

# Legislative Assembly,

Tuesday, 25th July, 1916.

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

## PAPERS PRESENTED.

By the Premier: 1, (a) Financial statement and report of the Workers' Homes Board for the year ending June 30, 1915; (b.) Amendment to Form 2, Schedule A, of the regulations under the Workers' Homes Acts. 2, Amendments to Regulation 44 under the Audit Act, 1904.

By the Minister for Works: 1, Auditor's Report, together with balance sheet manufacturing account and profit and loss account of the State Implement Works to June 30th, 1915. 2, By-laws under the Roads Act, 1911, (a) Collie, (b) Roebourne, (c.) Melville.

## QUESTION—YANDANOOKA STATE FARM.

Mr. VERYARD asked the Minister for Agriculture: 1, Is he satisfied that the manager of the State farm at Yandanooka can properly supervise the work there by attending on one day a week only? 2, What proportion of the manager's salary is debited to State farm? 3, Does he consider it is necessary that the time of four men and a checker should be required all day to weigh and load into trucks 250 bags of wheat? 4, Is it not the usual practice for the two teamsters, accompanying their teams, with a checker, to weigh and load their wheat into trucks? 5, Are sufficient sheds provided to cover all the machinery on the farm?

The MINISTER FOR AGRICULTURE replied: 1, Mr. Lee Steere's visits have not been restricted to one day a week. He is

often there several days in succession. 2, £275. 3, Yes; he considers the men were necessary. Being desirous to avoid extra handling it was arranged to truck almost the whole of Yandanooka wheat crop direct to the ship. This necessitated on occasions trucking from 1,000 to 1,500 bags in a day. 4, This might be a practice with some farmers. There have been at times five wagons carting, and the object of having men to receive and handle was to prevent any delays to the teams. It is obvious that with the great quantity of wheat handled no unnecessary delay should occur at the siding or elsewhere. 5, Provision is made for housing all machinery that would be affected by weather conditions.

## QUESTION—WINE SALOON LICENSEES AND FRUIT SELLING.

Mr. VERYARD asked the Attorney General: 1, Is he aware that some wine saloon licensees are selling fruit contrary to the provisions of "The Illicit Sale of Liquor Act, 1913"? 2, If so, will he cause such action to be taken as is necessary to prevent such sales in future?

The ATTORNEY GENERAL replied: The questions do not come under the supervision of my department, but the following answers have been supplied to me:—1, The provisions of "The Illicit Sale of Liquor Act, 1913," are evaded by the holders of wine licenses obtaining "eating house" licenses under the provisions of "The Licensing Act, 1911." The police have opposed several applications without success. 2, There are no wine shops in the metropolitan area selling fruit, except those having "eating house" licenses.

## QUESTION—RAILWAY BRIDGE AT ROCKY BAY.

Mr. CARPENTER asked the Minister of Works: 1, What progress has been made with the preparatory work for the erection of the new road and railway bridge at Rocky Bay? 2, What is the estimated cost of such bridge? 3, What sum has been spent, or cost incurred, to June 30th, 1916?

The MINISTER FOR WORKS replied: 1, Borings over the site have been taken and

a cast-iron cylinder, eight feet in diameter, has been sunk in the river, where the borings show the worst foundations likely to be met with in the work, occur. This cylinder is at present under test to ascertain the bearing capacity of the under stratum. 2, Under existing conditions, impossible to estimate: under normal conditions, approximately £325,000, dependent on results of test of foundations. 3, Including railway deviation survey, £6,310, total cost incurred, £7,821.

#### QUESTION—EDNA MAY CENTRAL MINE.

Mr. HARRISON (without notice) asked the Minister for Mines: 1, Owing to the reports in the Press dealing with the Edna May Central mine, is it his intention to send a mining inspector to that mine to report on the ore bodies and their values, in the interest of the investing public? 2, If so, will he have the report presented to this House?

The MINISTER FOR MINES replied: 1 and 2, The matter is now receiving consideration, and I expect to be in a position to make a statement concerning the matter early next week.

#### SITTING DAYS AND HOURS.

On motion by the PREMIER (Hon. J. Scaddan) ordered: "That the House unless otherwise ordered, shall meet for the despatch of business on Tuesdays, Wednesdays, and Thursdays, at 4.30 p.m., and shall sit until 6.15 p.m., if necessary; and, if requisited, from 7.30 p.m. onwards."

