

ber has a greater knowledge of the industry than he possesses. His remarks should carry considerable weight. Mr. Williams touched on another phase of the question, namely the confidence of the miners in a workmen's inspector. I know from experience that the workers place more confidence in the views of their inspector and approach him and discuss phases of their working conditions much more freely with him than with a Government inspector. Many men might consider that portions of the mine workings are unsafe but, rather than go to the Government inspector, they would possibly continue to work under those conditions. The man who believes he has a grievance will not give the same efficient work as if he is satisfied. But he will approach a workmen's inspector and, if he is in the wrong, the inspector will tell him so. The views of the workmen's inspector will relieve the man's mind and much better work will be done by him. If a workmen's inspector is appointed there will be no great cost entailed. Mr. Ewing told us that the workmen's inspector is to take the place of three check inspectors, the appointment of whom has operated in the industry for 28 years. If this proposal will put coal mine inspection on a sounder basis than it has been in the past, the House should agree to the Bill.

On motion by Hon. E. H. Harris, debate adjourned.

BILL—RESERVES.

Second Reading.

Debate resumed from the previous day.

HON. SIR WILLIAM LATHLAIN (Metropolitan Suburban) [11.41]: Clause 14 indicates that Perth suburban lot 402 at South Perth is to be acquired by the State Savings Bank and utilised for the erection of buildings for use by the bank. The sum of £450 is to be paid for it. Clause 15 sets out that Merredin lot 116 may be acquired by the same bank and for that block the price is to be £600. I do not know whether the blocks are of similar size, but £600 seems to be a lot of money to pay for a block at Merredin, while it is possible to get a block at South Perth for £450. I shall support the second reading.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—ROADS CLOSURE (No. 2.)

In Committee, etc.

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

House adjourned at 11.50 p.m.

Legislative Assembly,

Thursday, 13th December, 1928.

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

QUESTIONS (2)—RAILWAYS.

Yarramony Eastward.

Mr. GRIFFITHS asked the Minister for Works: When is it intended to start utilising the £5,000 provided on the Loan Estimates for the work preliminary to the

construction of the Yarramony-eastward railway?

The MINISTER FOR WORKS replied: The exact date has not yet been finally fixed.

Mr. Lindsay: Who thought out that reply?

Brookton-Dale.

Mr. BROWN asked the Premier: When is it intended to commence the construction of the Brookton-Dale railway?

The MINISTER FOR RAILWAYS (for the Premier) replied: The matter is under consideration.

Hon. G. Taylor: A sympathetic reply.

**BILL—STATE TRADING CONCERNS
ACT AMENDMENT.**

Second Reading.

Debate resumed from the previous day.

MR. LATHAM (York) [4.36]: The Bill appears to be a very simple one in that it asks power for the Government to lease portion of a State trading concern. To my mind there are two principles at stake, one that recommends the proposal and one that condemns it. The one that recommends it is that which will enable the Government to lease to the Westralian Farmers Ltd. a part of the State Implement Works and likewise will enable them to get £150,000 to establish the works. As the Minister pointed out, the works are to cost £300,000, and the Westralian Farmers Ltd. have to find half that sum. There is no doubt, too, that it is proposed to assist the Westralian Farmers Ltd. to increase their business as machinery agents in Western Australia. Another point is that the arrangement ought to enable the farmers to get machinery at a reduced cost. It should permit of a reduction of freights being secured—I refer particularly to oversea freights—and this saving should result in a lower price being charged to the farmer. Hitherto agricultural machinery has been imported in bulk and, as freight is determined by the space occupied, members will realise that it must be considerably more when implements are imported in that form as compared with importing them in parts and assembling them here. That will commend the Bill to the farming community.

Mr. Mann: Do you think it will make the Sunshine implements any cheaper?

Mr. LATHAM: Probably it will influence the sale price of other machines brought here. I regret to say that, although we have assembling works in Western Australia, they do not seem to have resulted in much benefit to the farmer. The partnership proposed will enable the Westralian Farmers Ltd. to manufacture machinery parts here. That is a very important side of the business. Parts are sold at very high prices, and I venture to suggest that the cost should be reduced by 50 to 75 per cent.

Hon. W. J. George: And even more than that.

Mr. LATHAM: I am prepared to accept the opinion of the hon. member, who has practical knowledge. The other day I bought a small cog that could have been purchased a few years ago at a cost of 3s. 6d. and I had to pay 18s. 6d. for it. That is considerably beyond a fair and reasonable price.

Mann: Was there any patent right attached to it?

Mr. LATHAM: No. Even if the introduction of the Bill has the effect only of directing the attention of the public who use such machines to the prices being charged particularly for duplicate parts, it will serve a useful purpose.

The Minister for Mines: You are sorry now that the Profiteering Prevention Bill did not go through.

Mr. LATHAM: I do not think the Minister is in order in discussing that Bill and the probabilities if it had been passed. In determining the advantages that the farming community will derive from the partnership, we have to ascertain to what extent the farmers will receive the benefit of any reduction of costs. First of all, I am not satisfied that even if the machines are assembled here the manufacturers will not determine the selling price in the State. I believe they will determine the selling price and, if they do so, all this measure will accomplish will be to enable the Westralian Farmers Ltd., to obtain a little more profit than they are making to-day. I do not know that I am qualified to express an opinion whether the farming community will enjoy a reduction in the price of machinery or duplicate parts because of the fact that the agreement has been entered into.

It is certain that if they do not, the shareholders of the Westralian Farmers Ltd. will get some benefit. If I have to show anything to disadvantage, I have no desire to be unfair to the Westralian Farmers Ltd., and I think the Government are well able to look after their side. The Westralian Farmers Ltd. constitute a co-operative concern established to handle the produce of the farmer and provide him with the commodities he needs. If the Government have any great desire to assist that organisation—and it seems they have—may I suggest that instead of entering into this partnership they should lease the section of the State Implement works concerned to the Westralian Farmers Ltd. for a period of 10 or 20 years and advance them on a pound for pound basis the £150,000 that they now propose to put into the partnership.

Mr. Panton: Why not the £300,000?

Mr. LATHAM: I have no two opinions that if the Government handed over that portion of the Implement Works to the Westralian Farmers Ltd. and provided an advance of £150,000, the State would save a considerable sum of money. If the Bill be rejected, a scheme of that kind proposed by the Government might command more support. If we pass the Bill, we shall immediately authorise an additional amount of capital to the tune of £150,000 for the State Implement Works. The intention is to extend the works, not on the manufacturing side, but on the assembling side, in partnership with another firm. The arrangement will not enable the Government to sell the machinery; the Westralian Farmers will do that. All the Government ask is authority to enter into a partnership agreement with the Westralian Farmers Ltd. and provide capital to the extent of £150,000. I cannot understand why the State Implement Works have ever been run at a loss. Other manufacturers of implements in this State would have closed down long ago if there had been no profit. The State Implement Works have had many advantages over private firms. They pay no land tax, no income tax, no local rates. If the Hospital Fund Bill becomes law, they will not have to pay under that measure. They start off with great advantages. I am not sure that this Chamber has the right to extend the business of the State Implement Works in view of the fact that taxation is being increased almost daily and that the operations

of private firms are being rendered more difficult. The Minister has said that when the State Implement Works were started, there was no other firm manufacturing implements in Western Australia. I believe, however, that there were two—the firm of Haydon & Co., on the south side of the river, and the firm of Metters, Ltd. The unfair competition of the State Implement Works must have forced Haydon & Co. out of the business if they have retired from it. I agree with the Minister that we should do everything possible to push on our secondary industries. We should not devote the whole of our attention to the primary industries, although they are entitled to most consideration to-day. How can we help the secondary industries? I suggest that the Government, having a great deal of influence with trade unions in this State, should persuade them to adopt the piecework system. In that case the members of those unions would be working on the lines adopted in nearly every other country in the world. Wherever I went, on the Continent or in America, I found that the men were paid by results. The more they worked, the more they got. There was no question of a minimum wage. If such a proposal were submitted to the members of any union, surely they would agree to the principle. If we could put up to men prepared to invest in secondary industries here a proposal to work on such lines, the result would be a flow of capital for the establishment of those industries in Western Australia. Another means of assisting primary industries would be a preferential rate over the railways on their manufactured goods.

The Minister for Works: That is against the Commonwealth Constitution.

Mr. LATHAM: The Federal Government, through the post office, give preferential rates to Australian goods.

The Minister for Works: No; they cannot do it.

Mr. LATHAM: Probably we may not be able to grant such a rate to Western Australian goods alone, but we could apply it to Australian goods. Any losses made by the Railway Department might be covered out of the £25,000 extra land tax granted to the Government with a view to reduction of railway freights. In all seriousness I suggest this as a proposal well worthy of consideration with a view to helping in the establishment of secondary industries here. No one wants to see implement factories

established here more than I do. The trade warrants the establishment of up-to-date implement works. I cannot believe that the Bill will assist in that direction.

Hon. W. J. George: The Bill encourages importing rather than manufacturing.

Mr. LATHAM: Even if the Bill is not passed, there will be nothing to prevent the Westralian Farmers from starting works of their own here, and neither will there be anything to prevent the State Implement Works from producing any articles satisfactory to our agriculturists. It cannot be said, therefore, that if we reject the Bill we shall be preventing the establishment of such works. The Minister has said that there is no agreement with the Westralian Farmers, but it is strange that he should come here and ask us to pass a law authorising the Government to enter into an agreement unless there is some kind of agreement in existence. I am, however, prepared to accept the Minister's assurance. But is there not a draft agreement?

The Minister for Works: There are several drafts.

Mr. LATHAM: During the last few years legislation has repeatedly been introduced for the purpose of ratifying agreements, and in every case a copy of the agreement has been attached to the Bill. This measure practically asks us to ratify an agreement that is non-existent. The Minister would be well advised to postpone the Bill until he is able to submit an agreement, which he could then ask Parliament to ratify as provided by the State Trading Concerns Amendment Act. Then we would know the conditions of the agreement, what advantages the Government wants to get, and what advantages the farmers of this State were to get. I am prepared to give the farmers some consideration, but I do not believe that the Bill will assist them at all. By way of interjection the Minister has informed the Chamber that the agreement is to be for a term of 10 years. Before entering into the agreement I would like to know what is to happen at the end of the 10 years. I am prepared to support the Bill if the Minister will assure the House that at the end of the 10 years the Government will be prepared to make a transfer to the Westralian Farmers, Ltd. In that event the State would be relieved of a charge which will be extremely difficult to get rid of by any other means. The Bill itself has nothing whatever to commend it to the House at present. I am anxious to get rid

of the State trading concerns. The Government have no right to enter into competition with the taxpayers, over whom a State trading concern has great advantages. I am prepared to help the Government to dispose of the State trading concerns by any reasonable means.

The Minister for Mines: Hand over the railways to private enterprise!

Mr. LATHAM: That is only a catch cry. The railways are a public utility. If we had not Government railways, there would be very little agriculture in this State.

Mr. Sleeman: In other countries the Government do not own the railways.

Mr. LATHAM: Would the hon. member believe that half the railways in Canada are nationally owned? Probably that comes as a surprise to him. It is a fact, also, that about half the railways on the Continent are nationally owned. I am anxious to get rid of any State trading concern, but I do not class among the State trading concerns either the railways or the shipping service, because both these utilities are necessary for the development of the country.

The Minister for Works: They are both State trading concerns.

Mr. LATHAM: No. That is not the interpretation I put on them.

Mr. Marshall: You put on them an interpretation to suit your own political comfort.

Mr. LATHAM: I would not like to try to suit the hon. member's political comfort. If the Minister gives an undertaking that the Government will insert in the proposed agreement a clause selling to the Westralian Farmers Limited, at the end of 10 years, the State Implement Works, or such portion of them as will be subject to the agreement, at a valuation to be arranged, I shall be prepared to vote for the Bill.

MR. RICHARDSON (Subiaco) [4.57]: I think I am quite safe in saying that this Bill will go down to history as one of the most remarkable ever introduced into the Parliament of the State. We are faced with a small Bill, practically of one clause, which asks us to give the Government the right to invest £150,000 in a partnership with the Westralian Farmers Limited. We are not given any particulars whatever, and are therefore at a loss to decide—at least I am—whether it is going to be a good thing for the State or a bad thing. I can only consider the question in

my own way, and I have come to the conclusion that it is not going to be a good thing for the State, and that it will not assist the agriculturists, but that certainly it will help the Westralian Farmers Limited.

Mr. Panton: It is a good thing that somebody will get something out of it!

Mr. RICHARDSON: If the hon. member interjecting is prepared to throw away the State's money in assisting the Westralian Farmers, no doubt the Bill is a good thing in his opinion. If the passing of the measure would really assist a secondary industry, or assist the Westralian Farmers Limited or any other company, I would stand behind the Government and say, "Carry on." But it is not going to assist the manufacture of implements at North Fremantle so far as I can see, and therefore I am not disposed to help to carry the measure. The fact of the Bill being introduced is equivalent to two strong admissions. One of those admissions is that the State Implement Works have proved unprofitable up to date. The second is that there is a lack of organising ability in the Government service to create a proper sales department. Otherwise what would be the reason for going into partnership with the Westralian Farmers Limited to sell our own goods? Surely there must be in Government employment someone capable of organising an up-to-date sales department. The Bill seems to set out that we have no such thing, or that it has been tried and has proved a failure.

Mr. Panton: Will it not eliminate a large competitor?

Mr. RICHARDSON: No.

Mr. Panton: Of course it will.

Mr. RICHARDSON: It is necessary to pay salesmen, whether we enter into a partnership or run the business ourselves. Probably the Westralian Farmers have the necessary organising ability to create their own up-to-date sales department, but surely we have at least someone in the Government departments who could do that for the State! That would do away with the necessity for any partnership whatever. There are one or two things that anyone entering into a partnership, either individually or by way of amalgamation of companies, would require to know. The Minister told us that the capital of the company to be formed will be £300,000. I do not know whether it will be subscribed capital, or

whether it will be merely nominal capital. Probably the Minister will be able to tell us just how much the Government will have to take out of the Treasury in order to open up a new account for the new firm. Perhaps he will be able to tell us how much the Westralian Farmers will have to provide.

Hon. W. J. George: If the Bill is passed the firm will be able to get an overdraft anywhere.

Mr. RICHARDSON: In all probability the business will be worked on an overdraft. It is considered sound business to work on that basis. There are a number of particulars that should have been placed before the House when members were asked to agree to this Bill. I would not enter into a partnership with anyone unless I were fully seized with the position of my prospective partner, and I had given him full knowledge of my own position as well. That would be merely fair. Members are here to assist or oppose the passage of legislation, as they may think proper. In this instance we are not in possession of evidence that should be forthcoming. According to the Minister's own statement, no one in this House knows what the agreement will be between the two partners.

Hon. G. Taylor: The member for Beverley knows a bit about it.

Mr. RICHARDSON: That hon. member is not present, but it is true that he seemed to know something about it. As he is a director of the Westralian Farmers Ltd. that would seem to prove that some discussions have taken place between the Government and that firm.

Hon. G. Taylor: And in his presence.

Mr. RICHARDSON: That is so, and we are entitled to know just how far those discussions have gone and what agreement, even though it may be a tentative one, has been arrived at.

The Minister for Works: Did I not tell you that?

Mr. RICHARDSON: The Minister gave us some small idea about the business.

The Minister for Works: I gave you everything.

Mr. RICHARDSON: Although the Government have found it impossible to sell their machinery and other articles turned out by the State Implement Works, it appears to me that if the Westralian Farmers Ltd. are so seized with the idea that they can

make a profit out of the sale of State-manufactured machinery, they would not seek to enter into a partnership agreement with the Government. Surely a simple agreement could be drawn up between the company and the Government giving the Westralian Farmers Ltd. the right to sell State implements throughout Western Australia. Having done that, the firm could then go ahead, after appointing their sub-agents throughout the country districts. That is all that would be necessary. It is suggested that by assembling at North Fremantle various machinery brought here in case lots, that machinery will be available more cheaply to the agriculturists. If I know anything about business, I predict that whatever profit is made out of the transaction will not go into the pockets of the farmers, but will merely serve to add to the receipts of the new company, which it is proposed to form. I cannot for the life of me see how it will be possible to make such profits out of this scheme as to enable prices to be reduced to the farmers, merely on account of the assembling of parts at North Fremantle. It is well known that many machines made at the State Implement Works did not prove satisfactory to the farmers of this State. There are some imported machines that are regarded as much better. The mere fact of entering into a partnership with the Westralian Farmers will not make the State Implement Works machinery any more acceptable to the farmers, nor will it mean an improvement in that machinery. I venture to assert that the Westralian Farmers Ltd. will not attempt to push State implements on to farmers who desire to procure Sunshine harvesters, or some other machine manufactured in the Eastern States or elsewhere. If the Government are looking forward to increased sales, I think they are doomed to disappointment. I have yet to learn that we will gain anything as the result of the proposed partnership. The Minister has not given us any indication along those lines, but I think the member for York (Mr. Latham) was rather pessimistic in his view of the position, because I take it that the Government will watch our interests. It was suggested that the Westralian Farmers would swallow up the State Implement Works in due course. I do not know that that would be a good thing.

Hon. W. J. George: They will have the selling part of the business.

