. W. MILES: When the Premier stands up in another place and says, as he also declares through the Press, that the State trading concerns have nothing to do with the deficit, I maintain he is misleading the country. I further maintain that it is about time we did something to oust such a Government. The retention of the Albany seat by the Mitchell Government has cost this country £430,000. The Premier appointed the present Minister for Mines to control the State Shipping Service before that Minister was a member of Parliament. At that time the State had an offer of £270,000 for the "Kangaroo," which offer was turned down by the present Minister for Mines and by the then Attorney General, both of whom announced at Albany that the Government would not sell any ships. The refusal of the offer which was made has cost Western Australia £430,000, that being the price paid by the Mitchell Government for the retention of the Albany seat. I do not know whether the Government intend to take any action now with regard to the State trading concerns. At the beginning of the session we had an assurance that the Government would bring before Parliament a measure enabling us to deal with the State trading concerns, or enabling Parliament to say whether those concerns should be carried on or whether they should be sold or leased. It is due to the country that Ministers should bring down such a measure before Parliament goes into recess. That is due even to those who favour the retention of the concerns; they ought to know whether the concerns are to be continued or discontinued.

Hon. A. H. Panton: We know they are going to be continued.

Hon. G. W. MILES: The hon. member probably does know more of the intentions of the Mitchell Government than is known to other people, people who supported that Government in years gone by. I am told that if this House took certain action, it would be unconstitutional. I do not want to do anything unconstitutional, but something should be done to force the Government to afford Parliament an opportunity of declaring whether the State trading concerns shall be continued or not. I venture to say that if the Government put the true position before Parliament, a proposal to abolish the State trading concerns would be approved not only by the supporters of the Government, but also by the members of the Labour Party.

Members of that party are not going to see the State continuously falling into arrears at the rate of £200,000 or £300,000 per annum. The position as I see it is that the Government want to get into recess, and are content to let the deficit keep on growing until July of this year, with the State trading concerns continuing to lose at the rate of £200,000 or £300,000 per annum.

Hon. A. H. Panton: Would you sell the railways?

Hon. G. W. MILES: Yes, if we could get a buyer for them.

Hon. A. H. Panton: You are consistent, anyhow.

Hon. G. W. MILES: The State trading concerns have cost Western Australia over two millions already; and, as I indicated in a previous speech, if we sold them to-day for a million and invested that million at seven per cent. compound interest, we would recover the loss. On the other hand, if we go on with those concerns for another ten years, we shall be adding another two or three millions to the deficit on the concerns. Then the position will be that the State trading concerns will have cost Western Australia five millions sterling. I am absolutely disgusted with the way this country is being run. We are shutting out private enterprise. Ministers are carrying out a policy in opposition to their own convictions. I remember in 1914, when I was not contesting a seat, but was taking part in an election. I said to the electors, "If you are in favour of mal-administration such as has taken place recently, if you are in favour of a deficit of £420,000—that is the figure at which the deficit then stood—"vote for the Scaddan Government." This was putting up an argument in favour of electing business men to straighten out the country's finances. But nothing has been done. We have gone on drifting, drifting every year; and we continue to drift. Here we are practically at the very end of the session, and the Mitchell Government have not yet given us an opportunity of dealing with the State trading concerns. I do not understand the position. Is it due to the fact that the Opposition are against any alteration in the policy of State trading concerns?

Hon. A. H. Panton: That is the explanation.

Hon. G. W. MILES: I understand that one or two members of the Country Party in another place are opposed to the abolition of some of the trading concerns. If the Premier had the backbone, he could easily bring those Country Party members to heel. If I were Premier, I would soon know whether those members were supporting me or supporting the Labour Party.

Hon. J. W. Hickey: The Country Party are the Government to-day.

Hon. G. W. MILES: Yes, and the Labour Party too; and they are both getting a fair

go. As regards the Wyndham Meat Works, I understand the position is that the Government, in view of the fact that the works did not operate last year, have granted the growers of stock certain financial assistance. The Government are just going on—drift, drift, drift! They will not say whether they are going to sell or lease or operate the Wyndham Meat Works. It is a duty the Government owe to the producers of the North and to the country as a whole to declare what they are going to do with those works.

Hon. A. H. Panton: When will the Fremantle meat works start operating?

Hon. G. W. MILES: At any rate, the private company connected with the Fremantle meat works have a certain amount of cash in the undertaking. The Government are assisting them, and I believe the State has full security for any moneys advanced in that connection. If the Wyndham Meat Works were operated on the same lines, it would be better for the country. I do not say that these concerns should be given away for half-a-crown as Sir Edward Wittenoom suggested, but I maintain that if we had an opportunity of dealing with them and if the true position were put before members in another place, there would be a majority both in this Chamber and in the Legislative Assembly, who would give the Government authority to call for tenders for the sale or lease of the trading concerns as soon as possible.

Hon. A. SANDERSON (Metropolitan-Suburban) [3.16]: If denouncing the Government in this matter would do any good, I would join in denouncing them. There is ample material available to expose the policy and administration of the Government, and particularly of the Leader of the House. I do not propose this afternoon in dealing with this report, to do more than allude to those matters. In the first place, I cannot see that much good will result from the denunciation which any member of this Chamber can indulge in against the Leader of the House. No such denunciation would be as vitriolic as the Leader of the House himself could make against his own administration and his own policy, if we may judge from his utterances before he took office. There is no greater master of invective than that hon. member himself. I would like to draw attention to one aspect of the select committee's report, and particularly in relation to the remarks of Mr. Miles, who is a very able representative of the North Province, which is particularly interested in the meat works and the shipping service. Hon. members should note that point. Then we can turn to his colleague, Mr. Holmes, who was chairman of this select committee. He also represents in a most capable manner, that important and valuable part of the State. Let us remind ourselves that the Minister here—I

do not know whether there is a portfolio attached to it or not—

Hon. J. Duffell: He is Minister for the North-West.

Hon. A. SANDERSON: Here we have the Minister for the North-West and these two representatives of the North Province, dealing with two matters of vital interest to the northern parts of Western Australia, namely, the meat works and the shipping service. I ask myself this question: Who has been responsible, apart altogether from the Labour Party, with regard to the nationalisation of these concerns—to my mind, the Labour Party are beyond the pale in these matters, but it is unnecessary to deal with them at this juncture—for supporting the meat works in the North-West and the running of the State Shipping Service along the coast? Is it not those hon. members themselves? We cannot get away from that fact.

Hon. G. W. Miles: Do you say we supported them?

Hon. A. SANDERSON: Yes. During the past eight or ten years, to say nothing about the late Mr. Frank Wilson, the members representing the North Province have supported the Wyndham Meat Works, and some have supported the State Shipping Service. I frankly admit that, apart from Mr. Miles and myself, everyone else says the railways should belong to the State. If that be so, why should not the steamers running along the North-West coast belong to the State as well?

Hon. G. W. Miles: Why not subsidise a line of steamers and thus secure a satisfactory shipping service?

Hon. A. SANDERSON: I will come to the question of subsidising a shipping service or meat works before closing my remarks. After all, the question of subsidy depends upon a matter of figures. There are two points of view—a State shipping service, or a private shipping service; State meat works or private meat works. Which are the people to have? It certainly appears to me that so far as a subsidised shipping service is concerned, it is a matter of figures, and to a large extent—it was so during the war—of steamers. The position may arise when we may have to ask ourselves whether or not it is cheaper for us to purchase ships than to subsidise a shipping service. After a careful survey, my impression is that those people who have got this Government into the present tangle and the State into its present unsatisfactory position, will not support the Labour Government because we all know what they are after—they seek a new heaven and a new earth under their scheme—while the school I represent, and which I thought the Leader of the House also represented, is absolutely opposed to them.

Hon. J. Cornell: Your school is like the ruins of Carthage—only ashes.

Hon. A. SANDERSON: These Biblical and classical references may well be left out of a business discussion. It distracts the

speaker and I do not wish to have any embellishments or classical matters introduced in this discussion. I was trying to point out what is a difficult matter briefly and accurately to put before hon. members, and what I am convinced will be the position which the country—I mean Australia—will be compelled to deal with shortly. I do not care whether we call them State steamers, subsidised steamers, coastal steamers, or foreign steamers. I ask: Who are the owners of the meat works, the railways, and the ships in this country? I will tell hon. members who are the preferential owners. They are the British investors in securities in Australia. Those persons—some think they are stupid and do not understand—are very shrewd, and they have shown their wisdom in the way they have invested their money. Take the Midland Railway Company. That is an English company struggling under difficulties. I consider it has been unfairly dealt with by this State as compared with our State-owned railways. Who supplied the money for our State railways? It was the British bondholder. What does he get? He has never received less than 3 per cent. and now gets $6\frac{1}{2}$ per cent. as interest on his outlay, free from taxation, without any worry regarding the management of the affairs of those railways. We talk about the State railways as if they were ours! The owners are those investors and they have to be paid. We are those who have to pay. So long as people are content to continue along these lines, the Government will do two things. They will lose that efficiency and enterprise which will inevitably come from the operations of a private company and, secondly, they will load themselves with debt, and at the same time prevent either British capital or British people, to a certain extent, coming here. Take the persons in England who have £10,000 or £100,000—the countryside is littered with them—and in the aggregate they have millions available. We have £50,000,000 as an indebtedness. These people in England say, "Where shall I invest my money? In Australia? What is the best thing we can invest in from a purely cash point of view in Australia?" That is the way they look at this matter. They get $6\frac{1}{2}$ per cent. or $7\frac{1}{2}$ per cent. from Australian securities without paying a penny in taxation. We hear a lot about the absentee tax. These people do not pay a penny in taxation, and their money has to be in London on the day it is due or the whole fabric of our financial institution collapses. That is recognised. If the system is to be continued it means that we prevent any man of sense in England investing his money here. If he can get his investments freed from taxation—he has to be a pretty clever man to do that to-day—it is beneficial to him. Whatever the taxation is to-day, we do not know what it will be to-morrow. In these days, there is no Treasurer so rash, nor a Labour Party so extreme, as to attempt or dare to levy a penny in taxation on that

money. We had an illustration of that aspect some little time ago. We may remember when efforts were made by the present Government as I call them—other hon. members may prefer to refer to them as a former Government, not the Labour Government—to suspend the sinking fund. The Government, however, were warned off by their financial advisers in London. This is the problem as it appears to me. I agree to a considerable extent with the denunciation voiced by Mr. Miles. I understand his irritation. He is not more irritated than I am regarding the performances of the present Government. What is the good of this denunciation, in view of the fact that the Government take into the Government the chief offending head—over whose body the Leader of the House climbed into office years ago—and to-day he is one of the responsible Ministers of the Crown.

Hon. G. W. Miles: His election cost the State over £400,000.

Hon. A. SANDERSON: I agree that that is so. If we look upon this matter in the cool light of a business proposition, and desire to advise the country how to deal with the whole position, I cannot see that any further denunciation of the Government will do any good. If it can be proved to me that any good can result, I will gladly join in every such denunciation.

Hon. G. W. Miles: Cannot we force them to do something.

Hon. A. SANDERSON: Let the hon. member try. I would be pleased to join in, if I could see any use in denouncing or criticising the Government.

Hon. J. J. Holmes: You will have an opportunity some day.

Hon. A. SANDERSON: I do not understand that reference. It is leaving it to the future, and the future is in the lap of the gods.

The PRESIDENT: The question before the House is the adoption of the report.

Hon. A. SANDERSON: I do not wish to detain hon. members at any great length, but I wish to point out the importance of this aspect of the question. I want to take the earliest opportunity to thank the members of the select committee for their admirable work, and to congratulate them upon their report. Whether the recommendations will be carried out or not, I cannot say. These are the recommendations advanced by the select committee:—

That the operations at the works be indefinitely suspended.

That the Perth office of the works be closed

That the works be at once placed under the control of the Commissioner for the North-West

I do not know what qualification the Commissioner for the North-West has for that position.

Member: He is a very capable man.

Hon. A. Lovekin: The idea is that the works are not to be run.