#### GOVERNMENT BUSINESS—PRECEDENCE.

On motion by the PREMIER (Hon. J. Scaddan) ordered: "That on Tuesdays and Thursdays Government business shall take precedence of all Motions and Orders of the Day."

#### COMMITTEES FOR THE SESSION.

On motions by the PREMIER (Hon. J. Scaddan) sessional committees were appointed as follow:—

House Committee—Mr. Speaker, Mr. Taylor, Mr. Mullany, Mr. Male, and Mr. Nairn, with leave to sit during any adjournment and during the recess, and with auth-

ority to act jointly with the House Committee of the Legislative Council.

Library Committee—Mr. Speaker, Mr. Green, and Mr. Smith, with leave to sit during any adjournment and during the recess, and with authority to act jointly with the Library Committee of the Legislative Council.

Printing Committee—Mr. Speaker, Mr. O'Loughlen, and Mr. Allen, to assist Mr. Speaker in all matters which relate to the printing executed by order of the House, and for the purpose of selecting and arranging for printing Returns and Papers presented in pursuance of Motions made by Members, and all Papers laid upon the Table, whether in answer to addresses or otherwise, and with leave to sit during any adjournment and during the recess, and with authority to act jointly with the Printing Committee of the Legislative Council.

Standing Orders Committee — Mr. Speaker, the Chairman of Committees, Mr. Hudson, Mr. Robinson, and Mr. Gardiner, with leave to sit during any adjournment and during the recess, and with authority to confer upon subjects of mutual concernment with any Committee appointed for similar purposes by the Legislative Council.

#### BILL—SUPPLY (No. 1), £1,298,000.

##### *Standing Orders Suspension.*

The PREMIER (Hon. J. Scaddan—Brown Hill-Ivanhoe) [4.43]: I move—

*That so much of the Standing Orders be suspended as is necessary to enable resolutions from the Committees of Supply and Ways and Means to be reported and adopted on the same day on which they shall have passed those Committees, and also the passing of a Supply Bill through all its stages in one day, and to enable the business aforesaid to be entered upon and dealt with before the Address-in-reply is adopted.*

Question passed.

##### *Message.*

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

*Committee of Supply.*

The House having resolved into Committee of Supply, Mr. Holman in the Chair,

The PREMIER AND TREASURER (Hon. J. Scaddan—Brownhill-Ivanhoe) [4.51]: I move—

*That there be granted to His Majesty on account of the service of the year ending 30th June, 1917, a sum not exceeding £1,298,000.*

The supply asked for is based on the expenditure for a period of two months of last year. On the previous occasion of supply being obtained, it was discovered that the amount granted for the two months was more than sufficient and carried us on some way into the following month. In the circumstances I think I am now asking for sufficient to enable the Government to bring down the Annual Estimates before the expiration of the time allotted for this Supply Bill. I desire to take this opportunity—perhaps the only one that will present itself for some little time—of making a few remarks on the finances. First of all, I wish to express my regret that the public of this State have to depend for criticism of financial matters on a newspaper known as the *West Australian*, published in St. George's-terrace. The financial articles of that journal are evidently written by a man who knows nothing of the first principles of bookkeeping, much less public finance. The most astounding statement I have ever yet seen in the leading article of any newspaper is the statement made by the *West Australian* that the difference in the Stores account as on the 30th June this year and as on the 30th June, 1911, could fairly be added to the deficit; that is to say, that the deficit was understated by that amount. The member for Murray-Wellington (Mr. George) would, of course, know that the statement is absolutely absurd. He knows it to be absurd because he has handled stores and knows how the accounts are kept. But the person who wrote the article in question either did not know, or else wilfully misrepresented the position to the public. I am loth to believe that it is possible the writer can plead ignorance as an excuse for making such a statement: and, if he was not ignorant, then I hold that he was guilty of