Mr. RICHARDSON: I am afraid this proposal will defeat the very ends the Government have in view, because I believe the Minister for Works is trying to save the State Implement Works. That is his ambition, but I cannot see how the works will profit as a result of this partnership scheme. If we cannot improve the type of machinery turned out at the State Implement Works, the sales of our implements will not be increased. If the Government have £150,000 to spend, I think it would be far better to either sell the works straight away, or to re-organise the whole of the concern by bringing in new machinery and commencing manufacturing on an improved basis altogether. In achieving that objective, £150,000 would go a long way. I believe the only assistance that will be rendered under the Bill will be to the Westralian Farmers Ltd., who will secure full control over the sale of State implements. On top of that, the Westralian Farmers Ltd. will benefit in other directions, because there is always an indirect gain by means of a combination with a Government. In this instance it will give the Westralian Farmers Ltd. a higher status than they possess today. The State Implement Works have not been able to compete against the products of outside firms. Even as the result of this scheme, the works will not be able to compete to any greater advantage than in the past, and consequently under the partnership our machines will merely fall into line and will serve to become part of the selling agencies of a company already engaged in disposing of interstate and overseas machinery in competition with our local article. It will also result in competition against people who have spent thousands of pounds in building up their own businesses in Perth, for the purpose of providing machinery and accessories necessary for our farmers. I do not think that is fair. I fail to see how we can benefit in any shape or form under the provisions of the Bill, and I hope it will not be passed. In the Bill it is suggested that we shall agree to something I have not heard of before in any part of Australia, namely, that the Government of a State shall enter into partnership with an outside company. I shall vote against the second reading of the Bill.

MR. BROWN (Pingelly) [5.8]: When the State Implement Works were first established I, as a farmer, felt that at last something had been done to directly benefit the farmers. At that time there were many State trading concerns, but with the establishment of the implement works, it was freely stated that the result of that trading concern would be that farmers would get their requirements provided much more cheaply than was possible by purchasing imported goods from the Eastern States or elsewhere. Unfortunately that prediction was not fulfilled. Why was that so? What was wrong with our works that they could not produce an article equal to those turned out in the Eastern States? I would like to probe that question to the bottom, but I am afraid it is rather hard to do so. There must be something wrong with the position when we remember what happened in the past. The State Implement Works were able to turn out a harvester that was a very good machine and we were able to get it much cheaper than by importing from the Eastern States. Then they were supposed to buy May's patents and that machine was considered to be a good one too. All those patents were added to the State machine, and yet when it was sent out, it was not so satisfactory. If that be so, why in the name of goodness cannot the State Implement Works manufacture a machine that will be popular with the farmer? Something is wrong somewhere.

Hon. G. Taylor: Was the machine wrong or was it the price that was wrong?

Mr. BROWN: The machine was wrong: I do not think the price was any cheaper. The State had an advantage over the private companies because there were hundreds of clients on the books of the Industries Assistance Board. I do not know that those clients were directly asked to take State harvesters. It is possible that the inspectors may have suggested that course to them, but I am pleased to know that nowadays those who are on the books of the board have the privilege of buying the machines they desire. Although in those days the State had the advantage of the custom of those Industries Assistance Board clients, what was the result? The sale of the implements turned out by the State went down almost to zero.

Mr. Sleeman: Who said that?

Mr. BROWN: The Minister said so himself.

The Minister for Works interjected.

Mr. BROWN: I admit that the State Implement Works can make horse rakes, windmills, and so on, but there is not much in that. They are articles that practically anyone can make. They turned out a good plough, but there are ploughs equally as good to be procured from the Eastern States. Much the same thing can be said about the windmills. As for horse rakes, any blacksmith in the country could turn out just as good an article. When moving the second reading of the Bill, the Minister said that when the company was formed, the Westralian Farmers Ltd. would act as agents and they would be compelled to act as agents only for the machines manufactured at the State Implement Works. In the next breath, we were told that machines that will be imported will be assembled at North Fremantle.

Hon. G. Taylor: The Minister told you that.

Mr. BROWN: Of course he did. What will be the result if the Westralian Farmers handle the imported machines as well as those manufactured by the State Implement Works? I am rather surprised at the Minister's statement.

The Minister for Works: You are a bit mixed.

Mr. BROWN: We are told that there was no agreement yet, but the Minister must have some idea of what will obtain, otherwise he would not have introduced such a measure. The member for Murray-Wellington (**Hon. W. J. George**) predicts that this move will mean a direct loss to the State if we hand over part of the works to the Westralian Farmers Ltd., and that the people will be the losers and the Westralian Farmers Ltd. will be the gainers.

Hon. W. J. George: I should think so if I were in their place.

Mr. BROWN: I hold a different view. If the works turn out machines for which there is no sale, even with agents throughout the country districts, what will be the result? I can see only bankruptcies ahead under such conditions. The State Implement Works are not manufacturing farm implements exclusively. They are manufacturing other things also. There may be breakdowns of the machinery of steamers in the harbour or in other

plants, and I understand the State Implement Works are the only works in the State able to cope with such emergency. But of course that is not manufacturing farming machinery. I learn from the Minister that they are not going to hand over that part of the works to the Westralian Farmers, that they are not going to hand over the making of anything. The Westralian Farmers seem to have the impression that the State Implement Works will be handy for the assembling of the imported machines for which the firm are agents. I do not know whether the Westralian Farmers are going to work in conjunction with the State Implement Works in the manufacture of implements, or whether they are merely going to get their profits from the assembling of imported machines in the State Implement Works. If those works are not paying, it would be better to sell them outright. If the Westralian Farmers think they could make a success of the State Implement Works, let them purchase the concern straight out. As for the Government working in partnership with a private company, I have never heard of such a thing. There will be three directors from the Westralian Farmers and three directors from the State Implement Works, and those six directors will all have to be paid. The three from the Westralian Farmers will be watching the interests of their firm, while the other three will be constantly watching the interests of the State Government. And if there should be any disagreement between them, I suppose an arbitrator will have to be called in.

Mr. Latham: The Minister for Works will be the arbitrator.

Mr. BROWN: Is that in the Bill? Anyhow, I should not like to be the Minister who will arbitrate in such a contingency. I take it that in all Bills brought before the House the Minister must have discretionary powers in case they are needed. We want to inquire why the State Implement Works are not paying. Suppose you are going to manufacture a given article. Certain machinery will be required to begin with, fairly expensive machinery. I know a little about this, because at one time I was in the line myself. Unless that expensive machinery is working to full capacity it is impossible to make it pay. If it is to be worked only two or three months in the year, and if it

is to lie idle for the remainder of the year, it will be impossible to make a profit out of it. It has been said that if the Westralian Farmers acquire the State Implement Works they will be in a position to place the manufactured articles through their country agencies at a greater rate than is possible at present. The Westralian Farmers are now agents for the State Implement Works.

Mr. Mann: They were.

Mr. BROWN: Then they are not now? I suppose Dalgety's or some of those firms must have the agency now. The member for York said the State Implement Works would be handy for the manufacture of spare parts of imported machines. But if they manufacture those spare parts, they will have to manufacture them for a machine that does not belong to the company at all. The Westralian Farmers may be the agents for a machine for a couple of years. Then all at once they throw over that agency and acquire the agency for another machine.

Mr. Latham: They are not patented.

Mr. BROWN: But the local agents out in the country towns who are handling that machine will object at once. It is well known that agents for an imported article make their profits out of the parts.

Mr. Griffiths: By Jove, they do!

Mr. BROWN: And if such an agent finds that another company is manufacturing those parts, there will be trouble straight away. So I do not place any value on the manufacturing of parts for those machines. For one thing it will require a great deal of trouble and expense to get the moulds for those parts, which would not be altogether desirable. To a certain extent our party are freetraders and believe that all farmers' requisites should come into the State as cheaply as possible, so as to encourage greater production. Every one of us, the whole of the Country Party, have been fighting for a reduction of the tariff. In view of that, this action of the Westralian Farmers strikes me as being most peculiar. For instance, when they are up to their necks in those works and are manufacturing implements, and they find outside competition coming in trying to undersell them, it is quite possible the Westralian Farmers will be waiting on the Minister and asking him to put some restriction on the importation of those machines. I am surprised to know that the Westralian Farmers

would ever think of acquiring the State Implement Works. If private enterprise would undertake the manufacture of machines, and if after they had been running the factory for a certain time they discovered that it was not paying, how long would they last? It would be impossible for them to last long. But unfortunately under State enterprise every taxpayer in the State has to bear his share of the loss shown by those works. The State Implement Works are making great losses. In those circumstances are they required at all? When first they were started it was said they were going to be of great benefit to all the people of the State, and that they would represent a secondary industry where men would be kept employed. But if the trade in the implements produced by those works has fallen away to such an extent, there cannot be many men still employed at the works. For no manager can keep men on doing nothing, and so those men would have to be put off. I have never been through the State Implement Works, but I take it that the number of men still employed there in the manufacture of farming implements is very few indeed.

Mr. Sleeman: They would be very few if you had your way.

Mr. BROWN: If the Westralian Farmers are of opinion that they can build up the State Implement Works and increase the output tenfold, then it will be beneficial to let the Westralian Farmers have those works.

Mr. Mann: Even if, later on, they will be asking for a high tariff.

Mr. BROWN: Perhaps so, but I am not saying that altogether. The Westralian Farmers is a company and I have an interest in it, and so for the time being I am looking in the direction of the Westralian Farmers' shareholders rather than towards the country.

Mr. Mann: Or even to the farming community.

Mr. BROWN: No, not to the farming community. That is a fact. The farmers and the State will have to get the benefit of it. If we can get a good machine that will do its work at a much cheaper price than that at which such machines are manufactured in the State it is beneficial to the State; because indirectly everybody gains through the farmers getting their crops off at less cost than they can at present. It means cheaper

production. The life of a machine is not very great. The taxation people reckon the life of a tractor at only five years. A harvester, with care, will last much longer, and a plough properly cared for and fully maintained with new parts will last a considerable time. So, too with every implement a farmer requires, except a tractor. If a tractor is kept at work pretty constantly, its life is not very great. I do not think the State Implement Works intend to make tractors or manufacture internal combustion engines. If they would do anything like that there might be some sense in it. Because we have to go with the times and cater for the public demand. At present there is a tremendous demand for tractors. Then there is the demand for motor cars, which we are not making in Australia. I really cannot understand why we are not making them. There is a high tariff on them, yet we are not making any motor cars, or at all events but very few, in Australia. All that is done is to bring the parts here and assemble them. One can go to Ballarat, visit McKay's and Bagshaw's and find they are making internal combustion engines, some of them very good indeed. But it is very peculiar that we should not be making motor cars in Australia. If we had the population and if the output from the State Implement Works were sufficiently great, then those works might be made to pay. But we have not the population, and so we cannot have the output for the necessarily expensive machinery that has to be installed in those works.

Mr. Latham: Do you not think they ought to make sewing machines?

Mr. BROWN: I do not know. There are lots of machines they could make. Not even we of this party, who believe in a low tariff, would raise any objection to a lot of machines being manufactured in Western Australia.

Mr. Pantou: We have good mechanics here.

Mr. BROWN: I am afraid they are not showing their skill.

Hon. W. J. George: Give them a chance and they will.

Mr. BROWN: Under the supervision of a foreman they might. What we require in the State Implement Works is a man of an inventive mind who could improve on the machines we are getting. Then we might get results.

Hon. W. J. George: What is required is new machinery to replace so much as is obsolete.

Mr. BROWN: It is bad policy to have obsolete machines in a place like the State Implement Works. Any up-to-date firm, immediately a new invention comes out, set about acquiring it. There is one thing I cannot understand: I believe that in the Midland Junction workshops we have a plant equal to anything in the world. Those workshops are doing work that is a credit to any body of artisans. Why is not that sort of thing done at the State Implement Works?

Hon. W. J. George: Because they have not the machinery.

Mr. BROWN: Why do they not get it? Is the Minister doing his duty by them?

Hon. W. J. George: The machinery would be there if they could get the money.

Mr. BROWN: Parliament should vote the money in order to give the works proper machines for the manufacture of articles that the public will buy.

Mr. Wilson: You would be the first man to oppose that.

Mr. Panton: No, he believes in State enterprise.

Mr. BROWN: The hon. member must have a vivid imagination. All my interests are in Western Australia, and I want to see the State prosper. No one regrets more than I do that the State Implement Works are not paying. Years ago I rejoiced to know that at last a factory was to be started that would be of direct benefit to the farmer, but it did not materialise. The Government are now only too anxious to get rid of the works. This is the thin end of the wedge, but they do not want to see the works closed down. The directors of the Westralian Farmers are clever men with considerable business experience, and they may be able to see where the leakage is and what is wrong with the works.

Hon. G. Taylor: They are only going to do the selling.

Mr. BROWN: I did not understand that. If they are going to manufacture only the articles already made at the works, what is going to be the result of these agencies?

Mr. Panton: That is not right.

Mr. J. H. Smith: It is what is proposed.

Mr. BROWN: That is what the Minister said.

The Minister for Works: It is what the member for Murray-Wellington said.

Mr. BROWN: I am sorry the works are not paying. I would rather see them sold outright. If the Westralian Farmers or any other company would purchase them, it would be more beneficial to the State than the suggested arrangement.

Hon. W. J. George: Quite right.

MR. LINDSAY (Toodyay) [5.33]: Two reasons have been given why this Bill should pass. One is that more men will be employed at the works, and the other that the farmer will secure cheaper machinery. I do not agree with either reason. The Minister and other members have agreed that the works, as far as the manufacture of machinery goes, have not been a success. That is demonstrated by the financial statement. It is also shown by the fact that instead of the number of machines sold having increased, it has decreased. The Bill is to amend the Act to allow the works to enter into the business of dealers in conjunction with the Westralian Farmers, and to become selling agents. I understand that the agreement will apply to the assembling of certain machinery.

Hon. W. J. George: There is no agreement.

Mr. LINDSAY: Probably the Minister knows something about it, though it has not been finalised. The member for Beverley says he has seen the draft copy. Before we pass this Bill we should not be left in the dark but should be informed of what we are doing. The Minister has told us what the agreement amounts to. The works are manufacturing certain machinery such as windmills, drills, cultivators, harrows, poison carts, roadmaking machinery, etc. I am partly responsible for the manufacture of that roadmaking machinery. I have a considerable quantity of their machinery on my own farm. In the early days of the establishment of the works, I tried to assist them. I have a windmill now in operation.

Mr. Sleeman: And a good one.

Mr. LINDSAY: Yes. I have two different ploughs and a set of barrows. One of the difficulties I found was that the plough, though a good one, contains too much material, and is on the heavy side. That is the only objection I have to it. The works have altered their ploughs, but have not improved their machinery. That is why they have not been so successful. They have not effected the improvements that other agricultural implement manufacturers in

Australia have done. The other firms in Australia appoint local agents who travel through the farming areas and get advice from the farmers. They analyse this advice, and a conference is held each year. The information they have gathered has been put into the machinery, which has been tried out by McKay's and other implement manufacturers. The brains of these manufacturers have made it possible for the people of Australia to continue wheatgrowing. Had it not been for their machinery, and the improvements that have been effected during the last 20 years, we should not be growing wheat at a profit. The State works have had a great advantage over other machinery manufacturers operating in this State. They have been able to manufacture on the spot, whereas other organisations have had to pay high freights on their machinery and had to charge a proportionately higher price than is charged for the same article in Melbourne. I have here the prices charged by McKay's. A stripper harvester in Melbourne costs £170, but the same machine in Perth costs £181.

Hon. G. Taylor: Is that because of the freight?

Mr. LINDSAY: It includes the extra cost of sending the machines over. Another factor is that the machine is fully built at the works, partially pulled down, packed in crates or packages, freighted over, and re-assembled on arrival. This extra cost is added to the price that is charged to the farmer here. A 20-disc drill in Melbourne costs £80, and in Perth £88 10s. This firm's drill, 16/33, costs in Melbourne £76, and I think the cost in Perth is £88 10s. This shows that we are paying considerably more for this imported machinery than the farmers in the Eastern States are paying. The State works should have been able to compete and sell on better terms than their competitors. The works, however, have not been efficient. Had they been efficient, instead of losing trade they would have built it up. For that reason it would be better for the State if the works were closed down. The Westralian Farmers have certain agencies such as the agency for Bagshaw's works in South Australia. They are going to handle that agency and assemble the machinery at the implement works. It is said that Bagshaw's machinery will be sent here in parts so that freight may be reduced. The freight on parts that are packed would not be as high as the freight on the completed

machines. The machinery will be put together on arrival. It is remarkable that even McKay's have not done this.

The Minister for Works: They are starting it now.

Mr. LINDSAY: I have seen machinery arriving at Fremantle in cases, and harvesters practically complete.

The Minister for Works: They are making a move in that direction now.

Mr. LINDSAY: They tried to make a move a few years ago but were not successful. I was with Mr. McKay when he came here and he explained the position to me. He was only too anxious to reduce the price of machinery in this State provided he could get certain conditions for its local manufacture. The State Implement Works have a certain number of men engaged in making machinery. The construction of these machines will be stopped, except in the case of ploughs and 50 per cent. of the harrows. The Westralian Farmers will act as selling agents. It is assumed that they will be able to influence farmers to buy the machines. I do not think, however, our farmers will buy machines if they do not like them or want them.

Mr. Sleeman: Country members are continually running them down.

Mr. LINDSAY: We have good reason for doing so. We could have said a lot more than we have said. One has only to look at the financial statement to see what has happened. I have shown the advantages the works have had in competition with other manufacturers of agricultural machinery. Not only have they not reduced prices but they have shown a huge loss in their trading operations. Farmers have been good to the works in enabling them to continue for so long. The Minister said that about a million pounds' worth of agricultural machinery was imported annually into the State, and that this agreement would be the means of keeping £500,000 of that in Western Australia.

The Minister for Works: Not £500,000 of that. The trade of the two propositions last year was nearly half a million, in addition to the other million.

Mr. LINDSAY: I do not know what the figures were for the State Implement Works, but I understand that McKay sends more agricultural machinery to Western Australia than all the other manufacturers combined.

The Minister for Works: You are wrong.

Mr. LINDSAY: That was my impression. The Minister says the works will still manu-

facture ploughs, and 50 per cent. of the harrows. I assume that the other 50 per cent. of harrows will be imported from Bagshaw's. The member for Pingelly spoke about the life of a tractor and about taxation. The Commissioner of Taxation considers that a plough will last 20 years. At that rate, a farmer would not be likely to require another plough for a considerable time.

Mr. Panton: That is the State Implement Works plough.