Hon. A. SANDERSON: In that case, I think it is hardly in keeping with the dignity of the Commissioner for the North-West that he should be asked to act as caretaker of a boiling down works. Another recommendation is:—

That the Government endeavour to lease or dispose of the works as soon as possible.

That is the point where two members of the select committee disagreed with the others. I quite understand their attitude. I do not know that I altogether agree with them, but I understand the reasons that prompted those gentlemen to adopt that attitude. I am referring, not to any political affair, but to the business aspect of the works. To be perfectly fair, even to the Government and to the works, we must admit that the meat industry at present is in a most difficult position. The question then arises, are we to toss these works on to the scrap heap or dispose of them at the very worst time? The recommendation of the committee means that the Government should get rid of these works, and I say this is the worst possible time for their disposal.

Hon. J. Duffell: There is money waiting for them in London to-day.

Hon. A. SANDERSON: I do not wish to be dogmatic on the point.

Hon. J. Cornell: Was it a question which the committee were bound to answer? I say it was not.

Hon. A. SANDERSON: I wish to be fair to the Government, strongly as I support the committee. I should like to call attention to the position of the Fremantle Freezing Works, as compared with the Wyndham works. We have had a statement from the Treasurer respecting those works. If the Premier and his colleagues would treat the public with a little more confidence, it would be very much better. The Treasurer's statement, as it appears in the Press, is to the effect that a certain amount is due from the Government to the Fremantle Freezing Works. I believe that if a committee were to follow the Fremantle Freezing Works with the same care as this committee have followed the Wyndham Meat Works, they would say that the Premier's statement was likely to mislead the general public, that the Government will have to pay a great deal of money.

The PRESIDENT: The hon. member is straying from the question.

Hon. A. SANDERSON: I hope hon. members will look into that point. I warmly thank the committee for and congratulate them on their admirable and valuable report.

Hon. J. EWING (South-West) [3.35]: It is perhaps advisable that all members who have anything to say on this question should say it before the Minister speaks; because probably many things will be cleared up by the Minister, and the chairman of the committee will then have an opportunity to

answer the Minister. There is no doubt about my position in respect of State trading concerns; always have I been opposed to them. This is the first time hon. members have been able to thoroughly understand what has been going on in respect of State trading concerns. This report has served to clear the atmosphere and place certain valuable information before us. I desire to thank the committee for the excellent work they have done, and to congratulate them on the conclusions at which they have arrived. I regret that they were not unanimous in regard to the whole of their findings, and that they did not make any recommendations respecting the State steamers, but merely came to certain conclusions which were apparent even before the appointment of the committee. The history of the Wyndham Meat Works leads one to wonder what has been going on, what the Government have been doing to allow things to reach the present stage. The Labour Administration in the first place were responsible for the Wyndham Meat Works. They entered into a contract with Mr. Nevanus which cost the country £97,000. After a time Mr. Nevanus found that he could not carry out his contract, that the difficulties were very much greater than anticipated, and in consequence he got out as quickly as he could. It then became necessary to find somebody to manage the works. Mr. Dalton was appointed. He had reached a certain position when the Honorary Minister (Mr. Baxter) represented that a general manager should be appointed. Mr. Dalton had certain views on the subject of pickling, while Mr. McGhie, as it proved, held opposite views. In consequence of the clash, Mr. Dalton was retired and was paid £500. Then came the question of altering the process which Mr. Dalton had started. This was accomplished at a cost of £16,000. It is not my habit to attack a public servant on the floor of the House; nevertheless I want to say the committee has my sympathy in the terrible task they experienced in getting any information out of Mr. McGhie. That keen Scotchman evaded every question put to him, and so it was well nigh impossible for the committee to get at the bottom of the business. Mr. McGhie is supposed to be an expert. He disagreed with Mr. Dalton, and so Mr. Dalton was given his quietus. The committee does not express any opinion as to whether Mr. McGhie or Mr. Dalton was right. Very serious things occurred in Mr. McGhie's administration of the Wyndham works. He recommended to the Government that certain alterations should be made. Amongst other things he required considerable additional storage accommodation. He made recommendations to the Under Secretary which eventually went before the Leader of this House. The Minister, under a misapprehension, thinking the cost was going to be £30,000 or £40,000, recommended that the money should be found to carry out the work required by Mr. McGhie. Thereupon Mr. Mc-

Ghie appointed an architect, no doubt an able man, from Queensland, to take charge of the architectural side of the alterations. Mr. McGhie engaged Mr. Allen for three years, notwithstanding that Mr. Allen has not yet been appointed by the Government. However, Mr. Ghie, doubtless with the knowledge of the Government, appointed Mr. Allen to the position, and we are responsible for all that has been paid and has still to be paid to Mr. Allen. Mr. Allen made certain recommendations which meant an expenditure of £240,000. The Minister, when it came before him, gasped, and declared that he would not be a party to recommending such an expenditure to the Premier. The Minister was perfectly clear and fair in his attitude. It was first put before him as a small proposition involving £30,000, and it was not until after the appointment of Mr. Allen that the Minister discovered what the cost would actually be. I am entirely in sympathy with the Minister on this point because, clearly, it must be most difficult for him to go into the pros and cons of everything placed before him, and he never imagined that the work was going to cost so much. I blame, not the Minister, but Mr. McGhie, who misled the Minister. It is interesting to learn of the wonderful privileges which Mr. Allen enjoyed in the way of travelling expenses and special payments, in addition to 3 per cent. for his plans and 3 per cent. for supervision. We have had to pay everything in connection with his services, and are liable for £3,750 in respect of his plans. Mr. Allen has since revised his estimate, and now recommends the expenditure of £118,000. On that amount it is going to cost the country £3,750 for Mr. Allen's plans and, in addition, another £3,750 if the Government go on with the work. Mr. Allen has not yet been appointed by the Government. It is a most disastrous state of affairs. It is not to the credit either of the Government or of Mr. McGhie that Mr. McGhie should have been able to appoint to the post any man he liked, to the exclusion of all other architects. I am not arguing that Mr. Allen is not a good man. A man with special knowledge might be required for this particular kind of work.

Hon. J. J. Holmes: The evidence is that the Public Works Department did all the work.

Hon. J. EWING: The evidence also points to the fact that the Works Department cannot do anything in connection with the works; everything has to be done by Mr. Allen, and Mr. Allen has to receive commission on everything he does. I want to know where all this is going to end. If the Government have not approved of Mr. Allen's appointment, is it their intention to do so? The Minister shakes his head. Then the sooner we face the real position, the better it will be. The sooner Mr. Allen is given to understand that he is no longer connected with the works, the better it will be for the State, for he is not required, and I say this without any reflection whatever on his capacity as an architect or engineer. I regard this as

unnecessary expenditure which should cease at once.

Hon. H. Stewart: Did not Cabinet authorise Mr. McGhie to engage Mr. Allen?

Hon. J. EWING: There is no record of any authorisation of his appointment.

Hon. H. Stewart: According to the report there is.

Hon. J. EWING: If the hon. member reads the report, he will find that Mr. McGhie engaged Mr. Allen, that Mr. Allen has carried on his work and is entitled to the payment of £3,750. Every member will agree to that.

Hon. J. Cunningham: Did not the Government know that Mr. Allen had been appointed by Mr. McGhie?

Hon. J. EWING: Probably they did; but this is the position as it appeals to me: One civil servant, a high official in this State, has done what has never before been done by any official. He has usurped the power of the Government, and made an appointment that even yet has not been endorsed by the Government. According to the Minister, the Government do not intend to endorse the appointment.

Hon. J. Cornell: Mr. McGhie had to take the responsibility of making the appointment. He could not get any Minister to do it.

Hon. J. EWING: I do not know that that is so. It is a simple matter for the Government to endorse such an appointment. Mr. McGhie has, in this respect, usurped the power of the Government, I will not say in defiance of the Minister, but without considering the Minister. He says, "I am Czar; I am going to do as I like, irrespective of the Government." Of course a great responsibility rests upon the Government, too, because they should not have allowed any official, no matter how able he might be, to adopt such an attitude. Someone should have checked the position to see that Mr. McGhie did not go to this extent.

Hon. J. Duffell: But that is typical of some of the Government departments.

Hon. J. EWING: It is a difficult position, but the difficulty must be overcome. I do not think members can overlook the fact that the position is very serious. If we are going to retain Mr. Allen's services and carry out these particular works, the cost to the State will be £7,000. This is a large sum of money. A few minutes ago when I asked whether Mr. Allen's appointment had been endorsed, the Minister shook his head. I find that Mr. Allen was appointed by Mr. McGhie in April, 1921, for a period of three years. Therefore, unless the Government over-ride the agreement entered into by Mr. McGhie with Mr. Allen, they have to retain his services until 1924.

Hon. J. J. Holmes: His appointment had not been approved by Cabinet up to the time of the select committee's inquiry.

Hon. J. EWING: If Mr. McGhie, as responsible manager of the works on behalf of the Government, engaged this man even by word of mouth, and has not been told

by the Government that he should not have done it, then we have to honour the contract.

Hon. J. Duffell: That is the position, and the Government are responsible.

Hon. J. EWING: Quite so. Probably the Government could say that legally they have no agreement with Mr. Allen, that he was not engaged for a period of three years but only during the pleasure of the Government.

The Minister for Education: Mr. Allen knows that the agreement has not been approved by the Government.

Hon. J. EWING: Probably so, but the agreement has been entered into by Mr. McGhie for a period of three years from 1921, and I venture to say that Mr. Allen could easily recover the whole of the payment for that period.

Hon. H. Stewart: He is not worrying about Government approval of the agreement.

Hon. J. J. Holmes: Mr. Allen went out of his way to make it clear to Mr. McGhie that he considered the agreement was binding.

Hon. J. EWING: I regret that the Government have got into this difficult position. Their experience with regard to State trading concerns has been disastrous and especially so in connection with the Wyndham Meat Works. Whatever we may do with regard to the other concerns, we still have this old man of the sea about our necks. We have Mr. Allen here and it is quite clear that he is going to be here for the whole three years at great expense to the Government. I want to ask, in conjunction with Mr. Miles who represents the North-West, what the Government intend to do. It is a considerable time since the select committee presented their report. The report is a sensible one with which I am entirely in unison. I believe it is a thoroughly honest and good report, and that the recommendations made are such as should be approved by the Government at the earliest possible date. So far no statement has been made regarding the expenditure which is still going on, apart from a statement in the Press that if the works are to be operated this year, arrangements must be put in hand at once. There is no decision as yet as to whether the works are to be operated this year or not.

The Minister for Education: Have any of the private works in Australia come to a decision on that point?

Hon. J. EWING: Perhaps not, and in this respect the Minister has my sympathy, but the administration has been such as to place the Wyndham works in a far worse position than they need be in. If due care had been exercised and Mr. McGhie had not been so apt at incurring such huge expenditure, the works would not be in the position we find them in to-day.

Hon. A. H. Panton: What are the great Vestey's doing to-day?

Hon. J. EWING: I do not wish to utter one word which may discourage the re-opening of the works. I merely wish to show that the care which should have been exer-

cised in the past has not been exercised. I would be sorry indeed to cause the Government any embarrassment if they intend to lease or sell these works. I do not know whether Mr. McGhie has an engagement for five, ten, or fifteen years, but the practice of engaging experts for long periods, without having any knowledge of their work, is a disastrous one for any country. An expert no doubt must be engaged upon his credentials and upon his work elsewhere, but his appointment should be limited to a period of one or two years in order to ascertain whether his services are satisfactory. Then, if they were not satisfactory, he could be dispensed with at the end of a couple of years instead of being retained for five or ten years. I am not prepared to say what engagement Mr. McGhie has with the Government.

The Minister for Education: I will produce his agreement.