an act which, in my opinion, does not redound to the credit of a leading newspaper, a newspaper which claims to instruct the public on the subject of finance. As any one conversant with public finance knows, the public accounts are all centred in one account, which is known as the public account. Expenditure and receipts are all kept by book entries in the Treasury, all the funds being kept separately. For the purpose of purchase of stores required by the various departments, the public account is drawn upon; but no item, either under loan expenditure or under revenue expenditure, is debited until such time as the stores are drawn for the purpose of a particular work. When goods or stores are first ordered and obtained, it is not always possible to say exactly upon what work they will be used. We have frequently obtained stores for railway construction, debiting them against the Works Department; and then, before the stores have been distributed, they have been transferred to the working railways, possibly, and debited against some vote of that department. Again, stores are occasionally obtained for the purpose of some work which will be constructed from loan funds; but, before the stores are distributed, they are applied to some work which will eventually be debited to revenue. The result is that all stores are held in suspense in the Stores Suspense Account. In point of fact, the *West Australian*, instead of seeking to abuse me as Treasurer for having done something which that newspaper considers wrong, should, I think, fairly have given some credit to the Treasurer for having reduced the Stores account. It is true that the Stores account represented over £700,000.

Mr. Gardiner: On which amount the State was paying interest.

The PREMIER: Yes; the State is paying interest on the amount, and the amount is earning nothing. In season and out of season I have instructed the Government Comptroller of Stores and also the Railway Comptroller of Stores to reduce their stores accounts by all means in their power; that is, not to purchase additional stores if it could possibly be avoided, but to see that the stores already held in Stores Suspense Account were debited against the items,

either loan or revenue, as the case may be, and thereby to reduce the amount of money the State had in stores, earning nothing, but costing the State interest. I was successful in reducing the amount from £700,000 to about £470,000. If there is anything to be said on the question, I think the matter is one rather for giving credit than for showing abuse. The main point, however, is that the *West Australian* tried to make the public believe that the difference represented by the reduction should be added to the deficit. That difference does not affect the deficit to the extent of a single halfpenny. The *West Australian's* statement, therefore, was either a piece of ignorance or else a deliberate attempt to mislead the public. The same newspaper makes other misleading statements about the State motor cars. I believe the *West Australian* has had something to say about the fact that the expenditure on Government motor cars has not increased. Here is another endeavour to mislead the public. The newspaper says that the Government have deliberately covered up the expenditure on the maintenance of Government motor cars by distributing the cars among the departments. If the leader writer looked at the Estimates, he would find that the Government, in submitting a vote to Parliament for the Government motor cars, provide for the gross expenditure, and then deduct what it is considered would be earned by the service to the various departments. If a car is used for a departmental purpose, say, for an inspection of works by an officer, the department is charged on a defined basis.

Mr. Heitmann: What the department would have to pay for an outside car?

The PREMIER: No; less. The result is that we set against the gross expenditure shown on the Estimates the estimated receipts from departments for services rendered to them. Eventually the actual amount revoted is the net amount. The Government have, in fact, reduced the expenditure on the Government motor service very considerably during the last 12 months. During the last three years the expenditure has been reduced by nearly £1,300, which is evidence of the fact that we have introduced economies. In other directions, also, economies have been effected with benefit to the

departments. I merely mention the matter to show that the leading journal of the State has failed in its duty to comment fairly on a matter of public finance. In my opinion, such comment should be offered not for the credit of any party but for the credit of the State. The endeavour should be to place the true facts before the public. After all, public finance is not a matter which ought to be used for party purposes. The financial position of the State ought to be discussed solely from the point of view of the credit of the State, because the State's future largely depends on how our finances are regarded by people outside the State as well as those within it. We may have differences of opinion in regard to expenditure or in regard to the method of levying the necessary revenue from the people of Western Australia; but let us differ on those matters honestly, and on the main principle, on the question of how our credit shall stand outside the State as well as within it, let us at least be honest; and, if we are not in a position to know the true facts, let us go to somebody who should know. I regret extremely that a journal like the *West Australian* should have adopted such an attitude. As regards last year's transactions, taking all things into consideration, I am satisfied that the Government have nothing to be ashamed of. I have nothing to be ashamed of personally. It is true that we closed the year with a deficit slightly larger than that which we anticipated; but the difference is almost entirely accounted for by the fact that the Railway Department did not produce the revenue anticipated from it, or anything like that amount. Most members, I think, will know the reason for that shortage of revenue. We estimated the railway revenue on the basis of the bumper harvest that everybody was talking about. We naturally anticipated that the harvest would bring revenue to the Railway Department as in previous years. But, unfortunately, the lack of shipping tonnage has prevented us from handling the harvest, the great bulk of which is still in the country and has not produced any railway revenue. The result is that the revenue of the Railway Department has been much smaller than anticipated. In other respects our revenue estimates have proved fairly close. In the