Mr. LINDSAY: That must be what the Commissioner was thinking of. I have never known a plough to last so long. Bagshaw's have a patent disc cultivator. I think it is called Gaston's patent. They are selling a good many in this State. I presume that that machinery and the plough would still be imported.

The Minister for Works: We are going to pay them a royalty and make them here.

Mr. LINDSAY: That will mean the employment of more men. There is apparently a fairly good plough, and quite a number are being sold here. I do not agree that the Bill will lead to a reduction in the price of farming machinery. The State works have proved conclusively by their financial position that they have not been able to manufacture machinery up to date in a successful manner. Then there is a question of spare parts. The member for York said they would be able to manufacture spare parts for the Case tractor. I have not seen the agreement.

Mr. SPEAKER: This is the hour for the conference with the Legislative Council on the Education Bill. I shall therefore leave the Choir during the conference, and the succeeding conference, and members will be summoned to their places by the ringing of the bells.

Sitting suspended from 5.45 to 9.8 p.m.

BILL—WATER BOARDS ACT AMENDMENT.

Conference Managers' Report.

THE MINISTER FOR AGRICULTURAL WATER SUPPLIES (Hon. J. Cunningham—Kalgoorlie) [9.8]: I desire to report that the Managers of the Assembly met the Managers of the Council and arrived at the following agreement: That the

Council's amendment No. 1 be amended by deleting the words "of sufficient capacity." That the Council's amendment No. 2 be amended by striking out all words after "land" in the second last line, and adding the words "such fact shall be taken into account when assessing the rate chargeable on such land." I move—

That the report be adopted.

Question put and passed, and a message accordingly transmitted to the Council.

BILL—EDUCATION.

Conference Managers' Report.

THE MINISTER FOR AGRICULTURE (Hon. H. Millington—Leederville) [9.10]: I desire to report that the Managers have met and agreed that the Council's amendment should not be adopted, but that Clause 16 be amended by adding the following new subclause:—

(4) Any complaint under this section shall be heard and determined by the Children's Court, and the procedure provided by Section 24 of the Child Welfare Act, 1907-27 shall apply.

The amendment applies to Subclause 4 of Clause 17, which the Assembly deleted. Instead of that clause the conference decided to substitute what I have just read. The effect of the decision of the conference will be that notice can be sent, and if the notice is ignored a summons can then be issued in the usual way against the parents. The proposal will bring the measure into conformity with the Child Welfare Act in respect of notices prior to the issue of a summons. We were satisfied by the Managers of another place—

Hon. Sir James Mitchell: But you have not satisfied us.

THE MINISTER FOR AGRICULTURE:—that the same procedure as is carried out under the Child Welfare Act can be carried out under the Education Act. The agreement arrived at simplifies the procedure.

Mr. Mann: By what process will the notice be sent?

THE MINISTER FOR AGRICULTURE: By post. Under the Child Welfare Act, when a notice is served, the child appears before the court. There is no difficulty about it. We are assured that these notices

are always respected and that there is no need for the issue of a summons. I move—

That the report be adopted.

HON. G. TAYLOR (Mount Margaret) [9.19]: It is rather strange that managers to a conference to discuss a dispute between the two Houses on an amendment to the Education Bill should take something out of the Child Welfare Act.

The Minister for Agriculture: The cases are tried in the Children's Court.

Hon. G. TAYLOR: It bears out the protest I made earlier in the week against such conferences. We do not know what arguments have been advanced to bring about this report. We discuss a Bill for hours in open Parliament and, because there is a dispute between the two Houses, we appoint managers. They sit from 7.30 to 9.15 p.m.—

Mr. Davy: They sat for only ten minutes.

The Minister for Railways: They sat from a quarter to six to six o'clock.

Hon. G. TAYLOR: I was confusing the two conferences. Evidently we are having legislation by conference. One of the managers discussed this matter with me weeks ago and pointed out that the provision was too drastic and that it should be altered to what the managers have suggested. Conferences decide these questions without any reasons being given for their decisions. I would like to know the arguments advanced at conferences, which are held in secret or, as I said before, in a dark chamber so far as the public are concerned. It is absurd if we are going to legislate like this, I do not know where we shall drift. I oppose the adoption of the report.

MR. LATHAM (York) [9.21]: I cannot understand why, after both Houses had agreed to Clause 16, the conference should decide to make an amendment to it. It is a most extraordinary procedure. If it is desired to amend Clause 16, the Bill should be recommitted so that the amendment may be made in a constitutional manner. I cannot see that it has any bearing on some parts of the clause. Clause 17 opens by providing that no person shall take into his employment or cause to be employed during school hours any child under 14 not exempt from school attendance.

The Minister for Railways: Subclause 4 appeared in the wrong place. That was pointed out at the time.

Mr. LATHAM: When another place asked us to make the amendment, that was the time to rectify it.

The Minister for Railways: You are reading Clause 17.

Mr. LATHAM: Yes; the clause that was in dispute.

Mr. Davy: It was not in dispute. Subclause 4 was in dispute, and that relates to practically every clause in the measure.

Mr. LATHAM: I admit it relates to other clauses, but it is the clause containing the subclause that is in dispute. Clause 16 is not in dispute.

Hon. G. Taylor: Clause 16 was never in dispute.

Mr. LATHAM: No, it was passed by both Houses. Clause 17 also provides that a person who takes a child into his employment or causes a child to be employed in contravention of this section shall be guilty of an offence. The subclause in dispute then sets out how the summons shall be served. That is the question. Yet we are asked to insert a provision for serving a summons in Clause 16 dealing with neglect to send a child to school. If a conference can discuss a question that is not in dispute, it is most extraordinary. I maintain that no portion of Clause 16 was in dispute between the two Houses at any time, and I should like a further explanation why Subclause 4 of Clause 17 was not amended.

MR. DAVY (West Perth) [9.25]: The dispute between the two Houses was as to the procedure in the serving of summonses and the payment of fees in connection with all offences committed under the measure. Offences are laid down in various clauses and in particular by Clauses 16 and 17.

Mr. Latham: In particular by Clause 17.

Mr. DAVY: In particular by both clauses. Subclause 4 of Clause 17 prescribes the procedure to apply not only to the offences under Clause 17, but also to the offences under Clause 16 or any other clause. This House, and the managers accordingly, considered that as far as possible the procedure in respect of all offences should be the same.

Mr. Latham: That it should be in conformity with the Justices Act.

Mr. DAVY: No, that it should follow a definite plan.

Hon. G. Taylor: That was the argument used by the hon. member himself.

Mr. DAVY: As a general principle, yes, but I do not think I mentioned the Justices Act.

Mr. Latham: You did.

Mr. DAVY: I spoke more generally; I said I thought all criminal procedure should be the same, and the House agreed. At a conference one is expected to try to arrive at an agreement, and that is impossible unless the managers are prepared to compromise.

Hon. G. Taylor: But you are not supposed to alter other parts of a Bill passed by both Houses and not in dispute.

Mr. DAVY: I say with due respect to the hon. member that Clause 16 was in dispute because the subclause we struck out covered both Clauses 16 and 17. It provided a certain kind of procedure to cover all clauses, and the effect of our amendment is to confine the operation to Clause 16.

Mr. Latham: Clause 17 is a very important one.

Mr. DAVY: So is Clause 16. What we have agreed upon in effect is that instead of Subclause 4 applying to Clauses 16 and 17, it will apply to Clause 16 only.

Mr. Mann: Why not to Clause 17?

Mr. DAVY: There was no conceivable argument for providing a special form of procedure in respect of a man who employed a child under 14 during school hours. On the other hand, it might easily happen that a parent could not avoid committing an offence under Clause 16 because that deals with neglecting, without reasonable excuse, to cause a child to attend school. It might easily happen that a parent had done his best to cause the child to attend and had failed.

Mr. Mann: But it was the procedure of service that was in question, as to whether it was an equitable procedure. Was not that the point?

Mr. DAVY: We were also unwilling to allow the method of procedure to apply to any offence. Therefore what we have done is to provide that for the particular offence under Clause 16, and Clause 16 only, the serving of the summons shall be just the same, but may be preceded by a written notice. That has been recognised in the

Child Welfare Act for some time. Incidentally, offences under Clause 16 are already under the Child Welfare Act, and are only able to be dealt with by a children's court.

Mr. Mann: The object is that the service shall be reasonable and fair.

Mr. DAVY: In connection with an offence under Clause 17, exactly the same procedure will have to be employed as is employed in respect of any other offence triable in a police court. With regard to Clause 16, however, we have allowed the provisions of Section 24 of the Child Welfare Act to apply, providing that no process shall be issued or served unless a notice has first been served upon or posted to such child. What we have agreed to, if the House accepts it, is that where a person is charged with having, without reasonable excuse, neglected to cause his child to attend a Government or other official school, before he can be summoned in the ordinary way a letter has first of all to be written to him. We are amending Clause 16 because the subclause in dispute affected both Clauses 16 and 17. We are saying that the subclause in dispute shall not affect Clause 17, and therefore we are shifting it to Clause 16, whereas it previously embraced both Clauses 16 and Clause 17. We are also altering it because it went too far. As a compromise we have agreed that before a man can be prosecuted under Clause 16, he must receive a notice, under that then, if he fails to appear on that notice, a summons in the ordinary way under the Justices Act shall be served upon him.

Hon. Sir James Mitchell: That is more costly.

Mr. DAVY: The whole object of the thing is to save expense, and I think it probably will save expense.

Hon. Sir James Mitchell: Under Clause 16.

Mr. DAVY: We do not think it ought to apply to Clause 17. We do not think any special procedure ought to apply to Clause 16. This House decided that this thing should not apply to either Clause 16 or Clause 17. We went to a conference upon that. The other place said, "This subclause of ours shall apply to Clauses 16 and 17." We said, "It shall apply to Clause 16 only."

Hon. G. Taylor: That was not in the message.

Mr. DAVY: Of course it was not in the message, but it is there.

Hon. Sir James Mitchell: The Government want a few fees.

Mr. DAVY: The subclause we are arguing about refers to Clauses 16 and 17. With all due respect to more experienced members, it seems to me that these conferences, so far from being inimical to good legislation, frequently lead to very fair compromises. At least that has been so in my short experience of the House. I do not think the managers have exceeded the bounds of their authority in the slightest degree. We have not gone outside the ambit of the clauses which are really involved. I think we have satisfied the other place, and at the same time have made a reasonable compromise. If every conference resulted in such a good compromise, we would be encouraged to have more of them.

HON. SIR JAMES MITCHELL (Northam) [9.35]: This House, as the member for West Perth said, agreed that Subclause 4 of Clause 17 should not be agreed to. We went into conference on that. I think the subclause ought to be agreed to. However, the managers have cheapened procedure for the parent under Clause 16, and have left the more expensive, though not more effective, method to Clause 17.

The Minister for Railways: To apply to more serious offences.

Hon. Sir JAMES MITCHELL: On the part of the parent.

The Minister for Railways: No; on the part of the man employing the child.

Hon. Sir JAMES MITCHELL: As regards the parent too. It does not matter whether the child is employed by the parent or by anybody else. All of us who think that the amendment suggested by another place ought to be agreed to, must agree to this proposal, even if it does not go so far as we wish.

MR. GRIFFITHS (Avon) [9.37]: While I believe the compromise to be good, I think there is a good deal in the objection of the member for York. His objection is that a clause already passed should not be altered without being recommitted in this Chamber. I heard a member remark just now that if we go on in this way, we might as well select half a dozen members from each

Chamber and in other respects abolish Parliament.

Question put and passed, the report adopted, and a message accordingly transmitted to the Council.

BILL—ELECTORAL DISTRICTS ACT AMENDMENT.

Council's Amendment.

Bill returned from the Council with an amendment, which was now considered.

In Committee.

Mr. Lutey in the Chair; the Minister for Railways (for the Premier) in charge of the Bill.

The CHAIRMAN: The Council's amendment is as follows:—

That a new clause be inserted, to stand as Clause 4, as follows:—‘Subsections 1 and 2 of Section 2 of the principal Act are hereby amended by the insertion after the words ‘Chief Electoral Officer’ of the words ‘or the Commonwealth Electoral Officer of Western Australia.’ ’

The MINISTER FOR JUSTICE: Subsection 1 of Section 2 of the principal Act reads as follows:—

The Governor may appoint three electoral commissioners, one of whom shall be a judge of the Supreme Court, and shall be chairman, and the other commissioners shall be the Surveyor-General and the Chief Electoral Officer.

Subsection 2 of the same section provides—

The Governor may, in the absence of the chairman, appoint some other judge to act as a commissioner in his place, and may appoint any fit person to act temporarily as a commissioner in place of the Surveyor-General or the Chief Electoral Officer.

The Chamber is aware of certain circumstances which have arisen in the Electoral Department. Hon. members know that the Chief Electoral Officer will be unable to carry out his duties by reason of the fact that he has resigned. It may not be possible to get a man of the necessary experience to replace the Chief Electoral Officer immediately. In these circumstances it was thought desirable, as regards the report to be made by the commissioners under this Bill, to ask the permission of the Commonwealth authorities for the Commonwealth Electoral Officer of Western Australia to be appointed under this measure for the

purpose of carrying out the duties which otherwise would be carried out by the Chief Electoral Officer of Western Australia.

Mr. Griffiths: I suppose our Chief Electoral Officer is out of court?

The MINISTER FOR JUSTICE: I do not think it desirable that an officer who has resigned should act on a commission of this kind.

Mr. Mann: Is not there a subordinate officer in the State service who is considered capable?

The MINISTER FOR JUSTICE: That is not certain, and such an appointment would be hardly desirable. For instance, an acting Chief Electoral Officer might be appointed by the State for the time being. The Government do not desire to rush the Public Service Commissioner in making so important an appointment. Possibly two or three months might elapse before the claims of the various officers whom the Public Service Commissioner might regard as eligible for the position could be fully considered. In these circumstances the whole matter would have to be delayed. Again, if the acting officer did something which might be considered satisfactory to the Government, it might be argued that he would receive an appointment on that account. On the other hand, if he did something which might be construed as against the Government of the day, it might be argued that that circumstance would affect his obtaining the appointment. It is thought that the Commonwealth Electoral Officer of Western Australia, thoroughly understanding as he does the position as regards subdivisions and the distribution of population, is excellently qualified for a place on the commission, more especially as he is entirely free from Government control, absolutely independent. On the other hand, if there is a State Chief Electoral Officer appointed meantime and the Government consider him qualified to undertake the duties of a member of the commission, he may be appointed a commissioner. However, the Government wish to avoid delay in the matter of the commission, a delay of possibly five or six months. It is desirable that the matter should be expedited in the manner proposed, if necessary.

Hon. Sir James Mitchell: The Government will be able to make their choice between the two electoral officers?

The MINISTER FOR JUSTICE: If there is a State Chief Electoral Officer appointed, he will probably be appointed to the commission. I think it is the desire of the Chamber that the work of the commission should proceed at the earliest possible opportunity, so that finality may be reached in regard to the boundaries of electoral districts and so that members may be in possession of the facts relating to the boundaries. The Government are anxious to accede to the wish of the Chamber, so that members may have an opportunity of considering the commission's report. In these circumstances we do not desire any delay. We have available the services of an officer who is capable of carrying out the work. There is no suggestion that the Commonwealth Electoral Officer for Western Australia is not capable. Everyone knows the gentleman referred to, and is aware of his capacity. He has been in charge of the Commonwealth electoral matters for six or seven years in this State, and if anything, he is much more independent of the Government than our own Chief Electoral Officer would be.

Hon. Sir James Mitchell: You are not suggesting that he would consider the Government, I hope!

The MINISTER FOR JUSTICE: No.

Hon. Sir James Mitchell: I hope all the gentlemen concerned on the commission are just honest men.

The MINISTER FOR JUSTICE: Of course: I do not suggest anything to the contrary. That was not in my mind at all. The Commonwealth Electoral Officer has carried out similar work in connection with the redistribution of seats for the Commonwealth, which has to be undertaken every ten years.

Hon. G. Taylor: Was the officer you have in mind the one who undertook that work in Western Australia on the last occasion?

The MINISTER FOR JUSTICE: He was the officer in charge of the Perth subdivision and collaborated with the Chief Electoral Officer for the Commonwealth.

Hon. G. Taylor: There was a lot of dissatisfaction with that redistribution when it was referred to the Federal Parliament.

The MINISTER FOR JUSTICE: I do not know that any redistribution would be received with open arms in the circumstances.

Hon. G. Taylor: If you remember, they amended it.

Hon. Sir James Mitchell: Does the amendment mean that you will be able to make

your choice between the State officer and the Commonwealth officer?

The Minister for Mines: But there is no State Chief Electoral Officer!

Hon. Sir James Mitchell: But there will be one.

The Minister for Mines: The Government do not make such appointments, and no one knows it better than you. The Public Service Commissioner will make the appointment.

The MINISTER FOR JUSTICE: The amendment was inserted by the Legislative Council at the instance of the Government, and now the Council ask us to agree to the amendment. I move—

That the amendment be agreed to.

Hon. Sir JAMES MITCHELL: I dare say that the Federal electoral officer can do the job just as well as our own Chief Electoral Officer, but there is a difference between dividing the State into five divisions and into fifty divisions.

The Minister for Justice: But the Federal officer had to deal with 50 subdivisions as well.

Hon. Sir JAMES MITCHELL: I have no doubt that the Federal officer can do the work, but I do not know why we cannot have a chief electoral officer of our own. Such an officer will have to be appointed, and surely there are some capable officers in our own Electoral Department.

The Minister for Justice: There are not too many of them. There is a very restricted choice in our own Electoral Department.

Hon. Sir JAMES MITCHELL: I know there are some capable men there.

The Minister for Justice: I think there are only about six altogether, and the Government do not desire to be restricted in their choice.

Hon. Sir JAMES MITCHELL: I have no objection to offer to the appointment of the Federal officer to do the work in the circumstances, especially in view of the fact that the Minister says we have no one in our own Electoral Department who is capable of doing the work as well.

The Minister for Justice: No, I did not say that at all. I said that there might be some delay in making the appointment and that the House did not desire any delay.