Hon. J. EWING: I am not anxious to see it; I am merely interested to know the period for which he has been engaged. I say he should go at once, not because of incompetency, but because he has been extravagant and has done things which he should not have done. He might be the best expert in the world, but if the works are not to be operated, what is the use of retaining Mr. McGhie and his enormous staff? The select committee have pointed out clearly that this expenditure should cease. The Government should arrive at a decision at a very early date as to whether they are going to operate the works this year or not. If they are not going to operate the works, then they should reduce expenditure as much as possible by getting rid of the officers as recommended by the select committee. There will be nothing for them to do, and all the expenditure in this respect can be saved. Then, if the Government decided to reopen the works at a later stage, they might be able to get others to carry on more capably than has been the case in the past. On looking through the report of the committee, I find that in 1919 the works treated 9,281 head of cattle at a loss of £5 5s. 6d. per head, or a total loss of £48,873 2s. 2d. In the following year they treated 18,495 head at a loss of £7 7s. 6d. per head or a total loss of £136,451 10s. 1d. In 1921 the works were closed and, of course, some estimate had to be made of what the loss would be during the last few months of that year. The estimate of the committee is that there will be a loss of £140,077 15s. 4d. during the year in which the works were closed. If the struggling pastoralists in the North-West want to have the benefit of the works in order to dispose of their bullocks, the estimated loss will be £160,000. For the sake of that difference of £20,000, I would give them the benefit by operating the works and providing an outlet for their cattle. Mr. McGhie expects that, when the works are able to treat 30,000 head of cattle a year he will be able to make a profit. The committee

concluded that it will be impossible to make a profit on the works for a vast number of years. The more bullocks killed there, the worse the financial position seems to become. It is well known that we cannot send this meat away in a chilled or frozen state, but before it will be possible to treat 30,000 head, an additional expenditure of £118,000 must be provided on the works to which I have already referred. This will be another £118,000 added to the present capitalisation, and this money must bear interest at the rate of six or 6½ per cent. It seems to me that the pastoralists of the North-West have not fared very well in their dealings with the works. In Queensland, when the works were operating, they received about 50s. per 100lb. for their cattle, and here the payment was something like 25s. Why is it that the pastoralists of the North-West received such a small amount as compared with the pastoralists of Queensland? The loss on the works appears to have been calculated without any allowance whatever being made for depreciation. The committee have reported that if depreciation were added the loss incurred during the period of operations would be in the neighbourhood of £426,000. The financial position of the works shows on the debtor side £1,245,852, while stocks, operating material, sundry debtors, cattle, etc., represent £337,105, leaving a balance of £908,747. The buildings are estimated to be valued at £392,000, machinery and plant £331,000, and the loss on operations at £185,000, a total of approximately £908,000. The position is a serious one. We know how the Government ment are placed. I am not here to criticise them, for I do not hold this Government altogether responsible for the position. The initial wrong was done by the Government which started the work. These works clearly show that nothing of a Government nature can be successfully carried out, because they have not received that care and attention which private people would give to their own concern. This is glaringly shown in this case, partly because of the management and partly because of the climatic conditions. Men working in the North-West have to be paid a great deal more than those working in the South. If this serious loss is to go on, the sooner the Government close down the works the better. I believe they could approach the pastoralists of the North, and that those pastoralists could form some sort of an organisation which would enable them to handle the proposition for themselves. I do not say they should be asked to pay the interest on what will probably run into over a million pounds, but they might be given long terms in which to acquire the works, and be enabled to build up their own business and deal with their own cattle. That would be a happy solution of the difficulty. A firm by the name of Brown and Dureau had agreed to handle the products from the works on a 1 per cent. commission.

Hon. A. Lovekin: One and a quarter.

Hon. J. EWING: It was 1 per cent. in the first instance. After that something hap-

pened, and people working in unison with them in London put up the commission to one and a quarter per cent.

Hon. J. J. Holmes: It was put up to 2 per cent.

Hon. J. EWING: And then Mr. McGhie put it up to 2 per cent. If I were to go on at greater length I might say something I should be sorry for.

Hon. G. W. Miles: You could not say anything you would be sorry for on this matter.

Hon. J. EWING: I regret that Mr. McGhie took up the high-handed position he did. Members of the committee must have exercised the greatest of patience in dealing with him. They must have had the patience of Job to enable them to carry out their work in the successful manner they did. Mr. McGhie apparently gave very unsatisfactory replies. One officer backed up another officer and covered up a hundred and one things. The wonder is that the committee were able to do such excellent work.

Hon. T. Moore: Why do you not quote some of the unsatisfactory replies? It would be advisable to do so in the interests of the men.

Hon. J. EWING: The hon. member can contradict what I say.

Hon. T. Moore: Be fair.

Hon. J. EWING: I am perfectly fair.

Hon. T. Moore: To generalise is not fair.

Hon. J. EWING: I am satisfied that the replies given by Mr. McGhie were not such as to assist the committee. That is a fair statement. The others may not be so much to blame, because they were not at the head of affairs and did not know what was going on. They may perhaps have been influenced by things of which I have no knowledge. There is no doubt that the business was carried on in a slipshod manner, and that it does not reflect credit upon the management or upon Mr. McGhie. I only hope the recommendations of the committee will be carried out. I appreciate the contents of the minority report, for those members who subscribed to it had a right to their own views on the matter. The views expressed by the other members, however, are in accordance with my own. I am opposed to State shipping. It would be far better for the country to give a bonus by way of a subsidy to those who are trading in the North-West in order to assist the settlers there. Something has been said this afternoon with regard to the offer to the Government for the "Kangaroo." I regret that the Government did not accept the offer, for it has cost the country something in the region of £450,000 to refuse that offer. This offer was refused in circumstances that I very much regret. Hon. members know what I mean. At that time a certain gentleman was included in the Ministry, and his inclusion did not redound to the benefit of the country.

Hon. G. W. Miles: It cost the country £430,000.

Hon. J. EWING: Yes, and this loss is very much to be regretted.

Hon. A. H. Panton: Do you think he was worth that much?

Hon. J. EWING: I have no desire to embarrass or injure the Government, which was returned in opposition to the State trading concerns. It is somewhat sinister that at present they do not seem to be actively opposed to them. We were told that a certain measure would be introduced in another place giving the Government power to sell or dispose of these State trading concerns. We do not want the Government to sacrifice them, but to be given an opportunity, that at one time they seemed to desire, to dispose of them.

Hon. A. H. Panton: Perhaps they have changed their views since then.

Hon. G. W. Miles: Perhaps they did not want to change their seats.

Hon. J. EWING: It seems that they have changed their views. It would be advisable to bring forward a motion giving the Government power to lease or sell these State trading concerns, which have been such an incubus upon the country. It has been stated this afternoon that some members are opposed to certain trading concerns but are in favour of others. If we are going to deal with one we must deal with all. It is a matter of principle so far as I am concerned. If we had an investigation into other State trading concerns, for instance the State Sawmills, which I understand are paying their way, and this investigation showed that they were all returning a profit, that would not change my views one iota. The question is one of principle with me, and I have only used these figures to build up my case in order to show how disastrous these trading concerns are to the community. If they were all found to be paying handsomely and to be thoroughly satisfactory, I would still say that the Government have no right to use the people's funds in order to compete against private enterprise. I hope before the debate is concluded the Minister will clearly place the facts before us, and give us some assurance as to what the Government mean to do in the future. Without such an assurance I am sure that most members will remain dissatisfied with the position.

Hon. Sir EDWARD WITTEBOOM (North) [4.10]: I feel it my duty to say a few words upon this matter as one of the representatives of the North Province, which is so materially affected by the development of the Wyndham Meat Works. I must congratulate the members of the select committee upon the full, free, frank and able report they have placed before the House. I was delighted to hear Mr. Holmes, in the course of his remarks, not only refer to the questions that were asked, but quote the numbers of the answers so that we could turn them up at a moment's notice. I am sure great

credit is due to the chairman of the select committee.

Hon. J. J. Holmes: I had a good committee, which helped me.

Hon. Sir EDWARD WITTENOOM: I have had a good deal of knowledge of these works from their inception. I happened to be managing director of the Bovril Australian Estates Co., which first of all took up this question of dealing with the cattle in the North. The company proposed to the Wilson Government that if the Government would give them free harbour dues they would try to put up floating works to deal with the cattle, but the Government refused the request. I think I am right in saying that the Wilson Government said, "We will take this in hand ourselves, and will put up £70,000 to start with." The Bovril Company would have dealt with the question entirely without expense to Western Australia. It was intended to provide a floating freezer upon which to slaughter the cattle and deal with the by-products. I am not prepared to say that the business would have come off.

Hon. J. Duffell: The same system is in operation in other parts of the world.

Hon. Sir EDWARD WITTENOOM: I did not know that, but thank the hon. member. It is at all events a testimony of the intention of these people to go on with that particular business. The Labour Government then came into power, and since then there has been nothing but catastrophe. The position outlined by the select committee is very bad. It is no use talking of the past, for we must deal with the future. The Government have made no suggestion, but probably the Leader of the House will tell us what it is intended to do. The able report of the select committee shows that a large amount of money has been lost, and that the probabilities are that this loss will continue. I have been through the works. I admit that they are well constructed, but I am not going to say one word as to whether the prices are such as will enable them to be remunerative. They are well constructed for carrying out the purpose for which they were intended. I understand they will lose some hundreds of thousands of pounds if they do not work, and that they will lose practically the same amount if they do work.

Hon. J. Cornell: They will lose more if they operate than if they do not.

Hon. Sir EDWARD WITTENOOM: What are the intentions of the Government? We have had Royal Commissions on education and on many other questions, and a select committee on this matter. What is to become of these recommendations?

Hon. H. Stewart: The usual thing.

Hon. Sir EDWARD WITTENOOM: Has any one of them materialised yet? What I want to learn from the Leader of the House is whether the recommendations of the select committee, who have taken so much trouble and submitted such a first-class report, are going to be of any use to the country or not?

Hon. J. Duffell: You will get the usual reply.

Hon. Sir EDWARD WITTENOOM: The hon. member is pessimistic. I ask the Leader of the House to tell us what is the use of appointing these Royal Commissions and select committees if nothing ever comes of their recommendations? My position is this: I am a representative of the North Province, and my theory is that the best thing the Government can do is to let the works alone, and find out whether a sufficient number of stock breeders and stock owners can be found to contribute the money to pay back to the Government the value of the works and then take the works over. I have said before that the stock owners and stock breeders should take the works over; and I have had it thrown in my face that I said the works should be sold even for half-a-crown. I say now that even such a sale would be good from the country's point of view, because, though the interest would still run on, the country would not continue to make losses. The country could then cut its loss. I reiterate that the House is deeply indebted to the members of the select committee for the great trouble they have gone to in order to provide us with interesting and valuable information. I only hope the Leader of the House will state definitely, either that the Government can continue the works and make them pay, or else that the Government will allow the works to be taken over by other people who can make them pay.

Hon. T. MOORE (Central) [4.18]: As a member of the select committee, I feel called upon to offer a few remarks. The criticisms which I have heard are directed not so much against State enterprise as against the administration of State enterprise. Every member who has spoken has pointed out that the Wyndham Meat Works have not been controlled at all.

Hon. Sir Edward Wittenoom: The point is a very subtle one.

Hon. T. MOORE: Seeing that practically the whole House is agreed on that point, hon. members should also be agreed that these State meat works have not had a fair chance of succeeding. The select committee expressed that opinion, saying that no one seems to have been in charge of the works. As pointed out by the man in charge of the State Shipping Service and also by the man in charge of the Wyndham Meat Works, they never knew exactly what were the intentions of the Government with regard to the carrying on of those enterprises. They could get no defined Government policy. They had to look to the newspapers for information on that point—these men supposed to have Ministers intelligently controlling them. In such circumstances only one end was possible—chaos. I wish that point to be brought home to members of this Chamber. They cannot condemn State enterprise because of its failure under such conditions.

Hon. Sir Edward Wittenoom: What you condemn is the administration?

Hon. T. MOORE: I do; and every member of the select committee must do the same.

Hon. Sir Edward Wittenoom: That is a very clever point of yours.

Hon. T. MOORE: I am not so very clever. At all events, that is my point, be it clever or not. The point having been made by every member who has spoken, I say it is a pertinent point. It has been stated that there has been no policy since the Labour Government initiated the Wyndham Meat Works. The Ministers in control of those works have had multifarious duties. However, those duties could not have been so very onerous, seeing that the Honorary Ministers have been dispensed with. If the work was too much for the Ministers holding portfolios, why were the Honorary Ministers cut off?