trading concerns, it is true, revenue was over-estimated; but the difference was balanced by the corresponding over-estimate of expenditure. Naturally, when the trading fell off, the expenditure fell off in sympathy. Otherwise, however, I consider our position very satisfactory. It must be borne in mind that this State is being financed on a basis entirely different from the financial basis of any other State of the Commonwealth and, I believe, of any other part of the British Empire, including Great Britain itself. Western Australia is to-day paying into a sinking fund for the redemption of debt. I have scraped about in all quarters to try and find any recognised financial authority holding the opinion that it is desirable to continue repayment of debt in times such as these: and I have been unable to discover a single authority adhering to that view. On the other hand, I have found a number of authorities holding the contrary view, and asserting pretty definitely that to pay into a sinking fund during times of stress, such as drought and war, is absurd and silly. What I want to draw attention to is that the States of the Commonwealth which had made provision for sinking funds on the same basis as Western Australia, have long since cancelled, either by Act of Parliament, or by Executive Act, the further provision for those sinking funds being charged against revenue. If we deducted the amount we paid last year, over £264,000, and we showed the actual shortage on the year's transactions, that would have been only £81,000. I claim that, taking into account the fact that the conditions in this State are almost normal, that every form of business is being carried on to-day almost as if there were no difficulties in the way, is evidence that it is better to have the £81,000 as a deficit than to have conditions of distress. I care not what may be considered in this regard by my friends inside or outside of the House; I consider that the position justifies me in saying that we have done well. Even the Imperial Government, immediately after the declaration of war, pilfered, I might say, their sinking fund. They had over £2,000,000 available for redemption of debt, but they did not consider the matter any further, they simply required the money for current purposes and they

collared the sinking fund. The other States of Australia have done likewise, and I am going to quote an authority, Mr. E. Hilton Young, who, in a work entitled *National Finance*, dealt with the position as it arose in England. He wrote—

There is a principle which underlies the scientific use of sinking funds obvious enough when it is set down in black and white, which yet took the official financiers of this country a long time clearly to understand, and which those of some other countries seem not to understand yet. We have already referred to it more than once. It is the principle that it is no use to reduce debt with one hand if at the same time you are increasing it with the other. From the point of view of the stock market the principle may be expressed thus: that it is no use to increase the demand for Government stock if, at the same time you increase the supply. Whatever good effect the increased demand would have had on the price is negated by the ill effects of the increased supply. Suppose that a Government has set aside out of revenue £5,000,000 a year for its sinking fund for the reduction of debt, and suppose that a year comes when; to make revenue balance expenditure, it needs £5,000,000. It may, if it pleases, still pay the £5,000,000 into the sinking fund, and redeem debt with it, and borrow a fresh £5,000,000 to make both ends meet. Sometimes in the past that has been done, or at least something practically equivalent to that.

Surely there is evidence that the attitude I long since tried to get the House to agree to was the correct attitude to follow. Under the existing conditions it was absurd, and more than absurd, it was a costly business to pay for the redemption of debt when we had to borrow the money to do it with. In the first place, the control of the sinking fund costs this State money, and we are actually paying for the purpose of doing something that is producing no advantage to the State, or to anyone else. I, first of all, suggested that we should cancel the stock we held. That was not acceptable to the other side. Then I suggested that instead of borrowing money and paying  $\frac{1}{4}$  per cent. to a broker or to an agent, that