Hon. Sir JAMES MITCHELL: That is so.

The Minister for Justice: If there is any delay in making the appointment, everything will be hung up.

Hon. Sir JAMES MITCHELL: Of course, I agree that this work must be done at once.

The Minister for Mines: And that is why the amendment has been introduced

Hon. Sir JAMES MITCHELL: If we amend the clause as suggested, the Act will be amended for all time. There will then be provision for either the State Chief Electoral Officer or the Commonwealth Electoral Officer to be appointed to undertake this duty, but I presume that we will require to avail ourselves of the services of the Commonwealth officer on this occasion only.

The Minister for Justice: I do not think any Government would pass over their own Chief Electoral Officer.

Hon. Sir JAMES MITCHELL: Probably, in view of all the circumstances, it is just as well that the work shall be done on this occasion by the Federal officer, particularly if the Government are determined that they will not continue the services of the present Chief Electoral Officer until his successor is appointed.

The Minister for Justice: But we have no say in it.

Hon. Sir JAMES MITCHELL: The Government could arrange that matter easily enough.

The Minister for Works: Is that the way you used to do things?

Hon. Sir JAMES MITCHELL: The only way we did things was the honest way, and we did not go outside our own departmental officials when making appointments. I would like to review the appointments made by the present Government, for it would make interesting reading. In this instance, we understand that the Chief Electoral Officer asked to be retired and the Government agreed to his request.

The Minister for Justice: No, the Public Service Commissioner accepted his request to be retired.

Hon. Sir JAMES MITCHELL: No, the retirement was accepted by the Executive Council, on the advice of the Minister.

The Minister for Justice: No, on the advice of the Public Service Commissioner tendered to the Minister.

The Minister for Health: Do you object to the Government allowing the officer to retire?

Hon. Sir JAMES MITCHELL: I think the Government might have suggested to him that he should not retire just at this particular moment. Other officers have been asked to remain at their posts after they have reached the retiring age. The Crown Solicitor, for instance, has been asked to remain in his position by the present Government and by other Governments. Any Government would be foolish indeed to set aside an officer merely because he has reached 60 years of age. However, Ministers have decided to accept the retirement of Mr. Cooke, and apparently have made arrangements for securing the services of the Commonwealth Chief Electoral Officer. I do not know that we should object to the Federal officer undertaking the work, and I agree with the Minister in that direction. At the same time I do not agree altogether with his references to an officer who might be appointed in an acting capacity pending his permanent appointment. The Minister suggested that an acting man might offend the Government and that might affect his chances of receiving the permanent appointment.

The Minister for Justice: I did not say that; I said that it might be suggested outside that that position could arise.

Hon. Sir JAMES MITCHELL: Of course, officers are not appointed to please either the Government or the Opposition, but to carry out their duty to the country; and they should not take into consideration the effect of their actions when they considered they were doing right.

The Minister for Justice: Of course not.

Hon. Sir JAMES MITCHELL: The work that has to be undertaken is not a very difficult task.

The Minister for Justice: It requires considerable experience.

Hon. Sir JAMES MITCHELL: At any rate, I have no objection to offer to the proposal to appoint the Commonwealth Electoral officer.

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

Resolution reported, the report adopted and a message accordingly transmitted to the Council.

BILL—LAKE GRACE-KARLGARIN RAILWAY.

Returned from the Council without amendment.

BILL—DOG ACT AMENDMENT.

Council's Further Message.

Message from the Council received and read notifying that it did not further insist upon its amendments made to the Bill.

BILL—EDUCATION.

Council's Further Message.

Message from the Council received and read notifying that it had agreed to the report of the Conference Managers and had inserted the new subclause in the Bill.

BILL—WATER BOARDS ACT AMENDMENT.

Council's Further Message.

Message from the Council received and read notifying that it had agreed to the report of the Conference Managers.

BILL—STATE TRADING CONCERNS ACT AMENDMENT.

Second Reading.

Resumed from an earlier stage of the sitting.

Mr. LINDSAY: Prior to the suspension of the sitting, I was dealing with one phase of the question.

Point of Order.

Hon. G. Taylor: On a point of order. The member for Toodyay was addressing himself to the Bill when you, Mr. Speaker, left the Chair because of a conference that had been arranged to take place at 5.45 p.m. You, Sir, took the Chair again after the conferences were over. Further business was interposed, and we transacted business foreign to the subject matter of the Bill we were discussing when first the interruption came. I ask what will be the procedure now to put the hon. member in order?

Mr. SPEAKER: During the period of interruption we have discussed everything relating to the messages from the Council. Now we resume the discussion that was interrupted.

Debate resumed.

Mr. LINDSAY: Before the adjournment I was dealing with the manufacture of the spare parts for the Case tractor and I said I had not seen the agreement. The Minister for Works, by way of interjection, gave us some information when he said it was intended to manufacture Gaston ploughs by paying a royalty to the patentee. That in itself shows that before we decide the fate of the Bill we should see a copy of that agreement. I did not know of that point before, and I think other members also were unaware of it. Then the Minister interjected to the effect that the parties to the agreement had sold about half a million pounds worth of machinery. A fair proportion of the machinery that the Westralian Farmers sell is Case tractors, and they are not selling so many of them to-day as they did in the past. I fail to see where the State Implement Works will get any advantage from the proposed partnership. It has been said they are going to manufacture spare parts. At present, when a machinery firm sends around a man to overhaul a tractor, he takes out some of the worn parts and they are oxy-welded in Perth. But as for the State Implement Works making spare parts for the Case tractor, it can only be one of the outside parts having very little to do with the function of a tractor. I cannot believe that the Case people would allow any other firm to manufacture the more expensive parts of their tractor and put them into the machine. One point I stressed was that the State Implement Works had not been successful. I believe the reason for that goes back to the very inception of those works. Years ago, when a Labour Government were in power, they decided to start the State Implement Works. I believe a gentleman named Davis went over to South Australia and, unfortunately for this State, bought a lot of obsolete machinery and patterns. It has since been found that that machinery was very much out of date and that the patterns suffered from the same disability. Consequently the implements turned out have been very unsatisfactory, and the State Implement Works have not had a fair deal. I

should like to make it clear that anything I have said in this respect has nothing whatever to do with the present manager, Mr. Shaw, than whom in my opinion there is no man in Western Australia better fitted for the position. But if the State Implement Works had been owned by a private firm, that firm would have closed up the works long ago, or, alternatively, would have increased the capital, brought the factory up to date and so given it a fair chance to compete. I am not in favour of the Bill. I fail to see that it is going to do anything to increase the number of employees at the State Implement Works, or to cheapen the price of the implements to the farmers. I see no good reason for the proposed partnership. Moreover, we should not have been asked to pass the Bill without knowing all the facts and without having the agreement before us. After all, the Bill is a simple one, and the principal thing we should be discussing is the agreement, which we have not seen. Therefore I will oppose the second reading.

MR. GRIFFITHS (Avon) [10.5]: Last evening the member for Murray-Wellington said he thought the fixing up of this agreement would mean the breaking-up of the State Implement Works. If I thought it was going to result in bringing the State Implement Works up to date, I would vote for the Bill. I gather from the speeches that have been made that there is a good deal of haziness in regard to the Bill. One can quite excuse members for that. Speaker after speaker has declared that if we are to give an intelligent vote on the Bill, at least we should have the agreement before us, so as to see what the whole thing is going to cover. It is regrettable that the agreement has not been submitted to us, for it would give the Bill a chance to be more favourably received. I have heard various things stated here and hints thrown out, to which perhaps the House should not pay any regard. One interjection was to the effect that no doubt the money for this concern was being found by the Bagshaw people or by the Case people. I think we can give the Westralian Farmers credit for honesty when they tell us it is their purpose to start a company on much the same lines as the fertiliser company. Other members have said they have never heard of a Government entering into a partnership with a company

in this way. I remind those members that there is in Australia a Marconi Company, with which the Commonwealth Government have something to do. Then we have heard it said that the Imperial Government entered into an agreement over the Suez Canal.

Hon. G. Taylor: That was done irregularly.

Mr. GRIFFITHS: But it turned out to be a profitable arrangement for Great Britain. However, that aspect does not concern me, although it goes to show that members should have this agreement before them. It is something like beating the wind to keep on repeating that, but I am sure a majority of the members share my opinion. The Minister for Works the other evening, referring to the initiation of the State Implement Works, said there was no other implement works in operation. At that time I was representing the old institution which has since been merged into the Westralian Farmers Ltd., and I have a lively recollection of a considerable amount of business being done on the wheat belt by Hayden's who, at that time, were running the May harvester, which enjoyed a very good reputation. That harvester was taken over by the State Implement Works, and I cannot understand why it has lost its reputation since it got into the hands of the State Implement Works. Then there were Metters Ltd., who were selling harrows, ploughs, cultivators, windmills and many other requisites for the farm. I have a recollection of being shown over by the manager what was intended to be a very large enterprise launched by Metters Ltd. That extensive building at Subiaco, over the railway line, is all that now remains of that enterprise. But at that time Metters Ltd. had big proposals afoot of which, seemingly, the Minister was not aware. Pretty big operations were contemplated by the firm, but when the State Implement Works were started orders were given to stop the enterprise, and no further money was expended on it. Members of this party have a free hand in voting on the Bill. It is a plank of our platform that we should give every encouragement to co-operative enterprise and assist it in every possible way. But we are opposed to State trading concerns and in season and out of season have urged their abolition. We are also enjoined to keep strict watch on legislation affecting rural producers. One of the things advanced

here is that the starting of the operations of this partnership will mean a considerable saving to the farmers. We know that the agricultural machinery business of the State Implement Works has fallen off tremendously. At the same time the Westralian Farmers, possibly, are in a position to bolster up what is practically a bankrupt concern. But will the new departure bring about the reduction that is promised in the price of the spare parts of machinery that the partnership propose to make? We have no proof that this will be achieved. If the Bill is passed, we shall have to vote the money for the starting of these works, and that without knowing whether it is going to be beneficial to the farmers or whether the profits if any will go to the shareholders of the company, and whether any good is going to come out of it. Earlier in the evening the member for York said we should endeavour to encourage secondary industries. I am in accord with that. Anything that will encourage secondary industry should have our full support, provided it is on lines that will make for success. Shall we by this arrangement be encouraging co-operative enterprise? At the end of 10 years will the Westralian Farmers be in a position to take over the whole concern for the manufacture and assembling of implements? It is proposed at present that the company shall go in only for assembling certain machinery, and purchasing from the State Implement Works certain approved implements and parts to be agreed upon. At the end of ten years will the Government be in a position to pass out the subsidiary company and take the whole thing back into their hands? The member for Murray-Wellington said the business would be a good thing for the Westralian Farmers, and that the State Implement Works would have nothing left at the end of the term. If I thought this meant doing away with the State Implement Works and substituting for them something on the lines of McKay's Harvester Trust or Horwood Bagshaws, who have been able to make a success of their business, I would be inclined to support the Bill. I do not know why our union leaders have been so short sighted in connection with our own secondary industries. I recall an interesting speech by the member for Toodyay when he described how

he had visited the Sunshine Harvester Works and what he had learned there. He stated that the company had no strikes, and there were scores of men on the waiting list seeking employment at the works. That company attempted to start operations here. If men in Victoria are waiting to get employment with the company, I cannot see why our union leaders caused the McKay people to turn down their original proposition here. They were the means of our losing a valuable industry. McKay's Harvester has a reputation that is hard to beat. Evidence of its popularity is seen in the number of machines in operation in the wheat belt. If the proposed company could be carried on, as the Sunshine Harvester Works were carried on, or the Herwood Bagshaw works, I would support the proposal. The State Implement Works have not been successful. A good deal of that is due to the fact that we have not had payment by results. We adopt the fetish that we must pay to one and all alike an equal wage, and that the equal wage must be paid to the man who does not pull half his weight. That is the reason why many of our enterprises have not succeeded. If we desire to encourage secondary industries we must introduce a different spirit. The same method must be adopted here that is adopted elsewhere, namely, payment by results. I do not feel inclined to support the second reading. In season and out of season I have advocated the abolition of State trading concerns. Although I should like to encourage co-operation in this centre, especially if I thought it would be for the good of the farmers who are mostly concerned, to be consistent I shall vote against the second reading.

MR. MANN (Perth) [10.20]: By way of interjection I asked the member for Beverley which party first moved to bring about this agreement. He did not reply.

Mr. Latham: I do not suppose he knew.

Mr. MANN: He said he was a director, and that he had seen an agreement of some kind.

The Minister for Works: He said a draft.

Mr. MANN: The Leader of the Opposition said last night that if the Government had decided to lease these works they should have advertised them, and called for tenders, with a view to giving other companies an

opportunity to bid. One is inclined to think that the first move must have come from the Westralian Farmers.

Mr. Brown: It did not.

Hon. G. Taylor: The Country Party seem to know all about it.

Mr. MANN: Probably the hon. member knows. He said he was a shareholder. Two years ago when the Minister was speaking on the Estimates he was sanguine about the ultimate success of the Implement Works. He told us of the importation of a works manager, and about a sum of money being laid out in new machinery to bring the works up to date with a view to enabling it to turn out machines equal to those in the other States. We have not been told whether that project has failed, or why it has failed. If it did not fail we have not been told why the Minister desires to enter into partnership with the Westralian Farmers. I am not as sanguine as the Minister about the increased employment at the works. I am convinced that whatever the number of employees to-day is, after the amalgamation the number will be reduced by at least 50 per cent. I fail to see of what use highly trained artisans such as engineers, moulders, pattern-makers and others will be in the construction of ploughs. When the works cease to construct drills and combination machines, there will be no further employment for those men. Engineers, moulders and turners will not be required. There will be left only blacksmiths and labourers attending on the blacksmith's forge in the plough construction department. The number of men employed in the assembling department is uncertain. The Herwood-Bagshaw machine is a new one, and has not made great headway. I do not know what the agency is worth. These machines have yet to be established. No doubt the Minister took all that into consideration when considering the agreement. Members are placed at a disadvantage in not knowing what the document contains.

The Minister for Works: Why? What is there likely to be in the agreement that you wish to know? I think you know all about it. I have told you all I know. What is the point?

Mr. MANN: We have to admit it is the Minister's province to make the agreement.

Mr. Latham: What will happen at the end of 10 years?

The Minister for Works: What usually happens at the end of any agreement?

Mr. MANN: We are being asked to sign a blank cheque, to give the Government authority to enter into an agreement that will cost the country £150,000.

The Minister for Works: What do you mean?

Mr. MANN: The Minister must have changed his mind considerably in connection with the Westralian Farmers. I remember when a Bill was going through some time ago, referring to this company. The Minister's criticism was very strong about it, and about its ability to carry out the particular work involved. He said on that occasion—

In this Bill the Minister makes provision for the appointment of the Westralian Farmers, Limited, as wheat acquiring agents, and I ask what will happen if the firm are unable to carry out their obligations.

Mr. O'Loughlin: Suppose they should become insolvent.

Mr. McCallum: Yes. What would happen then. Such things have been known to occur. Firms have previously got into financial difficulties.

The company were only to get the privilege of £15,000, but the Minister for Works is now going to advance them £150,000.

The Minister for Works: I am not advancing them a penny.

Mr. MANN: He is going to advance £150,000 jointly with them.

The Minister for Works: They have to put up pound for pound with the Government.

Mr. MANN: The Minister says that, but the member for Beverley last night said the money would be found as required.

The Minister for Works: That is what I said.

Mr. MANN: The Minister went on to say—

The desire is that the Government should finance the Westralian Farmers, Limited, in the same way as they have financed the wheat growers.

Members of the Government were then in opposition. They were very much concerned about this company, its financial position, and its ability to carry out a contract not nearly so large as the present one. The Minister continued—

Before I will agree to the name of that firm being included in the Bill, I want to see some provision made so that the firm shall pay the wages of the men who are doing the job.

Hon. G. Taylor: Under this Bill they are only salesmen.

Mr. MANN: The Minister for Lands, when speaking to that Bill, said—

In my opinion, and in the opinion of the great majority of the people of the State, the only reason why the Westralian Farmers' Limited, are getting this special privilege is because of the influence of the Country Party in this House. But for this the Westralian Farmers, Limited, would receive no consideration above other institutions of the same kind.

That is the point made by the Leader of the Opposition last night, when he said that if the Government desired to obtain a partner they should have called tenders, and given other companies or firms engaged in the same line of business the same opportunity as the Westralian Farmers to put in a tender. That was the point raised by Mr. Troy when he was sitting on this side of the House. He said—

I see no reason why the commercial side of a political organisation should be given a special concession by Parliament, as a result of which they would enjoy advantages over other sections of the community. If Dalgety's or Elder Smith's, or any other trading corporation had in Parliament the influence by representation which the Country Party have, that organisation and not the Westralian Farmers Limited, might get the special treatment.

Then the Premier, when Leader of the Opposition, criticised the Bill in these words—

There is no justification for throwing away £15,000 just to keep a company afloat. An hon. member has stated that the Westralian Farmers, Limited, last year made only £13,000, from which it is to be inferred that the wheat acquiring contract has been the means of keeping the company afloat. I shall vote for the amendment, and I shall always oppose the wretched principle of combining politics and business with a view to ruining other traders or driving them out of business.

The whole of the criticism then was against this company being given a concession to handle wheat and those members who criticised that Bill and the concession it contained, are now giving a concession to the same company to handle agricultural implements. The first that is known of the agreement is when the Minister referred to it on the introduction of the Bill. We have not been told who made the first move towards bringing about the agreement, whether it was the Minister or the Westralian Farmers.

Mr. Marshall: What difference would that make?