Hon. F. A. Baglin: Economy.

Hon. T. MOORE: It is economy in the wrong direction. It is a scandal that the Honorary Ministers should have been put off at such a critical juncture. Surely those Honorary Ministers, seeing that they were kept on for years, must have been doing some good and necessary work. They ought not to have been dropped at so critical a stage. If the Honorary Ministers of that day were not fit for their positions, other members could have been found competent to hold the posts. Therefore I do not excuse Ministers as regards these Wyndham Meat Works on the plea that they had other things to do. It is a lamentable fact that there has been no supervision of the State trading concerns. The Wyndham Meat Works were established at a cost of practically a million sterling for the purpose of assisting in the development of that vast territory our North, which is declared to be such a serious problem. Yet we find no interest whatever taken in these important works. That fact shows that this country is drifting into a very bad position.

Hon. J. Ewing: What was Mr. McGhie doing?

Hon. T. MOORE: Mr. McGhie had no policy to proceed on; he did not know the Government's intentions. The Wyndham Meat Works were undertaken with several objects. One, as I have indicated, was the development of the North-West—surely a laudable object. Something must be done by the Government in the North-West if that territory is to be populated. Instead of getting more population there, however, we are getting less. That is a serious position. As North-Western members know, the population of the North is drifting southwards. A further object of the Wyndham Meat Works was to assist the people already engaged in the great cattle-raising industry of the North. Unfortunately, the Wyndham Meat Works were started at a time when they had not the same prospect of achieving success as had other works initiated during more auspicious times. The Minister for Education has stated that there are no meat works operating in

Australia to-day. Recently private enterprise interested in meat works in the Eastern States appealed to the Prime Minister, Mr. Hughes, for a subsidy in the shape of cheap freights to the old country, so as to enable the meat works to carry on. Even Mr. Hughes could not accede to that request. Private enterprise in the East, let me point out, has been operating meat works for years, whereas here we are only starting. No fair comparison can be drawn between old established concerns and a new undertaking such as that at Wyndham. Mr. Duffell—who I am sorry to see is out of the Chamber now—says there is plenty of private money available for the purchase of the Wyndham Meat Works. The hon. member has said that I happen to be an encyclopaedia on most things. I reply that he puts himself forward as an encyclopaedia on this particular matter, and says plenty of money is available for the purchase of the works. True, an offer was made to the Western Australian Government for the Wyndham Meat Works in April of 1918. The select committee's report states as much. But what was happening in April of 1918? I recollect it pretty well, because on the 5th April, 1918, I got knocked about a bit. On the 5th and 6th April, 1918, the Germans were making their greatest push on the Western front, in front of Amiens. At that time it seemed that the British army was up against it. Therefore, it is not remarkable that "big business" should then, when it seemed as if the war must be carried on for a long time, have made an offer to purchase the Wyndham Meat Works. "Big business" realised then that there was still a big kick in the enemy. On a front of 100 miles the Germans advanced a distance of 30 or 40 miles in four days. It was at this juncture that big business in the form of Borthwick & Co. cabled out to Western Australia an offer for the Wyndham Meat Works, in an endeavour to make arrangements for the supply of meat to the allied armies. But what was happening in 1918 is, fortunately, not happening to-day. At that time the Germans were putting up a wonderful stunt, the greatest stunt made in the war. It was then Borthwick & Co. made their offer for the Wyndham Meat Works. Borthwick & Co. wanted meat then; everybody was wanting meat then. Even the Tommies going back from France used to take tins of meat back to Britain. If a Tommy could pick up a tin of meat behind the lines, he would take it home so that his family could have some meat. Under those conditions big business did make an offer for the Wyndham Meat Works. But, despite Mr. Duffell's present assertion, big business is not prepared to make an offer which will yield anything like a fair return for the expenditure this State has incurred at Wyndham. Let us recollect that we built the works with the idea of developing the North-West, and also with the idea of supplying the metropolitan area with cheap meat—the latter idea having

likewise proved illusory. The British Government at one time cabled to the Western Australian Government of the day urging that the Wyndham Meat Works should be pushed on as quickly as possible, as supplies of meat were imperatively needed for the armies. In consequence the construction of the works was hurried on, with the result that the Western Australian Government then in power incurred expense which otherwise would have been avoided. We spent money on those works at a time when all materials were very dear. Consequently, I am not prepared to agree that we should sell the works now when the price of such establishments happens to be temporarily low. The Wyndham Meat Works have not had a fair trial yet. To-day meat is a drug on the markets of the old world. In the old world the people are wondering what they are to do with the meat they already have in stock. That is rather a remarkable situation. It is a situation which has resulted from the workings of big business generally. Millions in the old world are wanting meat; four million men are unemployed there. Cold storage all over the world is bursting with food. This is where big business comes in, unknown to the general public. In the old world the people want the provisions, but cannot get them. That brings me to the point that only three out of the five members of the select committee recommend the sale of the Wyndham Meat Works. I am one of the two who dissent from the proposal to sell. Let me draw the attention of hon. members to the fact that Vestey's are unable to operate their Port Darwin works, although possibly they may be operating works in other parts of the world. The fact remains that Vestey's have closed down the Port Darwin works, on which they have spent a great deal of money. When there has been an opportunity to compare the results of those Port Darwin works with the results of the Wyndham Meat Works, it will be time enough for hon. members to decide whether Western Australian State enterprise in the form of meat works has or has not proved a failure. Again, is it fair to point out, as Mr. Ewing did, that just because the meat works are closed down, it shows the failure of State enterprises? Is it fair to point out that because the State works are closed down, it shows what State enterprise leads to when we remember that similar private enterprises are closed down everywhere else? I was surprised to hear Mr. Ewing's remarks on that point, and I have heard him to much better advantage.

Hon. G. W. Miles: What about the State ships?

Hon. T. MOORE: I will come to that aspect later on. So far as Mr. McGhie and his evidence are concerned, it has to be remembered that that gentleman is a public servant and appeared before the select committee to give evidence. I realise that a public servant, particularly a man in charge

of a big department, is at a disadvantage. He is naturally supposed to say as much as his Minister wishes him to say. That aspect must be taken into consideration.

The Minister for Education: Mr. McGhie had full authority to tell the committee everything.

Hon. A. Lovekin: He would not give evidence at times without consulting his Minister.

Hon. T. MOORE: Yes, and after he had conferred with his Minister, he came and gave us information we sought.

Hon. J. J. Holmes: That proves that he had Ministerial authority to give the information.

Hon. T. MOORE: That is quite so, but, at the same time, it merely emphasises the unfairness of generalising regarding such a witness's evidence without equivocation to any degree. If Mr. Ewing's statements had come from a member of the committee I should have been surprised, but coming from a member who was not on the select committee, I consider it is particularly unfair.

Hon. J. Ewing: Do you consider Mr. McGhie's evidence was straightforward and good?

Hon. T. MOORE: Mr. McGhie is a good, keen Scotchman with a big business head. There were many things which he did not consider that the public should know, and he had in mind that the report would be made public. Big business does not give all the information at its disposal to the public, yet State enterprises are required to give all possible information owing to the attitude of dissatisfied and distrustful politicians.

Hon. C. F. Baxter: Big business does not advertise what it intends doing.

Hon. T. MOORE: That is so. Mr. McGhie did not want to give evidence regarding some matters until he had consulted his Minister, and he was justified in adopting that attitude. When other private meat works, which are closed down now, are opened up and are operating, it will be time for hon. members, if our own works are then closed, or are showing a loss, to say: "This is where State enterprises lead us." At the present time, we know that large meat works, which have been successfully carried on for years past, are closed down. We are at least on all fours with such concerns and no case can be made out against State enterprise from that standpoint. Regarding State trading concerns generally, Mr. Sanderson said there were individuals in London who had plenty of money to invest and that these were literally strewn throughout London. He indicated that these persons were kept out of big business. I was glad to hear that such is the case, but, after all, it has to be remembered that these persons in London with money to lend are only blood suckers. They have the money to lend and invest in this country. They wish to invest it so that our workers can engage in certain industries. I instance the timber industry, with which I am fully acquainted.

A large amount of capital invested in that connection is British capital. As I have said before, so I repeat again. In 14 or 15 years, time we will have no jarrah in this State.

Hon. J. J. Holmes: Lane-Poole said that and he got the sack.

Hon. T. MOORE: I know the position better than Lane-Poole. I know exactly what area we have. British capital is invested in that industry to a very large extent, and the upshot will be that in 14 or 15 years time we will have a denuded forest country with the land no good for anything, because jarrah country is practically useless. On the other hand, the Jews in London who supplied the money—I use the term “Jew” because we usually do so regarding men who lend money—will have had the profits and the use of the timber; all the State will have had out of the investment will be a certain number of men and women who have gained a livelihood, and the denuded land. All the profits will have gone out of the State.

Hon. J. Ewing: They have not made much profit lately.

Hon. T. MOORE: There is, of course, a very great difference between State enterprise and private enterprise. We have borrowed money instead of allowing people to invest it in whatever way they chose. In the one case, there was no one to look after their concerns. We allow the individual to invest his own money where and how he likes. At the same time, we get no return beyond the wages distributed among the workers. Under the other scheme, we have been building up our State and the profits may go towards paying interest and sinking fund on the trading concerns, although, of course, the Jew in London will secure his interest. I believe it to be quite within the realms of possibility that if our State timber mills show a good profit, we, in Western Australia, will reap the benefit. These are the two lines of investment. We allow the man in London to come out and work the job himself. The Midland Railway Company has been quoted. That concern has not done very much, but in any case it has not lost too much money.

Hon. J. Ewing: On the other hand, it has lost a lot.

Hon. T. MOORE: The company has sold a lot of land, but I do not desire to pursue that subject as it is away from the point at issue. Private enterprise is a blood sucker in both instances, although, in one instance, private enterprise may not get anything much in the way of large profits. When the investor looks after the concern himself, he has to look for bigger profits than would be the case if the money were lent to the State and the State in turn invested the money. Therein lies the chief distinction between the two aspects. In one case, we have a chance to show a profit. In the other case, all we have to do is to find the workers for the Jew, who supplies the finances. Of these two ways of developing the State, I prefer that of State enterprise.

Hon. A. Sanderson: So does the British investor.

Hon. T. MOORE: I do not know that he does. By way of interjection, Mr. Duffell said that the investor was quite anxious to buy the meat works. I take that interjection, however, for what it is worth. If the British investor is inclined to buy, it will only be at a very reduced rate compared with what we have had to pay for the works.

Hon. G. W. Miles: Will you say whether you approve of the expenditure of money on the “Kangaroo” as disclosed to the committee.

Hon. T. MOORE: We considered this aspect for many days. I am pleased to admit the good feeling exhibited on all occasions by the members of the select committee when these matters were discussed. Although we held diverse views in many respects regarding the carrying on of the affairs of State, I am satisfied that the best we could do was to put up the report and let hon. members deal with it as they find it. The report is a fair and accurate one. We disagreed on the question of whether the meat works should be sold or not, and I have given reasons why I say they should not be sold.

Hon. J. J. Holmes: And you have been quite fair, too.

Hon. T. MOORE: Anyone reading the committee's report, cannot fail to arrive at the conclusion that the State Shipping Service has been badly worked. The manager said that he did not know what his Government intended to do. He had to look, he said, to the newspapers for a continuity of policy. The report discloses exactly how the committee viewed the position. The service has had no possible chance of success because we find that obsolete ships have been bought.

Hon. J. J. Holmes: And it never can succeed under political control.

Hon. T. MOORE: It did not matter what control existed. The number of ships which were bought meant that the service could not succeed. The manager of the service was emphatic on that aspect, namely that no one can make these particular ships operate successfully. I ask hon. members to realise that aspect. The Government have only been toying with the shipping service to the North-West. Was that fair to the management? Was it fair to the country? Every member of the select committee knows that the State Shipping Service was never given a fair trial. The position amounts almost to a scandal and hon. members will realise the position if they peruse the evidence and the report. No one seemed to care about the thing at all. A man was sent to London and he did not know whether the ships he was to design would be constructed.