they should arrange to take Treasury bills and thus avoid the cost of brokerage. Even that was objected to by our friends opposite, and I defy them to quote a recognised financial authority who holds a contrary opinion to that which I expressed, in support of which I read to the House the views of one of the best authorities on public finance in Great Britain, Mr. Hilton Young. I could produce other evidence, if necessary, for the purpose of pressing my argument, but I merely mention this so that the public may understand that our method of financing the State last year was not by any means unsatisfactory. But even with the deficit at £350,000, the position is not so bad as the *West Australian* and other papers have endeavoured to make it appear. I am not ashamed of the position. I claim, moreover, that the condition of affairs in this State to-day can be compared with the condition which prevails in any part of the British Empire, and, taking the people as a whole, they are infinitely better off than the people anywhere else. I know something of the Eastern States and I can confidently say that our position compares more than favourably with that existing in any other part of Australia. The conditions are nearer normal here than they are anywhere else. We have not made any inroads on the public service, as has been done elsewhere. I hold that certain services are necessary for the purpose of good government. In trying times, as well as in normal times, if we are to have those services we must pay reasonable salaries to expect them to be carried out. If our friends opposite desire to take the responsibility of altering that policy, they may do so, but it is not my intention to adopt it. I can assure the House that if that policy is brought into existence, it will bring about chaos which will remain with us for years afterwards. As an evidence that the conditions are good, I would draw attention to the existing state of affairs at the Savings Bank. For some time there was a heavy draw on the Savings Bank, but during the past six months, to be correct from February last, the deposits have exceeded the withdrawals by no less a sum than £88,074. At a time when we are asking the people to study economy and not for the purpose of banking their money, but

to assist the Empire to win the war, we can point to the fact that we have increased deposits in our Savings Bank by no less a sum than over £88,000. It is the best evidence, after all, taking the people in the gross, that we are in the position to-day that I have just referred to.

Hon. J. Mitchell: Which Savings Bank?

The PREMIER: The State Savings Bank. I do not think there is anything else I need say at this stage except to put on record the present position from a cash point of view. I do not want any argument afterwards about having left the coffers of the State empty after leaving office. I want to say that, in comparison to the condition in which I found them, I shall leave them overflowing. I well recollect when I took the Treasury chair, the first thing I was presented with was an urgent minute from the Under Treasurer drawing my attention to the condition of the finances, and a further minute from my predecessor in office pointing out the necessity for approaching the market at the earliest possible moment in order to replenish an exhausted Treasury.

Hon. J. Mitchell: You claimed you had too much money then in the Savings Bank.

The PREMIER: I am merely putting on record the position in which I am leaving the Treasury.

Hon. Frank Wilson: You are absolutely out of order.

The CHAIRMAN: If the hon. member thinks the Premier is out of order he should rise in his place and appeal to the Chair.

The PREMIER: I may be permitted to read a statement of cash balances on the 30th June last. We had cash in hand, local £412,111; in the Eastern States, £78,432; and in London, £17,163; making a total of £507,706. Talk about the sudden death motion! It will be nothing as compared to the rush of our friends opposite to dispose of that sum when they get into the Treasury. We had advances by the Agent General to the Agent General of New South Wales of £30,000, but less the advances due by Agent General of £6,000, we had a total of £24,000. We had wheat certificates on hand which we could turn into cash in 10 minutes, valued at £301,992, or a total of actual cash available in the State of

£833,698. The liability for interest accrued due to the 30th June and payable on the 1st July was, local £152,325; Eastern States, £66,670; or a total of £218,995; leaving, after paying interest, £614,703 in cash available. The estimated requirements for the three months ended 30th September, 1916, on the basis of the present expenditure, which, of course, will not apply when our friends opposite are in office, is £390,000. The estimated deficit for the three months, say, at £50,000 a month, will be £150,000, which can be further deducted from the £614,000 for the purpose of carrying on during the ensuing three months. The Agent General's requirements for the three months ended 30th September, to enable him to meet the indents and other payments, are put down at £221,000. So there is still left a substantial amount in cash which will be available at the end of September. That is a condition of affairs which is eminently satisfactory, and it should give hon. members opposite an idea of the rosy position they will enter upon. I could have called up £500,000 from the Commonwealth under our agreement, and we still have available nearly a million pounds under that agreement to come to us before the 30th September. From the point of view of the cash outlook of the State, therefore, the position is exceedingly bright. I want to warn our friends opposite that, though there is any amount of cash in the coffers of the State, the revenue for the next six months will not be very satisfactory. The railways will be almost idle, except for the carrying of passengers and some commodities into the country. That will mean a tremendous loss of revenue in comparison with previous years. Still, I want to take the opportunity of saying that, when I leave the Treasury tomorrow, I shall not be ashamed of the position of the finances. Moreover, I leave a contented public service. True, they are not all satisfied, but the bulk of them are more satisfied to-day than they have ever been in the history of Western Australia, and that is due to the fact that I have always recognised, and appreciated the fact above everything else, that if we have good men in the service, and we want to keep them, we must pay them salaries in accordance with the work they have to perform. If the time

arrives that we have to get our work done in a cheap and nasty manner, that will reflect itself in the service. I prefer to show a deficit on revenue account than to bring about a condition of affairs which will mean chaos in the service and chaos outside. Taking into account the abnormal conditions brought about by the war and the drought, and taking into consideration the condition of affairs as we find it in the State to-day, I am not ashamed of the deficit, I am rather proud at having been able to control the affairs of the State and keep them in the buoyant condition they are in to-day.