Mr. MANN: If the Minister found that the implement works were in trouble and wanted somebody to get them out of their trouble, he should have given other firms the opportunity to submit tenders. If, on the other hand, the Westralian Farmers approached the Minister, the Minister should have said, "The works are a burden to the Government; we desire to get rid of them, but I am not going to give one company the privilege: I intend to invite tenders. There is a possibility that the Westralian Farmers will not carry out their part of the contract, though I hope they will, and as the Bill has gone so far, I wish the Minister success. I am not one of those who want to see a failure. At the same time I do think that the Minister would have acted more in the interests of the State if he had given other concerns an opportunity to enter into the partnership. Others might have been prepared to offer better terms than the Minister will eventually get from the Westralian Farmers. The Minister has not told us why that company was chosen. Anyhow, I am not too sure that the agencies they have are worth as much as the implement works. I hope the Minister will take that into consideration when finalising his contract with them. If the amalgamation will mean that the works will pay in the future, that more men will be employed, and that more machines will be made, then perhaps the contract may have been worth while. All the same I can see a great deal of trouble ahead, and I doubt whether the future of the implement works will be any brighter.

HON. G. TAYLOR (Mount Margaret) [10.35]: The Minister referred to the deplorable position of the implement works and set up the excuse that those works had tried to do too much, that they had gone in for a too varied class of work. Had they confined their attention to one or two, or even three classes of implements used in connection with farming, success might have attended the operations. It seems strange to me that the Government of the day whose policy, for many years, has been nationalisation of industries, should now be prepared to take in a partner with deep-rooted private enterprise principles. But the change may prove good and may lead to enlightenment amongst that section of the community known as the Labour movement, who claim

for themselves the right to lead democracy all over the country. It is pleasing to know also that those new-fangled ideas that many of us in our younger days entertained as the result of reading the literature that was circulated on the subject, and which ideas we all thought were so admirable when applied to the State control of industry, are now going by the board. We have put those ideas into practice in this State, and in the words of the Minister for Works we have utterly failed, so much so that we are taking in as a partner a private enterprise, and on that partner we are to depend for the future success of our implement works. The Minister told us that the works would be used for the assembling of machinery made elsewhere, and he argued that the salesman section of the partnership would not be compelled to take all our machinery unless it was of good quality. We have not been able to compete with the markets of the world, not even with the Eastern States with our implements. If we had been successful there would not have been any necessity to take in a salesman partner. The Minister by way of interjection told us last night that we had not lost anything on the implement works or in fact on the trading concerns. I have looked through the Auditor General's report and if hon. members turn to page 49 they will see some interesting references to the trading concerns. I presume the Auditor General wrote his report after having access to the books and that all the dockets were scrutinised. What does he say? He gives a summary of the main features of the accounts of the State Trading Concerns from their inception to the 30th June, 1928 and deals with the sawmills, the shipping services, the implement and engineering works, the meat works, the brickworks, etc. The total profit is given as £367,715 and the loss as £1,363,937. Against the implement and engineering works in the profit column there does not appear anything, but in the loss column the figures are £156,044. Lower down the Auditor General writes:—

Implement and engineering works: in addition to the liability shown the capital of the concern was written down by £120,140 as at the 30th June, 1917. The loss does not include £23,978 by which the book value of plant and buildings was written down as at 30th June, 1917.

Those two amounts added give us a total of over £300,000 that has been lost on the State

Implement Works. According to the Bill, that sum was lost because we had no salesman to put our products on the market. Now we are entering into partnership with people who have nothing to offer us except their capacity to sell, or to put farming machinery on the market, augmented perhaps by their close association with the primary producer. The Minister told us that the amount of machinery imported from overseas and from the Eastern States ran into over a million of money. That, I suppose will be cut up between the partnership. It will be assembled at the implement works and the salesman section of the partnership will put it on the market. I do not know whether we shall be more successful in the manufacture of machinery than we have been in the past, but we are pinning our faith to our partner to sell the machinery. According to the Minister a portion of the works is to be set apart for assembling purposes. I fail to see how we are going to be successful. We must improve our State implements. We must be able to put on the market machinery that will suit the farmers, and if we do not produce suitable machinery, we cannot compel the partnership to take it. According to the speech delivered by the Minister it has been agreed by the companies in the Eastern States or by their agents in this State to bring in their machines in parts and assemble them here, while the Westralian Farmers Ltd., who are to enter the partnership, will have the agencies and will sell the machines. If we cannot produce better machinery than we are turning out to-day, we shall not be able to compete with the implements sent from the East and assembled here. The Minister said the partnership would undertake not so much the making of machinery as the assembling of machines made elsewhere. The Bill gives power to handle all sorts of machinery. In fact, I do not know where it would end. All classes of machinery would come under the Bill. Someone suggested sewing machines and motor cars. I say without fear of contradiction that motor lorries and motor tractors would come in the category of machinery. The motor tractor certainly would, because it is an essential machine on the farm to-day. We have no proof that the local output will not be decreased as a result of this measure. According to the Minister, we shall be able to make ploughs and harrows and implements of that kind. He said we

could make such implements well, although members who are farmers and have used them told us that there is room for considerable improvement in State implements. I am not in a position to say whether that is so or not. This proposal, however, cannot be in the interests of our own engineers and workmen. I would rather members had been able to tell us that something phenomenal would be required to produce better machines than our workers are turning out. I think we should be very foolish to embark on this partnership. It is idle for the Minister to say that we have not lost money on the implement works. If the report of the Auditor General is incorrect we should ascertain how far it is incorrect and upon what basis he has made his calculations and report. It was like a bombshell to hear the member for Beverley, who is a director or something of the kind of the Westralian Farmers Ltd., say that there was an agreement. The Minister for Works told us that there was no agreement and that nothing had been finalised; yet the member for Beverley said he had seen it. It may have been a slip of the tongue.

Mr. J. H. Smith: He said he had seen a draft of it.

Hon. G. TAYLOR: If there is a draft, the Minister ought to have a copy of it. The Minister should not hide anything from the House. We should not be called upon to pass the Bill until the draft is finalised. Then the agreement, as finalised, should accompany the Bill, and should be made subject to ratification by Parliament. That is fair and legitimate criticism, and I hope the Minister will adopt my suggestion. Doubtless members opposite will stand solidly by the Government and the Bill will pass this House, and it may even have a successful passage in another place. If it does, we shall be giving the Government power to enter into an agreement with a firm of salesmen for a partnership, the capital of which is to be £300,000. The State will be responsible for £150,000 and the firm will be responsible for an equal amount.

Mr. Latham: The Bill does not say the amount is to be limited to £300,000.

Hon. G. TAYLOR: No; I am quoting the Minister's remarks. I suppose there will be very little money put up in a business transaction of this kind. Doubtless an account will be opened in the name of the partnership and the Government will guar-

antee to the bank their share of the money. Having guaranteed their share and signed the agreement, the other party need not be called upon to put up any money. I am afraid the Government will be the guarantors for the lot. Anyone who knows how guarantors are accepted by banks will realise that that remark is justified. I hope the Bill will not become law. If we cannot produce better implements, the other partner will be importing implements from the Eastern States that will be assembled in our works, and we shall be a partner in the business of assembling machines from the Eastern States, while our works will be idle except for the making of an odd plough now and then. It would be wiser to deal with the implement works in some other way. A year or two ago the Minister for Works told us he was getting a man who would be capable of putting the works on a sound footing and who would be able to compete with all the machinery makers in Australia. In fact, he led us to believe he had secured a man who would accomplish wonders, but we have heard nothing since. The Minister makes such profound statements with apparent sincerity, but nothing eventuates. Consequently we should hesitate to give him a blank cheque on this occasion. Should we empower the Minister to enter into any agreement he pleases without the knowledge of Parliament? The member for Gascoyne (Mr. Angelo) made a fine suggestion, so far as suggestions go; there was a good deal in what he said. If the Government were anxious to put the trading concern on a better footing, he suggested they should give the workmen an opportunity to become partners in the business. He pointed out that the men would produce more individually under such a system than they were producing now. In other words, he said, "If you accept my suggestion, the men now working there will speed up to an extent that in future they will produce very much more. They will be working harder and earning their wages instead of sitting down waiting for a job."

Mr. Sleeman: Do you think he is right?

Hon. G. Taylor: I am not thinking anything about it.

Mr. Sleeman: You said he made a fine suggestion.

Hon. G. TAYLOR: No man is more contented than the man who is paid on results. The union covering the calling I followed

almost from my boyhood—shearing—is one of the few that insists on piecework, and its members while working earn more money than do any other section of the community in this hemisphere. They can make £2 or £3 per day. I think they are being paid 35s. per hundred. When I was shearing with blades, not with machines, we received 17s. 6d. per hundred, but the figure was afterwards raised by the union to £1.

Mr. Sleeman: You were very lucky in those days.

Hon. G. TAYLOR: Well, I could earn £8 to £10 a week, and if I had been getting the rate paid to-day, members can judge for themselves what I could have earned.

Mr. Sleeman: Those sheep were pretty rough.

Hon. G. TAYLOR: The hon. member may know something about wharf lumpers, but he does not know too much about shearing. Still, I have always noticed that he can speak more eloquently on subjects of which he is quite ignorant.

Mr. Panton: And he is not the only one.

Hon. G. TAYLOR: The shearers have retained their piecework rates in face of opposition from organised labour throughout Australia. They have joined up with the A.W.U., the union that I formed in 1888 or 1889 as the General Labourers' Union of Queensland. That union was formed at a station called Beaconsfield. It has outgrown all the Labour unions in Australia, as I told them it would, and it has retained its right to contract work. All the industrial unions, all the labour congresses and all the Jock Gardens cannot get them to adopt day labour.

The Minister for Agricultural Water Supplies: Shearing is a seasonal occupation.

Mr. J. H. Smith: Shearing is in progress practically all the year round in Australia.

Hon. G. TAYLOR: Thirty-five years ago I shored sheep in every month of the year, so there is not much seasonal occupation about that. In this State sheep are shorn in every month of the year.

The Minister for Agricultural Water Supplies: But you lost considerable time.

Hon. G. TAYLOR: Yes, but I believe I have shorn every day in the year, including one Christmas morning, when I wished to cut out some sheep.

Mr. Panton: What has all this got to do with the Bill?

Hon. G. TAYLOR: It supports the contention raised by the member for Gascoyne,

that men on piecework have an interest in their work, and will produce more than they will by day labour.

Mr. Angelo: Not alone that. It raises the standard.

Hon. G. TAYLOR: Of course it does. The harder they work, the more they earn. It is only natural for a human being to say, "Why should I work too hard? Why should I sweat for the boss? I only get ten or fifteen shillings or a pound a day, and am producing three pounds' worth." The member for Gascoyne put up a suggestion which is a proof that, in his opinion at least, the principle of piecework is sound. The hon. member illustrated his argument by referring to a coal mine in which the employees were given a share, and in which the output was within a very short period increased from 400 tons to 700. I believe there is a possibility that by this time the efforts of the employees have raised the output to 1,100 tons.

Mr. Panton: Practically all the work in mines in this State is piecework.

Hon. G. TAYLOR: Of course it is. Coal miners and coal cutters always are paid by the ton. They earn more money by that system, and therefore they stick to it. But there are these day labour people, apart from the coal miners and the shearers.

Mr. Panton: And the gold miners.

Hon. G. TAYLOR: On the gold mines efforts have been made to "roust" out piecework, but it has never been knocked out. There were attempts to get the men on the surface to interfere with the miners underground. A man should be allowed the opportunity to earn all he can. Then merit will assert itself: men will be stimulated to move. I do not say the men at the State Implement Works are not working as hard as they can. I am only illustrating what the member for Gascoyne has argued. He bases his contention on what he has found in the coal mines of New South Wales.

Mr. Angelo: And in other places as well.

Hon. G. TAYLOR: I regret that the figures of loss made by the State Implement Works are so glaring that it is now proposed to enter into partnership with salesmen, who it is hoped will pull the enterprise out of its deplorable position. I shall certainly oppose the second reading, and oppose the Bill at every other stage.

MR. SLEEMAN (Fremantle) [11.7]: Were it not for certain observations made by hon. members opposite, I do not know that I would have spoken on this Bill. Probably I should have contended myself with supporting it. I regret that the necessity for the proposed partnership has arisen. However, if the partnership will be for the betterment of the State Implement Works and of the workmen engaged in the industry, by all means let it come. Certainly things have not been going too well at the works for some time. The cause is not, as some members would have us believe, and as they have for years been trying to make the public believe, to be found in the implements produced. I regret those members have had some success in their efforts to make the farmers of this country believe that certain of those implements are not up to the mark. The men working here are equal to the men in any part of the world. The previous speaker is always anxious to point to Victoria, South Australia, and other countries and talk about how the men in Victoria, for instance, speed up and do this and that, the inference being that the men in Western Australia are not pulling their weight. I wish to inform members opposite that the men employed at the works in North Fremantle pull their weight just as well as any other men in any part of Australia.

Mr. J. H. Smith: Has anyone suggested that they do not?

Mr. SLEEMAN: Yes; it was suggested last night and has been suggested to-day. The last speaker said that if piecework were introduced, the men would speed up and do twice the work they are doing now.

Hon. G. Taylor: I did not say twice.

Mr. SLEEMAN: They could not speed up any more unless they were prepared to fill the cemeteries.

Mr. Sampson: It is human nature to work harder on piecework. You would do so yourself.

Mr. SLEEMAN: You ought to be paid on piecework.

Mr. SPEAKER: Order!

Mr. Sampson: I believe in piecework.

Mr. SPEAKER: Order!

Mr. SLEEMAN: Last night the member for Nelson (Mr. J. H. Smith) complained of the quality of State implements supplied to the groups. In making that complaint the hon. member took a very unfair

advantage of the State Implement Works. If he does not know, he should know, that the implements sent to the groups were supplied as per order. If he knows anything about the State Implement Works, he should know that when they were making harrows and ploughs for the groups the management informed the department concerned that those implements, as specified, were unsuitable for the work.

Mr. J. H. Smith: That was the Government's fault.

Mr. SLEEMAN: The reply the State Implement Works got was, "You make what we order. We are paying for the implements. You are the manufacturers, and we are the people who are going to use the implements."

Mr. Latham: How did you get that information?

Mr. SLEEMAN: It is information the hon. member can get if he makes inquiries. The member for Nelson last night referred to the groups.

Mr. J. H. Smith: Who controls the groups?

Mr. SLEEMAN: A different department altogether. Prior to the advent of the present Government, there were not many State implements on the groups. There was formerly a lack of sympathy with the State Implement Works.

Hon. G. Taylor: Then it must have been the present Government that issued those instructions.

Mr. SLEEMAN: I hope it was. Had it not been for the departmental orders I have referred to, resulting in the supply of unsuitable implements, the works would have supplied implements capable of doing good work instead of such work as the member for Nelson described. The member for Mt. Margaret (Hon. G. Taylor) said the member for Gascoyne (Mr. Angelo) put up a fine suggestion.

Hon. G. Taylor: From his point of view.

Mr. SLEEMAN: The suggestion was that the men in the State Implement Works should take over the works on a kind of co-operative basis.

Mr. Angelo: Judging by results up to the present, the works should be closed down; but sooner than do that I suggest letting

the men have an opportunity to run the works in their own interests.

Mr. SLEEMAN: I do not know about closing down the works, but if the suggestion of the member for Gascoyne were carried out, the men working there would soon be closed down, and their families too. The men would soon be dead, and their families would be in early graves from starvation.

Mr. Angelo: No one wishes to see that.

Mr. Latham: What rubbish!

Mr. SLEEMAN: The member for Gascoyne suggested that the men should put up a fifth of their weekly earnings.

Mr. Angelo: Make it a tenth if you like.

Mr. SLEEMAN: No working man with a family can afford to put up one-fifth of his wages.

Hon. G. Taylor: What about the Fremantle weekly tipping contest?

Mr. SLEEMAN: If a working man puts up a shilling towards the tipping competition, luckily it is not a fifth of his wages.

Mr. Angelo: Let it be a twentieth, so long as the men become partners.

Mr. SLEEMAN: The member for Mt. Margaret (Hon. G. Taylor) said the contribution of a fifth of the men's earnings was a fine suggestion. Could the hon. member's constituents afford to put up a fifth of their wages and rear their families in the way they ought to be reared? I hope the scheme proposed by the Government will bring about an increase in the number of men employed in the industry. One branch of it would, under the Government scheme, certainly tend towards the employment of more men. I refer to machines brought here to be assembled on arrival. Under the agreement such machines would be assembled in North Fremantle, and that would mean work for a few men. With the sympathetic assistance of that large concern, the Westralian Farmers, throughout the country, including the help of the numerous co-operative societies, there should be a considerable improvement, especially if some men in fairly high positions, who have been condemning the State implements, are now prepared to say that they are good implements. Under those conditions we should see in the near future an increased number of men employed in the North Fremantle works.

THE MINISTER FOR WORKS (Hon. A. McCallum—South Fremantle—in reply) [11.12]: The opinions expressed against the Bill have been mostly in general terms. Very few specific reasons have been advanced for opposing the measure. Still, on general lines some members have adopted an attitude of opposition. Really there are only two or three points that I can deal with specifically, and these are small points indeed. The Leader of the Opposition, doubtless with the intention of creating a certain atmosphere outside, said the partnership would deal in American machines and would not encourage either local or Australian production. He expressed the view that the partnership would be trading in American motor cars. However, the Bill sets out distinctly what the partnership shall deal in—agricultural engines, tractors, machinery and implements.

Hon. Sir James Mitchell: That covers motor cars.

The **MINISTER FOR WORKS**: Is a motor car an agricultural implement?

Hon. Sir James Mitchell: It is a machine.