Hon. G. W. Miles: Is not someone at fault?

Hon. T. MOORE: I do not wish to emphasise that aspect, but I do say that no one seems to have cared.

Hon. H. Stewart: That is what you get from State enterprises.

Hon. T. MOORE: Under the Ministers you follow, I admit.

Hon. J. J. Holmes: And under the Minister you sit behind.

Hon. T. MOORE: I certainly have to sit behind the Minister because he is in his place, but I do not intend to support him too often.

Hon. J. Duffell: You stick to him pretty well.

Hon. A. H. Panton: We know where all you crowd are at election time.

The PRESIDENT: Order!

Hon. T. MOORE: The State ships are really obsolete, but I have been interested to note that some hon. members have not disclosed whether they are opposed to them or not. While there may be complaints regarding the type of ships, no one can say that in the aggregate the service has failed. It has paid. Mr. Ewing indicated his opposition, but I am not sure that Sir Edward Wittenoom said he was against the operations of the State Shipping Service. It has to be admitted that there has been a lack of administration, a lack of control and a provision of bad ships, ships which were not suitable for the job. The Government seemed to have been indifferent as to how the service has been carried on.

Hon. G. W. Miles: Anything was good enough for them!

Hon. T. MOORE: I wonder how long the public would tolerate the position if they knew that their railways were carried on as their shipping service has been operated.

Hon. F. E. S. Willmott: The railways are not much better.

Hon. T. MOORE: They certainly are better. We have first-class engines.

Hon. F. E. S. Willmott: Not too many of them.

Hon. T. MOORE: I do not think there is much fault to be found with the rolling stock, but if the railway service itself were run as the State Shipping Service has been conducted, where would it all end? If we knew that second-class engines were being bought up and run over our railways, would there not be a howl from the public?

Hon. F. E. S. Willmott: Is the "Kangaroo" a second-class ship?

Hon. T. MOORE: We have no fault to find with the ship itself, but she has never operated on the coast. I am talking about the North-West coastal service and that is really what the select committee were dealing with. With regard to the "Kangaroo" the whole of the evidence has been published. I need say no more than that these particular concerns appear to have had no one in charge of them. No one seems to have cared; but this appears to be in keeping with other affairs of the State.

On motion by the Minister for Education, debate adjourned.

BILL—CLOSER SETTLEMENT.

Second Reading.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [4.45] in moving the second reading said: I regret that it is necessary to submit a Bill of this importance at such a late hour of the session. I can only ask members to give it the careful consideration that a matter of such moment deserves. There can be no doubt there has been a public demand for some legislation of this kind.

Hon. J. J. Holmes: A "West Australian" newspaper demand.

The MINISTER FOR EDUCATION: If the hon. member refers to the Press, I think it has been general, but there has also been a demand from many public bodies. It is recognised that the principal difficulty with regard to our finances, leaving out for the moment the question of State trading concerns, lies with our railways, and the difficulty with our railways is that we have an enormous mileage of lines in comparison with our population and production. No State in Australia and probably few, if any, countries in the world have an equal mileage of railways to administer in proportion to population and production. What we want to do is to stimulate production along the existing lines of railways in order that the present heavy loss on the railways may be obliterated and, if possible, turned into a profit. The only way to do this is to secure that all land adjacent to existing railways shall be used. This Bill is intended as a step in that direction.

Hon. H. Stewart: Provided the land is suitable.

Hon. R. Ardagh: Will that include the Midland Company's land?

The MINISTER FOR EDUCATION: The Midland Company's land is not exempt from the operations of this measure.

Hon. J. Ewing: It ought to be.

The MINISTER FOR EDUCATION: Up to the present in Western Australia there has been alienated in freehold 9,197,000 acres of land. There has been alienated under conditional purchase 15,034,959 acres. Of this total of upwards of 24 million acres, 4,681,660 acres have been cleared and may be regarded as improved; 2,901,612 acres have been partly cleared, making a total of 7,582,272 acres partially improved out of the total area alienated of 24 million acres. This in itself is an indication that there is a very large area of alienated land which at present is not being turned to the best advantage. Of course it must be remembered that this is a comparatively young country and that a lot of this land has been alienated during recent years, and, generally speaking, the settlers who have taken up this land have accomplished marvels in the matter of bringing it under cultivation. It is questionable if

anywhere in the world so small a number of people have done so much in the way of bringing their lands under cultivation. Therefore these figures do not necessarily suggest that any large areas of land have been improperly withheld from cultivation. This Bill desigus to bring about closer settlement along existing railways. When the Bill was first framed it specified "State" railways, but in another place the word "State" was eliminated and the Bill now applies to land adjacent to all existing railways. It applies only to freehold land within 12 miles of a railway. It does not apply to conditional purchase land for the reason that all conditional purchase land is disposed of under a definite contract containing clauses relating to improvements, rent and other things. The area which can be taken up under conditional purchase is also limited to a comparatively small area, and there is no suggestion that the contract under which conditional purchase land has been alienated, or is in process of alienation from the Crown, should be varied in any way. Consequently, conditional purchase land does not come within the scope of this measure. The Bill applies only to freehold land within 12 miles of an existing railway.

Hon. J. W. Hickey: It contains nothing about leasehold.

The MINISTER FOR EDUCATION: No, conditional purchase leases are governed by the contract.

Hon. H. Stewart: To escape from the jurisdiction of the measure, one would only have to refrain from taking out his Crown grant.

The MINISTER FOR EDUCATION: I do not know that there is any great need for legislation of this kind with regard to conditional purchase leases, taking into account the limited area which can be acquired and the improvement conditions imposed under these leases. The operation of this Bill will be entrusted to a board of three members. One will be an Agricultural Bank official. This is necessary, because the bank will be responsible for the advances for development. Another member will be an official of the Lands Department. The third member is not specifically mentioned, and I propose during the Committee stage to move a small amendment making it clear that the third member of the board shall be appointed from time to time and be eligible for reappointment, but that he shall be a person having local knowledge of the matters under inquiry by the board at that particular period.

Hon. H. Stewart: He should be able to judge of the productiveness of land.

The MINISTER FOR EDUCATION: Quite so. He will not be a permanent member of the board. If, for sake of argument, the board is dealing with land in the Geraldton area, he will be a man having special knowledge of that land. If the board is dealing with land in the eastern districts, he will be a man with special knowledge of the

eastern districts, and the same will apply to the South-West.

Hon. J. Ewing: A good idea, too.

The MINISTER FOR EDUCATION: That was the idea in framing the Bill, but it has not been clearly expressed, and the Premier has requested the insertion of a clause that the third member be so appointed. The board will not be a costly organisation at all, because members of the existing staffs will be utilised. The two permanent members of the board will be existing State officials.

Hon. H. Stewart: Are those two officials on the Railway Advisory Board? I think one of them is.

The MINISTER FOR EDUCATION: I cannot say. The third member of the board, who will not be an official, will be appointed only from time to time as his services are required. It will be the function of the board to determine what land is unutilised and unproductive, or only partially utilised and is suitable for closer settlement. In Subclause 2 of Clause 3 it is set out that land shall be unutilised and unproductive within the meaning of the Act, notwithstanding that such land is partially utilised or productive, if in the opinion of the board the land is not put to reasonable use, and its retention by the owner is a hindrance to closer settlement and cannot be justified. Therefore considerable discretion will rest with the board to say whether land is unutilised and unproductive.

Hon. H. Stewart: The man competent to decide will be in a minority on the board. There should be three agriculturists on the board.

The MINISTER FOR EDUCATION: All the members of the board should be competent to decide that question, the one with local knowledge and the other two with general knowledge.

Hon. H. Stewart: A general knowledge of banking and survey work.

The MINISTER FOR EDUCATION: All freehold land within 12 miles of a railway, which the board determines is suitable for closer settlement and is unutilised or unproductive to the extent that it is not being put to reasonable use and its retention by the owner is a hindrance to settlement, will be brought under the provisions of the measure. As is set out in a later clause of the Bill, such land might be discharged from the operation of the Act if it is utilised.

Hon. J. Cornell: Can the Minister give any specific instances of estates which ought to be cut up?

The MINISTER FOR EDUCATION: Undoubtedly there are some. The board, having arrived at its decision that the land is suitable for closer settlement and is unutilised and unproductive, will notify the owner, who will then have two options. He may subdivide and offer for sale, or he may pay treble land tax. If the owner, having elected to subdivide and offer for sale, does

not comply with the subdivision and sale provisions to the board's satisfaction, the board may serve notice of default and then the owner will have to pay treble land tax, subject to the right of appeal to a judge of the Supreme Court.

Hon. V. Hamersley: If there are no buyers for his land, he will have to pay three times the land tax?

The MINISTER FOR EDUCATION: If the owner fails to advise, within a specified period of three months, his decision either to pay treble land tax or subdivide for sale, the land will be gazetted as resumed for closer settlement. Really one of three things may happen when the board has brought land under the operation of this measure. Either a man may sit back and say he is prepared to pay treble land tax, or he may subdivide and sell it himself, or, failing either of these two things, the land will be gazetted as resumed for closer settlement. There is power for compulsory resumption if the owner does not exercise either of the two options. The resumptions will be limited by funds appropriated by Parliament. I do not think it can be contended that any hardship will be imposed upon owners in circumstances of this character. Undoubtedly any person holding large areas of land unused is offending against the best interests of the State.

Hon. J. Cornell: Why not tax him and force him to use it or sell it?

The MINISTER FOR EDUCATION: I do not know that it is a fair thing to merely impose a heavy tax, because, considering the number of persons engaged in the agricultural industry, an enormous amount of work has been done in recent years. It is not always easy for people to obtain the money necessary to develop their properties. It is not always easy to obtain the labour required, and to simply say that a man must pay double or treble land tax and give him no other alternative, seems to be in the nature of confiscation. It is not giving him a fair deal, at any rate. When we give a land owner three options, however, I do not think he can complain of not getting a fair deal.

Hon. G. W. Miles: Is treble the present land tax sufficient?

The MINISTER FOR EDUCATION: That is a pretty big impost to place on anyone. The owner not having exercised either of the two alternatives, the board decide that the land shall be resumed; and the "Gazette" resumption notice is converted by the owner into a claim for compensation. The method of arriving at the compensation is set out in Clause 7, Subclause 3—

The compensation shall be based (a) on the unimproved value of the land which shall be deemed to be the amount at which the unimproved value is assessed for the time being under the Land and Income Tax Assessment Act, 1907, with ten per centum added thereto: Provided that any

owner may, within thirty days after the commencement of this Act, amend his return under the Land and Income Tax Assessment Act, 1907, for the current year of assessment, by increasing the value placed by him upon his land, and thereupon a re-assessment shall be made by the Commissioner of Taxation, subject to an appeal by the owner to the Court of Review from any reduction by the Commissioner of the owner's valuation; and . . .

Hon. G. W. Miles: Was that the method proposed by the Government when they introduced the Bill?

The MINISTER FOR EDUCATION: No.

Hon. G. W. Miles: Why give the right to re-assess?

The MINISTER FOR EDUCATION: The original provision was as follows:—

The compensation shall be based on the fair value of the land and of the improvements (if any), and may be agreed upon between the owner and any mortgagee or other person having any interest in the land and the board, or determined by arbitration under the Arbitration Act, 1895.

After discussion in the Legislative Assembly it was decided that the provision now in the Bill was more equitable. The second method of arriving at the compensation is—

(b) on the fair value of the improvements assessed at the added value given to the land for the time being by reason of such improvements; to be agreed upon between the owner and any mortgagee or any other person having any interest in the land and the Board, or determined by arbitration under the Arbitration Act 1895.

That is the method of arriving at the value of the improvements. It will be recognised that in many cases it would not be a fair thing to permit the board to resume a portion of a person's property and leave the remainder, and consequently Clause 10 provides that the owner or mortgagee may require the whole of the estate to be taken if any part of it is resumed. Clause 12 provides that the land resumed may be disposed of under the provisions of the Agricultural Lands Purchase Act. Clause 13 reads—

Sections 32, 33 and 34 of the Constitutions Act Amendment Act, 1899, shall not apply to any contract or agreement under and for the purposes of this Act.