Hon. FRANK WILSON (Sussex) [5.15]: I do not purpose following the Premier in the admirable electioneering speech he has just delivered, nor do I think I should be in order if I attempted to do so, for all must recognise that the Premier's speech was out of order.

The CHAIRMAN: The hon. member must not reflect on the Chair. If he considered the Premier's speech out of order he had the right to rise to a point of order, but he must not cast reflections on the Chair. I drew the attention of the Premier to the fact that he was exceeding his limits. That should be sufficient to show that I was endeavouring to keep him in order. The leader of the Opposition has no right to reflect on the Chair, as he has done.

Hon. FRANK WILSON: I had no intention of reflecting on the Chair. I thank you, Mr. Chairman, for having pointed out to the Premier that he was exceeding his limits. If I have offended I apologise. Evidently my only fault was that I did not rise and interrupt the Premier. But I wished to give the Premier every latitude. It would be improper for me to follow the Premier in the speech he has delivered, and I do not intend to do so. His remarks in connection with the reduction of stores will meet with the approval of everyone. All Treasurers have endeavoured to reduce the amount of capital sunk in the Stores Account.

Mr. Munsie: Do you think the statement in the *West Australian* was justified?

Hon. FRANK WILSON: I am not here to take the part of the *West Australian*, nor to be drawn into an argument with the hon. member.

Hon. R. H. Underwood (Honorary Minister): Did you suggest that to the *West Australian*?

Hon. FRANK WILSON: The Honorary Minister must know by my previous remarks that I did not suggest it. I would readily credit the Minister himself with having made the suggestion in order to give his colleague a chance to say something in refutation. I am glad that the Premier is so pleased with the position in which he finds the finances of the State to-day. I am glad he is not ashamed of his administration. I am glad that he thinks the deficit is a very wholesome thing for the country. I thank the Premier for having readily consented to bring in a Supply Bill. All that we want to know is whether the supply is necessary, and the amount sufficient to enable whoever may remain in power or assume power to carry us over a reasonable period of this financial year. The Premier readily agreed to bring in a Supply Bill and make it sufficient for the purpose. Not being on the Treasury benches, one cannot well judge what the actual expenditure should be.

The Premier: I will judge it for you when I get over there.

Hon. FRANK WILSON: The hon. gentleman has been here before.

Mr. Thomas: And you will be there again.

Hon. FRANK WILSON: I thank the Premier for having brought in a Supply Bill, and I hope it will go through as a formal measure. I am not going to take any exception to the amount, because it was arranged with the Premier that he should bring in a Bill for an amount sufficient for the requirements.

Question put and passed.

Resolution reported; the report adopted.

#### *Committee of Ways and Means.*

On motion by the PREMIER, resolved—

That towards making good the Supply granted to His Majesty for the services of the year ending 30th June, 1917, a sum not exceeding £1,298,000 be granted out of the Consolidated Revenue Fund of Western Australia, and from moneys to credit of the General Loan Fund.

Resolution reported; the report adopted.

#### *Supply Bill introduced.*

In accordance with the foregoing resolutions a Supply Bill was introduced and, on motion by the PREMIER, read a first time.

#### *Second Reading.*

The PREMIER (Hon. J. Scaddan—Brownhill-Ivanhoe) [5.21]: I move—

*That the Bill be now read a second time.*

The MINISTER FOR WORKS (Hon. W. C. Angwin—North-East Fremantle) [5.22]: The Bill includes an amount of money for the purpose of carrying on our trading concerns, and I think it is only just that I should take this opportunity of giving hon. members some idea of the real position of these enterprises as it has been laid before me since the 30th of last month. A good deal of criticism has been indulged in by the Press, and by a well known gentleman who is likely to get an important position in the near future on account of his misrepresentation of our trading concerns. Only a few days ago a whole column was published in the *West Australian* dealing principally with the trading concerns. The matter was originally given, I believe, at a Liberal meeting in Perth. This has gone forward as the gospel truth, merely for the purpose of misrepresenting the position to the people, and leading them to form the opinion that our trading concerns have been an entire failure, involving considerable loss to the community.