The **MINISTER FOR WORKS**: Undoubtedly the partnership will not deal in motor cars. The only American product that I know of as likely to be dealt in by the partnership will be tractors. The big business to be handled by the partnership will be agricultural implements manufactured either here or in the Eastern States. Apparently the intention is to continue the campaign of prejudice against the works a prejudice largely engendered by political propaganda. Various statements have been made during the last sitting or two in the hope that that prejudice will continue against the partnership. That desire is largely behind many of the opinions expressed during the debate. It has been stated that the co-operative societies in the agricultural districts held agencies for the State Implement Works previously, and that during the period of those agencies the sales did not show marked improvement. The member for Murray-Wellington (Hon. W. J. George) said that while he was Minister the co-operative movement throughout the country, or in a number of districts, held the agency for the State Implement Works. But there is this marked difference between that arrangement and the arrangement now proposed, that during the period

referred to by the hon. member the co-operative societies could take any other agency they liked, and were not bound to the sole agency of the State Implement Works. They could also represent McKay, Massey-Harris, and any other firm of that description. Those other firms were offering larger commissions than the State Implement Works, and naturally their business was pushed to the detriment of the State business. Under the arrangement now proposed, however, the co-operative movement throughout the country would not be able to handle any other agricultural implements. That is the big difference. Under the proposed agreement the co-operative societies will be bound down to the handling of State implements, and will not be able to act as agents for McKay, Massey-Harris, or any other firm of that nature. Thus the whole force of the co-operative movement will be pushing the sale of the products of the partnership.

Hon. Sir James Mitchell: But Bagshaw's machines will still be imported.

The **MINISTER FOR WORKS**: The co-operative societies will not be able to accept agencies for the sale of machinery and implements except through the partnership. That is the whole difference.

Hon. Sir James Mitchell: Of course, but those other implements will not be manufactured at North Fremantle. Implements similar to those manufactured by the State will be imported.

The **MINISTER FOR WORKS**: We have not yet signed the agreement.

Hon. Sir James Mitchell: I know you have not.

The **MINISTER FOR WORKS**: I have explained the immense difference between the proposed arrangement and that which existed previously. So far as the production of the agreement is concerned, I have made the statement here—and I hope it will be believed, as it is perfectly true—that no agreement has been completed. We have been negotiating for some time, and several drafts have been submitted, but there is still a clause or two being negotiated, and no agreement can be completed until this Bill has been passed. It would be illegal to complete it.

Hon. Sir James Mitchell: But the conditions could be set out.

The **MINISTER FOR WORKS**: And the conditions have not yet been completed and

approved. While sitting in my seat listening to the discussion, I have been turning over the question in my mind, and so far as I can recollect I have placed every point to be made before the House. If there is any matter that should be dealt with and which I have not referred to, I invite hon. members to draw my attention to it. I have no intention whatever of keeping anything back from the House. On the other hand, it appeals to me as being ridiculous to suggest that this agreement should be placed before the two Houses of Parliament. I think that Parliament is the most incompetent body to deal with such a matter!

Hon. Sir James Mitchell: We are just as competent as is the Minister!

Mr. Latham: Will you tell us how you intend to deal with the partnership when it is dissolved 10 years hence?

The MINISTER FOR WORKS: This will be an ordinary partnership agreement that will expire in 10 years time unless renewed by the parties concerned.

Mr. Latham: But what will happen to the plant? Will you buy them out, or will they buy you out?

The MINISTER FOR WORKS: There will be practically little plant involved. The only plant will be that which is leased from the State Implement Works.

Mr. Latham: But the partnership will have to put in some plant during the course of 10 years.

The MINISTER FOR WORKS: There will be no additional plant required.

Mr. Latham: Of course, you will require some extra plant for the assembling!

The MINISTER FOR WORKS: What plant will be needed for that?

Mr. Latham: You will want cranes at any rate.

The MINISTER FOR WORKS: But that plant goes with the building already. Extra cranes will not be required. At any rate, cranes are not necessary for the assembling of agricultural implements.

Mr. Latham: You will find that they are.

The MINISTER FOR WORKS: Not at all. All that may possibly be required will be a small drill or two. The Committee, that will be appointed to control the partnership affairs will be able to get them from Mr. Shaw, the manager of the State Implement Works. What machinery is required will be transferred to the

building that will be leased, and that machinery will be hired out.

Mr. Mann: Will the State Implement Works keep their own part in good order, or will that have to be attended to by the partnership?

The MINISTER FOR WORKS: The State Implement Works will have nothing whatever to do with the partnership, which will be entirely separate from the works. The State Implement Works will operate as they operate now. There will be no overlapping or mixing up with the partnership whatever. The partnership will have portion of the building that will be partitioned off, with its own railway siding quite apart from that operated by the State Implement Works. It would be absolutely ridiculous to bring such an agreement as that involved between the State and the Westralian Farmers, before this House and submit it later on to another place, particularly when it is remembered that by doing so the agreement would be discussed line by line and clause by clause, so that the business of the partnership would be completely exposed to trade competitors. No business concern would ever agree to such a proposition.

Hon. G. Taylor: If that is your attitude, you should amend the State Trading Concerns Act so as to obviate the necessity for exposing their business.

The MINISTER FOR WORKS: I agree with that.

Hon. G. Taylor: It is a most scandalous thing.

The MINISTER FOR WORKS: Here we have a number of men charged with the responsibility of administering the affairs of the State, and yet we are not to be trusted to make an agreement of this description! If that is the position, then it is time the Government were removed from office. All we are doing is to set up a small partnership to handle agricultural machinery turned out by the State Implement Works, that work to be controlled by a committee of management. The Government who handle millions of money on behalf of the State, arrive at decisions that affect the whole of the community and almost hourly enter into contracts and agreements involving many thousands of pounds, are not to be trusted with making a simple agreement of this description!

Mr. J. MacCallum Smith: Then what about the powellising agreement?

The MINISTER FOR WORKS: I have not said a word about it. If there is any point about the agreement respecting which hon. members desire information, I shall be only too willing to furnish it. The agreement has not yet been completed, nor can it be completed until the Bill is passed. There are one or two points that are still the subject of negotiations.

Hon. Sir James Mitchell: Of course, the agreement could not be signed at this stage.

Hon. G. Taylor: Has the Minister altered his views since the wheat pool?

The MINISTER FOR WORKS: There is no similarity between the wheat pool and the proposal under discussion. I can assure hon. members that I have taken every precaution in this matter. I had inquiries made, both confidentially and otherwise, in order to make sure that the Westralian Farmers would be able to live up to their obligations under the Bill. Those confidential inquiries were commenced as soon as negotiations were opened up. The Leader of the Opposition and the member for Perth (Mr. Mann) asked why the Government had not opened up negotiations with a private firm. I can assure them that the reason for that is that the Westralian Farmers Ltd. is a co-operative organisation, and the whole thing under review is a co-operative movement. The Government would not be inclined to make any similar arrangement with a private firm. On the other hand, we are proposing to link up in a co-operative movement, interests in which the farmers who buy and use the implements are brought into close contact with the other section directly interested in the business—those who make the implements.

Mr. J. H. Smith: Are all the farmers of Western Australia shareholders in the Westralian Farmers Ltd.?

The MINISTER FOR WORKS: I did not say so!

Mr. Mann: Not ten per cent. of them.

The MINISTER FOR WORKS: The point is that a man must be a farmer before he can become a shareholder in the concern. By linking up the two sections directly interested we can see that the interests of all are protected. Only between such parties would such an amalgamation appeal to the Government. We would not have given such serious consideration to a scheme with

a private firm, because the interests of those who use the implements would not be so directly represented. It has been suggested that there is not much likelihood of more men being employed at the State Implement Works in the future than obtains under the existing system. On the other hand, what has been disclosed during the course of this debate? Some hon. members have said that the plough turned out by the State Implement Works is an excellent one. The member for Beverley (Mr. C. P. Wansbrough) said there was no better plough in the Commonwealth.

Mr. C. P. Wansbrough: Of its type.

The MINISTER FOR WORKS: Wherever we go in the wheat belt, we find there are no complaints against the State ploughs, but still there is a great difficulty in selling them.

Mr. Lindsay: The complaint against them is that they are too heavy.

The MINISTER FOR WORKS: The trouble is that we have not got the organisation necessary, and we find it difficult to create it. The Westralian Farmers Ltd. have been pushing the sale of another type of plough in opposition to the State-manufactured plough. The imported plough cannot be said to be superior or cheaper than the State machine. All that will be altered when the agreement is made, and instead of having that opposition against us, we shall have the efforts of that firm in our favour. Surely the abolition of that opposition should result in increased sales of the State implements, and that must mean more production and more men employed. I do not want to be led into an argument regarding the merits or demerits of State trading, but when a statement is made that the State Implement Works have been responsible for closing down another industry here, that suggestion appeals to me as utter nonsense. The State Implement Works developed a business running into between £200,000 and £300,000 a year. That represents their production. At the same time there was imported into Western Australia, agricultural machinery valued at £1,000,000. Was there not scope within the expenditure of that £1,000,000 for the other firm to continue in business? Because the State Implement Works manufactured £300,000 worth of agricultural machinery, we are accused of squeezing out another manufacturing firm!

That is utter nonsense, mere childishness, to put before a body of sensible men!

Mr. Latham: But there was the competition against that firm!

The MINISTER FOR WORKS: Where was the competition? Was there not scope within the expenditure of £1,000,000 for the other firm to continue making agricultural implements? What nonsense! If this points to anything, it is that private enterprise, which is supposed to establish industries here and to meet the requirements of the people, has utterly failed and £1,000,000 of our hard-earned cash has gone to the Eastern States or overseas for the purchase of machinery necessary for our primary industries.

Hon. G. Taylor: What is the reason for that?

The MINISTER FOR WORKS: That money has gone out of Western Australia in order to provide profits for manufacturers elsewhere. In season and out of season the Leader of the Opposition has talked about millions going out of the State for the purchase of dairy produce and has appealed to the people to assist the dairying industry of the State to become firmly established. He has urged that we should keep those millions of pounds within the State by producing more. The Government stood behind him in his appeal, and have done everything possible to encourage industry locally. If the Leader of the Opposition can argue in favour of the retention of that money in the State and the development of the dairying industry, surely the same argument applies to the production of agricultural implements and the assistance of the agricultural industry. I am confident that had the State Implement Works been commenced on a better basis, under which they would have made a few lines of implements and perfected them before extending to other types of machinery, the concern would have been in a sound position by now. That would have been a perfectly sound basis, and that is the basis on which I want this partnership to work. I feel sure the other party to the agreement also is imbued with that idea. I cannot understand why members here who claim to be the representatives of the farming industry, the industry that owes its very existence to the backing it has had from State funds, the industry that has been developed by Gov-

ernment money, the industry that has relied upon the security of the people, the agricultural industry—I really cannot understand why those representatives should be putting up so much opposition to the Bill. When it comes to a question of giving assistance to the establishment of another industry in order to keep in the country all the money that is now going out of it, to keep that money within our shores, why should all this opposition be raised to the proposal? One would have thought that those members, in common with everybody else having a real interest in the State, would have been prepared to do anything they could to keep all that money here.

Mr. Latham: Whether or not the proposition is a sound one.

The MINISTER FOR WORKS: I am not asking for the support of members for anything that is not perfectly sound. The manufacture of implements and machinery at North Fremantle will be pitted against other manufacturers, and only when it is shown that the works at North Fremantle can produce the goods at a reasonable price will anything be done for them. Is there anything at all unsound in that? This fetish that we must buy everything overseas, that nothing produced by our own people is of any value, that nobody in this country can do anything other than grow wheat or grow wool is, of course, utter nonsense. We have just as good mechanics in this country as we have farmers, and we have just as good tradesmen as we have farmers. We can produce here stuff just as good as can be produced anywhere else. One thing that members overlook is that the engineering section of the State Implement Works has shown a profit nearly every year. It is on the agricultural side that the losses have been incurred. The other section has shown a profit. So on that side the State Implement Works have been able to compete as befits the biggest engineering establishment in the State, outside the Midland Junction workshops.

Hon. G. Taylor: There is a reason for the failure of the State Implement Works.

The MINISTER FOR WORKS: If so the hon. member ought to know all about it. He was in the Government that started the works, and he has supported successive Governments that have continued those works. But what remedy have those successive Governments found to apply to the existing state of affairs? If what has been

said is right, if it is that the taxpayers have lost so much money over these works, if it is that these works have proved so great a burden to Western Australia, one would have thought that long ago some proposition would have been put up by members opposite to meet the situation. Here in the Bill we have a proposition to do something to get us out of the acknowledged difficulty. One would have thought that some effort would have been made long ago—some idea put forward. But no, there has been nothing beyond condemnation and the suggestion, possibly, that the works should be shut down. To those who favour such a suggestion, apparently, it matters nothing that it would entail the throwing of 300 men out of work and on to the labour market, to say nothing of the total loss of the public money that a past Government put into those works. We have had nothing from members opposite but a merely general fault-finding criticism. And when those members were over here in charge for so many years they were not able to devise a scheme likely to bring about any improvement. I want to say in respect of the manufacture of implements, particularly those set out in the schedule, it has been proved that on each of those articles where the reservation has been made that they shall be manufactured at North Fremantle, they can be produced in competition with similar articles produced in Australia. They can be manufactured and sold at a price equally favourable with that of any similar articles that are sold here. It has not been a question of manufacturing; the difficulty has been the sales, and that difficulty—the sales difficulty—has been owing very largely to the political propaganda spread throughout the country.

Hon. Sir James Mitchell: By whom?

The MINISTER FOR WORKS: Largely by the hon. members' own supporters, by members opposite and by the newspapers of this country. It has always been through political propaganda that the difficulties at the State Implement Works have been intensified.

Hon. G. Taylor: Does the Auditor-General's report constitute political propaganda?

The MINISTER FOR WORKS: I am speaking of the political propaganda maintained against State trading. That has had

a disastrous effect on the sales, in building up a prejudice against all State trading.

Mr. Latham: Do you say that State trading is warranted on the results?

The MINISTER FOR WORKS: I decline to be drawn into a discussion on State trading at this stage. But I do want to say a few words on the question of piecework. One would think from the statements made here this evening that the Labour movement in this country was steadfastly pledged against piecework. There is no truth in that assumption. Quite a number of the workers of this country will engage in nothing but piecework.

Hon. G. Taylor: What has stopped them from doing so? What stopped McKay's?

The MINISTER FOR WORKS: I will tell the hon. member what happened in respect of Hugh Victor McKay. Those works were originally at Ballarat when the Shops and Factories Act of Victoria was passed, bringing in the wages board system. Under that Act that system was applied to Ballarat, whereupon Hugh Victor McKay closed down his works at Ballarat and shifted them to Sunshine, because the Act did not apply in the Sunshine district. But shortly afterwards the law was made to apply to him even there, and to-day Hugh Victor McKay can no more do what he likes in Victoria as to piecework and day labour, he can no more institute any system of wages, hours and working conditions in Victoria, than he can here. In Victoria, wages, hours and conditions of work are fixed by wages boards, whereas in this State they are fixed by the Arbitration Court. Hugh Victor McKay had to establish his case in Victoria by evidence before the wages board before he got a decision. He was told that if he came over here he would have to do the same thing; that if he could go to the Arbitration Court and prove his case by evidence in that court, no doubt he would get the court's decision. But because instead of going to the court he went to the unions and they declined to accept his proposals, it is said that the unions stopped him from extending his business to Western Australia and setting up an establishment here. Hugh Victor McKay himself is just as much responsible as are the unions for what happened. Here we have the tribunal that Parliament established. But Hugh Victor McKay declined to go to that tribunal. In Victoria he had to go before the Victorian tribunal. Why

then did he not go to the Arbitration Court here? The Victorian courts and tribunals did not rule over here, did not lay down wages and working conditions for Western Australia.

Mr. Lindsay: He would have had to pay according to the Arbitration Court award here even if he had gone on piecework.

The MINISTER FOR WORKS: If he wanted piecework, why did he not go to the Arbitration Court and ask for piecework? Every argument into which the unions and the employees get in this country is taken to the Arbitration Court. If the employer cannot get from the union exactly what he wants, he goes to the Arbitration Court for a decision.

Mr. Lindsay: Just the same, that McKay affair has done a lot of harm to Western Australia.

The MINISTER FOR WORKS: What sheer, utter nonsense! It is all very well for the hon. member to put up that sort of stuff to people outback who do not know any better, but he cannot come here and put it over members who know the real facts. Hugh Victor McKay tried to dodge the law in Victoria, but eventually was brought under. We were anxious that he should establish his business here. Every encouragement would have been given to him if he had done the same here as every other employer has had to do. In those circumstances, no doubt, he would have got a satisfactory decision from the court and it would have been better for all concerned.

Mr. Davy: What does every other employer have to do here?

The MINISTER FOR WORKS: He has to go to the Arbitration Court when there is any dispute with his employees.

Mr. Davy: But the Arbitration Court comes in only when there cannot be an agreement.

The MINISTER FOR WORKS: That was the position in this case.

Mr. Davy: McKay came over here and invited the workers to undertake piecework, but they would not do it.

The MINISTER FOR WORKS: Then why did he not go to the Arbitration Court and say, "I want this work done under the piecework system"? Then the union would have put in a counterclaim for weekly wages.

If I have been in that court once on similar cases, I have been there scores of times.

Mr. Davy: How could he go to the Arbitration Court before starting an industry?

The MINISTER FOR WORKS: He had started an industry. He has any number of men employed here now.

Mr. Davy: Yes, assembling the machines.

The MINISTER FOR WORKS: Even if he had not one man employed, he could have gone to the Arbitration Court.

Mr. Davy: Of course he could not.

The MINISTER FOR WORKS: Of course he could. The Act provides for that. The hon. member is thinking of the old days, when an employer on going to the court had to prove a dispute with each individual employee. That is not so under the present Act. The days when that sort of thing obtained have gone.

Mr. Lindsay: Did you amend the Act since the trouble with McKay?

The MINISTER FOR WORKS: No. He could have gone to the court from the first and got his decision.

Mr. Davy: He had to start an industry first.

The MINISTER FOR WORKS: But he had started.

Hon. G. Taylor: But only assembling.

The MINISTER FOR WORKS: That does not matter; he had started.

Hon. Sir James Mitchell: He said he would not start unless he could get piecework.