The purpose of that clause is to remove members of Parliament owning land from an exemption from the provisions of this measure; if the clause were not inserted, members of Parliament owning freehold land could not be dealt with under the measure, because it would not be competent for them to sell their lands to the Crown. Under Clause 13 the land of a member of Parliament will be subject to compulsory resumption and the remaining provisions of the measure in the same way as anybody else's land. Clause 16 makes provision for the presentation to Parliament

of an annual report of the proceedings of the board. The final clause provides that the duration of the measure shall be until the 31st December, 1923, the intention being that the measure shall have a couple of years' operation and shall then come up for review, to see whether it has operated satisfactorily, and, if not, what amendments are necessary in order that its operation may be satisfactory. I think that in almost every other State of the Commonwealth legislation on somewhat these lines is already in existence. In Queensland there is provision for closer settlement by agreement and by compulsory acquisition, but compulsory acquisition there applies only when the value of the land exceeds £20,000 ex improvements. In that case the Minister gives notice in the "Gazette." In Queensland the owner may retain for residence or business purposes a block of land of the value of £10,000 ex improvements where the value of the total estate is between £20,000 and £50,000, and a block of land of the value of £15,000 where the value of the whole estate is between £50,000 and £100,000, or a block of the value of £20,000 ex improvements where the value of the whole estate exceeds £100,000. If the owner exercises this right, he may be required to retain the buildings. Compensation is determined by the Land Appeal Court, consisting of a judge and of two members of the Land Court. The compensation is based on the value of the land and improvements, and on business loss in consequence of the acquisition by the Government. In Victoria resumption may be either by agreement or by compulsion. If the owner does not accept the offer of the Crown, a resolution of both Houses of Parliament may direct compulsory acquisition of the whole or of part of the estate. The Victorian owner may retain land to the value of £6,000, or up to £10,000 if the judge allows it. Compensation is determined by agreement before a judge, with or without a jury or assessors. The compensation is based on the value of the land and improvements, damage by severance, and enhancement or de-reciation of other adjoining lands. In New Zealand resumption may be by agreement or by compulsion. In each of these cases, hon. members will note there is power for compulsory resumption. The New Zealand Government have power to take land compulsorily if the owner refuses to sell, but this power is subject to the following limitations:—(1) The area must exceed the prescribed maximum. (2) The owner may retain one thousand acres in the first class, 2,000 acres in the second class, and 5,000 acres in the third class. (3) The owner may require the whole estate to be taken if part is required.

Hon. J. Duffell: The New Zealand system is the most successful of the whole lot.

The MINISTER FOR EDUCATION: In New Zealand if the claim for compensation is over £1,000, the case is heard by a judge. Compensation is based on the value of the

land and improvements, and on loss to business. Compensation is assessed separately for the unimproved value of the land and for the improvements. The unimproved value is the assessed value under the Valuation of Land Act. To this unimproved value is added 10 per cent. in the case of land valued up to £50,000, and in the case of land valued over £50,000, 10 per cent. on £50,000 and 5 per cent. on the residue. Then to this total compensation there is added 2 per cent. for deprivation. So that this Bill follows the New Zealand Act to some extent.

Hon. J. Duffell: Only to a very limited extent; one clause.

The MINISTER FOR EDUCATION: Those are the provisions of the Bill; and, as I have said, the intention is merely to provide for the closer settlement of freehold land within 12 miles of existing railways which at the present time is not being turned to profitable account. I move—

That the Bill be now read a second time.

Hon. J. DUFFELL (Metropolitan-Suburban) [5.8]: I am somewhat surprised at the brevity of the speech in which the Leader of the House has introduced this important Bill. I would have expected the hon. gentleman to tell the House something of the operation of closer settlement schemes in the various States to which he has referred, and also of the results of closer settlement in New Zealand. During my journeyings through Australia and New Zealand I have come in contact with many people who have sought their means of livelihood under the closer settlement system, but I have yet to learn that that system is advantageously applicable to Western Australia. I have yet to learn that a sufficient proportion of the people of this State demand land for that purpose. It is quite true that the Press has done something towards at all events educating the people in this connection, by drawing their attention to the advantages of closer settlement. The scheme which the Bill proposes to bring into operation consists in the cutting up of large estates into smaller areas of a size suitable for people to make a comfortable living upon. Now the climatic conditions of this State are very different from those of the Eastern States, and especially from those of New Zealand. Western Australia has no summer rains, and for successful cultivation under closer settlement conditions summer rains are essential.

Hon. F. E. S. Willmott: Does it not rain during the summer in the Kimberleys?

Hon. J. DUFFELL: I cannot for a moment believe that Mr. Willmott is serious in proposing the Kimberleys as a suitable locality for a closer settlement scheme.

Hon. F. E. S. Willmott: Certainly I am serious.

Hon. G. W. Miles: Why not?

Hon. J. DUFFELL: If it is the intention that our people should go to the Kimberleys for closer settlement—

The Minister for Education: The Bill cannot apply to the Kimberleys, because there are no railways in the Kimberleys.

Hon. J. DUFFELL: Quite so. Particularly in New Zealand, land for closer settlement has been acquired immediately adjacent to the railways. In travelling from Timaru to Christchurch one has an object lesson in that respect, there being closer settlement all along the railway lines. I want to be assured that success would attend a closer settlement scheme in Western Australia, having regard to the difference in climatic conditions. A Bill of this importance should be referred to a select committee, which body would be able to obtain the fullest and most reliable information on the subject and submit it to the people who contemplate availing themselves of the conditions proposed in this measure. Such information could be obtained only as the result of investigations of the kind I suggest. It is all very fine to say that while we are awaiting a certain measure of vast importance from another place, we can do justice to a Bill of this nature. In the circumstances is it reasonable to expect that we can now grasp the whole situation, gather the exact intentions of the Government, and pledge ourselves to the enactment of a measure which will be tantamount to guaranteeing the success of closer settlement here in every instance? I repeat, the best course is to refer a Bill like this to a select committee. I fully realise that it is the Government's intention to close the session as quickly as possible.

Hon. J. Cornell: That is the Government's hope.

Hon. J. DUFFELL: I am sure it is the desire of all members. Sitting to deal with problems of this character in the close atmosphere of this Chamber during the summer months is anything but comfortable. I understand that no harm can result from allowing the measure to remain in abeyance until the early stages of the next session. It is not very long to wait until June or July, for I hope the Government will see their way to meet as early as possible. Further, I hope Parliament will not adjourn for the purpose of tripping about the country, as occurred during the present session. The result of that trip through the South-West, in particular, is, no doubt, the introduction of this Bill. I have yet to learn that there is on the part of the public a strong desire that the Government should launch out on this scheme. The Minister said very little about closer settlement in other parts of Australasia. Throughout the Bill I can find but one reference to other legislation, and that is to legislation in New Zealand. Until we get more information we are not justified in passing the Bill, which as I say, should go to a select committee.

On motion by Hon. V. Hamersley, debate adjourned.

BILLS (2)—FIRST READING.

No. 1, Railway Siding (North Fremantle).

No. 2, Appropriation.

Received from the Assembly and read a first time.

BILL—FACTORIES AND SHOPS AMENDMENT.

Request for conference.

Message received from the Assembly requesting a conference on the Council's amendments Nos. 1 and 2.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [5.22]: I move—

That the Assembly's request for a conference be agreed to, that Mr. Lovekin, Mr. Panton and the mover be managers for the Council, and that the conference be held at 7.30 p.m. in the President's room.

Question put and passed and, on motion by the Minister for Education, a message accordingly transmitted to the Assembly.

BILL—LAND AGENTS.

Report of Committee.

The MINISTER FOR EDUCATION: I promised Mr. Holmes I would look into his amendment in regard to the payment of rents into a trust account. I have discussed the matter with the Solicitor General, and he says the inclusion of the amendment cannot do any harm, and is likely to do good, not only because it will compel land agents to exercise great care, but because people employing land agents to pay rents will know that they have that protection. I move—

That the report of the Committee be adopted.

Question put and passed.

BILL—NURSES REGISTRATION.

Read a third time and returned to the Assembly with an amendment.

BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

Hon. A. SANDERSON (Metropolitan-Suburban) [5.27]: The Bill did not lack able advocacy at the hands of Mr. Panton. A Bill of this importance should not be brought forward so late in the session; furthermore, I think any Bill dealing with industrial arbitration should be a Government measure rather than a measure brought down by a private member. I have had many opportunities for expressing my views on industrial arbitration, and I do not propose to weary the House

by repeating them at any length; but in order to justify my attitude towards the Bill I feel compelled to state that ever since, from the Press gallery of the New Zealand Parliament, I listened to the Hon. William Pember Reeves introducing the first Industrial Arbitration Bill, I never have been able to bring myself to believe in it. I have followed its operations in different parts of Australasia with some attention during the past 25 or 30 years and I may say that so far from such legislation benefitting the workers or the employers or the community generally, it has been a curse to all. I do not wish to trace with any minuteness in different parts of the Commonwealth the facts dealing with industrial arbitration in order to justify that statement; I am content to let it go at that if I be permitted to make some reference to our own State and to the last few years. Is there any considerable section of this community that will express itself satisfied—I will not say thoroughly satisfied—with the system of industrial arbitration as we have it in Western Australia?

Hon. E. H. Harris: Not as the Act is at present framed.

Hon. A. SANDERSON: We are all entitled to our own opinions. Is any section of the community reasonably satisfied with this system of arbitration as it exists under the present Act? Both the hon. member and myself might pause for a long time before getting a reply. If that is the case how can the passage of this Bill be justified? Let us assume that the Bill is a good one. It is like putting a brick into a rotten structure. Let us assume that the brick is a good one to put into the structure; but the structure is so bad that it is not worth our time and energy putting in this brick. I think this is one of the rottenest bricks with which we can approach the structure. I take up that attitude in regard to the general principles of arbitration, but do not propose to pursue it any further. I shall confine myself chiefly to one particular clause in this Bill. I propose not to deal with the question of apprentices as I cannot claim to have studied it closely. Thanks, however, largely to Mr. Dodd, I am acquainted with the fact that the system of apprenticeship in this country is not working satisfactorily. We all know that the apprenticeship system is a most important one and highly technical.

Hon. A. H. Panton: Hear! hear!

Hon. A. SANDERSON: I am glad to be in agreement with the hon. member on some points. I shall, however, leave this question for other hon. members to deal with. I am going to ask the House to reject this Bill on Clause 2, coming to us, as it does, at this period of the session. It contains a highly contentious and debatable point. It should have been introduced as a Government measure. It was too important a matter for private members to tinker with, just as the divorce laws are too important for them to tinker with. The arbitration system is one of the main principles of our social system.

No private member should be permitted to deal with it at any time, and certainly not at this time of the session. Had it been a Government measure, brought to us at this late hour, I should have opposed it. We are fortunate in having the hon. member to introduce the measure. He has put it before us clearly and fully, and with the special knowledge and authority he possesses because of his work in the Arbitration Court. I have no complaint to make about the manner in which the Bill was introduced and congratulate the hon. member on the way he did his work. Clause 2, however, is bad. Of all the classes in the community who want protection from anyone I should say that the insurance canvasser and the book agents would be the last. The audacity and impudence of these gentlemen, as part of their stock in trade, is amusing within our own personal knowledge.

Hon. A. H. Panton: And yet the boss beats them.

Hon. A. SANDERSON: I have a few notes here from the boss on this question. When I looked at the Bill I could hardly believe my eyes when I saw this provision, and any remarks the hon. member made on the point have not caused me to alter my opinion. If the country insists that the industrial arbitration as we have it to-day is a good system, then I am prepared to say that every section of the community should be able to go to the court just as they can go to any ordinary court of law. The insurance agents will then come in with the others. It seems, however, preposterous to introduce a special Bill to deal with these people. I have here a communication which has been specially prepared by the insurance companies. Possibly in Committee, if we reach that stage, it may be necessary for me to avail myself of these valuable and skilfully arranged notes which have been presented to me and probably to other members. I do not think it is necessary to bring them forward at present. If this were a clause making it possible for anyone to go to the court and get an award, we should have a court that would be like an ordinary court of law.