Hon. J. Mitchell: He only quoted your figures.

The MINISTER FOR WORKS: He quoted figures in a manner which he knew amounted to misrepresentation. Our friend stated in the *West Australian* that the saw-mills, which have been working for the past three years, showed a deficit of £103,921. I say that if so great a loss had been incurred in that time the sawmills ought to be closed down. But we know that it was wilful misrepresentation. The position is that for the financial year 1915-16 there will be a net profit of approximately £4,500, while the accrued profit amounts to £13,000.

Mr. George: How much of that is in stock?

The MINISTER FOR WORKS: A good deal of what is in stock is on order.



Mr. Gardiner: What is the value of your stock?

The MINISTER FOR WORKS: I cannot say offhand. It was also stated that the brick works show a loss of £1,486. During the last twelve months, owing to the war, the building trade has fallen off considerably, as well in the Government departments as in the field of private enterprise. But the actual position of the brick works is that the loss, instead of being £1,486, is, as a matter of fact, £600, and there is no room for doubt that had the period been normal we would have supplied bricks to the public at £1 per 1,000 less, and at the same time shown a substantial profit.

Mr. Gardiner: Does that position provide for sinking fund, depreciation, and interest?

The MINISTER FOR WORKS: It provides for everything. In the course of his article the author gave a little credit to the State Steamship Service. He admitted that there was a surplus of £11,000. I am safe in saying that when the balance sheet comes before members it will be found that there was a profit of nearly £30,000 for the year ending 30th June last. Another small trading concern, the Boya quarry, shows a profit of £600 for the past year. Last session a good deal of attention was given to the State Implement Works. I then declared that there would be a loss on the works this year, that in consequence of the prices fixed for machinery orders in advance it would be impossible to carry on the works without a substantial loss. The balance sheet has not yet been audited, but it has been prepared, and I am informed that the loss for the year 1915-16 is approximately £16,511, or nearly 50 per cent. less than the loss incurred in the preceding year. And of this loss, £13,628 is made up of interest, depreciation, and reserve for bad and doubtful debts. I desire to draw hon. members' attention to the fact that private companies do not provide for dividends, which are in reality interest on the capital invested, unless there is a profit, and this would not be shown in the balance sheet. If no profit, there would be no dividend. But the department has to provide a dividend by way of interest, whether the accounts show profit or loss, also a large depreciation amount. The

manufacturing account this year, that is on the various works on hand, reveals a profit of £3,964, or approximately £16,400 better than the year 1914-15. All this shows clearly that so far as these trading concerns are affected, they have become an institution which will be the means in the near future of not only regulating the market with a view to seeing that private consumers get fair play, but also a means whereby revenue will be added to the State. I take this opportunity of saying these few words because I think these misrepresentations have been made wilfully and knowingly, and because I feel that such a statement as I have referred to should not have been published.

Hon. J. Mitchell: They only quoted your published figures.

Question put and passed.

*In Committee, etcetera.*

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

Bill read a third time and transmitted to the Legislative Council for concurrence.

## WANT OF CONFIDENCE IN THE GOVERNMENT.

Hon. FRANK WILSON (Sussex) [5.35]: In order to test the position of the Government, and in accordance with the notice I handed to the Premier last Thursday, I move—

*That the House do now adjourn.*

Question put and a division taken with the following result—

Ayes	..	..	..	24
Noes	..	..	..	20
Majority for				4

### AYES.

Mr. Allen	Mr. Nairn
Mr. Butcher	Mr. Piessé
Mr. Connolly	Mr. Robinson
Mr. Cunningham	Mr. Smith
Mr. Gardiner	Mr. S. Stubbs
Mr. George	Mr. Thomson
Mr. Griffiths	Mr. Veryard
Mr. Hardwick	Mr. Wansbrough
Mr. Harrison	Mr. Willmott
Mr. Hickmott	Mr. F. Wilson
Mr. Johnston	Mr. Male
Mr. Lefroy	
Mr. Mitchell	

(Teller.)