The MINISTER FOR WORKS: Hugh Victor McKay has no more right to take up that attitude than has a union the right to say, "We will not work unless we get another £1 a week." That is what the whole system of arbitration seeks to avoid. However, that has nothing to do with this Bill. I only brought it up to answer the argument as to piecework. I wanted to explode the old idea put up for political propaganda, namely that the unions themselves are opposed to piecework.

Mr. Lindsay: The unions proved it in that instance.

The MINISTER FOR WORKS: The facts are totally against you. I could name any number of unions here who will work on nothing but piecework. To say that the Labour movement in this State is against piecework is not true. There are, as I say, any number of unions who will not work at anything else. I want to again express sur-

prise at the opposition to the Bill. It has been on general lines only; nothing specific has been put up against the idea underlying the Bill. I should have thought that instead of a lot of general prejudice against the principle of State trading being applied as opposition to this measure, the idea that would imbue members was that if what is said is right, if there have been all these losses, and if the State Implement Works are really a weight upon the financial reserves of this country, we should take hold of any move likely to improve the position and relieve the financial pressure, and do something to encourage the establishment of another industry. Why all this carping criticism against State enterprises? They have been in existence for many years and no move has been made to alter the position.

Mr. Latham: A move was made.

The MINISTER FOR WORKS: We should be glad to take hold of any proposal that is likely to mean an improvement in the position. This is a logical move to make. It brings into a partnership the man who uses the implements, and who is interested in their successful manufacture and in the development of his own industry, and gives him an interest in the making and assembling of the article he will be called upon to use. That is the natural linking up that should take place, and it is a proper arrangement for the Government to suggest. The Bill merely gives power to enter into this agreement. If the agreement were completed, I would not hesitate to let members see it, but it is not and cannot be completed until the Bill becomes law.

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

Ayes	19
Noes	16

Majority for	..	3
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AYES.

Mr. Chesson	Mr. Millington
Mr. Clydesdale	Mr. Munste
Mr. Corboy	Mr. Panton
Mr. Coverley	Mr. Rowe
Mr. Cunningham	Mr. Sleeman
Mr. Kennedy	Mr. A. Wansbrough
Mr. Lamond	Mr. C. P. Wansbrough
Mr. Lutey	Mr. Willcock
Mr. Marshall	Mr. Wilson
Mr. McCallum	

(Teller.)

NOES.

Mr. Angelo	Mr. Mann
Mr. Barnard	Sir James Mitchell
Mr. Brown	Mr. Richardson
Mr. Davy	Mr. Sampson
Mr. Ferguson	Mr. J. H. Smith
Mr. Griffiths	Mr. Taylor
Mr. Latham	Mr. North
Mr. Lindsay	
Mr. Maley	

(Teller.)

PAIRS.

AYES.	NOES.
Mr. Collier	Mr. George
Miss Holman	Mr. J. M. Smith
Mr. W. D. Johnson	Mr. Stubbs
Mr. Kenneally	Mr. Doney
Mr. Lambert	Mr. Teesdale
Mr. Troy	Mr. Thomson

Hon. G. Taylor: On a point of order. The member for Beverley said he was a director of Westralian Farmers Ltd. How far will that affect his vote?

Mr. Spenger: There is no point of order in that. The matter is provided for.

Question thus passed.

Bill read a second time.

In Committee.

Mr. Lutey in the Chair: the Minister for Works in charge of the Bill.

Clause 1—agreed to.

Clause 2: Authority to carry on business of State Implement Works in co-operation with Westralian Farmers:

Hon. Sir JAMES MITCHELL: The Minister was wrong in saying that motor cars could not be traded in under this Bill. A motor car is a machine and is used on farms. It seems to me any machine can be dealt with. The word "machinery" covers motor cars. The Minister also said that propaganda had been engaged in against the works for political purposes and that is also wrong.

The Minister for Works: I would not condemn an article made by State enterprise because of my political views.

Hon. Sir JAMES MITCHELL: Neither would I.

Hon. G. Taylor: Do you suggest that?

The Minister for Works: Many have done so.

Hon. Sir JAMES MITCHELL: Neither would I tell the farmer that such and such a thing was the best he could buy if I did

not think it was. An implement will sell itself after a satisfactory trial. When a few ploughs are sold into a district and the farmers have proved their worth they will generally buy them in preference to others. All agricultural machinery that is brought into the State might be made here. Probably 100,000 people are kept employed in the Eastern States manufacturing goods for Western Australia. They are taxpayers there instead of being taxpayers here. The Minister said that MacKays could have come here if they had really desired to do so. What MacKay said was that he would come here if the men would agree to piece work as they were doing in Victoria. He had a perfect right to say that.

The Minister for Works: It was for the court to decide that, not for him.

Hon. Sir JAMES MITCHELL: The men here refused the proposition and he did not come. I am sorry the factory was not established. Our people should be supplying machinery to our own farmers.

Clause put and passed.

Title—agreed to.

Bill reported without amendment and the report adopted.

Read a third time.

THE MINISTER FOR WORKS (Hon. A. McCallum—South Fremantle) [11.59]: I move—

That the Bill be transmitted by message to the Legislative Council, and its concurrence desired therein.

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

Ayes	..	..	..	19
Noes	..	..	..	16
				—
Majority for	..			3

AYES.

Mr. Chesson	Mr. Millington
Mr. Clydesdale	Mr. Munro
Mr. Corboy	Mr. Pantou
Mr. Coverley	Mr. Rowe
Mr. Cunningham	Mr. Sleeman
Mr. Kennedy	Mr. A. Wansbrough
Mr. Lamond	Mr. C. F. Wansbrough
Mr. Lutey	Mr. Willcock
Mr. Marshall	Mr. Wilson
Mr. McCallum	

(Teller.)

NOES.

Mr. Angelo	Mr. Maley
Mr. Barnard	Mr. Mann
Mr. Browe	Sir James Mitchell
Mr. Davy	Mr. Richardson
Mr. Ferguson	Mr. Sampson
Mr. Griffiths	Mr. J. H. Smith
Mr. Latham	Mr. Taylor
Mr. Lindsay	Mr. North

(Teller.)

PARTS.

AYES.	NOES.
Mr. Collier	Mr. George
Miss Holman	Mr. J. M. Smith
Mr. W. D. Johnson	Mr. Stubbs
Mr. Kenneally	Mr. Doney
Mr. Lambert	Mr. Teesdale
Mr. Troy	Mr. Thomson

Question thus passed, and the Bill accordingly transmitted by message to the Council.

BILL—AGRICULTURAL BANK ACT AMENDMENT.

Message.

Message from the Governor received and read recommending appropriation for the purposes of the Bill.

Second Reading.

THE MINISTER FOR AGRICULTURE (Hon. H. Millington—Leederville) [12.7] in moving the second reading said: The Bill is for the purpose of increasing the capital of the Agricultural Bank from £4,500,000 to £5,500,000. The capital of the bank has not been increased since 1914, when it was increased from £4,000,000 to £4,500,000. The need for additional capital has been occasioned by the extension of the operations of the bank and its increased liabilities. At present it is working on an overdraft of £83,000. In ordinary circumstances we have to go to a bank for an overdraft, but in this instance the bank has to call upon the Treasury for an overdraft. In addition to that, the bank has other commitments. For instance, there are loans approved, but not yet advanced, representing a total of £959,000. The overdraft and the loans approved but not advanced, make it necessary to increase the capital of the bank by £1,000,000. The transactions of the bank have been increasing with successive years and as no additional capital has been made available to the bank for 14 years, the time has now arrived when it must be done. As indicating

the extended financial responsibility of the bank during recent years, the following table showing the figures for the last five years for clearing only will be of interest:—

Financial year.	Loans approved.	Acres.	£
1923-24 ..	1,083	205,080	256,122
1924-25 ..	930	175,142	220,569
1925-26 ..	1,118	226,551	277,063
1926-27 ..	1,337	298,416	351,678
1927-28 ..	1,524	379,757	408,338
Total ..	5,992	1,284,946	1,513,770

It is expected that some of the money advanced will come back to the bank. The manager estimates that between £400,000 and £500,000 will be repaid on account of other banks taking over the liability of the Agricultural Bank. At the same time provision must be made for the bank's liabilities, which are over a million pounds. So it is necessary to have this additional capital. I do not know that there is need for any elaborate exposition, because the thing is self-explanatory. The wonder is we have not had to increase the capital long before this. Since the bank is now working on an overdraft, and since commitments are greater than ever before, the Bill is brought down to increase the capital of the bank. I move—

That the Bill be now read a second time.

HON. SIR JAMES MITCHELL (Northam) [12.12]: I know the additional capital must be provided, for in these days long credits cannot be had from private concerns, and so the work must be done by the bank. Apart from that, agriculture is the industry on which the State now very largely depends, and the sooner we can increase production the better, whether in the south or in the eastern wheat belt. I should not oppose even a still greater increase in the capital of the bank. For it does not follow that because we authorise an increase in the capital it will be provided immediately: it only means that whenever occasion arises the Government will have the right to increase the capital up to the amount authorised. I notice that the trustees of the bank have gone to Esperance. I hope that as a result of their visit we shall be able to do something better for that district than we have done in the past. I hope the Government will not let this matter rest, but will take up the question and endeavour to solve the problem. If the Government succeed in that it will

mean a very great deal to the district and the State also. There is no room for doubt about the future of that district. The question is, how soon can we get to work to make the district as prosperous as it ought to be? For years past in this State we have been clearing something like 400,000 acres per annum. That is a very satisfactory record, for it means that one-sixteenth of the population of Australia is doing far more for the development of agriculture, particularly wheat growing, than is all the rest of the Commonwealth put together. That is due largely to the fact that successive Governments have made it the work of the State to advance through the Agricultural Bank money to the agriculturists for the purpose of farming development. By our efforts we have brought contentment and prosperity to many thousands who went on the land without money and without experience. In this way far more people have been helped in Western Australia than in all the rest of Australia put together. So nobody could dream of opposing an increase of capital to this institution. If this additional capital could be used in the next three months, I should be delighted, and if we were asked to double the authorised capital because it was wanted for clearing land, we ought all to be prepared to support it. Unfortunately we have only this relatively small increase of capital before us, and so we can do no more than grant it. The Agricultural Bank has proved to be an extraordinary success. The Workers' Homes Board and the Agricultural Bank both have been exceedingly well managed. For more than 20 years we have been advancing all the money necessary for the making of farms, and very often for the production of seed wheat and fertiliser, and the wonder is that the bank has been able to escape with so few losses. Under our system there is no question of putting up the rate of interest in order that we might provide cover for some of the losses. We cannot do that, and indeed it would be very wrong to do it. The first Bill I introduced in Parliament was a Bill to authorise Agricultural Bank advances to the full value of the work to be done. Prior to that the advances were limited to 75 per cent. of the value of the work to be done. But when so many people without means were on the land, that 75 per cent., while of some assistance was not all that we felt ought to be done for them. So I said to

Parliament, "Let us advance up to the full cost of farm making, and so give our own men a chance." Under the management of the trustees and the present general manager that has worked most successfully and proved very helpful for those who have received assistance from the bank. I have no intention of opposing the Bill. In fact, I have every intention of supporting the Minister in his desire to extend the beneficial assistance of the bank.

MR. LATHAM (York) [12.17]: I should like to know if the funds embarked under the Industries Assistance Act come from this authority. The probability is that prior to next seeding time it will be necessary for the Government to make certain advances under the Industries Assistance Act for seed for the settlers on the fringe of settlement. If we do not do that, those men will find themselves in an exceedingly difficult position. The Minister has already heard something of the difficulties of those settlers on the edge of settlement. If this is the authority under which advances are made through the Industries Assistance Board, probably it will be called upon for a considerable sum before next seeding time.

MR. ANGELO (Gascoyne) [12.18]: The passing of the Bill will mean that the Treasurer will have to find another million pounds which, of course, is going to add to his anxiety to get all the money required for carrying out these huge works we have agreed to during the last few weeks. In this connection may I remind the Government that in answer to questions I put to the Premier a few weeks ago we were advised that the 'Commonwealth Bank had deposits amounting to over £5,000,000 from the people of this State. The Premier said he could not give me the amount of the advances made by the bank. However, I have since learned from a reliable source that the advances made to the people of Western Australia by the Commonwealth Bank aggregate considerably under a million. Those are advances apart from anything advanced to the State Government. In any case it appears that the Commonwealth Bank has some millions of pounds of the money of our people, and is not doing a fair share towards developing the State with these moneys. That is a totally different thing.

Mr. J. H. Smith: What is the Primary Producers' Bank doing?

Mr. ANGELO: The Primary Producers Bank has lent three times the money it has got in the State. If the Commonwealth Government would do the same we would soon be on the road to prosperity. I am glad of the hon. member's interjection. The advances by other banks in this State are considerably higher than their deposits. The one exception is the Commonwealth Bank. I suggest that the Government point out the position to the Prime Minister and ask if he would assist us by lending the extra million of money required out of the Commonwealth Bank funds to enable us to carry on the good work that our Agricultural Bank is doing to aid the development of the State.

MR. J. H. SMITH (Nelson) [12.22]: It is necessary to have more money to develop the State, but I ask the Minister to be careful. The Deputy Leader of the Country Party told the House in all sincerity that he believes the I.A.B. will be in operation again this year to a great extent.

Mr. Latham: I did not say to a great extent; I said to some extent.

Mr. J. H. SMITH: Then the Minister ought to be careful. I believe the trustees of the bank have advised the Government that before they will make crop advances in the new area they are going to insist upon the land being fallowed even for the first year.

Hon. G. Taylor: The Minister for Lands is reported in this morning's paper as having said that.

Mr. J. H. SMITH: The State is embarking on a bold scheme of development. Railways are being built into areas where we cannot be sure of the result, and it is a serious matter to grant a further million of capital to the Agricultural Bank. I realise that the bank has been the great factor in the opening up of the State. I know hundreds of settlers who have cursed the day when they left the Agricultural Bank to deal with private banks. The Agricultural Bank is the satisfactory institution to make advances for the opening up of the country.

HON. G. TAYLOR (Mount Margaret) [12.23]: I remember a Bill of this description having been brought down on several occasions and no matter on which side of the House I have been sitting or what party have been in power, no proposal to increase

the capital of the Agricultural Bank has ever given rise to the slightest objection. I do not know of any money that is voted by Parliament with the same cheerfulness as increased capital to the Agricultural Bank.

Mr. Angelo: It has been well used.

Hon. G. TAYLOR: Yes. Before we advanced money through the bank for agricultural development our wheat yield was a few bushels and now it is 30,000,000 bushels. However much money we spend in this way, we shall get returns for it. I am pleased the Minister has seen fit to request an increase of capital to develop further the lands of the State. I support the second reading and commend the Minister for having brought down the Bill.

THE MINISTER FOR AGRICULTURE

(Hon. H. Millington—Leederville—in reply)

[12.25]: There seems to be a misapprehension as to the policy of the bank regarding the Esperance district. There has been no alteration of the policy in respect to present settlers in the Esperance district south of Salmon Gums.

Hon. Sir James Mitchell: I did not ask about the policy: I asked what was to be done.

The MINISTER FOR AGRICULTURE: There has been no alteration in the policy, but I think the bank trustees are quite right in adopting a cautious attitude as regards that district.

Hon. Sir James Mitchell: I did not question that.

Hon. G. Taylor: They need to be careful.

The MINISTER FOR AGRICULTURE: They have to exercise the greatest care. Stated in plain language, all the bank is trying to do is to endeavour to knock the Esperance settlers into shape.

Hon. G. Taylor: And compel them to farm properly.

The MINISTER FOR AGRICULTURE: Yes. We have a big liability in that district; £350,000 of the State's money is invested in the Esperance district, and though the district has so far proved a comparative failure, it does not mean that the bank trustees are going to drop the present settlers. They have not the slightest idea of doing so. They say the district should be properly tested before the mallee country is settled. In that they are quite right. I feel confident that the district will eventually prove a good one. The member for Nelson (Mr. J. H.

Smith) raised a question about the new areas being opened up and stressed the need for caution. To an extent the bank trustees have to be conservative. It is not the policy of the bank to encourage people to go into doubtful areas a long way from railway facilities. Where the trustees have advanced money it has been mainly in safe districts, and each district has proved that the advances made were warranted. Where good farming methods have been adopted in the Esperance district this season, the results have proved successful. At the State farm established in 1926 the average bulk yield has been 16 bushels, while at the other extreme of settlement, Ghooli, which will cover the big settlement scheme at Southern Cross, the return for the bulk crop is 19 bushels. Information from some of the newer districts that might be considered doubtful is that where proper farming methods have been adopted, the season has been successful. The bank trustees have to exercise care and, to an extent, must adopt a conservative policy. The member for York (Mr. Latham) spoke of the I.A.B. He knows the board were established under a separate Act, and for a time worked independently of the Agricultural Bank. The management of the I.A.B., however, is in the hands of the bank officials, and since they control the advances made by the I.A.B., I believe the utmost care is exercised and the general position is far more satisfactory since they took charge.

Mr. Latham: I am not questioning that. Where do they get their funds?

The MINISTER FOR AGRICULTURE: The board is administered by the bank officials just as the soldier settlement scheme is administered by them. That was outside the bank's control and the bank's policy. It was a special Act for a special purpose. Of course the business has to be cleaned up. New advances are made under the ordinary policy of the bank. The Industries Assistance Board continues and has been kept going, but no new advances are made by it.

Mr. Latham: If advances have to be made for seed and super, they are made from the Agricultural Bank.

The MINISTER FOR AGRICULTURE: My information is that no new advances are being made. It is merely a case of carrying on the old business.

Mr. Angelo: Will you not have to amend the Agricultural Bank Act to enable these

advances to be made for the supply of seed? It does not provide for that.

Mr. Latham: You might anticipate the legislation.

The MINISTER FOR AGRICULTURE: The bank trustees already have the authority.

Mr. Angelo: To provide seed and make advances for cropping?

The MINISTER FOR AGRICULTURE: The Agricultural Bank has wide powers. It is a question of security. The institution advances money on sound lines. Money is advanced for clearing and stocking where there is a reasonably good security. I have the assurance of the manager that after the operations over a period of years, and allowing for a large amount having to be written off, the bank is in a sound financial position to-day.