Hon. H. Stewart: Whether he worked with his hands or his head.

Hon. A. H. Panton: You can amend the Bill in Committee in that direction. I would agree to it.

Hon. A. SANDERSON: I wish to be fair to those who support the system of industrial arbitration, but do not tell me that it is possible to make such an amendment at this stage in the session and in this Chamber.

Hon. A. H. Panton: That is why we confined the Bill to these matters.

Hon. A. SANDERSON: Once before I got into trouble with my constituents, who are the only people for whom I have any regard or fear in political matters. I am willing to go to great length to meet their wishes, and when they told me on this

arbitration question that I was wrong, I replied that if there was any class of the community which should be protected it was the class comprising domestic servants and agricultural labourers. If the principle was sound I would introduce it broadcast, but it breaks down when the general public come to be dealt with. This class of industrial arbitration can really only be taken advantage of by highly organised trade unions. Hon. members know how well they are able to look after themselves. I have said I would refrain from Biblical quotations, but hon. members will recollect the words "He made the stars also."

Hon. A. H. Panton: Give us the chapter.

Hon. A. SANDERSON: It is the first chapter of the book of Genesis. We turn to the Bill and we find this "The term also includes the employees of clubs." If one is amazed at the audacity of the insurance agents one is still more amazed at the hon. member putting this into the clause. It is one of the most impudent things that could be proposed. Most of us belong to clubs or have been in them. A club is a private house. There are disorderly private houses just as there are disorderly clubs. I would go to great lengths to assist in putting down disorderly clubs. I would go to great lengths to assist in putting down disorderly houses, just as I would in putting down disorderly clubs. A properly conducted club, like any properly conducted private house, would, if necessary, court the fullest inquiry and investigation through the proper channel, but I hope we are not going to permit any section of the community to invade what may be called the sanctity of the home, for after all, the Englishman's home is his castle, and so is his club. I am going to fight this matter right through the piece. Why should clubs be brought under the arbitration Act unless the whole of the people are also brought under it?

Hon. J. W. Hickey: Why not?

Hon. A. H. Panton: I would agree to that.

Hon. A. SANDERSON: My hon. colleagues will give the hon. member the reason.

Hon. J. W. Hickey: You will have an opportunity of doing it in Committee.

Hon. A. SANDERSON: I ask the hon. member if he thinks there is any chance of putting that through—

Hon. J. W. Hickey: We will help you.

Hon. A. SANDERSON: Either this Chamber or in another place. Of course, we should be helping each other as from different sides of the globe and as from opposite poles on this question. If this arbitration system were sound I would agree to the whole community being brought under it. What I want is justice and equality.

Hon. A. H. Panton: Let us have it.

Hon. A. SANDERSON: These people want special privileges. Why should these

agents and club employees be compelled to be brought under the protection of the court?

Hon. A. H. Panton: Do you know of any other section of workers which wishes to be brought under it but is not allowed?

Hon. A. SANDERSON: I do not propose to discuss that question with the hon. member at this juncture. I do not know whether the club employees wish to be brought under the Arbitration Act, or whether they are being compelled to come under it by the association which the hon. member represents. Are they being compelled to do this, or are they merely—

Hon. A. Panton: Trying to better their condition.

Hon. A. SANDERSON: Looking to the hon. member to bring them under the protection of the court?

Hon. A. H. Panton: They are looking to me, and not expecting you to oppose them.

Hon. J. J. Holmes: He also made the stars.

Hon. A. SANDERSON: The hon. member knows there is no chance of him getting his way unless the principle is extended throughout the community, whether he has my assistance or not.

Hon. A. H. Panton: Your assistance will go a long way towards it.

Hon. A. SANDERSON: I do not propose to urge that at this stage of the proceedings. The question is of such importance that it should be introduced by the Government at the very opening hours of next session.

Hon. A. H. Panton: You said they were incapable of doing anything.

The PRESIDENT: It would be better if hon. members did not conduct conversations.

Hon. A. SANDERSON: I am doing my best to put before members good reasons why they should reject the Bill on the second reading. If any hardship should be imposed on apprentices by the rejection of this Bill, I can only express my deep regret that an injury should be done to them, for as I have said the question of apprenticeship is one of great importance. I intend to vote against the Bill and if, unfortunately, it be carried to the Committee stage, I shall then have plenty of ammunition for the insurance agents as well as for the club employees. At any rate I shall do my best in a legitimate way to see that that particular clause does not go through.

Hon. J. J. HOLMES (North) [5.47]: I intend to oppose the second reading of the Bill. I object to a Bill of this description being brought in at such a late hour of the session and I shall do my utmost to assist in its rejection, more especially as we refused the Minister permission only a few days ago to bring in a Bill dealing with the education of the country. I was not here at the time, but I understand that is what

happened. So that, if we adopt such a course in connection with a measure introduced by the Leader of the House, why should the hon. member have permission to introduce a Bill at this stage to deal with insurance agents? I am in accord with Mr. Sanderson, who said that the solution of the difficulties of this country lies in the repeal of the arbitration laws and the Public Service Act. When we bring that about we shall reach a stage of reform and begin to reduce the deficit. There is a nigger in the fence here, to use a vulgar expression. Why should insurance agents receive so much attention from one particular section of the community? Insurance agents are now under the control of the insurance companies, but under the Bill they will be under the control of that section of the community dominated by the Trades Hall. Insurance companies will lose control of the insurance men, who are not employed in the offices, but who travel throughout the country, and, under the proposal contained in the Bill, these agents will receive payment whether they work or not. We can see that these insurance agents will be travelling all over the country receiving insurance pay and possibly acting as political agents for a section of the community. Hon. members will thus see what will be likely to happen. That is one aspect. This, too, is an attempt to bring about a transfer from piece work to day labour. Under the existing system, insurance agents are engaged on piece work, so to speak. If they work with energy and ability, they can earn £10 or £12 a week. If they choose to neglect their duties from Monday until Saturday then they do not earn anything. We desire that there shall be some incentive so that people may receive full compensation for their energies and abilities. Let these men do as much work as they like, if they so desire. Some of them earn very big salaries, and they are not prevented from taking on other agencies and earning additional money. There is nothing more desirable in this community than life insurance and industrial insurance, both of which should be encouraged. Are we going to encourage it in this way? The only way to encourage it is by paying the agent on results. It then becomes his duty to see that he gets people to insure; otherwise he cannot live. If we adopt the proposal contained in the Bill we kill the incentive to get people to insure and, to use an old phrase, we shall destroy the goose that lays the golden egg. If people insure, the State is relieved of all responsibility in the way of looking after them in their old age. If they do not insure we must provide food and clothing for many who become destitute. There is something to be said in favour of the employees of clubs being brought under the arbitration laws. The position of insurance agents, however, is entirely different. If they do not work, they do not receive any pay; if they work well they are paid accordingly. I disagree

with Mr. Sanderson in regard to club employees. I have always claimed that the clubs should be in the same category as hotels.

Hon. A. Sanderson: Certainly not.

Hon. J. J. HOLMES: I also consider that we have done an injustice to the hotel section of the community by permitting one set of conditions to exist in regard to clubs and another set of conditions to apply to hotels. That was never intended by Parliament and when we agreed to the 9 to 9 proposal, I was one of the managers on the conference which took place in connection with that Bill—the then Attorney General (Mr. Walker) and Mr. Robinson were among the managers from another place—and we were legally advised that clubs would be brought within the provisions which controlled the hotels. That assurance came from the two legal gentlemen whom I have named. Then, in accordance with that assurance, the Bill was permitted to go through. Now we find there was a nigger in that fence. I regret to say that I missed it. I have, however, found one here and therefore I intend to oppose the second reading of the Bill.

Hon. H. STEWART (South-West) [5.53]: I have not much to say in regard to this Bill, but I do wish to say a few words in opposition to Clause 2. I am opposed to insurance agents being brought within the definition of "worker" because of the nature of the work they perform, and the remuneration they receive. They are workers, I admit, just as I and other hon. members, and most people who earn their livelihood, are workers, but any proposal to bring them within the arbitration laws will not receive my support. The clause itself as it stands is unsatisfactory from the point of view which the hon. member has put forward. He indicated that he wished to alter the definition of "worker" so that only industrial insurance agents, who were earning their living by commission, should come within its scope. Under the clause as it stands the proposal is to bring in industrial insurance agents whether they spend part or the whole of their time at the work, and whether they are paid by way of salary, commission, or otherwise. Even those hon. members supporting the Bill will agree that that is more than Mr. Panton is entitled to claim, even though he eliminates the words "who are principally employed in such work." If a man is engaged in industrial insurance, and something else as well, he does not come under what I understand to be the category outlined by the hon. member who introduced the Bill. If the Bill does pass the second reading, and even if the term "worker" is permitted to include industrial insurance agents, we should limit it to industrial insurance agents who are carrying on that business and no other. To my mind this is one step, and if we go on, other steps will follow. Employees will be brought under a system which will

probably lead to putting them in a position where their initiative and vim will be militated against by others who come into contact with them. If the Bill passes the second reading, I have indicated the direction in which it will need to be modified, and I will take the opportunity of moving in that direction.

Hon. A. J. H. SAW (Metropolitan-Suburban) [5.58]: I feel I ought to say a few words on this measure. It so happens that I have been closely associated with life assurance for many years in this city. I am one of those who realise the important part that life assurance plays in the welfare of the community, and consequently I think anything which is likely to hamper life assurance, especially amongst the poorer classes of the community, will undoubtedly make for harm. Everybody knows that dealing with this industrial class of life assurance, the cost of doing business is so great that if it should be much increased it is doubtful whether policy holders will get an adequate return for their investment. The reason they do not get a better return to-day is owing to the high expense of collecting small amounts and the payments to be made to canvassers for introducing new business.

Hon. E. H. Harris: Would you say they get an adequate return from industrial insurance?

Hon. A. J. H. SAW: They get as much as the company can give them, in addition to the company's ordinary work.

Hon. J. Cornell: Does the company get anything out of it?

Hon. A. J. H. SAW: Very little. There was one remark made by Mr. Panton to which I seek an explanation when he replies. He said that there was no desire to turn these industrial agents into agencies and that they preferred to remain as agents, recognising that the work could only be carried on by agents.

Hon. A. H. Panton: I did not say agents. I said they recognised that it could only be carried on on commission.

Hon. A. J. H. SAW: I find that in Queensland, where insurance canvassers have been brought within the jurisdiction of the Arbitration Court, the first thing the court does is to convert the insurance canvassers into wages men. I have here a copy of the Queensland "Government Gazette" dated 19th September, 1921. In it I find that their working hours have been reduced and the award sets out that the ordinary working hours for employees shall not exceed 44 per week and that these hours may be worked at any time. The award also deals with wages and sets out the following:—

The minimum rate of wages to be paid to employees shall be as follows:—(a) For an employee who has had six months previous experience, £4 15s. per week. (b) For an employee who has had less than six months previous experience, £4 5s. per week. Together in either case with such

extra remuneration as may be mutually agreed upon between the employer and the employee.

That is the first result of the inclusion of the insurance canvassers under the Arbitration Court in Queensland. Is not the same result likely to follow here?

Hon. A. H. Panton: Were they not on wages before the award was made?

Hon. A. J. H. SAW: I do not know, but I do know where they are now. I think this will be the result if they are included under the industrial arbitration legislation in Western Australia.

Hon. A. H. Panton: There should be no objection to a wage of £4 15s. per week when Mr. Holmes says that some can make up to £10 a week.

Hon. G. W. Miles: But those men would have to earn the £10 a week.

Hon. A. J. H. SAW: Undoubtedly, the failure of some canvassers to make a sufficient livelihood is owing to the fact that they are not fitted for the business. Some men have naturally an easy manner and succeed in persuading people to enter into various negotiations. By their suavity and sometimes by the gloved hand, they succeed.

Hon. J. Cornell: Occasionally by imposture too.