Mr. Latham: No one doubts that.

The MINISTER FOR AGRICULTURE: The bank has done good work for the country, and it is well and carefully managed by the present trustees.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Read a third time and transmitted to the Council.

BILL—KOJONUP CEMETERY.

Second Reading.

The MINISTER FOR AGRICULTURE (Hon. H. Millington—Leederville [12.35]) in moving the second reading said: This is a small but necessary measure. The particulars are set out in the schedule. For some time the people of Kojonup have been trying to get a local cemetery board under the Cemeteries Act, and have it placed under the control of trustees in accordance with that Act. The difficulty is that the land comprising the cemetery is held by the Anglican and Roman Catholic Churches respectively. The churches have signified their willingness to transfer the land to the Kojonup Road Board as trustees under the Cemeteries Act, but as some of the land is not held under the Transfer of

Land Act, there are difficulties in the way of effecting the transfer. The Crown Law authorities consider that the matter can be more effectively dealt with in a Bill vesting the land in the Kojonup Road Board as trustees under the Cemeteries Act 1897.

Hon. G. Taylor: All the land?

The MINISTER FOR AGRICULTURE: Yes. The schedule sets out the present boundaries of the land. The Crown Law authorities think that is the proper method of dealing with the matter. In respect of Bills of this nature it is essential we should have the consent and approval of the parties concerned. In this case the land is owned by the two churches I have referred to. In the past there has been no statutory board, and the consequence is that we are not empowered to collect fees. It is necessary for the proper management of the business that it should be placed under the control of the local authority, which can be constituted a cemetery board. I have documents here showing that both churches have consented to the transfer of the land. They also desire that it should be made. As they are the only parties concerned and the local authority is the proper one to control the cemetery, there would seem to be no room for objection to the Bill. The parties have agreed that the proper authority to constitute the cemetery board is the local governing body. I move—

That the Bill be now read a second time.

MR. LATHAM (York) [12.38]: I hope that any arrangement which may have been made between the churches and the owners of the burial places in the cemetery will be observed by the road board.

The Minister for Agriculture: They will be constituted a cemetery board.

Mr. LATHAM: No doubt they will work under standard by-laws. Arrangements may have been entered into between private owners and the churches quite different from the by-laws. If that is so, I hope that such arrangements will be honoured by the local board although they may not be in conformity with the by-laws. In any future arrangement it is only right that any lease of the land should be in conformity with the by-laws. I hope there will be no feeling between the owners of the leases and the road board in view of the fact that they made arrangements prior to the passing of

the Bill, and these may not be in conformity with the by-laws.

HON. G. TAYLOR (Mount Margaret) [12.40]: The Minister has assured us that all the denominations interested in the land are satisfied that the Bill should pass. The hon. gentleman has also told us that the cemetery is practically neglected, and that there is no control over it.

The Minister for Agriculture: No proper control.

Hon. G. TAYLOR: From the observations of the member for York (Mr. Latham) I assume that no one has privately bought any portion of the cemetery.

The Minister for Agriculture: The cemetery will be entirely controlled by the cemetery board.

Hon. G. TAYLOR: I also presume the board referred to will act under powers similar to those of other cemetery boards. Thus there should be no danger in passing the Bill, the various denominations being satisfied. In the circumstances I have much pleasure in supporting the measure.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Read a third, and transmitted to the Council.

BILL—HEALTH ACT AMENDMENT.

Report of Committee adopted.

Bill read a third time, and transmitted to the Council.

BILL—LAND ACT AMENDMENT.

In Committee.

Resumed from the previous day; Mr. Panton in the Chair, the Minister for Agriculture in charge of the Bill.

Clause 2—Pastoral leases (partly considered):

The CHAIRMAN: The member for Murchison has moved the following amendment:—

That all words after "by him," in line 5 of subparagraph (a) of paragraph (2) to the end of the subparagraph, be struck out, and the words "from the first day of January, 1929," be inserted in lieu.

The MINISTER FOR AGRICULTURE: As I stated yesterday, I cannot possibly agree to the amendment. One reason is that I am opposed to the granting of any advantages to those now applying for extension over those who have already transferred, though the Government are anxious to facilitate extension.

Mr. Marshall: Tell us why the others have not come under the new law.

The MINISTER FOR AGRICULTURE: I have already gone into that aspect fully. The hon. member has not shown any reason why leaseholders who have not come under the 1917 Act should be granted any special privileges as compared with leaseholders who have paid double rents during the past 10 years. If we legislate to give special concessions to certain people, those who have already paid double rents will experience feelings which can readily be understood. All the pastoralists should be on an equal footing, and the Bill provides that they shall be. The leases to which the amendment refers expire at the end of the year. The other leases, which have been brought under the 1917 Act, have been extended to 1948. The leases not so dealt with will be thrown open to selection next year. However the Government wish to give a final opportunity to bring the whole of these latter leases under the amendment Act. Despite the fact that their holders did not take advantage of the opportunities given them in the past, we are now giving them another chance to come under the 1917 amendment and have their leases extended to 1948.

Mr. Sampson: But is there not a misprint in the Bill? It refers to leases expiring on the 31st December, 1928.

The MINISTER FOR AGRICULTURE: That is not a misprint. The leases will expire at the end of this year and unless the Bill is passed, those lessees will have to apply for them in the ordinary way. If the Bill is agreed to, they will be continued automatically under the conditions set out.

Mr. MARSHALL: I have listened to the Minister attentively and, by interjection, I requested him to supply us with the reason why he would not accept the proposals that are included in my amendment. The only reply I have been able to get from the Minister is, "How can I answer to the people who have held their two million acres for the past 10 years under the conditions that were laid down in the 1917 amending measure?" On looking up the debates, I find that there were two reasons only for the introduction of that amending legislation in 1917. In moving the second reading of the Bill the then Premier and Minister for Lands said—

It has been a difficult matter for pastoral lessees to lay down exactly which portion of their leases they desire to hold and which portion they desire to dispose of, and moreover, at the present time during the progress of the war, it is very difficult to make sales or to obtain money.

If my amendment is agreed to it will place all the lessees whose leases run out on the 31st December next, on an equal footing with the others. The people I have in mind have not enjoyed the enhanced prices or the sales that were possible as the result of the extension of leases to 1948.

Mr. Lamond: But they had the right to have their leases extended.

Mr. MARSHALL: I am not denying that fact at all. The point is that these people were satisfied with the contract they had with the Government, and the others were not. They prevailed upon the Government to extend the leases to 1948, and they enjoyed privileges that were not secured to those whose leases had not the same tenure. Immediately after the extension of the leases was agreed to, we know what happened. Many of the lessees sold out at enhanced prices, whereas the others were not able to sell because there was no security of tenure. Why should those who were in the position of land jobbers be placed on a more advantageous plane than those who were content with their contract with the Government?

Mr. Mann: Are you not straining the point you have made?

Mr. MARSHALL: No. The lessees who had their leases extended to 1948 were able to derive benefits, whereas the value of the leases that were not extended was practically nil. The holders of the 1928 leases could

not secure advances because their security was not sufficient.

Mr. Mann: But are you entitled to call the pastoralists "land jobbers"?

Mr. MARSHALL: I did not intend that term to have a general application, but we know that there are some people who were in that class.

The CHAIRMAN: The hon. member is getting away from his amendment.

Mr. MARSHALL: I am not worrying about any explanation that the Minister may desire to make to the other people, but I must say I am surprised at his attitude. It is merely persecuting those who did not extend their leases to 1948. I know that many of them are not in a financial position to raise the money that will be necessary under the Bill, if their leases are extended. If my amendment is agreed to, they will start off as from January 1st, paying the increased rates and so forth, and the provisions of the Bill will not be made retrospective.

Mr. ANGELO: I should like the Minister to indicate what his attitude will be to those lessees who, instead of renewing their leases, submit a list of their improvements and put in applications for the leases under the new Act. Is he going to penalise those lessees and perhaps give the leases to other applicants, or will he give the previous holders preference of renewal? Because if he does that there will be no back rent whatever. That is what the Minister is up against. It is going to be a difficult proposition. Some of those people who have not come under the new Act previously should not have an advantage over the other lessees. As the member for Murchison has told us, most of those people were not in a position to come under the new Act.

Mr. Teesdale: Do you know of any in your district?

Mr. ANGELO: I do.

Mr. Teesdale: There is not one in mine.

Mr. ANGELO: I should like to hear from the Minister what the Government intend to do in such an instance as I have indicated.

Mr. J. H. SMITH: Last night I was inclined to support the amendment moved by the member for Murchison, on the assurance of the Minister that there was to be a further amendment which will meet these people. I am glad this legislation is going to give those small holders an opportunity to

extend their leases to 1948. The member for Gascoyne suggests a way out. He would say to these holders, "Abandon your leases."

The Minister for Agriculture: They are automatically thrown open for selection. Present holders are finished with them.

Mr. J. H. SMITH: I want the Minister to relieve the minds of the members for Kimberley and Murchison. Is it not a fact that leases are reappraised? I know of leases extended to 1948 for which the holders were paying only 5s. Those leases have been reappraised, and some of the holders are still paying 5s., some 6s. and some others only 4s. So the amendment cannot represent such a great hardship.

Mr. Marshall: They have to pay for ten years back.

Mr. J. H. SMITH: Even so, if the appraisers say the lease is worth only 5s., they will go back and the lessees will be paying nothing. They may even be getting a refund for 10 years back.

Mr. Marshall: All the leases to be renewed were appraised long ago.

Mr. J. H. SMITH: But if they are extended until 1948 there will be a reappraisal. I cannot support the amendment.

Mr. TEESDALE: There has been a good deal of reference to the small holders. It would be interesting if a list were read out showing all the State's small holders. Those men who would not pay up before because they thought they could dodge something, are now coming in and putting themselves on the same footing as men who have paid rental for the last 10 years.

Amendment put and a division taken with the following result:—

Ayes	..	..	..	7
Noes	..	..	..	23

Majority against .. 16

AYES.

Mr. Angelo
Mr. Barnard
Mr. Coverley
Mr. Griffiths

Mr. Marshall
Mr. Sampson
Mr. Taylor

(Teller.)

NOES.

Mr. Brown
Mr. Cherson
Mr. Clydesdale
Mr. Corboy
Mr. Cunningham
Mr. Ferguson
Mr. Kennedy

Mr. Lamond
Mr. Latham
Mr. Luty
Mr. Maley
Mr. McCallum
Mr. Millington
Mr. Munste

Mr. North
Mr. Richardson
Mr. Rows
Mr. Sleeman
Mr. J. H. Smith

Mr. J. M. Smith
Mr. A. Wansbrough
Mr. Willcock
Mr. Wilson

(Teller.)

Amendment thus negatived.

The MINISTER FOR AGRICULTURE:
I move an amendment—

That after "him," in line 5 of paragraph (a) of Subclause 2, the words "on demand" be inserted.

If the applicant for the extended lease had to provide at once the whole of the money for the double rent and interest since 1918, it would cause undue hardship in some cases. The amendment will empower the Minister to grant an extended period because the lessee will not have to pay the money until it is demanded. We are not desirous of penalising struggling men. Sympathetic treatment has been meted out in the past and will be meted out in future. The rent will be determined at the reappraisal. I discussed this matter with the Under Secretary for Lands to-day and he stated that the appraisements will be made at an early date. I do not know of any lease that has been appraised at more than its value.

Mr. Marshall: Yes, there have been some.

The MINISTER FOR AGRICULTURE:
Anyhow, the reappraisements will be undertaken at an early date.

Mr. Marshall: There are four million acres to be reappraised.

The MINISTER FOR AGRICULTURE:
It is intended to have the reappraisements made early so that the leaseholders will know where they stand. It must not be overlooked that under the amendment the leases will be secured to the present holders, which is a distinct advantage. Representatives of South-Western districts recognise what an advantage that is.

Mr. Coverley: Why not cut out the interest charge?

The MINISTER FOR AGRICULTURE:
Where leaseholders have paid their rent the Treasury has had the use of the money. Where the Treasury has had to stand out of the money the leaseholders should pay interest on it. Of course that would apply only if a lease were reappraised at a higher amount. If it was reappraised at a higher amount the reason would be that the lease was worth it. The Lands Department will give lessees liberal treatment.

Mr. Marshall: The Lands Department is a little too liberal. There is £200 of rent owing on one block which the lessee has not seen.

Mr. CHESSON: The amendment meets with my wishes. I desired to protect the men who did not take advantage of the 1917 Act and who are struggling to establish their holdings. I am glad the Minister will be able to give them an opportunity to pay their double rent and interest by instalments, and I am satisfied the provision will be administered sympathetically.

Mr. ANGELO: I presume the amendment means that if these people want a renewal of their leases they must pay the interest forthwith. If it is proposed to give time in which to pay the interest the amendment should come at the end of the paragraph.

The Minister for Agriculture: They must pay something if they can.

Mr. ANGELO: The insertion of the words suggests that the Minister is prepared to give time for the payment of the double rent, but insists on the interest being paid with the application.

The Minister for Agriculture: No.

Mr. ANGELO: The interest runs into over 40 per cent. on the double rent.

The MINISTER FOR AGRICULTURE: Unless these words are inserted, the lessee will have to deposit the whole amount with his application. This relief will not be the general policy. The lessee will have to satisfy the department that he cannot pay. Each case will be dealt with on its merits. This gives the department discretion to deal leniently with those who cannot afford to pay.

Hon. Sir JAMES MITCHELL: If these people like to take their chance of getting back their leases after forfeiture, they may not want to pay anything. If they comply with the conditions, however, they can retain their leases without competition. That is very generous treatment. If there is any over-payment it is not likely the Minister will hold on to the excess money for any lengthy period. By the inclusion of the words "on demand" the money can be paid when the reappraisement has been made. There is no necessity to ask either for the interest or the principal until then. The Minister is doing all he should in the circumstances.

The Minister for Agriculture: The money that ought to be paid will be determined by the reappraisement.

Hon. Sir JAMES MITCHELL: We cannot make fish of one and flesh of the other, but it is possible to give consideration to people who have the smallest purses.

Hon. G. TAYLOR: The applicant will have to satisfy the department that he cannot pay immediately either the double rent or the interest. Each case, I take it, will be dealt with by itself. The payment may then be waived to some future date. Of course the principle will not be applied generally.

Amendment put and passed.

The MINISTER FOR AGRICULTURE: I move an amendment—

That in paragraph (b), after the word "paid," in line 4, "or payable" be inserted.

Amendment put and passed.

The MINISTER FOR AGRICULTURE: I move an amendment—

That in paragraph (b) the words "shall not be repayable," in lines 5 and 6, be struck out.

Amendment put and passed.

The MINISTER FOR AGRICULTURE: Following on the last amendment, I move a further amendment—

That the following words be inserted:—"shall be repaid or waived as the case may be, except in respect of interest and less the cost of appraisal and rents as appraised from the first day of January, 1929, to the expiration of the half-year current at the date when the renewal is declined."

Those words meet the case referred to by the member for Gascoyne.

Mr. Angelo: Not quite.

The MINISTER FOR AGRICULTURE: Yes, they do. They give the concession to the man who wishes his lease to be extended.

Hon. Sir James Mitchell: Why are the words "or waived" inserted?

The MINISTER FOR AGRICULTURE: The amount would be repaid in the case of a man who had deposited, and waived in the case of a man who had not lodged the money.

Mr. ANGELO: The words I proposed to insert were, "Refunded less the cost incurred by the Minister for appraisal and rent from the first day of January, 1929, to the date of abandonment of the lease." I quite agree with the Minister's amendment except to this extent, that according to my reading

of it the man who has paid rent for 10 years together with interest for 10 years will not get the interest repaid. Is that what is intended? Why does the Minister insert the reference to interest? Does he want to keep the interest?

The Minister for Agriculture: That is as far as we are prepared to go.

Mr. ANGELO: But the man has carried out all obligations under the 1923 Act. He now applies for a renewal, and he is prepared to pay the double rent and to pay interest provided the rent that will be charged to him is fair. If in the appraisers' opinion the rent is considerably higher than the man thinks he ought to pay, and if then he says, "I will go no further with it," why does the Minister want to keep the interest the man has paid?

The MINISTER FOR AGRICULTURE: I think I have grasped the hon. member's meaning. The difficulty is as regards the man who applies for extension and decides after reappraisalment that the rent is too high. He is charged interest because he has had the lease at half rent for 10 years. We charge him interest for the rent he has not paid.

Amendment put and passed.

The MINISTER FOR AGRICULTURE: I move an amendment—

That in paragraph (c), after the word "paid," in line 4, "or payable" be inserted.

This is a consequential amendment.

Amendment put and passed.

Hon. Sir JAMES MITCHELL: I move an amendment—

That in paragraph (c) the words "and any over-payment will be placed to his credit" be struck out.

Interest is charged on the amount of rent the man has not paid. In some cases the rent will remain as now, and the overpayment will carry the man on for the next 11 years. It is not a bit of good to the Government, and I do not think it is fair to the leaseholder.

Amendment put and passed.

Clause, as amended, agreed to.

Clause 3, Title—agreed to.

Bill reported with amendments, and the report adopted.

Third Reading.

Read a third time, and transmitted to the Council.

House adjourned at 1.40 a.m. (Friday).

Legislative Council.

Friday, 14th December, 1928.

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

BILLS (4)—THIRD READING.

- 1, Licensing Act Amendment (No. 1).
- 2, Road Districts Act Amendment (No. 1).

3, Reserves.

4, Roads Closure (No. 2).

Passed.

BILL—APPROPRIATION.

Second Reading.

Order of the Day read for the resumption from the previous day of the debate on the second reading.

Hon. H. A. STEPHENSON: I move—

That the debate be adjourned.

The CHIEF SECRETARY: I should like to make a statement.

The PRESIDENT: A motion for adjournment cannot be debated, but the Minister may make a personal explanation.