Hon. A. J. H. SAW: By these means, they succeed in getting people to take up policies. Another type of individual might approach those same persons and utterly fail to do business. This is essentially a business which can only be conducted by men who are adapted by nature to engage upon it. I understand that many of these men can and do make a fair living. I do not think there is much more to say, but I would like Mr. Panton, when replying, to address himself to the points I have raised.

Hon. J. CORNELL (South) [6.4]: Much can be said for and against passing the second reading of the Bill as it stands. If we analyse the position as it is, we must recognise that it has been the established principle of the State since 1902 that individuals may form themselves into organisations and avail themselves of the Arbitration Court for the settlement of their difficulties. It has almost invariably been the case that wages men only have gone to the Arbitration Court, but it has also happened that piece workers have approached that tribunal to have their hours, wages and working conditions regulated. This has only happened when individuals have approached the court of their own volition and through their own organisations. That is the only means by which they have approached the court. We have had here in recent years a peculiar creation. It was not peculiar in older times. We have found a set of insurance companies paying, in respect of business secured, commission only. Dr. Saw said he has been connected for a long time with insurance companies and he made a specious speech in the

interest of those companies. He has pointed out that insurance, and particularly industrial insurance, is necessary. In any industrial insurance business to-day, however, if we analyse the position, I think it will be found that if the workers paid into the bank each week the amount they expend in respect of industrial insurance, they would be better off.

Hon. A. J. H. Saw: But they will not do it.

Hon. J. CORNELL: It has been pointed out that the insurance companies confer a boon and benefit upon the community. The first boon they confer is upon themselves.

Hon. G. W. Miles: But this business is mutual!

Hon. J. CORNELL: I know, but I also know that the A.M.P. Society refused to pay back to the soldiers the extra premiums those soldiers paid while they were away at the war.

Hon. A. J. H. Saw: Do you know the amount the A.M.P. lost on account of the war?

Hon. J. CORNELL: I do know that the company refused to refund this money to the soldiers. This, however, is by the way. Dr. Saw says that the companies confer a benefit on the community. I want to know from that hon. member what was the result when these canvassers refused to carry on. We had no legal machinery set up by which they could refer their grievances to the court and thus they were thrown back upon the barbarous weapon of the strike. In these circumstances, what consideration was extended to the public when these men availed themselves of the only means at their disposal? None! What consideration was shown to the people who did not pay their premiums during the strike, in consequence of which their policies lapsed?

Hon. G. W. Miles: Do the companies undertake to go round collecting each week?

Hon. T. Moore: Yes, they do.

Hon. J. CORNELL: The canvassers go round on behalf of the companies and induce people to take out policies on the ground that they will call week by week to collect the necessary payments. People are induced to take up policies on that understanding, and particularly does this apply to women. The probabilities are that if their husbands were at home, they would not be so persuaded. When the workers exercised the last prerogative available to them and struck, what happened? The companies inserted an advertisement saying that if people made their payments at the offices they would be accepted. Some people did not make those payments at the offices and their policies lapsed.

Hon. H. Stewart: Did they forfeit the policies of those people who did not pay while the strike was in progress?

Hon. J. CORNELL: Of course they did.

Hon. G. W. Miles: I do not think the companies undertook to go round weekly.

Hon. J. CORNELL: Why should the companies allow their agents to go round and

say that they will call weekly? Because the agents made an effort to secure more reasonable conditions of employment, the companies have adopted this attitude. If we allow these men to come within the scope of the Arbitration Act, a recurrence of that position may be avoided. Dr. Saw has pointed out that these concerns are of a philanthropic nature and they may not go on with this business. I have more faith in the business instincts of the companies than to believe that they would go out of this business because the workers desired to improve their position. If it happened that the Arbitration Court fixed a weekly wage, I do not think the companies would be ruined. I have not heard of any insurance company going bung.

Hon. A. Sanderson: Have you never heard of one?

Hon. J. CORNELL: Not in this State, and there are 49 or more in this city which are going concerns.

Hon. G. W. Miles: There are about 52 now.

Hon. J. CORNELL: The canvassers ask that they shall be included as workers within the meaning of the Arbitration Act. I support the second reading of the Bill.

On motion by Hon. J. Duffell debate adjourned.

Sitting suspended from 6.15 to 8 p.m.

BILL—FACTORIES AND SHOPS ACT AMENDMENT.

Conference Managers' Report.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [S.O.]: The managers report as follows:—

1, That the Assembly will agree to the amendment made by the Council striking out Clause 2 of the Bill. 2, That the Council will not further insist on the proposed new clause to stand as Clause 2.

Clause 2 of the Bill provided—

Section four of the Factories and Shops Act, 1920 (hereinafter referred to as the principal Act), is hereby amended by the deletion of the words "exceeding one horsepower" in paragraph (3) of the definition of "factory."

The Council struck out that clause and the Assembly has agreed to its being struck out. The Council proposed a new clause to stand as Clause 2, the purpose of which was to remove from the definition of "boarding house" certain places which are boarding houses under the existing Act—those places in which ten or more boarders are accommodated in addition to the members of the family. The Assembly declined to agree to the new clause and the managers have agreed that the Council will no longer insist. The effect of the conference is that each House has given way on one point and the Act will stand as before in regard to both those matters. I move—

That the report be adopted.

Hon. J. DUFFELL (Metropolitan-Suburban) [8.3]: The result of the conference is regrettable inasmuch as the more important amendment was the one relating to boarding houses. Members will recollect that when the Bill was before us last session, the definition of a "shop" included a boarding house, and progress was reported on more than one occasion on the fight which resulted. It was only as a result of a compromise to allow the Bill to pass that I agreed to the suggestion of the Minister that a boarding house should be a house where there were not fewer than ten boarders in addition to members of the family. It was held out that the Act could be amended this session in order that a correct definition of "shop" might be inserted. I can only express deep regret that boarding houses have not been deleted from the definition.

As to Procedure.

The President: On looking at the Standing Orders, I do not know that it is competent to debate the report of a conference, because apparently the managers only report to the Council. No provision is made for the adoption of the report. The managers simply report what has been done and that is final. It is reasonable that this should be so, because the managers are the absolute agents of the Council. Standing Order No. 332 reads—

The managers for the Council shall, when the conference has terminated, report their proceedings to the Council forthwith.

Hon. J. Cornell: Assuming we refused to adopt the report, what would happen?

The President: I do not think it is possible to refuse to adopt the report. There is no provision in our Standing Orders for such a procedure.

Hon. J. Ewing: I take it that the managers are empowered absolutely to answer for the Council and that their decision is final?

The President: That is so.

The Minister for Education: Is not it necessary that there should be some formal act on the part of the Council?

The President: Apparently not.

Hon. A. Sanderson: Is that the procedure which has always been adopted by the Council?

The President: I think so.

The Minister for Education: The Standing Orders say that the managers shall report to the Council, but do not say what shall or shall not take place after the report is submitted. My recollection of previous conferences is that invariably the report of the managers has been adopted and there has been a formal resolution to that effect making it an act of the Council.

The President: My recollection is that there has been no debate on past conferences.

The Minister for Education: But there has been a formal adoption of the report.

Hon. A. Sanderson: I was permitted to comment on the report of a conference last session.

The Minister for Education: What was the conference on?

Hon. A. Sanderson: The Land Bill, I think.

The President: The Minutes regarding a conference held last session were as follows:—

The managers retired. On the return of the managers, the business of the Council was resumed. The Minister for Education brought up the report of the managers as follows:—"The managers of both Houses have considered the amendment insisted upon by the Council and have agreed that the amendment be no longer insisted upon." Report adopted.

Members will notice that debate did not then ensue. That conference was on the Land Act Amendment Bill.

The Minister for Education: I have the "Hansard" reference to the Land Act Amendment Bill which states that the sitting was suspended from 4 a.m. to 5 a.m. I do not know that it would be wise to take anything done at that hour as a desirable precedent. The report of the conference managers was submitted by myself and I moved—"That the report be adopted and that the amendment be not insisted upon." There was then a short debate in which Mr. Sanderson, Sir Edward Wittenoom, Mr. Hickey, and Mr. Cornell took part, and the question was then put and passed.

The President: Then we shall follow the same procedure.

Hon. A. Lovekin: During the same session, I was on a conference and the same course was followed.

Debate resumed.

Hon. J. EWING (South-West) [8.11]: I must express my regret that the managers have given way on the question of the boarding houses. It is a serious question in the metropolitan area, and I was hopeful that the managers would be able to overcome the difficulty and reach some compromise which would be more satisfactory than the Bill. In my opinion this provision will be inconvenient and unfair.

Hon. A. LOVEKIN (Metropolitan) [8.12]: In reply to the remarks of Mr. Duffell and Mr. Ewing, however much the managers might have pressed for the retention of the clause, there was very little chance of succeeding. The boarding-house-keepers in the metropolitan area issued to members of another place a most unfortunate circular, drawn up by a lawyer who evidently did not know what he was doing. This circular contained a statement to the effect that boarding-house keepers found it necessary to employ the girls for meals during 12 hours of the day, and that was apart from the other work of the house. If

girls are to be worked during those hours, one would hardly expect members of another place, or even of this House, to give exemption to boarding-house keepers to work girls for such hours. This being so, I think the managers would have had a very difficult task if they had attempted to force the position.

Hon. J. CORNELL (South) [8.14]: If the conference managers do not agree, that ends it; if they do agree, there too the matter ends. I compliment the managers on their decision. It is the only sane and logical conclusion which could be arrived at. The Assembly has given way on one amendment introduced by the Government, and our managers have given way on an amendment which was not introduced by the Government but which was inserted here as a new clause.

Hon. C. F. Baxter: What would happen if the report was not adopted?

The PRESIDENT: Nothing.

Hon. A. SANDERSON (Metropolitan-Suburban) [8.15]: If that is the result of these proceedings, it should make us uncommonly careful in the future as to what we are doing. We may have occasion not to adopt the report of our managers, as I think we had last session. It is to be remembered that these representatives, the managers, act only as our agents, and that we are the principals. I am not, of course, questioning any ruling; I am simply questioning the method of procedure, so that we may know exactly where we stand. It is of the utmost importance to know whether our managers go to a Conference as plenipotentiaries, to use diplomatic language—

Hon. J. Cornell: They are plenipotentiaries.

Hon. A. SANDERSON: They are not, I say. If they are plenipotentiaries, I for my part shall in future be extremely careful what I do. This is going to bring about a very important development in the appointment of future Conferences; we shall, in future, have to take care to see that the majority of the House are represented at Conferences.

Hon. J. Duffell: Yes, especially when men are jumping about all over the place.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East—in reply) [8.17]: Subject to your ruling, Mr. President, I take it that if the Council refuses to adopt the report of the managers, the position will be exactly the same as if the two bodies of managers had failed to come to an agreement.

Hon. A. Sanderson: No; that is not the position.

The PRESIDENT: I do not think so.

The MINISTER FOR EDUCATION: The matter might be looked into. But, subject to your ruling, Mr. President, if your

ruling should become necessary, I take it that some act of the Council is necessary. I have no doubt that, should a ruling become necessary, you, Sir, would look carefully into the matter.

The PRESIDENT: That is so.

The MINISTER FOR EDUCATION: I am only expressing my opinion, that some act of the Council is necessary to confirm what its managers do. I simply express that opinion. Now, had the managers failed to come to an agreement, that would not have helped the position at all as regards the boarding-house keepers, because it would simply have meant the laying aside of the Bill, with the result that the whole of the existing provisions covering boarding-houses would still be the law, because Parliament would not be altering those provisions. On the other hand, this Bill contains a number of important clauses, particularly those relating to the closing hours of shops in country districts. All that the managers have done is to say that it is better for us to accept this measure than to disagree with the Legislative Assembly, in which case we should get nothing whatever of what we want.

Question put and passed.

House adjourned at 8.20 p.m.

Legislative Assembly,

Thursday, 5th January, 1922.

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

QUESTION—I.A.B. CLIENTS AND LOCAL HALLS.

Mr. O'LOGHLEN asked the Premier: 1, Is he aware that in several districts clients